

**STATEMENT OF JAMES JOSEPH HIGGINS IN RESPONSE TO REQUIREMENT
TO PROVIDE INFORMATION ISSUED TO SUNCORP INSURANCE DATED
10 OCTOBER 2011**

JAMES JOSEPH HIGGINS, c/- Suncorp, Level 31, 266 George Street, Brisbane, states on oath:

1. I am the Executive Manager, Queensland Event Recovery for Suncorp Personal Insurance, a division of the Suncorp Group.
 2. I have authority on behalf of Australian Associated Motor Insurers Limited (AAMI) to respond to the Requirement to Provide Information issued by the Commission of Inquiry dated 10 October 2011 and addressed to the Suncorp Group.
 3. This response relates to information received by the Queensland Flood Commission of Inquiry from Mr Nick Laszlo in relation to a AAMI Home and Contents insurance policy.
 4. AAMI's records show that AAMI issued a Home Building Insurance Policy and Contents Insurance Policy (the policy) to Mrs Elyse Margaret Laszlo and Mr Nick John Laszlo (the customer) for the period 26 March 2010 to 26 March 2011 under policy number HOM 203 732 421 on their property at [REDACTED] Mannikin Street, Narangba, 4504 (the property).
 5. The property was insured as follows:
 - a. Complete Replacement Cost (CRC) for building;
 - b. \$1,000.00 for locating water leaks;
 - c. \$1,000.00 for damage to garden beds, trees, shrubs and other plants;
 - d. \$98,750.00 for general contents;
 - e. \$6,000.00 for limited cover specified items; and
 - f. \$1,000.00 extra cover for unspecified portable valuables.
 6. The following excesses applied to the policy:
 - a. \$1,100.00 building excess (total flexi-premium excess plus standard); and
 - b. \$600.00 contents excess (total flexi-premium excess plus standard);
 - c. \$100.00 standard excess; and
 - d. \$1,000.00 unoccupied excess (if applicable).
 7. Mr Laszlo has given information to the Commission which is set out in points 1 to 5 of the Commission's letter directed to me dated 10 October 2011.
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Question 1: In respect of the above information, please set out anything with which Mr Higgins disagrees, and the reasons why.

8. The following table summarises the communications between AAMI and Mr Laszlo in relation to the progress of his claim.

Date	Mode of communication	Communication details
11/1/2011	Telephone	Customer called reported loss indicating furniture, carpets ruined
11/1/2011	Telephone	Called customer and also called the customer's nephew and spoke about temporary accommodation
11/1/2011	Telephone	Called customer contact, Elyshia, and spoke to her about temporary accommodation
11/1/2011	Telephone	Customer called and spoke about temporary accommodation
12/1/2011	Telephone	Customer called requesting information regarding the assessment process and dealing with contents
14/1/2011	Telephone	Called customer and discussed claim and confirmed assessment booked
20/1/2011	Telephone	Customer called seeking advice regarding assessment
14/2/1011	Telephone	Customer called seeking update on claim as the assessment was completed 1 week ago.
15/2/2011	Telephone	Customer called seeking update, claim passed to flood team
15/2/2011	Telephone	Called customer and left message that we are waiting for assessment and hydrology reports
15/2/2011	Telephone	Customer called after message left and advised waiting for assessment and hydrology reports
21/2/2011	Telephone	Customer called and discussed ICA hydrology reports
22/2/2011	Telephone	Called customer and confirmed assessment was done and the name of Assessor
10/3/2011	Telephone	Customer called and advised that hydrologist had attended last week.
10/3/2011	Telephone	Called customer and left message on mobile
11/3/2011	Telephone	Called customer and advised all reports received

		for management to review
15/3/2011	Telephone	Called customer and advised that claim is one for decline. Note: reference in notes (line 00191) to 'Bundaberg Creek' should be Burpengary Creek.
16/3/2011	Letter	Letter to customer confirming decline
18/3/2011	Telephone	Customer called and spoke about the hydrology report which was referred to in denial letter but not sent. Confirmed it would be faxed and hard copy posted.
18/3/2011	Telephone	Called customer and discussed decline of claim
21/3/2011	Telephone	Called customer and explained IDR process
22/3/2011	Email	Documents received from customer
22/3/2011	Email	Email to customer acknowledging documents
29/3/2011	Letter	Letter to customer from CAS advising the claim is being reviewed
11/4/2011	Letter	Letter to customer from CAS maintaining decision
19/4/2011	Letter	Letter received from solicitor
17/5/2011	Letter	Letter sent to customer's solicitor indicating the decision had been maintained by CAS

9. AAMI would like to highlight the following in relation to the issues numbered 1 to 5 in the Requirement to Provide Information.
10. Point 2: I confirm that an assessor attended Mr Laszlo's property on 2 February 2011. The assessor had not come from Canada to specifically to conduct inspections of flood damaged properties. The assessor, [REDACTED] is Canadian, but had been employed as an assessor in Australia since October 2010. Further details of [REDACTED] employment and experience as an assessor are outlined below in my response to Question 6.
11. Point 3: AAMI arranged a site specific hydrology inspection to be carried out by WRM Water & Environment Pty Ltd (WRM) on 21 February 2011. The Insurance Council of Australia (ICA) appointed a panel of hydrologists to prepare joint reports in relation to various localities. The ICA panel did not prepare reports on individual properties. I have reviewed the claim notes and can find no evidence that Mr Laszlo was told that the ICA panel would investigate his property. It is unlikely that a member of AAMI's Flood team would have advised Mr Laszlo that the ICA panel would investigate his particular property, as all team members were aware that the ICA-commissioned joint reports would be area-based not site specific. Mr Laszlo may have been told that AAMI would

be referring to or relying upon the joint report which the ICA had commissioned (which had not yet been released at that time). As it transpired, the ICA joint reports did not cover the area in which Mr Laszlo's property is located, and therefore AAMI commissioned a site-specific hydrology report.

12. Point 4: Mr Laszlo was contacted on 15 March 2011 and advised the claim was one for decline and a letter dated 16 March 2011 was sent confirming this.
13. Point 5: The internal review of Mr Laszlo's claim was undertaken by an experienced Dispute Resolution Officer (DRO) within AAMI's Customer Appeals Service (CAS). The statement that the review was undertaken without any reference to the hydrological or any other technical advice, is incorrect. Details of the qualifications and experience of the DRO, and the process of review, are provided below in my response to question 9.

Question 2: Please provide a copy of Mr Laszlo's contract of insurance which applied in respect of this claim.

14. A copy of Mr Laszlo's contract of insurance and product disclosure statements for AAMI's Home Building Insurance Policy and Home Contents Insurance Policy are attached as **Annexure 1**.

Question 3: Please provide a chronology of all steps taken in assessing and determining the claim and in reviewing AAMI's initial decision.

15. The steps taken in assessing and determining the claim, and in reviewing AAMI's initial decision, were as follows:

Date	Action Taken
11/1/2011	Claim lodged.
12/1/2011	Advised customer that an assessor would be appointed.
14/1/2011	Assessor appointed (Cunningham Lindsey).
26/1/2011	Cunningham Lindsey contacted customer.
2/2/2011	Cunningham Lindsey conducted site inspection of insured property.
21/2/11	WRM appointed to carry out site specific hydrology review and report.
22/2/2011	Property Assessment Report received by AAMI from Cunningham Lindsey.
22/2/2011	Confirmed to customer that Cunningham Lindsey assessment

	report received.
1/3/2011	WRM conducted site specific hydrology inspection.
7/3/2011	WRM hydrology report dated 7 March 2011 received by AAMI.
11/3/2011	Confirmed to customer that WRM hydrology report had been received and the claim was in the process of being reviewed.
11/3/2011	Determination made to decline claim. Decline letter prepared to be sent to the customer.
15/3/2011	Customer advised by telephone that claim is declined due to flood.
16/3/2011	Decline letter sent to the customer confirming that claim is declined as WRM Hydrology Report indicates that inundation was caused by flood water escaping and overflowing from Burpengary Creek, which peaked on 11 January 2011 at approximately 12.45pm.

Question 4: Please provide copies of all records, including file notes, in respect of the claim and the review of AAMI's initial decision.

16. A copy of AAMI's electronic records in respect of the claim and the review of AAMI's initial decision are attached as **Annexure 2**.

Question 5: Please provide copies of all correspondence passing between AAMI and Mr Laszlo.

17. I refer to my response to questions 8 and 9 below.

Question 6: In respect of point 2 above:

6.1 Please provide copies of any instructions, written or oral, given to the assessor and copies of any report/s prepared by the assessor.

18. AAMI's Home Assessment Instruction Sheet dated 14 January 2011 is attached as **Annexure 3**.
19. Cunningham Lindsey Australia Pty Ltd (Cunningham Lindsey) carried out the assessment at the property. Cunningham Lindsey contacted the customer on 26 January 2011 and attended the property on 2 February 2011. The Cunningham Lindsey First and Final Report and attachments is attached as **Annexure 4**.

6.2 If the assessor did come from Canada for the purpose of assessing flood damaged properties:

6.2.1 Why did AAMI bring an assessor from Canada to Queensland?

20. The assessor did not come from Canada for the purpose of assessing flood damaged properties. He was already working in Australia as an assessor employed by Cunningham Lindsey, and had been since October 2010.

6.2.2 How many foreign assessors were brought to Queensland to inspect flood damaged properties and how many site assessments did they conduct? Did this cause any delays in the assessment process?

21. The Suncorp Group did not directly engage any foreign assessors to assess AAMI Flood claims.
22. When the floods occurred across Queensland AAMI immediately appreciated that claims would require individual consideration as to cause of loss as the AAMI Home and Contents policies did not cover damage caused by flood.
23. The Suncorp Group employs a team of internal assessors and due to the workload already on those assessors as a result of the central Queensland flood events, we decided to appoint an external assessing firm (Cunningham Lindsey) to provide further assessors once the south east Queensland events occurred. This is described in detail in paragraphs 99 to 104 of my statement to the Commission dated 14 September 2011.
24. The decision to engage Cunningham Lindsey to assess south east Queensland AAMI claims enabled us to:
- a. Respond quickly to our AAMI customers whilst still ensuring that each property was individually assessed by an assessor; and
 - b. Provide a consistent assessment process and approach by using one assessing firm.
25. Cunningham Lindsey is a well regarded loss assessment firm which has operated in the Australian market for many years and is engaged by many insurers in the Australian insurance industry. I am advised that as a result of the widespread demand for assessing services created by the central and south east Queensland weather events, Cunningham Lindsey increased its assessing resources to meet the demands being placed on it by the insurance industry by engaging additional Australian-based assessors, as well as sourcing assessors from overseas, namely the United States, Canada and Malaysia
26. I am advised by Cunningham Lindsey that it recruited 22 loss adjusters from overseas, each of whom had more than 5 years experience in loss adjusting. In response to the Commission's Request for Information, AAMI requested Cunningham Lindsey advise the number of site assessments performed for AAMI by foreign assessors, however Cunningham Lindsey advised that it was not able to extract a report to show that number.

27. For completeness, I also confirm that the Suncorp Group directly employed 21 assessors from the USA to assist the Group with assessing claims following Cyclone Yasi. When these assessors completed their Cyclone Yasi assessments, they briefly assisted with the assessment of some Suncorp Insurance flood claims in Brisbane and Ipswich, i.e. assessments as to level of damage sustained. They were not engaged on any AAMI flood claims.
28. The use of external, in some cases foreign, assessors did not cause any delays in the assessment process. To the contrary, using existing and interstate internal assessing resources coupled with the use external assessing firms and foreign assessors enabled the Suncorp Group to substantially complete the majority of assessments within 8 weeks of the relevant event (refer to paragraphs 48, 59 and 63 of my statement to the Commission dated 14 September 2011).

6.2.3 Did the assessor in Mr Laszlo's case and other foreign assessors possess equivalent qualifications to Queensland assessors? If not, how did the qualifications of the foreign assessors differ?

29. The assessor who conducted the assessment of Mr Laszlo's property, [REDACTED] was engaged by Cunningham Lindsey, which has advised that:
- a. [REDACTED] had been employed as a loss adjuster by Cunningham Lindsey in its Darwin office since October 2010;
 - b. Prior to this role he worked as a Senior Loss Adjuster in Canada;
 - c. At the time of the flood events Cunningham Lindsey was working through the requirements for a 457 Visa for Mr Wright;
 - d. [REDACTED] returned to Canada in early April 2011 after being diagnosed with a serious medical condition. Had this not occurred, it was the intention of [REDACTED] and Cunningham Lindsey that he would still be employed with the company;
 - e. [REDACTED] was in his late 40s, had been involved in assessing most of his working life and was very experienced. I have not been able to determine his exact number of years experience as an assessor as his CV has not been made available to me;
 - f. Mr Wright had extensive assessing experience in dealing with catastrophes and had worked on such events in the United Kingdom and Asia. This experience was a particular reason he had been employed by Cunningham Lindsey, and it was due to this experience that Cunningham Lindsey deployed him to the Brisbane flood assessing work.
30. As to the experience and training of the foreign assessors recruited by Cunningham Lindsey for the Brisbane flood events, I am advised by Cunningham Lindsey that:
- a. Each of the 22 loss assessors recruited from overseas had more than 5 years

experience in loss adjusting. These adjustors had catastrophe experience and had been involved in disasters in their own countries, e.g. hurricanes, floods and tornados; and

- b. In each case before an overseas loss assessor was placed in the field, the assessor was briefed by Cunningham Lindsey Catastrophe Managers in a full day workshop. In the workshop they were briefed on the circumstances of the event, the environment they would be working in, the brief of their engagement and the information they would be required to obtain, including the Flood Questionnaire, the Building Repair Assessment data required and the schedules of loss information required.
31. I am advised by Cunningham Lindsey that all loss assessors (foreign and local) followed the same process using the Flood Questionnaire (previously provided to the Commission). The reports prepared by the overseas assessors were vetted by a Cunningham Lindsey Quality Assurance Team tasked with the responsibility of ensuring the information required had been obtained.
32. The foreign assessors directly engaged by the Suncorp Group for Yasi claims also had significant experience in loss adjustments during disasters. Attached as **Annexure 5** are brief summaries of the experience of some of these assessors.

6.2.4 Was the quality of information provided by the assessor in Mr Laszlo's case any different from the quality of information provided by local assessors? If so, how did the quality of information differ? In particular, did lack of knowledge of local conditions affect the quality of the assessment process? If so, in what ways?

33. The quality of information provided by the assessor in Mr Laszlo's case did not differ from the quality of information provided by local assessors.
34. The quality of assessments provided by foreign assessors did not differ from that provided by local assessors, and a foreign assessor's lack of knowledge (if any) of local conditions did not affect the quality of the assessment process because:
- a. As part of its briefing to Cunningham Lindsey, AAMI provided a series of specific instructions to assist with the assessment of the flood claims as well as number of report templates (for example, assessment forms, flood questionnaire, scope of works forms) to assist them. A copy of these instructions is provided as Annexure 5 to my response to the Queensland Floods Commission of Inquiry dated 14 September 2011 in relation to AAMI's Household Insurance policies;
 - b. Consistency in the quality of the assessments was achieved because all assessors, whether local, interstate or foreign, were required to, and did, follow the defined process established via the instructions and templates provided by AAMI and the instructions and training provided by Cunningham Lindsey; and
 - c. As a further check, all assessments undertaken by foreign assessors were

reviewed by Cunningham Lindsey's Quality Assurance Team for the specific purpose of ensuring the information required had been obtained.

Question 7: In respect of point 3 above:

7.1 If Mr Laszlo was advised that the Insurance Council of Australia's hydrology panel would investigate Mr Laszlo's case, why was this advice given?

35. I have examined the file notes on Mr Laszlo's claim and cannot find any indication that Mr Laszlo was advised that his claim was being investigated by the Insurance Council of Australia (ICA) hydrology panel. I would be very surprised if Mr Laszlo was told this.
36. The ICA never indicated any intention to commission reports on individual properties. To the contrary, the ICA commissioned locality hydrology reports in an attempt to provide information which would eliminate or at least reduce the need for individual, site-specific hydrology investigations.
37. The AAMI Flood team worked together on AAMI Flood customers and conducted regular meetings on claim issues and progress. All were aware of the nature of the reports being commissioned by the ICA. All members of this team were experienced and aware of the claim decision process, including the use of hydrology reports and how customer complaints and disputes were managed. I can say therefore that it is unlikely that a member of this team would have advised Mr Laszlo that the ICA Hydrology panel would investigate individual customer issues on behalf of AAMI.
38. It may be that Mr Laszlo was initially advised that AAMI was waiting for the ICA-commissioned joint hydrology reports and/or that AAMI would or might use those reports in determining Mr Laszlo's claim. However, on 21 February 2011, the claim notes on AAMI's system record "adv has s/w IAC (sic) and they advised they are not supplying hydrologist reports for there (sic) area". I understand this to mean that the claims advisor was advised that the joint hydrology reports commissioned by the ICA would not cover the area in which Mr Laszlo's property was located. The claim notes record that on the same day, AAMI appointed WRM to undertake a site specific hydrology report. I believe this would have been because the joint report was not going to be applicable to Mr Laszlo's property.

7.2 Did AAMI reject any claims on the basis of the ICA hydrology panel reports and no other hydrology reports? If so, in how many cases and to which area/s did the claims relate?

39. Over the three flood events in Central and South East Queensland, AAMI received 1,736 claims of which approximately 1,200 were paid and settled. Of the remaining 500 claims, approximately 490 were denied in full and the rest were partially accepted.
40. The following is a table in respect of the 490 declined claims and 34 partially declined claims, indicating the use of area hydrology and site hydrology reports for the various locations across Queensland. In each case, AAMI considered the hydrology reports in conjunction with the results of an on site property assessment and site specific aerial mapping and any information which the customer was able to provide regarding the

event, weather data from the Bureau of Meteorology, and any other relevant information.

Area	Full Declines	Partial Declines	Total Claims	Area Hydrology	Site Hydrology	Total
Brisbane	320	24	344	294	50	344
Ipswich	117	4	121	111	10	121
Bundaberg	15	2	17	2	15	17
Emerald	17		17		17	17
Rockhampton	12		12	5	7	12
Jericho	1		1		1	1
Warwick, Dalby, Chinchilla	6	2	8	1	7	8
Other	2	2	4	4		4
Total	490	34	524	417	107	524

7.3 Which firm of hydrologists did AAMI engage in Mr Laszlo's case? To AAMI's knowledge, what were the relevant qualifications of the hydrologist who inspected Mr Laszlo's property?

41. AAMI appointed WRM to provide expert advice in relation to Mr Laszlo's case.
42. The engineer who authored the report on behalf of WRM was [REDACTED] [REDACTED] holds a Bachelor of Engineering (Environmental) (First Class Honours.), Griffith University, Australia, 2006. His Curriculum Vitae is attached as **Annexure 6**.
43. Further, my understanding is that all reports issued by WRM were reviewed and validated by one of the principals of WRM, namely either:
 - a. [REDACTED] Bachelor of Science (Engineering), First Class Honours, University of Peradeniya, Sri Lanka, 1979. Doctor of Philosophy, Monash University, Australia, 1985;
 - b. [REDACTED] Bachelor of Engineering Civil (Honours), University of Queensland, 1990. Master of Engineering Studies, University of Queensland, 1994. Doctor of Philosophy, Griffith University, 2005; or
 - c. [REDACTED] Bachelor of Engineering, Civil (First Class Hons.), University of Technology Sydney 1993.

7.4 Please provide copies of:

7.4.1 any records AAMI has in respect of the hydrologist's inspection.

44. Refer to my response to question 7.4.3 below.

7.4.2 any instructions, written or oral, which AAMI gave to the hydrologist.

45. Attached as **Annexure 7** is the Home Assessment Instruction Sheet provided to WRM.

7.4.3 the hydrologist's report relating to Mr Laszlo's property.

46. The hydrology report of WRM dated 7 March 2011 is attached as **Annexure 8**.

Question 8: In respect of point 4 above:

8.1 What were the reasons for denying the claim?

47. The customer's claim was decided on the basis of relevant information held by AAMI at that time, including:
- a. Property Assessment Report of Cunningham Lindsey conducted on 2 February 2011.
 - b. AAMI file notes; and
 - c. Individual Water Damage Assessment by WRM dated 7 March 2011.
48. The key reason for declining the claim was the conclusion reached in the site-specific hydrology report of WRM that the inundation of the property was caused by flood water escaping and overflowing from the Burpengary Creek. As the customer's policy does not cover damage caused by flood, the claim was declined.

8.2 Were these communicated to Mr Laszlo? If so, please provide copies of (a) all records establishing that Mr Laszlo was given reasons; and (b) the reasons given to Mr Laszlo. If the reasons were not communicated, why not?

49. AAMI's decline letter dated 16 March 2011 attached as **Annexure 9** clearly informs Mr Laszlo that the WRM report concludes that the damage to the property was caused by flood water escaping and overflowing from the Burpengary Creek. The letter specifically refers to the WRM assessment but omitted to enclose the report. AAMI's claim files indicate that Mr Laszlo brought this omission to AAMI's attention on 18 March 2011 as a result of which AAMI then provided the report to Mr Laszlo via facsimile and post the same day.

8.3 What information did AAMI (a) obtain and (b) rely upon in determining the claim?

50. I refer to my response to question 8.1 above.

8.4 Was Mr Laszlo given copies of all information relied upon in denying the claim? If so, please provide copies of (a) all records establishing that Mr Laszlo was given the information; and (b) the information given to Mr Laszlo (subject to the comments below). If the information was not provided, why not?

51. I refer to my response to question 8.2 above. The decline letter referred to the WRM conclusion but omitted to enclose the report. When Mr Laszlo contacted AAMI and requested the report, it was provided to him the same day.

52. Mr Laszlo was not given a copy of AAMI's file notes or the Cunningham Lindsey assessment, nor did he request those. It was AAMI's usual practice during the Qld Floods to provide the Cunningham Lindsey report and I acknowledge that did not occur in this case. However, the critical information in determining the claim was the site-specific hydrology report.

Question 9: In respect of point 5 above:

9.1 When did Mr Laszlo request an internal review of the decision to reject his claim?

53. Mr Laszlo made a request for an internal review in a telephone conversation with a staff member in the AAMI Claims Department on 18 March 2011. Mr Laszlo advised he would be responding to the decline letter the following week, but wanted the review process to commence in the meantime. Mr Laszlo also advised he wished to speak with Technical Events Manager, [REDACTED] who spoke with him and arranged to call him on 21 March 2011.
54. An electronic copy of the file was immediately forwarded to the AAMI Consumer Appeals Service (CAS) on 18 March 2011. The response foreshadowed by Mr Laszlo attached as **Annexure 10** was received on 22 March 2011 and forward to CAS the same day.

9.2 Who conducted the internal review and what were his or her relevant qualifications?

55. Internal reviews for AAMI were conducted by the AAMI CAS. CAS created a team of staff members with extensive IDR experience to review flood matters. The team consisted of a Team Leader, Senior Dispute Resolution Officer (SDRO) and two Dispute Resolution Officers (DROs).
56. In addition to being chosen for their seniority and experience, the members of this specialist team were given additional training on all aspects of dealing with flood related claims including legal principles, Financial Ombudsman Service requirements and the reading and understanding of hydrology reports.
57. The internal review of Mr Laszlo's claim was undertaken [REDACTED] one of the DROs in this specialist team.
58. [REDACTED] formal qualifications are a Bachelor of Economics from Monash University (1997). He has had over 9 years experience in general insurance, predominantly within the Home Claims Department, including positions as a Theft Client Manager/Procurement Coordinator, Home Claims Supervisor, Victorian Bushfire Event Supervisor and Claims Assist Supervisor.
59. He has experience in catastrophe claims, including his experience as Victorian Bushfire Event Supervisor. He has been a Dispute Resolution Officer since the beginning of 2010 and underwent dispute resolution training as part of the requirements for the

position.

9.3 Please outline all steps taken and information relied upon in reviewing the decision and reaching the conclusion that the initial decision should be maintained. In particular, was a hydrologist asked to comment on Mr Laszlo's submission? If so, did the hydrologist provide a response? If so, please provide a copy of the hydrologist's response.

60. I am advised that the DRO first gathered all of the available information. This was comprised of the following:
- a. Electronic claim messages;
 - b. Decline letter to Mr Laszlo dated 16 March 2011;
 - c. Cunningham Lindsey Australia Pty Ltd report and attachments;
 - d. WRM report dated 7 March 2011;
 - e. Letter from Mr Laszlo to AAMI dated 21 March 2011, with the attached:
 - (i) Browns Creek Rd rainfall chart;
 - (ii) Moorina rainfall chart;
 - (iii) Photographs of Lookout Road drain; and
 - (iv) Insurance comparison.
61. As set out in the final decision letter dated 11 April 2011 which is attached as **Annexure 11**, I am advised the DRO considered the submission from Mr Laszlo that he believed the water escaped from the street drains as there were no signs of any significant water flow through the channel and that the WRM report offered no evidence to support its conclusion the Burpengary Creek overflowed which they believe caused the water inundation.
62. However, I am advised that the DRO formed the view that the WRM report provided convincing evidence that the predominant cause of the inundation was the over flow of the Burpengary Creek. This was based on the photographic evidence, the recorded water level peaks in the Burpengary Creek and the calculation of the maximum depth of stormwater runoff.
63. I am advised the DRO did not request WRM to comment on Mr Laszlo's submission. I am advised the DRO considered this option but decided against it, taking into account that:
- a. The evidence of the hydrologist as presented in WRM's report was strong and convincing, i.e. it was not equivocal;

b. There was a wait of at least 6 to 8 weeks on hydrologist reports and there was significant pressure to complete reviews within the timeframe allowed by the General Insurance Code of Practice;

64. Such a step may have been justified if the additional evidence presented by Mr Laszlo was such as it had reasonable prospects of changing the view of the hydrologist. However I note in particular that WRM concluded that the water flow came from a U bend in Burpengary Creek and Mr Laszlo conceded in his submission that he was "not in a position to confirm this", nor was he in a position to refute it. He refers to the presence of a drain in the vicinity but did not have any evidence from any source that any water came from that drain.

Sworn by the Deponent)

At Brisbane)

This 13th day of)

October 2011)

Before me