

The Commissioner Queensland Floods Commission of Inquiry

Re: NRMA Insurance (IAG Limited) failure to pay certain Queensland flood claims

I am a former Director of National Roads and Motorists Association (NRMA) & NRMA Insurance Limited (now known as IAG)

NRMA Insurance has announced it won't be paying certain policyholder claims not specifically covered for flood damage caused by recent Queensland storms

In 1998 NRMA Insurance paid out the Wollongong flood claims as well as claims of the Coffs Harbour flood before that. In 2000 an Information Memorandum sent to 2 million members promoting the demutualisation of NRMA Insurance stated on page 15:

Section 1. AN OUTLINE OF THE PROPOSAL

Reasons why Members may decide to vote for the Proposal

Claims management principles will not change as a consequence of the Proposal

Policyholders' security and reasonable expectations will be adequately protected

The rights of Insurance Members as policyholders (including policy features and benefits) will not change

Insurance premium rates will not increase as a consequence of the Proposal

These undertakings are elaborated on later in the 157 page document which was approved by the Supreme Court of NSW. ASIC was represented at the court hearings with the Judge making direct reference to ASIC's responsibilities of ensuring the undertakings made by NRMA Insurance in the Information Memorandum being adhered to. Since NRMA Insurance has declined to pay some claims resulting from the Queensland storms I have written to ASIC reminding the agency of these undertakings but to date ASIC has avoided taking action

I hereby request the Commission investigate this matter and take all necessary action to ensure NRMA Insurance abides by these commitments & pays the outstanding Queensland claims without further delay

Yours faithfully,

RICHARD TALBOT