
**QUEENSLAND FLOODS COMMISSION OF INQUIRY
NINTH AFFIDAVIT OF GRAHAM IAN DALE SWORN 19 OCTOBER 2011**

QFCI

Date:

27/10/11 Jm

Exhibit Number:

898

QUEENSLAND FLOODS COMMISSION OF INQUIRY

Commissions of Inquiry Act 1950

NINTH AFFIDAVIT

I, **GRAHAM IAN DALE** c/- 2649 Logan Road Eight Mile Plains, Brisbane in the State of Queensland, General Manager, say on oath:

BACKGROUND

1. I am the General Manager, Personal Insurance Claims of RACQ Insurance Limited (**RACQ Insurance**).
2. This affidavit is provided on behalf of RACQ Insurance in response to a notice served on me on 11 October 2011 by Justice C E Holmes, Commissioner of Inquiry, pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* (Qld) to provide information in respect of matters listed in that notice (**Ninth Letter of Inquiry**).
3. Copies of the Ninth Letter of Inquiry and its cover letter are **Exhibits 1 and 2** to this affidavit.

RESPONSE TO NINTH LETTER OF INQUIRY

4. The matters set out below are not, or are not necessarily, matters of which I have direct knowledge other than by having regard to the records of RACQ Insurance (which I have done in order to provide this affidavit). I have, in answering the questions in the Ninth Letter of Inquiry done so based on my experience, my own knowledge where possible and relying on material maintained by RACQ Insurance or provided by others.
5. Also I have, with the assistance of others, assembled information and material to respond to the questions the subject of the Ninth Letter of Inquiry. I have, however, not been able to personally review all of the material which has been assembled for that purpose or exhibited to this affidavit.
6. While I have made every reasonable effort to ensure that my answers are accurate the very short period of time that has been allowed for my response to this and a number of other Requirements has limited the scope of my possible investigations.

Page 1

Signed

AFFIDAVIT
Filed on behalf of RACQ Insurance Limited

Taken by

COOPER GRACE WARD
Level 21, 400 George Street
Brisbane 4000 Australia

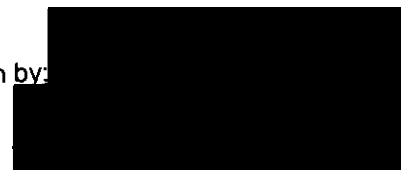
T 61 7 3231 2444
F 61 7 3221 4356

7. For ease of reference I have set out in this affidavit the headings and questions from the Ninth Letter of Inquiry and provided my response to them below.
1. **In respect of the above information, please set out anything with which RACQ Insurance disagrees, and the reasons why.**
8. **Exhibit 3** is a table which makes reference to the information Mr Gourley has given to the Commission (as set out in the Ninth Letter of Inquiry). My comments in relation to the information Mr Gourley has provided to the Commission are set out in the table.
2. **Provide a copy of Mr Gourley's contract of insurance which applied in respect of this claim.**
9. The following documents make up the policy documentation for Mr Gourley's policy:
- (a) Certificate of Insurance;
 - (b) PDS GHHB2 07/08 for the period from 24 November 2008; and
 - (c) SPDS RHHB9 10/09 for the period from 24 November 2009.
10. **Exhibit 4** to this affidavit is a copy of these documents.
3. **Provide a copy of the letter referred to in point 1 above and any other correspondence which passed between:**
- 3.1 **RACQ Insurance (and/or its legal representatives) and Mr Gourley (and/or his legal representative).**
 - 3.2 **RACQ Insurance (and/or its legal representatives) and the Financial Ombudsman Service in respect of this matter.**
11. Copies of RACQ Insurance's letter to Mr Gourley dated 10 March 2011 as referred to in point 1 of the Ninth Letter of Inquiry; copies of all other correspondence between RACQ Insurance (and/or its legal representatives) and Mr Gourley (and/or his legal representative) in respect of this matter; and copies of all correspondence between RACQ Insurance (and/or its legal representatives) and the Financial Ombudsman Service in respect of this matter are exhibited to this affidavit as **Exhibits 17, 18, 21, 24, 25, 26, 27, 28, 31, 32, 33, 34, 35, 36, and 37**. **Exhibit 38** also contains correspondence between RACQ Insurance's legal representatives and Caxton (albeit not necessarily specifically in relation to Mr Gourley's matter).

Signed:



Taken by:

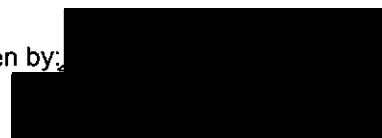


4. **Advise what information was relied upon in denying the claim.**
12. The information relied upon in denying Mr Gourley's claim was:
- (a) the terms of the Policy;
 - (b) the information provided by Mr Gourley when lodging the claim and through the claims process;
 - (c) the MYI Freemans report dated 3 February 2011;
 - (d) a report by Water Technology Pty Ltd titled "Investigation of the January 2011 Inundation Event – Brisbane" dated March 2011 (see Exhibit 43 to my second affidavit); and
 - (e) legal advice.
5. **Set out a chronology of the steps taken in dealing with Mr Gourley's complaint/s and/or request/s for review of the decision to deny his claim.**
13. Exhibit 5 to this affidavit contains a chronology of the steps taken in dealing with Mr Gourley's complaints and requests for review of the decision to deny his claim. That exhibit identifies the records relied on to compile the information in the exhibit.
6. **Set out a chronology of all requests for information and documents by Mr Gourley and/or his legal representative and the response of RACQ Insurance to each request (unless all requests and responses are contained in correspondence, in which case it will be sufficient to indicate that all requests and responses are contained in correspondence and provide copies of the correspondence).**
14. The chronology which is Exhibit 5 to this affidavit identifies the requests for information and documents by Mr Gourley and his legal representatives and the response of RACQ Insurance to each request. Exhibit 5 also identifies the exhibit numbers of those requests and responses. In addition, I have exhibited to this affidavit a bundle of email and correspondence exchanges between Caxton and RACQ Insurance's solicitors concerning those requests. That bundle is Exhibit 38 to this affidavit. I have included in that bundle a copy of a file note of a conversation between RACQ Insurance's solicitors and Caxton together with a transcription of that note as it may be relevant to the emails and correspondence otherwise exhibited. Caxton were acting for other clients as well, and I have not sought to exhibit to this affidavit communications between RACQ Insurance's solicitors and Caxton in relation to those other clients.
15. The key communications in that regard appear to be as follows.
16. In a telephone conversation on 15 March 2011, Mr Gourley requested further information about RACQ Insurance's hydrological conclusions regarding his claim.

Signed:



Taken by:



17. On 16 March 2011 RACQ Insurance sent Mr Gourley a plain English information sheet that set out those conclusions.
18. On 28 April 2011 RACQ Insurance received a letter from Caxton relating to Mr Gourley which stated as follows:

In the meantime, please provide us with copies of our client's insurance policy and the Product Disclosure Statement that was in effect in December 2010 / January 2011. Please also provide us with any evidence, hydrology reports and client information that you have used to determine this claim. In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

19. On 3 May 2011 RACQ Insurance's solicitors wrote to Caxton and provided a copy of the relevant certificate of insurance and PDS documentation, a copy of the loss adjuster's report relating to Mr Gourley and a copy of RACQ Insurance's plain English information sheet setting out its conclusions in relation to the cause of flooding in Mr Gourley's area.
20. The letter also stated:

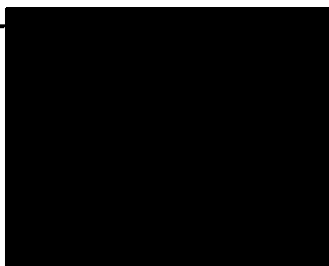
Your request for information is very broad and requests information that may be subject to legal professional privilege. Our client does not propose to provide information that is subject to legal professional privilege.

Further, our client does not propose to provide a copy of its hydrology report because the report contains private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege.

21. Mr Gourley's dispute had not raised any allegations about statements made to him which would require a review of recordings or transcripts. As no transcripts were relied upon to support the decision on Mr Gourley's claim, no transcripts or recordings were provided in response to Caxton's letter.
22. On 22 August 2011, following the decision discussed in paragraphs 160-164 of my second affidavit, sworn 19 September 2011, RACQ Insurance's solicitors also forwarded Caxton a copy of the regional hydrology report relevant to Mr Gourley's claim (under cover of a letter dated 19 August 2011).

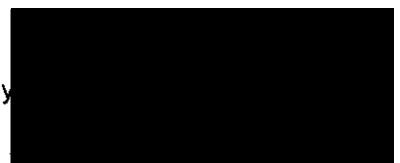
7. **Have copies of all information relied upon in deciding the claim been given to**

Signed:



Page 4

Taken by



Mr Gourley and/or his legal representative? If not, why not? If so, when did this happen and why did it not happen earlier?

23. The only information relied upon in deciding Mr Gourley's claim that was not immediately given to Mr Gourley or his legal representative has been:
- (a) RACQ Insurance's regional hydrology report relevant to Mr Gourley's claim; and
 - (b) RACQ Insurance's legal advice.
24. As noted above, RACQ Insurance's regional hydrology report relevant to Mr Gourley's claim was given to Mr Gourley's legal representatives on 22 August 2011.
25. The decision to initially refuse to release regional hydrology reports is explained in my second affidavit, sworn 19 September 2011, at paragraphs 160-164.
26. RACQ Insurance's legal advice has not been released because it is privileged as explained in my second affidavit, sworn 19 September 2011, at paragraph 165.
8. **Provide a copy of the claim's notes in respect of this claim.**
27. A copy of the notes from RACQ Insurance's ClaimCenter system in respect of Mr Gourley's claim is included as **Exhibit 6** to this affidavit.
28. All the facts and circumstances above deposed to are within my own knowledge save such as are deposed to from information only and the means of my knowledge and sources of information appear on the face of this my Affidavit.

SWORN by **GRAHAM IAN DALE** on 19 October 2011 at Brisbane in the presence of:

Deponent

RXR1009665

~~Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations~~

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Exhibit 1

Our ref: 1727999

11 October 2011

[REDACTED]
Partner
Cooper Grace Ward Lawyers
GPO Box 834
BRISBANE QLD 4001

Dear [REDACTED]

RACQ Insurance Limited – Requirement to Provide Information

Please find enclosed a Requirement directed to Mr Graham Dale for a statement in response to information received from a policyholder, Mr Michael Gourley. Mr Gourley holds a home building insurance policy with RACQ Insurance Limited for a property at [REDACTED] Jindalee.

The information which Mr Gourley has given the Commission which is relevant for the purposes of the Requirement is as follows:

1. RACQ Insurance denied Mr Gourley's claim (which was made in January 2011) on or about 10 March 2011. This was confirmed by letter dated 10 March 2011.
2. After he received that letter, Mr Gourley contacted RACQ Insurance and advised he wanted to dispute its decision and asked about the process he needed to take to do that. RACQ acknowledged his request by letter dated 4 April 2011.
3. Mr Gourley was represented by a lawyer at the Caxton Legal Centre in respect of his disputed claim. Mr Gourley's lawyer acted on his behalf through two internal review processes. Neither review resulted in a positive outcome for Mr Gourley.
4. Mr Gourley's lawyer lodged a complaint with the Financial Ombudsman Service on his behalf and to date, that matter is still continuing.
5. Mr Gourley and his lawyer made several attempts to obtain from RACQ Insurance, copies of the hydrology report and other information RACQ Insurance relied upon in denying his claim. RACQ Insurance did not provide the hydrology report until September 2011, following intervention by the Financial Ombudsman Service.

Mr Dale is required to provide the following information in his statement:

1. In respect of the above information, please set out anything with which RACQ Insurance disagrees, and the reasons why.
2. Provide a copy of Mr Gourley's contract of insurance which applied in respect of this claim.

3. Provide a copy of the letter referred to in point 1 above and any other correspondence which passed between:
 - 3.1. RACQ Insurance (and/or its legal representatives) and Mr Gourley (and/or his legal representative).
 - 3.2. RACQ Insurance (and/or its legal representatives) and the Financial Ombudsman Service in respect of this matter.
4. Advise what information was relied upon in denying the claim.
5. Set out a chronology of the steps taken in dealing with Mr Gourley's complaint/s and/or request/s for review of the decision to deny his claim.
6. Set out a chronology of all requests for information and documents by Mr Gourley and/or his legal representative and the response of RACQ Insurance to each request (unless all requests and responses are contained in correspondence, in which case it will be sufficient to indicate that all requests and responses are contained in correspondence and provide copies of the correspondence).
7. Have copies of all information relied upon in deciding the claim been given to Mr Gourley and/or his legal representative? If not, why not? If so, when did this happen and why did it not happen earlier?
8. Provide a copy of the claims notes in respect of this claim.

Mr Dale is not required to repeat or provide any information or document which has already been provided to the Commission (in this respect, I note the material provided at pages 3934 to 3961 of exhibit 134 to Mr Dale's second affidavit, sworn on 19 September 2011). In any such case, Mr Dale need only state that the information or document has already been provided to the Commission and identify where it is contained. Mr Dale may of course provide any other information which he considers may be relevant to the Commission's inquiry in respect of this matter.

Please note that Mr Dale is required to provide his statement to the Commission by 4 pm, Wednesday, 19 October 2011.

Please contact [REDACTED] on telephone [REDACTED] should you have any queries.

Yours sincerely

[REDACTED]
Jane Moynihan
Executive Director

Encl.

Exhibit 2

Our ref: 1728006

11 October 2011

Mr Graham Dale
General Manager, Personal Insurance Claims
RACQ Insurance Limited
[REDACTED]

Partner
Cooper Grace Ward Lawyers
GPO Box 834
BRISBANE QLD 4001

REQUIREMENT TO PROVIDE STATEMENT TO COMMISSION OF INQUIRY

I, Justice Catherine E Holmes, Commissioner of Inquiry, pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* (Qld), require Mr Graham Dale, General Manager, Personal Insurance Claims, RACQ Insurance Limited, to provide a written statement, under oath or affirmation, to the Queensland Floods Commission of Inquiry, in respect of the matters listed in correspondence from Ms Jane Moynihan to Mr Rocco Russo regarding Mr Michael Gourley dated 11 October 2011 (Doc 1727999).

In addressing those matters, Mr Dale is to:

- provide all information in his possession and identify the source or sources of that information;
- make commentary and provide opinions he is qualified to give as to the appropriateness of particular actions or decisions and the basis of that commentary or opinion.

Mr Dale may also address other topics relevant to Term of Reference (b) of the Commission in the statement, if he wishes.

The statement is to be provided to the Queensland Floods Commission of Inquiry by 4pm, Wednesday, 19 October 2011.

The statement can be provided by post, email or by arranging delivery to the Commission by emailing info@floodcommission.qld.gov.au.



Commissioner
Justice C E Holmes

Page 1 of 1

400 George Street Brisbane
GPO Box 1738 Brisbane
Queensland 4001 Australia
Telephone 1300 309 634
Facsimile +61 7 3405 9750
www.floodcommission.qld.gov.au
ABN 82 696 762 534

Exhibit 3

**RACQ INSURANCE COMMENTS
ON PARAGRAPHS 1 TO 5 OF NINTH LETTER OF INQUIRY (GOURLEY)**

Paragraph No.	Details	RACQ Insurance Comments
1.	RACQ Insurance denied Mr Gourley's claim (which was made in January 2011) on or about 10 March 2011. This was confirmed by letter dated 10 March 2011.	<p>RACQ Insurance agrees with this information but wishes to clarify the dates of the events referred to.</p> <p>As identified in the chronology which is Exhibit 5, RACQ Insurance telephoned Mr Gourley to advise him of the decision to deny the claim on 15 March 2011. A letter which had been prepared in advance (and dated 10 March 2011) was subsequently sent on 15 March 2011.</p>
2.	After he received that letter, Mr Gourley contacted RACQ Insurance and advised he wanted to dispute its decision and asked about the process he needed to take to do that. RACQ acknowledged his request by letter dated 4 April 2011.	RACQ Insurance agrees with this information.
3.	Mr Gourley was represented by a lawyer at the Caxton Legal Centre in respect of his disputed claim. Mr Gourley's lawyer acted on his behalf through two internal review processes. Neither review resulted in a positive outcome for Mr Gourley.	<p>Mr Gourley's claim was reviewed on two occasions through the IDR process.</p> <p>In respect of the first review, this was carried out prior to RACQ Insurance being advised by Caxton that they acted for Mr Gourley (Caxton advised RACQ Insurance on 28 April 2011 that they acted for Mr Gourley). The outcome of this first review was confirmed to Mr Gourley on 11 April 2011.</p> <p>In respect of the second review, this was completed on 6 July 2011 following further submissions from Caxton. The outcome of this second review was confirmed to Mr Gourley's legal representatives Caxton on 11 July 2011.</p> <p>Both reviews confirmed the original claims decision.</p>
4.	Mr Gourley's lawyer lodged a complaint with the Financial Ombudsman Service on his behalf and to date, that matter is still continuing.	RACQ Insurance agrees that a dispute has been lodged with FOS. Both parties have provided submissions. As at the date of this affidavit, RACQ Insurance awaits further contact/determination from FOS.

5.	<p>Mr Gourley and his lawyer made several attempts to obtain from RACQ Insurance, copies of the hydrology report and other information RACQ Insurance relied upon in denying his claim, RACQ Insurance did not provide the hydrology report until September 2011, following intervention by the Financial Ombudsman Service</p>	<p>I refer to paragraphs 14 to 26 of my affidavit in relation to requests for and the provision of information relating to Mr Gourley's claim.</p> <p>RACQ Insurance disagrees that "the hydrology report" was not provided until September 2011.</p> <p>The regional hydrology report relevant to Mr Gourley's claim was sent by RACQ Insurance's solicitors to Caxton on 19 August 2011 following discussions with the Financial Ombudsman Service (FOS).</p> <p>There were further communications with Caxton and FOS after Caxton had received the regional hydrology reports on 19 August 2011 confirming the basis upon which the regional reports had been provided to Caxton.</p> <p>Steve Clark of Water Technology was also asked to prepare a detailed statement relating specifically to Mr Gourley's property in response to submissions made by Mr Gourley (via Caxton) to FOS. This detailed statement was provided to FOS and Mr Gourley (via Caxton) as part of RACQ Insurance's submissions in response (see Exhibits 35 to 37).</p>
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RXR10096653 4115890v2

Exhibit 4

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 1 of 4

Amount payable
\$1,164.71

Due date
24 November 2010

Your policy number

Customer service
13 1905

Website
www.racqinsurance.com.au

039

MR M.R. GOURLEY
JINDALEE QLD 4074

Thank you for insuring with RACQ Insurance in the previous period of insurance.

Your current policy expires at midnight on 24 Nov 2010. When we receive your payment, this document will become your new Certificate of Insurance. It provides information about the insured property and this policy, including excesses payable. We may adjust the amount payable if you claim for loss or damage that occurs prior to the renewal date.

What do you need to do now?

1. Your policy consists of your insurance Application, your latest Certificate of Insurance and your PDS and any SPDS. We refer to these documents as your policy.
2. Please read and follow the instructions on this Certificate of Insurance.
3. Keep this certificate and your PDS and any SPDS together in a safe place.
4. Choose a payment method and make your payment by 24 November 2010.

Payment options

	Payment
Annual payment	\$1,164.71
Monthly direct debit payment	\$102.55

What will happen if you do not pay on time?

If your payment is late you will not be covered by this insurance.

Can we be of service?

If you need to change any details, obtain more information or insurance or confirm payment of this premium, please contact us. You can either phone 13 1905 or write to RACQ Insurance PO Box 4, Springwood 4127 or call into any RACQ Branch Office.

We draw your attention to your Duty of Disclosure and a number of questions which are on the back of this page.

Date of issue 23 October 2010



Australia Post *401 03091091147825

Payment slip for MR M.R. GOURLEY - Household Insurance

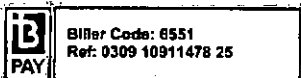
Amount payable
\$1,164.71

Due date
24 November 2010

Payment Ref No

Your policy number

By phone Call us on 13 1905, with your Visa, Mastercard or Amex, using the Payment Reference No. on the side of this slip.



Biller Code: 8551
Ref: 0309 10911478 25

BPAY
Call your financial institution to make this payment from your account.
BPAY not available for PBTM

By direct debit / pay-by-the-month (PBTM) To arrange automatic deductions from your financial institution, please refer to your PDS.

In person Pay at any RACQ office. Your nearest office is:
RACQ INDOOROOPILLY
INDOOROOPILLY SHOPPING TOWN
LEVEL 1
318 MOGGILL ROAD 4068

Mail Complete your credit card details overleaf, or send your cheque or money order made payable to RACQ Insurance with this payment slip to the address:
RACQ INSURANCE
Reply Paid 4
Springwood Qld 4127

Pay online at www.racq.com.au
Pay with the click of a mouse

Home and Contents Insurance

Your Duty of Disclosure

An important notice concerning information you are required to give us

The Insurance Contracts Act 1984 requires us to give you information about your insurance and for you to give complete and accurate information to us. This is known as Your Duty of Disclosure. Before entering a contract of insurance with us, and each time you vary or renew your policy we will ask you a number of specific questions.

In addition, if we invite renewal of the policy, we will forward our premium renewal notice to your last known postal address prior to the expiry date of the policy. This notice will include, amongst other matters, specific questions relating to you and the insured property.

What you must tell us

When answering our questions you must be honest and you have a duty under law to tell us anything known to you, and which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by this policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as if it had never existed.

If you do not understand

If you do not understand your duty, please contact us on 13 1905.

Your disclosure

Set out below are questions which are brought to your attention.

If the answers to all of the questions is "No", you need not tell us.

If the answer to any of the questions is "Yes", you must give us full details of that answer. You can do this by either phoning or writing to us, and quoting your policy number.

The questions for your attention:

In the previous period of insurance have you or any other person insured or covered by this policy:

- been convicted of any criminal offence?
- suffered any home or contents loss or damage whether an insurance claim was made or not, or had a liability claim made against you?
- had any insurance declined, cancelled, voided, insurance renewal refused, a claim rejected or special conditions imposed?

The following questions apply to each property insured or covered by this policy:

1. Is there any person (other than family members permanently living with you) who owns or has an interest in the insured property and who is not shown as an insured person on this Certificate?
2. Is there any business conducted at the property address which is not shown on this Certificate?
3. If you have not paid this premium by the due date, has any accident or theft happened after that date?
4. Has any of the information shown on this Certificate changed?

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 3 of 4

Your policy number

Customer service

13 1905

Claims hotline

13 7202

Website

www.racqinsurance.com.au

What you must do

For this Certificate to be valid, you and anyone else insured under this policy must carefully examine the Certificate information for its correctness and advise us of changes that have occurred over the previous period of insurance.

Policy holders

MR MICHAEL ROSS GOURLEY

You are an RACQ Silver Club Member

MRS TRUDY FAY GOURLEY

You are an RACQ Gold Club Member

You receive a discount for:

- being an RACQ Gold Club Member
- combining your home and contents in one policy
- no claims on your home/contents
- having multiple products with RACQ Insurance

Period of insurance

from 24 Nov 2010 to midnight 24 Nov 2011

What you are insured for

	Sum Insured
HOME	\$491,000
CONTENTS AT THE HOME	\$103,000
LEGAL LIABILITY	\$20,000,000

We adjust Home and Contents sums insured to cover rising values and costs - please check that the new sums insured meet your needs.

The policy covers the Home and Contents located at:

- [REDACTED] JINDALEE 4074 which:
- is a home
- is permanently occupied by you
- will not be unoccupied for more than 60 consecutive days
- is structurally sound and well maintained (including all outbuildings)
- is not used as a trade, business or professional workplace
- has no other people besides family members residing at the property

What optional covers are included and not included

	Home	Contents
Motor burnout	included	included
Pet cover	n/a	not included
Group Cover	n/a	not included
Selected Personal Items	n/a	not included
Advanced cover	not included	not included
Flood and storm surge	not included	not included

Please refer to your Product Disclosure Statement (PDS) and any Supplementary Product Disclosure Statement (SPDS) for full details of the optional covers available.

If you would like to vary your cover please call us on 13 1905.

Date of Issue 23 October 2010

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 4 of 4

Your policy number

Customer service
13 1905

Claims hotline
13 7202

Website
www.racqinsurance.com.au

Mortgagee

CREDIT UNION AUSTRALIA LTD holds the first mortgage

Security installed

deadlocks (key operated inside and out) on all external doors, other than security or screen doors
steel bars / grilles on all accessible windows

Excess you contribute to any claim

APPLICABLE EXCESSES WILL BE ADDED TOGETHER

	Home	Contents
Excess	\$300	\$300
*Earthquake excess	\$300	\$300

**You contribute this additional amount to a claim for loss or damage caused by earthquake during any period of 48 consecutive hours.*

GST

This notice is not a Tax Invoice. If you need a Tax Invoice setting out the GST charged on this policy, please call and request one.

Amount payable

The amount payable is made up of the following:

* Premium	\$984.95
* Goods and Services Tax (Government charge)	\$98.50
* Stamp Duty (Government charge)	\$81.26

TOTAL AMOUNT PAYABLE **\$1,164.71**

This certificate is not valid until payment has been made.

Date of issue 23 October 2010

Household Insurance Policy

Product Disclosure Statement



GHHB2 07/08



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Welcome to RACQ Insurance

Thank you for insuring with RACQ Insurance.

We are delighted to have you as a customer. Please do not hesitate to contact us if you have any questions about insurance or need help in making a claim.

RACQ Insurance is one of the largest providers of motor vehicle and household insurance in Queensland. Customers have access to a network of branches and agents throughout Queensland and a 24 hour, seven day-a-week call centre.

How to contact us

If you need more information or help with any of our products or services you can contact us:

- 7 days a week by telephone

Policy related enquires 13 1905 or any Branch

Claims related enquiries 13 7202 or any Branch

Emergency Home Assist 1800 800 552

- Visit one of our branches during business hours
- Email us with your Home and Contents claim or documents enquiries at:
racq_houseclaims@racqi.com.au
and we will respond during business hours
- Visit our website: www.racqinsurance.com.au

How this policy works

RACQ Insurance Household Insurance policy is designed to provide you with comprehensive cover for your home and contents in the case of loss or damage caused by an insured event.

This policy provides cover for:

- The Insured events listed on pages 16 to 22
- The Additional benefits for your home and contents listed on pages 35 to 47
- Emergency Home Assist on page 47
- Options that you can add to your policy by paying more:
 - Motor burnout
 - Advanced cover
 - Group and/or selected personal items cover
 - Pet cover
 - Flood and storm surge
 - *This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.*
 - Landlord's fixtures and fittings
 - Mortgagee's interest in a home unit
- Legal liability insurance.

All policy limits and values include all relevant statutory charges and taxes. This policy does not cover you for everything. For further details of the cover and the amounts we will pay for any claim, please read this Product Disclosure Statement (PDS).

If you decide to take out insurance with us, we will provide you with the cover you have chosen as described in your current certificate of insurance and this PDS.

Important information about your policy

Policy benefits

The table shown below is a summary of the policy benefits available. Please read the PDS for details of the extent of cover provided.

Cover provided	Benefit	Page
Additional living expenses	Contents cover up to 10% of sum insured	35
Attendance by a security firm	Contents cover up to \$750	35
Breakage of glass	Up to the sum insured	36
Campus cover	Contents cover up to \$5,000	37
Clean up costs	Up to 10% of the sum insured	38
Contents while in storage	Contents cover up to the sum insured	38
Contents in transit	Contents cover up to the sum insured for contents in transit to a new permanent address in Australia	39
Contents in a safe deposit box	Contents cover up to 10% of the sum insured	39
Credit card misuse	Contents cover up to \$1,500	40
Damage caused by emergency services	Home cover up to \$1,000	40
Demolition and redesign costs	Home cover up to 10% of the sum insured	40
Emergency Home Assist		47
Emergency and alternative accommodation	Home cover up to 10% of the sum insured	41
Funeral expenses	Up to \$5,000	41

Important information about your policy

Policy benefits

Cover provided	Benefit	Page
Inflation protection at renewal	Increase your sum insured at renewal	42
Loss of rent	Home cover up to 10% of the sum insured	42
Peace of mind protection	Home cover increase sum insured by the annual inflation protection adjustment in the event of a claim	43
Professional documents	Contents cover up to \$1,000	43
Re-key, recode or replacement of locks	Home cover up to \$500	43
Removal of debris	Up to 10% of the sum insured	44
Special occasion gifts	Contents cover up to \$1,000	44
Storage of contents after an event	Contents cover up to 10% of the sum insured	45
Storm damage to pool and/or spa covers	Home cover up to \$500	45
Temporary removal of contents	Contents cover up to 20% of the sum insured	46
Theft of purchased water	Contents cover up to \$200	46
Uninsured visitor's contents	Contents cover up to \$500	46

Important information about your policy

Policy discounts that you may be entitled to

Discount type	Benefit
No claim discount	You may be entitled to a no claim premium discount of up to 7% on your home and contents premium if you have not made a claim in the last 12 months.
Age discount	You may be entitled to a 10% premium discount where at least one (1) nominated insured is aged 55 years or over and the insured's own owner/occupied dwelling is being insured. Also a 15% premium discount may apply where at least one (1) nominated insured is aged 55 years or over and the contents are being insured in either an owner/occupied or rented dwelling.
Senior card holder discount	A 15% premium discount may apply for Queensland Seniors Card Holders on Building Insurance and 25% discount may apply on Contents Insurance. The discount is restricted to owner/occupier's building and/or contents and tenant's contents only. The Seniors Card Holders Discount does not apply in addition to the existing age discount.
Alarm discount	You may be entitled to a premium discount of up to 10% on your contents premium for having an alarm installed that is monitored 24 hours per day 7 days a week by a monitoring facility.
Combined discount	If you are an owner/occupier, by combining your home and contents onto the one policy, you may be entitled to a combined premium discount of up to 13%.
Multi - policy discount	If you have three (3) or more qualifying policies/covers, currently with RACQ Insurance, you may be entitled to a premium discount of up to 5% for each qualifying cover.
Membership loyalty discount	You may be entitled to a premium discount of up to 17.5% based on your current RACQ Membership level.

Important information about your policy

The PDS describes the types of insurance cover available to you. Please read it carefully and keep it in a safe place along with your certificate of insurance.

The certificate of insurance is a separate document that forms part of your policy. It describes the type of insurance you have taken out, and provides specific details about your building, contents and other items of value covered under your policy. It also specifies the limits of cover (sums insured), additional benefits, optional covers, the period of insurance, any special conditions, details of any excesses that apply and premium payment. Please check any certificate of insurance you receive when you start your policy and each time you vary or renew it.

RACQ Insurance Limited is the issuer of this insurance and is responsible for the obligations set out in our PDS.

Cooling-off period

When you take out or renew a policy with RACQ Insurance we provide a cooling-off period of up to 21 days. The cooling-off period starts from the date and time this policy was issued, or from midnight immediately preceding any renewal date.

If you wish to take advantage of the cooling-off period and cancel this policy from the date and time this policy was issued, you must advise us in writing or electronically during the cooling-off period and the premium paid for the policy will be refunded in full providing a claim has not been made.

Important information about your policy

Duty of Disclosure

The *Insurance Contracts Act 1984* requires us to give you information about your insurance and for you to give complete and accurate information to us. Before entering a contract of insurance with us, and each time you vary or renew your policy, we will ask you a number of specific questions.

What you must tell us

When answering our questions, you must be honest and you have a duty under law to tell us anything known to you, or which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by this policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as if it had never existed.

If you do not understand

If you do not understand your duty, please contact us.

Important information about your policy

Evidence of ownership

We require you to keep evidence of the purchase and value of your building and contents.

You may be required to provide proof of ownership and evidence of its value if you make a claim under this policy. Such proof includes but is not limited to receipts, valuations, model and serial numbers, photographs, credit card or bank statements.

Personal information

The personal information you give us is used to set-up and administer your Household Insurance Policy. It is used to determine the extent of insurance risk that you have proposed and plays a role in determining fair and competitive premiums. If you make a claim, your personal information enables us to determine your entitlement. If you do not provide the information we request then this can either delay or prevent us from providing the insurance you want or allowing your claim.

General Insurance Code of Practice

The purpose of the General Insurance Code of Practice is to establish standards of practice for insurers that we at RACQ Insurance adhere to and support. You may obtain a copy of the Code from the Insurance Council of Australia web site www.ica.com.au or by phoning them on 02 9253 5100.

Words / terms with special meanings

Word / term	Meaning
Accidental	Unexpected and unintended from your point of view.
As new	Repair or replacement with new items or materials regardless of the age of the insured item or property.
Business	Any business, trade, profession or other activity from which income is earned except: •casual baby sitting, casual child minding or garage sales of a domestic nature, all conducted at the property address; and •the domestic rental of a home if the home is insured under this policy, provided you have previously told us that the home is rented out.
Collection	A number of items that have been gathered together according to some unifying principle or orderly arrangement as part of an interest or hobby with the intent of collecting. Examples include but are not limited to collections of coins, stamps, models, toys, badges, and spoons, and unless we agree collections would exclude items bought for consumption, such as a wine collection. Contents cover limits apply as shown on page 34.
Common area	The area of a community title scheme, strata title scheme or flats which does not form part of your lot or tenancy, including but not limited to garages, storage areas, parking areas, walkways and stairwells that are not secure and over which you do not have exclusive use under the by-laws of your body corporate or tenancy agreement.

Words / terms with special meanings

Word / term	Meaning
Consequential loss	Any loss or additional expense arising indirectly from an event that is covered by this policy. For example consequential loss may be: <ul style="list-style-type: none"> •any additional expense in replacing undamaged property so as to create a uniform appearance; •the inability to match the bricks following impact damage to a brick wall; •reduction in value following repair or replacement of lost or damaged property.
Contents	Your contents shown as insured on page 29.
Cost to us	What it would cost us, including any discounts that are available to us, to repair or replace the item or property at the time the loss or damage occurred.
Emergency	Is a circumstance, which poses an immediate threat to the physical safety of your home or contents, such as a burst water pipe or during a storm a branch falls through the roof of your home.
Excess	The amount you have to pay us or bear towards the cost of a claim under this policy. All excesses are shown on your certificate of insurance.
Family or your family	Your spouse, your de facto spouse, your parents and parents in-law, your brothers and sisters, your or your spouse's or de facto spouse's children, who all usually reside with you at the insured property address.
Fixed swimming pool	Includes an in ground pool or an above ground pool and their fixed accessories where erection or installation of the pool required earthworks, construction of decks, ladders, fencing or the like of a permanent nature.
Flood	Rising water which enters your home as a result of it running off or overflowing from any origin or cause. <i>This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</i>

Words / terms with special meanings

Word / term	Meaning
Flash flood and stormwater run-off	A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off.
Forcible entry	Unlawful entry into your home or living quarters including unlawful use of keys or lock picking. Forcible entry does not mean opening an unlocked door, window or skylight.
Home	Your home shown as insured on page 23.
Insured property address	The property address shown on your certificate of insurance as the location of the insured home and/or its contents.
Negotiable instrument	Cash, bank notes, savings certificates, money orders, gift vouchers, stamps (not part of a collection).
Open air	Means anywhere within the insured's property address that is not fully enclosed and lockable.
Pair/set	Contents items or articles that are regarded as a unit. Examples are earrings, golf clubs, candle holders, dinner set, ornaments.
Personal items	Your personal items shown as insured on pages 50.
Policy	Your insurance contract includes this PDS, your most recent certificate of insurance and the information you provide us when you purchase or vary your insurance and at each renewal.
Renovations	When any part of the roof, floor or the external walls are removed for the purpose of additions, alterations, repairs or decoration.
Retaining wall	A wall which is not part of the residential building, designed to hold back or prevent the movement of earth or water.
Specified contents	Contents items that have a higher value than the limit shown on page 34. You will need to have them specifically listed on your certificate of insurance and pay an additional premium.

Words / terms with special meanings

Word / term	Meaning
Sporting equipment	Is equipment used in sporting activities (whether or not for competition), leisure and recreational activities. Sporting equipment does not include, camping equipment, diving equipment, parachute, model craft, hang glider, aircraft, motor vehicle, motor cycle, trail bike, mini bike, motorised go-cart, or any spare part or accessory for the equipment (including any helmet, gloves, boots, goggles or over-suit).
Storm	A violent disturbance of the atmosphere associated with strong winds including a cyclone, lightning, heavy rain, hail or snow, but not continuous bad weather by itself.
Storm surge	An increase in the level of the sea associated with a tropical cyclone or other intense storm.
Temporary/non fixed swimming pool	An inflatable or aboveground swimming pool or spa mounted on their own accessories or on a temporary site.
Terrorism	An act, including but not limited to the use of force or violence and/or the threat thereof, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from the nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes, including the intention to influence any government and/or puts the public, or any section of the public, in fear.
Tools of trade	Any tools whose principal use is in connection with a business.
Tsunami	An ocean wave that has its origins in an under water earthquake or volcano.
Unoccupied	The home situated at the insured property address has not been occupied for more than 60 days, and we have not been told of this beforehand. Occasional overnight stays of less than one night a week on average during the 60 day period does not mean the home is being occupied.

Words / terms with special meanings

Word / term	Meaning
We, us	RACQ Insurance Limited. ABN 50 009 704 152 AFS Licence Number 233082.
You, your	The person or persons shown as the policy holder/s on the certificate of insurance and your family who usually reside with you at the property address.

Calculating your sum insured

Help with calculating your home sum insured

Your home building sum insured needs to be sufficient to cover the cost of rebuilding your home in the unfortunate circumstance of total destruction by an insured event.

The cost of rebuilding is based on the materials and labour needed – not your home real estate market value.

You can refer to the following sources to assist in calculating a reasonable sum insured for your building:

- building industry professionals, such as licensed builders, architects or valuers
- RACQ Insurance website calculators
www.racqinsurance.com.au
- ask us for a copy of our valuation guide.

For each subsequent renewal, we will increase your selected sum insured to allow for increased building costs as detailed on page 42.

You are responsible for calculating the sum insured on the cost of rebuilding your home. If you do not have an adequate sum insured, you may be out of pocket if you suffer loss or damage to your home.

Calculating your sum insured

Help with calculating your contents sum insured

When you add up the replacement value of your household contents, it can be more than you think. Contents insurance covers items in your home, from furniture and carpets to valuables and sentimental items.

How much cover do you need?

By telling us exactly how much cover you require for your contents, you know for sure that you're not wasting money on cover you don't need. To make sure your contents are fully covered, go through the house room by room and write down what it would cost to replace each item at today's prices. You may also refer to the calculators available on the RACQ Insurance website or ask us for a copy of our valuation guide.

'New for old' cover

This means that if your contents (not clothing) get damaged or stolen, and we can not or elect not to repair, we will replace your contents.

Protecting valuable items

If you've got valuable items worth more than the amounts shown on page 34 – for example if you have a piece of jewellery worth more than \$2,000 or works of art worth more than \$2,000 - let us know, as these need to be specifically noted on your certificate of insurance and insured for their full value.

Insured events you are covered for

If your home is covered by this policy the word home will be shown on your certificate of insurance. We cover your home for loss or damage caused by any of the insured events, which happen at the property address during the period of insurance.

If the contents of your home are covered by this policy, the word contents will be shown on your certificate of insurance. We cover your contents for loss or damage caused by any of the insured events, which happen at the property address during the period of insurance.

We cover you for loss or damage caused by the insured events listed on pages 16 to 22. If you want protection from loss or damage caused by other events you should consider the optional covers provided for in the Optional covers for extra peace of mind section of this policy.

Insured events you are covered for

Damage caused by weather...

What is covered	What is not covered
<p>Storm</p>	<p>Loss or damage:</p> <ul style="list-style-type: none"> × caused by rain, hail or snow after it has reached the ground; × caused by rain or wind entering the home unless it enters through an opening in the windows, walls or roof made by a storm; × to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other playing surfaces; × to paint and/or external coatings of buildings when there is no structural storm damage to other parts of the home; × to swimming pool and spa covers, liners and the like other than loss or damage covered under Additional benefit; Storm damage to pool and/or spa covers on page 45; × to a glasshouse whether constructed principally of glass or not; × during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired. × caused by storm surge; × caused by power surge.
<p>Tsunami</p>	
<p>Earthquake</p>	

× Not covered

Insured events you are covered for

Damage caused by weather...

What is covered	What is not covered
<p>Flash flood and stormwater run-off A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> ×by flood; ×to swimming pools or spas and their covers, liners and the like; ×to the water in swimming pools or spas; ×by water being absorbed through floors, external and internal walls of your home (including rising damp) and any subsequent loss or damage to contents including carpets; ×by hydrostatic pressure building up below or behind any part of your home or structure including a swimming pool, spa or tank; ×to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other playing surfaces; ×by storm surge or any other action of the sea; ×by power surge; ×during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired.
<p>Lightning including power surge caused by lightning strike</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> ×by power surge or power fluctuations not caused by lightning; ×where there is no reasonable evidence that lightning was the cause of damage.

× Not covered

Insured events you are covered for

Criminal acts against you...

What is covered	What is not covered
<p>Theft including attempted theft or burglary</p> <p>Vandalism, malicious or intentional damage</p>	<p>Loss or damage caused by theft, vandalism, malicious or intentional damage:</p> <ul style="list-style-type: none"> ×by someone who entered the home with your consent or the consent of someone usually living there; ×by the tenant of your home or any persons invited by your tenant to enter the home; ×to cash, negotiable instruments or legal tender when entry is gained through an open or unlocked door, window or skylight; ×to contents in a room in a boarding house, dormitory, nurses quarters, barracks or the like when entry is gained through an open or unlocked door, window or skylight; ×from common areas; ×if your home was deemed to be unoccupied at the time the loss or damage occurred.
<p>Riot or civil commotion including the acts of lawful authorities in controlling such occurrences</p>	

× Not covered

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
<p>Bursting, leaking, discharging or overflowing of liquids from:</p> <ul style="list-style-type: none"> • dish and clothes washing machines; • water catchment trays of refrigerators, freezers and evaporative air conditioners; • waterbeds; • pipes, gutters, drains designed for carrying liquid which are fixed or connected to the home; • fixed domestic apparatus such as but not limited to water tanks, lavatory cisterns and pans, baths, basins, sinks but not a shower recess or cubicle; • water mains located at or adjacent to the property address. <p>Locating the source of leaks If damage has been caused to your home by the escape of liquid, we will pay for the reasonable cost of locating the source of the escape if it is unknown.</p> <p>In addition to the home sum insured, the most we will pay for locating the source of the escape in any one claim is 10% of the home sum insured.</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> ×to the apparatus or device which burst, leaked, discharged or overflowed (this includes a shower recess or cubicle); ×by the escape of liquid occurring as a result of a gradual process of bursting, leaking, discharging or overflowing unless you can show: <ul style="list-style-type: none"> • if your home is damaged – that this policy covered your home and it was current for the whole of the time that the damage was occurring; or • if your contents are damaged – that this policy covered your contents and it was current for the whole of the time that the damage was occurring; and • you or any tenant of your home could not reasonably have been expected to have known that the process was occurring. ×by a leak that you knew about and had not fixed before the loss or damage occurred; ×if your home was deemed to be unoccupied at the time the loss or damage occurred. <p>We will not pay for the cost of the escaped liquid.</p>

× Not covered

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
<p>Impact Impact at or adjacent to the property address by:</p> <ul style="list-style-type: none">• a vehicle or craft designed for use on, the road or water;• a falling tree or part of a tree including the cost of removal and disposal of the tree or branch that has damaged the home;• space debris or debris from a rocket or satellite;• aircraft;• a satellite dish, solar hot water tank, television or radio aerial which breaks or collapses.	<p>Loss or damage caused:</p> <ul style="list-style-type: none">×to garden borders, driveways, paths, paving, playing surfaces, underground services or retaining walls caused by a vehicle or craft designed for use on the road or water;×by a tree or part of a tree cut down by you or any person living in the home or any person acting with your or their consent;×the cost of removing the tree stump.
<p>Explosion</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none">×to a vessel or apparatus that is the source of an explosion;×if your home was deemed to be unoccupied at the time the loss or damage occurred.

× Not covered

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
<p>Fire</p>	<p>Loss or damage caused by scorching, melting, heat damage:</p> <ul style="list-style-type: none"> × where there was no flame; or × where your home or contents have not caught fire; or × where fire or heat was required as part of a process such as but not limited to a stove, fireplace, chimney, oven, electric element, iron or saucepan. <p>Loss or damage:</p> <ul style="list-style-type: none"> × arising from bushfire for the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired. × if your home was deemed to be unoccupied at the time the loss or damage occurred.
<p>Acts of animals</p>	<ul style="list-style-type: none"> × Loss or damage caused by pets, animals or livestock kept by you or any person usually living in your home.

× Not covered

Your home

What we insure as your home

Your residential building situated at the insured property address including:

- other buildings such as garages, sheds, pergolas, carports and the like that are used for domestic purposes;
- fixed wall coverings, ceiling coverings and floor coverings excluding carpets;
- fixed barbecues, clothes hoists, external blinds and awnings, shade sails, aerials and masts;
- outdoor water and sullage pumps attached to service pipes or drains;
- fixed swimming pools, spas or saunas and their associated pump motors and filters;
- fixed outdoor water tanks;
- fixed solar appliances;
- paths and paving and playing surfaces;
- fencing, walls and gates;
- garden borders and driveways;
- built-in furniture;
- gas, water, electricity or other services (whether underground or not) that are your property or that you are legally liable to repair or replace;
- apparatus or appliances permanently fixed to the gas, plumbing or electrical systems including fixed or built in:
 - air conditioning units, ovens, stoves, range hoods and dishwashers;
 - ceiling fans and ceiling exhaust fans.
- a transportable home that is fixed to foundations anchored into the ground and connected to all services on the site;
- an unregistered caravan or mobile home which:
 - is not used on a public road;
 - is used by you solely as your permanent or temporary residence;
 - includes its fixtures and fittings and annexe, but not a fabric annexe over five years old.
- landlord's:
 - fixtures and fittings;
 - floor coverings and carpets;
 - light fittings and window coverings.

Your home

What we do not insure as your home

What is not covered:

- × retaining walls;
 - × temporary homes or structures;
 - × homes under construction or reconstruction other than as provided for in renovations to your home on page 28 of this policy;
 - × floor carpets other than landlord's carpets;
 - × a hotel, motel, boarding house or barracks;
 - × fences, sheds, stables or other structures used or intended to be used for agricultural business purposes or any other business;
 - × the land on which your home is constructed;
 - × a campervan, bus, semi-trailer, rail carriage, tram, watercraft or aircraft;
 - × a caravan or mobile home which is:
 - registered;
 - used on a public road; or
 - not used solely as your permanent or temporary residence.
 - × boat jetties, pontoons or a wharf except if shown on your certificate of insurance as being part of your home;
 - × glasshouse or greenhouse whether constructed principally of glass or not;
 - × a home unit other than a duplex unit;
 - × temporary/non fixed swimming pools or spas;
 - × lawns, trees, shrubs, plants and hedges.
- × Not covered

Your home

Settling your claim

If your certificate of insurance shows that you have home insurance we will cover your home for loss or damage as a result of an insured event occurring during the period of insurance.

We may choose at our option to:

- rebuild or repair your home as new; or
- pay you the cost to us of rebuilding or repairing your home as new including any additional costs (relating only to that part of the home that was damaged) necessary to comply with government or local government laws existing at the time of damage occurring, provided that at the time of original construction the laws and by-laws prevailing then were complied with; or
- pay you the home sum insured; or
- settle, when allowance for wear and tear or lack of maintenance of the property is to be made, as explained in "Claims settlement other than on an as new basis" on page 26.

We will pay up to the home sum insured shown in your certificate of insurance less any applicable excess.

If we choose to pay you the cost to us of rebuilding or repairing your home or the home sum insured, we may first pay to a mortgagee or credit provider who is identified on your certificate of insurance, the amount owing by you to the mortgagee or credit provider in respect of the mortgage of your home up to the home sum insured.

The terms and conditions of this policy apply to a mortgagee or other credit provider in the same manner as they apply to you.

We will pay for materials of a similar kind and quality if the original materials are not readily available in Australia.

If the home is totally destroyed and we choose to rebuild it, you may choose to rebuild it on another site but only if we have agreed.

Your home

Claims settlement other than on an as new basis

The amount we pay for rebuilding or repairing damage will be reduced from an as new basis to an amount that would place you in the same position you were in immediately before the loss or damage occurred with due allowance for age, wear, tear and where applicable, lack of maintenance of the property in the following circumstances:

- where the home was not in a sound condition or well maintained at the time of the loss or damage occurring;
- where you are the landlord, for floor carpets that were damaged that were over 10 years old;
- if the rebuilding or repairs of your home are not commenced by you within 12 months from the date of loss, unless you can demonstrate a longer period of time is reasonable;
- if you do not cooperate with us in exercising our option to rebuild or repair your home.

Your home

The most we will pay you for home claims

What is covered	What is not covered
<p>Flash flood and stormwater run-off We will pay up to 50% of your home sum insured or \$25,000, whichever is higher.</p>	
<p>Rebuilding or repairing of that part of the home that was damaged or destroyed We will pay:</p> <ul style="list-style-type: none"> • up to the home sum insured shown on your certificate of insurance less any applicable excess; • 50% of the cost of repairing or replacing up to 2 kilometres of dividing fences, walls and gates that form part of a shared boundary; • replacement of window, wall, floor or ceiling coverings in the room, hall or passageway where the damage is evident; • materials of a similar kind and quality if the original materials are not readily available in Australia. 	<p>We will not pay for:</p> <ul style="list-style-type: none"> × additional expenses for replacing or matching undamaged parts to create a uniform appearance; or × extra costs of rebuilding or repairing your home to a better condition than when the home was damaged or destroyed. <p>If, prior to the loss or damage, your home or part of it was intended to be demolished or was subject to demolition order, we will pay only the salvage value of the home or that part as if it had already been demolished.</p>
<p>Landlord fixtures and fittings We will pay up to 5% of your home sum insured.</p> <p>Any amount we pay for this benefit will reduce your home sum insured by a corresponding amount.</p> <p>You can choose to insure a higher amount for landlords fixtures and fittings as an optional cover (refer to page 53).</p>	

× Not covered

Your home

The most we will pay you for home claims

What is covered	What is not covered
<p>Renovations to your home If the insured home is undergoing renovations, then until the roof, floor or external walls have been replaced, the cover provided by this policy is limited to loss or damage to the home and building materials at the property address shown on the certificate of insurance caused by the following Insured Events:</p> <ul style="list-style-type: none">• Fire;• Explosion;• Lightning;• Earthquake;• Riot or civil commotion;• Impact and damage caused by abnormally high winds.	

Your contents

What we insure as your contents

Those household goods and personal items located in your residential building situated at the insured property address including:

- carpets - fixed and unfixed;
- contents in the open air;
- electrical appliances such as washing machines, refrigerators, freezers, dryers, portable heaters;
- firearms legally registered and stored;
- furniture and furnishings;
- furniture and furnishings in an office or surgery in your home;
- home entertainment appliances such as TVs, DVD players, stereo systems;
- household tools and tools of trade;
- internal blinds and curtains;
- non-fixed light fittings;
- non-registered:
 - golf buggies;
 - motorised wheelchairs;
 - lawn and garden appliances.
- remote-controlled models or toys;
- personal items;
- sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis;
- temporary/non-fixed swimming pools;
- non-structural fixtures and fittings not insurable by any other policy of insurance if you own and occupy a home unit that is part of a community title scheme or strata title scheme;
- landlords fixtures and fittings for which you are responsible under the rental agreement and non-structural fixtures and fittings installed by you with the permission of your landlord.

Your contents

What we do not insure as your contents

What is not covered:

- × structural improvements to the home;
 - × travel tickets or other forms of tickets or coupons, lottery tickets and competition entry forms and the like;
 - × registered securities;
 - × precious metals in the form of bars or bullion, precious or semi-precious uncut or loose gems;
 - × motor vehicles, motor cycles, trail and motor bikes, motorised scooters, trailers and caravans, their tools, parts, spare parts and accessories whether fitted or not;
 - × golf buggies or motorised wheelchairs that are required to be registered;
 - × aircraft or watercraft, their tools, parts, spare parts and accessories whether fitted or not (other than sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis or remote-controlled models or toys);
 - × lawns, trees, shrubs, plants and hedges;
 - × pets, livestock, fish or birds;
 - × credit, debit or any other form of financial transaction card;
 - × contact lenses while engaged in sporting and water activities;
 - × stock in trade or any property or materials used in a business, other than tools of trade and home office equipment;
 - × mobile phones and their accessories;
 - × apparatus or appliances permanently fixed to the gas, plumbing or electrical systems;
 - × contents of a caravan or mobile home which is, or is required to be registered;
 - × the following items of property when they are contents of a caravan or mobile home:
 - sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis and their spare parts and accessories;
 - musical instruments, sporting equipment;
 - computer equipment;
 - collections of any kind.
- × Not covered

Your contents

Settling your claim

If your certificate of insurance shows that you have contents insurance we will cover your contents for loss or damage as a result of an insured event occurring during the period of insurance.

We may choose at our option to:

- repair the item as far as reasonably possible to the original condition it was in, using materials that are readily available in Australia; or
- replace the item with a new item (regardless of brand or supplier) which is available in Australia and which is its nearest equivalent (in terms of quality and price) at the time of loss or damage; or
- if you do not want us to repair or replace an item, we will pay you the reasonable cost to repair or replace the item, but only if we have agreed to this; or
- pay you up to the contents sum insured, or if you have chosen Selected personal items cover, pay you the sum insured for that item; or
- If you have chosen Group cover, pay up to the maximum overall sum insured limit.

We will pay up to the sum insured shown in your certificate of insurance less any applicable excess.

If an insured item consists of a pair, set or collection, we will pay only for the repair or replacement of the lost or damaged part. If we cannot repair or replace the part, we will pay the proportional replacement value of only that part. We do not pay for any decrease in the value of the pair, set or collection. If we replace or pay for an item, the lost or damaged item becomes our property.

Claims settlement other than on an as new basis

We will adjust your contents claim for age, wear and tear for the following items:

- floor carpets that were over 10 years old;
- clothing.

Your contents

The most we will pay you for contents claims

What is covered	What is not covered
<p>Cash, currency and negotiable instruments We will pay up to \$300 for theft of, loss of or damage to cash, treasury notes, bank notes, savings certificates, stamps (not forming part of a collection) or other forms of negotiable instruments.</p>	<p>We will not pay for loss or damage caused by: × entry gained through an unlocked door, window or skylight.</p>
<p>Contents in the open air For contents in the open air at the insured property address, we will pay up to the contents sum insured, if they are lost or damaged as a result of an insured event.</p> <p>If the loss or damage is a result of theft, the most we will pay for such contents is 5% of the contents sum insured.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for loss or damage caused by: × theft from common areas; × theft from locked or unlocked motor vehicles; × Impact.</p>
<p>Contents in your home For contents that are in an entirely enclosed and lockable part of your home, we will pay up to the contents sum insured less: • any amount paid as contents in the open air.</p>	
<p>Flash flood and stormwater run-off We will pay up to 50% of your contents sum insured or \$25,000, whichever is the higher, but not exceeding your contents sum insured.</p>	

× Not covered

Your contents

The most we will pay you for contents claims

What is covered	What is not covered
<p>Office equipment We will pay up to \$10,000 in total for all items in the following groups not specifically listed on your certificate of insurance if they are lost or damaged as a result of an insured event:</p> <ul style="list-style-type: none"> • computer equipment including associated hardware and accessories; • office equipment (other than computers, associated hardware and accessories); • copy written purchased software for which you hold a licence but not custom written software and data; • furniture and furnishings in an office or surgery in your home. 	
<p>Refrigerated foodstuffs and goods We will pay up to \$500 in total for spoilage of foodstuffs and other goods stored in your domestic freezers or refrigerators (including the reasonable cost of temporary alternative refrigeration and ice) if caused by an insured event covered by this policy.</p>	<p>We will not pay for loss or damage to: × a refrigerator or freezer caused by spoiled food.</p>
<p>Renovations to your home If the home in which you reside is undergoing renovations, then until the roof, floor or external walls have been replaced, the cover provided by this policy is limited to loss or damage to the contents at the property address shown on the certificate of insurance caused by the following Insured Events:</p> <ul style="list-style-type: none"> • Fire; • Explosion; • Lightning; • Earthquake; • Riot or civil commotion; • Impact and damage caused by abnormally high winds. 	
<p>Tools of trade We will pay up to \$2,000 in total, for tools of trade used wholly or partly in any business lost or damaged as a result of an insured event.</p>	

× Not covered

Your contents

The most we will pay you for contents claims

What is covered	What we will pay
* Watches, jewellery and gold or silver artefacts (but not bullion)	Up to \$2,000 for each item or set, but not more than a total of \$6,000
* Cameras and camera accessories	Up to \$2,000 total
* Movie or video cameras and camera accessories	Up to \$2,000 total
* Hand woven rugs and mats	Up to \$1,000 each
* CDs, DVDs, audio and video tapes, records, computer discs, game cartridges and consoles	Up to \$5,000 in total
* Paintings, pictures, drawings, works of art, figurines, moulded objects, vases or curios (not being jewellery, gold, or silver artefacts)	Up to \$2,000 for each item or set, but not more than a total of \$12,000
* Stamp collections and collector's non-negotiable currency	Up to \$2,000 in total
* Collections, medals or memorabilia	Up to \$2,000 in total
* Group cover for personal items listed on page 51 Includes accidental damage cover in Australia or New Zealand	Up to the maximum overall sum insured limit shown on your certificate of insurance. Refer to page 50 for the maximum overall sum insured limits you can choose for your Group cover personal items
* Selected personal items cover for items listed on pages 51 Includes accidental damage cover in Australia or New Zealand	Up to the sum insured for that item listed on your certificate of insurance
Additional benefits or options	Up to the limit shown for that additional benefit or option
All other contents items	Up to the contents sum insured unless a separate limit applies

If your contents items have a value higher than the limit shown above, you will need to have them specifically listed on your certificate of insurance and pay an additional premium to ensure you are covered for their full value. Proof of ownership will be required in the event of a claim.

Additional benefits we provide for you

What is covered	What is not covered
<p>Additional living expenses Contents cover If you are a tenant or an owner-occupier of a home or home unit at the property address that has been accidentally damaged by an Insured Event during the period of insurance rendering it unfit to live in, we will pay for your reasonable additional living expenses until the home or home unit is fit to live in.</p> <p>We will also pay for additional living expenses such as telephone or electricity connection fees at your temporary place of accommodation.</p> <p>In addition to the contents sum insured, the most we will pay for this additional benefit for any one claim is 10% of the contents sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × rent; × any other direct accommodation costs.
<p>Attendance by a security firm Contents cover We will pay up to \$750 towards the cost incurred by you for a security firm to respond to a monitored alarm signal at the insured property address.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × any amount unless the security firm attendance was in connection with a claim for an insured event for which we have agreed to pay.

× Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Breakage of glass Home cover If they are part of your home and accidentally broken, we will pay for the cost of repairing or replacing:</p> <ul style="list-style-type: none"> • fixed glass; • a sky light; • porcelain, marble, granite, fibreglass or polymarble in a sink, basin, shower base, bath or toilet; • glass or ceramics in a stove top, forming part of your home which happens during the period of insurance. <p>The most we will pay for this additional benefit for any one claim is the home sum insured.</p>	<p>We will not pay for damage to or breakage:</p> <ul style="list-style-type: none"> × where the break does not extend through the entire thickness of the item; × of glass in a glasshouse, conservatory or greenhouse; × of any tiles or tiled furniture forming part of the home; × if your home was deemed to be unoccupied at the time the damage to or breakage occurred.

× Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Breakage of glass Contents cover If they are accidentally broken, we will pay for the cost of repairing or replacing glass forming part of an item of furniture located in the home at the property address which happens during the period of insurance.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for damage to or breakage:</p> <ul style="list-style-type: none"> × where the break does not extend through the entire thickness of the item; × of a picture tube or screen of a television or visual display unit except if advanced cover applies to contents; × of glass forming part of a radio or clock, vase, ornament or lamp except if advanced cover applies to contents; × of glass in a picture frame other than a wall hanging picture frame; × of glass in mirrors normally carried by hand; × if your home was deemed to be unoccupied at the time the damage to or breakage occurred. <p>This cover is limited to accidental breakage of glass forming part of an item of furniture.</p> <p>Cover does not extend to include breakage of other materials such as porcelain, marble, granite, fibreglass, polymarble or ceramics.</p>
<p>Campus cover Contents cover We will pay up to a maximum of \$2,000 for any one item, \$5,000 in total for your contents following loss or damage caused by an insured event whilst your contents are contained in a residential lockable room where you are residing within any student campus located in Australia.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × loss of or damage to cash or negotiable instruments, jewellery of any kind, watches, gems, gold, silver or any other precious metal; × theft from common areas or open air; × theft without signs of forcible entry; × any amount that we have agreed to pay for under the Additional benefit: Temporary removal of contents on page 46.
<p>× Not covered</p>	

Additional benefits we provide for you

What is covered	What is not covered
<p>Clean up costs Home and/or contents cover When your contents are lost or damaged due to theft, we also will pay the cost of cleaning up:</p> <ul style="list-style-type: none"> • any mess left inside your home by the persons responsible for the theft; • the debris left after police forensic testing. <p>If your home is insured, we will clean up graffiti and repair damage caused during the process of police forensic testing.</p> <p>In addition to the sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home and/or contents sum insured, whichever is applicable.</p>	
<p>Contents while in storage Contents cover If your contents have been removed from the property address, and are in storage, we will pay for loss or damage to your contents caused by an insured event which happens during the period of insurance, but only if you tell us beforehand and we agree to cover them.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × loss of or damage to cash or negotiable instruments, jewellery of any kind, watches, gems, gold, silver or any other precious metal; × storage of contents beyond 60 consecutive days commencing on the first day of storage, or extending beyond the period of insurance shown on your certificate of insurance.
<p>× Not covered</p>	

Additional benefits we provide for you

What is covered	What is not covered
<p>Contents in transit Contents cover If you are moving to a new permanent address in Australia, we cover you for loss or damage to your contents caused by an insured event occurring during the period of insurance while at the old address or the new address for 14 days from the date you begin to move if you tell us about the move beforehand.</p> <p>We will also cover your contents for loss or damage which happens during the period of insurance as a result of fire, flood, collision or overturning of the conveying vehicle during their transport to your new permanent residence in Australia.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × damage sustained during loading or unloading of the conveying vehicle; × loss of or damage to cash or negotiable instruments.
<p>Contents in a safe deposit box Contents cover We will cover loss or damage caused by an insured event to your contents whilst your contents are located in a safe deposit box at a financial institution.</p> <p>The most we will pay for this additional benefit for any one claim is 10% of the contents sum insured.</p> <p>Contents cover limits apply as shown on page 34.</p> <p>× Not covered</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × loss of or damage to cash or negotiable instruments.

Additional benefits we provide for you

What is covered	What is not covered
<p>Credit card misuse Contents cover If your contents are shown as covered on your certificate of insurance we will pay up to \$1,500, if a credit card or financial transaction card is lost or stolen anywhere in Australia and someone other than:</p> <ul style="list-style-type: none"> • you; or • someone living at the property address, <p>illegally uses them to steal money from your account or buy goods for which you become liable.</p>	<p>We will not pay if:</p> <ul style="list-style-type: none"> × a person misused the credit or financial transaction card because they found or had access to your personal identification number or other access details; or × you did not notify the financial institution or credit provider within 24 hours of the credit or financial transaction card being discovered lost or stolen; or × the financial institution or credit provider provides indemnity for any loss; or × you broke the terms and conditions under which the credit or financial transaction card was issued.
<p>Damage caused by emergency services Home cover We will pay up to \$1,000 to repair damage to your home caused by emergency services during the process of gaining entry to your home.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × any amount unless the emergency service attendance was in response to loss or damage caused by an insured event for which we have agreed to pay.
<p>Demolition and redesign costs Home cover If your home has to be rebuilt or repaired after damage caused by an insured event, we will pay the reasonable cost of:</p> <ul style="list-style-type: none"> • survey work; • design work; • related legal work; • exploratory work necessary to locate the cause of the damage; • demolition. <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	

× Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Emergency and alternative accommodation Home cover If your home was owned and occupied by you immediately prior to it being damaged by an insured event rendering it unfit to live in, we will pay for your:</p> <ul style="list-style-type: none"> • reasonable emergency accommodation for up to 14 days; and • alternative accommodation (limited to the rentable value of your home immediately prior to the damage occurring), until your home is fit to live in. <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × alternative accommodation for more than 12 months from the time the damage occurred.
<p>Funeral expenses Home and contents cover We will pay up to \$5,000 to assist you with funeral expenses if you or a member of your family die as a result of an insured event described on pages 16 to 22, and we have agreed to pay your claim.</p> <p>× Not covered</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × death resulting from an event that occurred away from the insured address; × death occurring more than 90 days after the event that caused it.

Additional benefits we provide for you

What is covered	What is not covered
<p>Inflation protection at renewal</p> <p>Home cover When your policy is due for renewal, we will increase your building sum insured to allow for any increase in building costs. We will use industry home building cost guides as a reference.</p> <p>Contents cover When your policy is due for renewal, we will increase your contents sum insured to allow for additional items you might buy during the period of insurance and for increases in the replacement cost of contents.</p> <p>Your certificate of insurance at renewal will show the building and/or contents sum insured and the premium applying.</p>	
<p>Loss of rent</p> <p>Home cover If you did not occupy the home, and it was with our prior knowledge rented to others immediately prior to it being damaged by an insured event rendering it unfit to live in, we will pay you the net loss of rental income (limited to the rentable value of the home immediately prior to damage) until the home is fit to live in.</p> <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × loss of rent for more than 12 months from the time the damage occurred.
<p>× Not covered</p>	

Additional benefits we provide for you

What is covered	What is not covered
<p>Peace of mind protection Home cover If the sum insured does not fully cover the repair or rebuilding of your home at the time of any claim for loss or damage as a result of an insured event that we have agreed to pay, we will:</p> <ul style="list-style-type: none"> • Increase the sum insured by the current annual inflation protection adjustment at the time of the loss or damage. 	
<p>Professional documents Contents cover We will cover up to \$1,000 to replace, restore or reproduce professional documents lost or damaged as a result of an insured event.</p>	
<p>Re-key, recode or replacement of locks Home cover If you are the owner-occupier of the insured home, we will pay up to \$500 to re-key, recode or replace locks if:</p> <ul style="list-style-type: none"> • a key for any external door of your home is stolen anywhere in Australia; and • you have reported the theft to the police; and • the keys had your property address or other identifying information with them. <p>No excess is applicable to this additional benefit.</p>	

x Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Removal of debris Home and/or Contents cover If your home and/or contents are damaged by an insured event we will pay for the reasonable costs of removing the debris.</p> <p>In addition to the sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home and/or contents sum insured, whichever is applicable.</p>	
<p>Special occasion gifts Contents cover We will automatically increase your sum insured to cover gifts you have purchased for a special occasion. For example, this covers gifts bought for a family wedding or gifts bought for the Christmas season.</p> <p>Contents cover limits apply as shown on page 34.</p> <p>We will pay up to \$1,000 in addition to your contents sum insured if a total loss occurs as a result of an insured event.</p>	<p>We will not pay for: × loss of or damage to cash or negotiable instruments or mobile phones.</p>
<p>× Not covered</p>	

Additional benefits we provide for you

What is covered	What is not covered
<p>Storage of contents after an event Contents cover If the home in which your contents are contained is damaged by an insured event rendering it unfit to live in, then we will pay the reasonable charges to remove and store your contents until you have found another place to permanently reside or until the home is fit to live in, whichever is the sooner.</p> <p>We will also pay for returning the contents to your home.</p> <p>In addition to the contents sum insured, the most we will pay for this benefit for any one claim is 10% of the contents sum insured.</p> <p>We will also pay up to the remaining contents sum insured for any additional loss or damage to your contents caused by an insured event while they are at the place of storage.</p> <p>Contents cover limits apply as shown on page 32-34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × loss of or damage to cash or negotiable instruments, jewellery of any kind, watches, gems, gold, silver or any other precious metal.
<p>Storm damage to pool and/or spa covers Home cover We will pay up to \$500 for loss or damage to your pool or spa cover or liner as a result of a storm.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × any amount where we have not agreed to pay for storm damage to other parts of your home arising from the same event; × loss or damage to your pool or spa cover or liner that is more than 5 years old.

× Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Temporary removal of contents Contents cover We will cover your contents for loss or damage caused by an insured event while they are on your person or located in any dwelling within Australia where you are temporarily residing.</p> <p>We will pay up to 20% of the contents sum insured for any one claim for such loss or damage.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × contents outside Australia; × loss of or damage to cash or negotiable instruments; × loss or damage while on your person or in transit caused by theft, storm, flash flood and stormwater run-off, tsunami, vandalism, malicious or intentional damage or impact; × contents temporarily removed for a period exceeding 30 days.
<p>Theft of purchased water Contents cover We will pay up to \$200 for theft of your water supply stored in an outdoor water tank.</p> <p>No excess is applicable to this additional benefit.</p>	<p>We will not pay:</p> <ul style="list-style-type: none"> × where you have not reported the theft to the police; × for theft of water without signs of forced entry to your insured property.
<p>Uninsured visitor's contents Contents cover We will pay up to \$500 for uninsured visitor's contents at the insured address if the loss or damage is caused by an insured event.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × cash or negotiable instruments; × mobile phones; × jewellery; × laptop computer and computer accessories; × visitor's contents insured under any other insurance.

× Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Emergency Home Assist Home and/or Contents cover We provide you with the following benefits if this policy is current at the time when an emergency happens. We do not charge you for these benefits.</p> <p>In the event of an emergency our support team are there to assist you 24 hours a day. Simply call 1800 800 552.</p> <p>Immediate help in the event of an emergency:</p> <ul style="list-style-type: none"> • where possible you will be advised of simple measures that you can take to minimise damage; • we will consult a unique computerised listing, to find the trades person you need; • we advise you of the name of a locally available trades person and their call out charge and where possible an estimate for the cost of the whole job. If you feel the price quoted is too high, we will locate an alternate trades person/supplier; • wherever possible we prefer to use local trades persons, as they generally provide a quick, reliable service; • if you want the trades person to call on you, we will make those arrangements and let you know what time they are expected to arrive; • we will check back with you to make sure the problem has been solved to your satisfaction. <p>Who pays for the repairs? Initially you do, however if the damage relates to an insurance claim simply include the repair account and receipt with your completed claim form for our consideration.</p>	<p>×The Emergency Home Assist service can only be used as an emergency service. If you require a trades person for general maintenance or non-emergency work, you should consult a local services directory or the Yellow Pages.</p>

× Not covered

Optional covers for extra peace of mind

The covers outlined in this section are optional and do not apply unless you have asked for them and we agree to cover you. Additional premiums apply for each cover. Your certificate of insurance will show which covers operate. All optional covers are subject to the terms and conditions of this policy.

What is covered	What is not covered
<p>Motor burnout Home and/or contents cover If the wiring of a domestic electric motor that forms part of your insured home and/or contents burns out, then we will pay you the cost of repairs or replacement of the electric motor, whichever method is the most economical.</p> <p>We will pay for:</p> <ul style="list-style-type: none"> • re-gassing if the electric motor is inside a sealed refrigeration or air-conditioning unit; • a swimming pool water pump if it is combined with its electric motor, if the replacement pump motor cannot be bought on its own; • labour and installation costs and call out fees. <p>Spoilage of refrigerated/frozen goods Contents cover When motor burnout option is added to your contents cover, we also cover foodstuffs and other goods that have spoiled as a result of:</p> <ul style="list-style-type: none"> • a motor in a refrigerator or freezer burning out or fusing; or • the failure to supply electricity by any public electricity provider. <p>The most we will pay for food spoilage is \$500.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × any motor or sealed unit over 10 years old; × any equipment, component or apparatus that is not an electric motor; × a motor covered by a guarantee or warranty; × a motor used in any business; × any printed circuit board; × cost of removing and replacing a submersible pump; × loss or damage to a refrigerator or freezer caused by spoiled food; × spoiled goods where the refrigerator or freezer is over 10 years old; × spoiled goods caused by the tripping of a safety switch unless caused by an Insured Event.

× Not covered

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Advanced cover Home and/or contents cover In addition to insured events cover, advanced cover also covers you for accidental damage to:</p> <ul style="list-style-type: none"> • your home when it is insured by this policy, and • the contents described below when contents are insured by this policy: <ul style="list-style-type: none"> • indoor and outdoor furniture; • furnishings, household decorative items, works of art, wall hangings and household ornaments; • glass forming part of a picture tube or screen of a television or visual display unit, a radio or clock, vase, ornament or lamp; • kitchen, dining room, lounge room, bedroom and bathroom ware and floor carpets; • household and domestic electrical and electronic goods, personal computer equipment and associated hardware, <p>caused by any event not excluded by this policy, provided the damage occurred during the period of insurance while located within the entirely enclosed and lockable part of your home, apart from outdoor furniture that may be located in the open air.</p> <p>Plus, for extra peace of mind, advanced cover also covers you for loss or damage to your home or contents caused by motor burnout.</p> <p>We pay for loss or damage in the same way and in the same amounts as we do under insured events cover. This means any limitations as to the type of damage or the amount we pay as set out in those sections apply equally to a claim under this optional cover.</p>	<p>Accidental loss or damage caused:</p> <ul style="list-style-type: none"> × by the events or circumstances set out in section <i>When you are not covered</i> on pages 59 to 61; × by any insured event other than to the extent provided for in this policy; × by tenants; × to your home or contents if your home is let to tenants; × by renovating or reconstruction of your home; × by power surge unless caused by an insured event at the property address; × by mechanical, electrical or electronic breakdown or failure other than the cover provided by the motor burnout option; × by cracking, chipping or breakage of glass, glassware or china ordinarily carried by hand while in use; × by minor dents, scratching or chipping to property such as walls, roofs, floors, benches or furniture; × by scorching by a cigarette, cigar, pipe, tobacco, ash or other substance, or where fire or heat was required as part of the process; × to swimming pools, outdoor spas and associated equipment including covers and liners except that damage as covered by insured events cover or as allowed under any Additional benefit; × if your home was deemed to be unoccupied at the time the accidental loss or damage occurred, this does not apply for motor burnout.

× Not covered

Optional covers for extra peace of mind

Group and/or selected personal items cover

Cover is provided for accidental loss or damage of the insured items in Australia or New Zealand or while in transit between the two countries during the period of insurance if you have insured items under group cover or selected personal items cover.

Group cover

By selecting one choice from the following range of sum insured limits available and paying an additional premium, you can choose to increase cover for your personal items included in the groups on the next page. This is a form of blanket cover over this group of personal items that do not need to be individually specified. If you choose this option it will be shown on your current certificate of insurance.

Option	Maximum sum insured for any one item	Maximum overall sum insured
1	\$250	\$1,000
2	\$500	\$2,000
3	\$750	\$3,000
4	\$1,000	\$4,000

Selected personal items cover

For an additional premium you can increase your cover on personal items included in the groups on the next page by having them separately listed as selected personal items with their replacement value on your certificate of insurance.

Our claim settlement options are detailed on page 31 under the heading of "Settling your claim".

Optional covers for extra peace of mind

Selected personal items cover

What is covered	What is not covered
<p>We will pay for:</p> <ul style="list-style-type: none"> • bicycles and their accessories; • binoculars and telescopes; • blankets, travel rugs, towels; • cosmetics, toiletries, hairdryers, shavers; • CDs, DVDs, audio and video tapes, records, computer discs, game cartridges and consoles; • firearms; • leather jackets, coats and furs; • handbags, briefcases, purses, wallets, suitcases, knapsacks and other travel bags; • hearing aids, medical aids, dentures, non motorised wheelchairs, walking sticks and crutches; • jewellery (not uncut or unset gems); • laptop computers not used for business; • musical instruments; • photographic equipment; • portable music systems; • prams, strollers and other baby carriers; • prescription sunglasses and spectacles; • saddles; • sewing machines; • sporting equipment excluding clothes; • watches. 	<p>We will not pay for:</p> <ul style="list-style-type: none"> × motorised bicycles or motorised scooters; × musical instruments, firearms and sporting equipment (including fishing gear) while being used for their designed purpose except lawn bowls; × watercraft and their spare parts and accessories; × damage to firearms caused by rusting, derangement, explosion or bursting of a barrel; × any unregistered firearm or firearm not stored in accordance with relevant law; × glass in camera lenses, watches, clocks, or scientific instruments, unless other parts of the item are damaged in the same accident; × items or equipment: <ul style="list-style-type: none"> • undergoing cleaning or repair; • while on hire from you; • while on loan to someone other than any person usually living at your home except when the loss or damage is caused by fire or theft following forcible and violent entry to a home. × items or equipment where loss or damage has been caused by: <ul style="list-style-type: none"> • the action of light, atmospheric conditions or variations or extremes of temperature; • lack of maintenance or gradual deterioration due to any cause; • or resulting from mechanical, electronic or electrical breakdown or failure, overwinding, derangement or inherent defect; • the events or circumstances set out in section <i>When you are not covered - general exclusions</i> on pages 59 to 61. × any contents items used for a business purpose.

× Not covered

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Pet cover Contents cover We pay for the reasonable costs of veterinary treatment for accidental injury or illness suffered by your pet dog or cat identified on your certificate of insurance which happens during the period of insurance.</p> <p>The maximum we will pay for each pet is \$500 in total less the pet excess, arising out of any one injury or illness.</p> <p>Any claim made for a benefit under this optional cover must be supported by a veterinary certificate completed by the attending veterinary surgeon. This certificate forms part of the RACQ Pet Insurance Claim Form. The cost, if any, for the completion of the certificate is not payable under this optional cover.</p> <p>The excess payable for each claim under this section is \$50 and if your certificate of insurance shows an additional pet excess then these excesses will be added together.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × costs or expenses relating to or resulting from the loss or death of your pet dogs or cats or their becoming lost; × routine, elective or preventative veterinary treatment such as vaccinations, spaying or heartworm testing; × treatment of an illness(es) or disease(s) that pre-existed the commencement of this optional cover; × treatment of congenital <ul style="list-style-type: none"> • defects • abnormalities × treatment of injury or illness arising from or connected with a business, occupation or sporting event (excluding dog and cat shows) or animal hunting event; × treatment of a pet that does not permanently reside with you.

× Not covered

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Flood and storm surge This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</p> <p>Home and/or contents cover We cover you for loss of or damage to your home or contents caused by flood or storm surge which happens during the period of insurance at the property address.</p> <p>We will pay up to the:</p> <ul style="list-style-type: none"> • home sum insured, if your home is insured; • contents sum insured, if your contents are insured for damage caused by flood or storm surge. <p>We will pay for loss or damage in the same way and in the same amounts as we do under insured events cover.</p>	<p>We will not pay for loss or damage to:</p> <ul style="list-style-type: none"> × paths, driveways, paving, retaining walls (whether or not part of the home), tennis courts or other playing surfaces; × shade or sail cloth; × fabric awnings, swimming pool and spa covers or liners and the like; × glasshouse whether or not constructed principally of glass; × water in swimming pools or spas; × your property during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired.
<p>Landlord's fixtures and fittings Home cover Under this cover, you can insure landlord's:</p> <ul style="list-style-type: none"> • floor coverings; • light fittings; • window coverings; and • other fixtures and fittings. <p>We will pay up to the specified sum insured, for loss or damage to the fixtures and fittings specifically listed on your certificate of insurance caused by an insured event and:</p> <ul style="list-style-type: none"> • Motor burnout; or • Flood and storm surge which happens during the period of insurance, if they are shown as covered on your certificate of insurance. 	

× Not covered

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Mortgagee's interest in a home unit</p> <p>We will pay the mortgagee shown on your certificate of insurance if the mortgagee makes a claim on your policy because of loss or damage caused by an insured event during the period of insurance for which we would extend indemnity to you.</p> <p>The most we will pay the mortgagee at the time of loss or damage is:</p> <ul style="list-style-type: none">• the amount secured by the mortgage at the time of the loss or damage, but not exceeding the sum insured;• the lesser of the sum insured shown on your certificate of insurance, or the cost of rebuilding or repairing your property. <p>If we pay the mortgagee, then the rights of the mortgagee under the mortgage are assigned to us.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none">× legal liability.

× Not covered

Legal liability insurance

What is covered

When your home is insured

If home is shown as covered on your certificate of insurance, we cover you for your legal liability as owner or owner-occupier of your home to pay compensation for death, bodily injury or loss of or damage to property resulting from an accident which:

- happens during the period of insurance; and
- arises or occurs within the home or within the domestic boundaries of the property address on which it stands.

When your contents are insured

If contents are shown as covered on your certificate of insurance, we cover you and any person who permanently resides with you at the property address, other than a boarder, for your or their legal liability (other than as owner of a home or owner-occupier) to pay compensation for death, bodily injury or loss or damage to property resulting from an accident which:

- happens during the period of insurance; and
- occurs within Australia.

If:

- you own a home unit in which the insured contents are located and the body corporate has insured your unit for legal liability resulting from death, bodily injury or damage to property, we will also cover you for your legal liability as owner or owner-occupier of that unit to pay compensation for death, bodily injury or loss of or damage to property resulting from an accident which:
 - happens during the period of insurance; and
 - arises or occurs within the unit or on common area adjacent to the unit, but only to the extent that such liability is not covered by the insurance taken out by the body corporate;
 - if you are a tenant we do cover your legal liability arising from damage to a home or home unit you are renting if contents are shown as covered on your certificate of insurance, but only if the damage is caused by insured events fire or bursting, leaking, discharging or overflowing of liquids.

Legal liability insurance

What is not covered

We will not pay for any amount that exceeds \$20,000,000 for legal liability less any applicable excess, regardless of the number of claims arising out of any one accident. The amount also includes all legal costs.

We will not pay for legal costs you incur unless such costs are incurred with our prior written approval.

If we pay out the maximum amount for loss or damage to the home or contents less any applicable excess, the cover for legal liability ceases from the date of the final payment.

We do not cover you as owner-occupier or any person who resides with you at the property address for legal liability arising from:

- death or bodily injury to you or them;
- loss of or damage to property owned by you or them;
- damage to property in your or their physical or legal control;
- fines, penalties or punitive, exemplary or aggravated damages or the costs associated with the enforcement of any law or regulation relating to any kind of emission, effluent or pollution.

We do not cover you or any person for legal liability caused by, through or in connection with:

- the ownership or occupancy of any building or land other than a home (and its domestic land) insured by this policy;
- the ownership or occupancy of a home unit, other than to the extent provided for in this section when the contents of that home unit are insured by this policy;
- your or their use, ownership or control of a vehicle (other than a bicycle, golf buggy, wheel chair, or ride on mower or other garden appliance, which is not registered, nor required by law to be registered);
- an aircraft other than a model aircraft;

Legal liability insurance

What is not covered

- any watercraft other than a sailboard, surfboard, canoe, kayak, rowing boat, non motorised surf ski or hand held flotation device or model boat;
- aircraft landing areas;
- any business you or they are engaged in or associated with;
- tree lopping or felling by you or any person acting with your or their express or implied consent;
- a home under construction;
- alterations, additions, repairs or decorations to your home, where the total cost of such work exceeds \$50,000;
- the transmission of any communicable disease or infection;
- illness or disease caused by asbestos;
- ownership of a boarding house;
- any breach of building regulations such as a requirement to install smoke detectors;
- failing to provide a swimming pool fence, child resistant barrier or gates and doors that restrict access to the pool or spa as required by law;
- the ownership or control of a pet, domestic animal or livestock, unless reasonable steps were taken to comply with relevant legislation;
- an agreement including a rental agreement, unless the liability would have been incurred without the agreement existing;
- libel or slander;
- bodily injury to or death of any person to the extent that you or they:
 - are deemed to be employed by you for the purposes of the relevant workers compensation legislation or are injured in circumstances where their employment or deemed employment with you give rise to workers compensation exposure on your behalf or on behalf of your workers compensation insurer;

Legal liability insurance

What is not covered

- are entitled to indemnity for such liability under any fund, scheme, policy or insurance or self insurance arrangement created, issued pursuant to or required by any law relating to workers' or employees' compensation; or
- would have been entitled to such indemnity if you had complied with your obligations pursuant to such law.
- any law relating to workers' or employees' compensation;
- any law relating to employment practices, including discrimination, equal opportunity and unfair or wrongful dismissal;
- the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination;
- any contract of employment or workplace agreement;
- if your home was deemed to be unoccupied at the time the loss or damage or injury occurred.

When you are not covered – general exclusions

These general exclusions apply to all sections of your policy. We will not pay for loss or damage or the incurring of a legal liability caused by:

Exclusions	When you are not covered
actions of the sea	<ul style="list-style-type: none"> ×actions of the sea but we will cover: <ul style="list-style-type: none"> • Tsunami; • Storm surge (if the optional cover Flood and Storm surge applies to your policy).
an event outside the period of insurance	<ul style="list-style-type: none"> ×any event or accident that occurs outside the period of insurance shown on your certificate of insurance.
birds	<ul style="list-style-type: none"> ×birds, except glass breakage to windows and doors.
breaking the law	<ul style="list-style-type: none"> ×failure to comply with applicable laws and regulations; ×any failure to comply with any legislation relating to firearms; ×the supply or consumption of alcohol or drugs; ×your or their acts or omissions occurring during the course of any criminal or illegal act; ×the intended results of any act or omission by you or them or the results of any reckless or malicious act committed or omitted by you or them.
business activity	<ul style="list-style-type: none"> ×any business being conducted at the property address, except a business conducted from a home surgery or home office.
consequential loss	<ul style="list-style-type: none"> ×any loss or additional expense arising indirectly from an event that is covered by this policy.
confiscation	<ul style="list-style-type: none"> ×confiscation, nationalisation or requisition of property by any government or local authority.

× Not covered

When you are not covered – general exclusions

Exclusions	When you are not covered
computers, data	<ul style="list-style-type: none"> × failure of any computer program or electronic system to process any form of data including day or date functions properly and accurately; × the loss of data or information however kept or stored; × a computer virus; × computer hacking.
defective or faulty workmanship	<ul style="list-style-type: none"> × the inherent defect or defective or faulty workmanship, design or manufacture.
deliberate acts	<p>By:</p> <ul style="list-style-type: none"> × any person who enters the home or home unit at the property address with your express or implied consent or that of a person you have given permission to invite people onto your property address; × you or a person residing with you including a family member or boarder or a person acting with the express or implied consent of you or those persons; × a tenant, any person residing with a tenant or any person who enters your home, home unit or the property address with the express consent or implied consent of a tenant or any person residing with a tenant.
erosion, landslide	<ul style="list-style-type: none"> × erosion, landslide, subsidence, earth movement (except earthquake), earth shrinkage or expansion no matter how caused.
failing to take care of the home or contents	<ul style="list-style-type: none"> × failure to maintain the home and its contents in good condition.
fraud	<ul style="list-style-type: none"> × fraud or attempted fraud including: <ul style="list-style-type: none"> • the passing of valueless cheques or negotiable instruments; or • promises that are not subsequently honoured.

× Not covered

When you are not covered – general exclusions

Exclusions	When you are not covered
loss not attributable to any identifiable event	×property being lost when its loss is not attributable to any identifiable event or which has been misplaced.
radioactivity	×radioactivity or the use, existence or escape of nuclear fuel, material waste or action of nuclear fission.
seepage, pollution	×seepage, pollution or contamination by any substance no matter how caused.
terrorism, war	×an act of terrorism directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination caused by the aforementioned; ×war or other acts of a foreign enemy (whether war is declared or not) or revolution.
trees, shrubs or plant roots	×the actions of trees, shrubs or plant roots.
vermin, termites or insects	×vermin, termites or insects.
watercraft	×using or owning any watercraft unless: <ul style="list-style-type: none"> • it is a sailboard, windsurfer, surfboard, canoe, kayak, non-motorised surfski, waterski or remote-controlled model watercraft.
wear, tear, rust, mould	×wear, tear, rust, corrosion, rot, mould, action of light or atmospheric or climatic conditions including damage caused by wind, rain or sand happening over an extended period of time.

× Not covered

Important information about the cost of this policy

How we calculate your premium

Rating criteria	Affect on premium
Sum insured of the home and contents	The amount of sum insured chosen for the home and contents will impact on the premium level. A higher sum insured generally means an increased premium.
Construction of the home	The type of construction and the materials used will have an effect on the frequency and cost of claims. For example: tile roofs may be more susceptible to storm damage.
Location of the home and contents	The location of the home and contents may influence the likelihood of theft and burglary claims and susceptibility to natural perils.
Age of the home	The age of the home can affect the general condition and maintenance level of the home which can impact on the frequency and cost of claims.
The amount of excess	A higher excess will reduce the amount of premium you pay.
The type of options chosen	The more optional covers chosen the higher the premium you pay.

Important information about the cost of this policy

How your premium can change

Action	Your premium may increase if:	Your premium may decrease if:
You change your sum insured	You increase your sum insured.	You decrease your sum insured.
You change where you live	You move into an area with a high crime rate or increased risk of storm, flood or cyclone.	You move into an area with a low crime rate or reduced risk of storm, flood or cyclone.
You change the options on your policy	You add motor burnout option.	You remove the motor burnout option.
You change your excess	You elect to take a nil or lower excess.	You elect to take a higher excess.

Important information about the cost of this policy

Policy costs and charges

Excess

When you make a claim and you are required to pay an excess to us, we tell you when to pay that excess, how to pay it and we may direct you to pay it to a third party on our behalf. In some cases we may deduct the excess from the amount we pay you.

When loss or damage occurs to both your home and contents because of the same insured event, you will only be required to pay one excess. If the excesses are different, you will have to pay the higher excess.

The total amount payable for loss or damage caused by earthquake during any period of 48 consecutive hours will be reduced by the amount of the Earthquake excess shown on your certificate of insurance.

In addition to any other excess that may apply, an excess will apply to a claim for theft of:

- contents, including specified contents items;
- property insured under Group and/ or Selected personal items cover, when the words burglary and theft excess appear on your certificate of insurance followed by the amount of excess applicable.

Direction to pay excess

In the case of a repair or the supply of goods or services, unless we advise you otherwise, you are required to pay the excess, if any, to the repairer or supplier as our agent. Your appointment as our agent is for the sole purpose of paying to the repairer or supplier the excess which you owe us.

There may be more than one excess that applies.

The applicable excess or excesses are shown on your certificate of insurance.

Important information about the cost of this policy

Policy costs and charges

Cancellation fee	<p>If you cancel your policy during the period of cover (apart from the 21 day cooling-off provision) and you have paid an annual premium then the refund will be calculated on a pro rata basis for the unexpired period of cover less 10% for administrative costs (a maximum fee of \$80.00 would apply with a minimum fee of \$10.00 when the pro rata cancellation refund is under \$100.00).</p> <p>There is no refund if you have been paying monthly.</p>
Pay by the month	<p>If you choose to pay by the month using the direct debit method, an annual fee of \$48.00 may apply which equates to \$4.00 per month.</p> <p>Please note our premium discounts do not apply to such fees.</p>
Claims costs that you may bear	<p>Where a claim is made that would otherwise be covered by your policy, but the claim amount (as assessed by us) is less than the excess you have to pay, we will not manage those claims.</p> <p>For example: The cost to repair the broken glass in your window is \$75.00. However your basic excess is \$100. In this scenario, as the cost of your claim is less than the basic excess amount, we would not manage your claim.</p>

Claims information and requirements

How to make a claim

If your home and/or contents suffer loss or damage, or an accident happens that might lead to a claim simply call us on 13 7202 or go into any RACQ Branch.

Our consultants are available to help you 24 hours, 7 days a week. We will explain the claim process and advise you of what you need to do to assist the efficient progress of your claim.

In most cases a claim form is not required. You will be provided with one if it is required.

If you are registered for Goods and Services Tax (GST), you must provide us with your Australian Business Number (ABN) and Input Tax Credits (ITC) percentage before your claim can be lodged.

What you must do

If an accident happens that might lead to a claim, you must:

- do everything you reasonably can to limit the loss or damage and prevent further loss or damage occurring;
- immediately tell the police if a criminal act might be the cause of the loss, damage or theft and co-operate with us and relevant authorities in prosecuting the alleged offender;
- immediately send us any correspondence you receive about the claim. This includes telling us if you became aware of any pending court proceedings or offers of settlement;
- give us any information, written statements, evidence and help we may need in defending, prosecuting and investigating the claim. This may include:
 - asserting rights against any person nominated by us;
 - attending an interview with our assessor or investigator;
 - assisting any agents appointed by us such as solicitors;
 - attending court to give evidence.

Claims information and requirements

What you must do

- advise us of any impending prosecutions or inquest;
- keep damaged property for our inspection;
- tell us immediately if there is another insurance policy that provides the same cover for loss, damage or legal liability as this policy provides.

What you must not do

If you are making a claim you must not:

- carry out repairs or dispose of any damaged property unless we instruct you otherwise;
- admit liability to anyone;
- negotiate, pay or settle a claim with anyone.

What we may do

If an accident happens that causes loss or damage, or the incurring of a legal liability, we may:

- take over and conduct in your name or the name of any person entitled to cover under your policy, the defence or settlement of any claim. We have sole discretion in how the defence is conducted or a claim is settled;
- represent you or any person entitled to cover under your policy, at an inquest or official enquiry and undertake the defence in any court of any alleged offence in connection with an event covered by your policy.

Claims information and requirements

What can affect your entitlement

If you do not comply with any condition of your policy or certificate of insurance, it can affect how much we pay.

If the insured property is not kept in good condition and reasonable care is not taken to safeguard it from loss or damage, this may affect how much we pay.

If you or any other person makes a false or fraudulent claim, we can refuse to pay it. In either case we may also cancel the policy as permitted by law.

We do not have to accept a claim if your annual premium is overdue or if a monthly premium instalment is at least 14 days overdue.

Proof of ownership/value

In making any claim, you may be required to produce to us proof of having owned the property in question, an accurate description of the property and its value.

You should ensure that you obtain and keep regular written valuations for items of a unique nature such as jewellery, paintings, works of art or watches from a qualified, experienced and reputable valuer in Australia. Valuations should include a full detailed description of the property that would assist us to replace the item if necessary. In addition, photographs, receipts or accounts of purchase may well prove helpful to you should you need to make a claim.

Loss of no claim discount

Any claim lodged will result in the loss of any existing no claim discount. If the policy is renewed the no claim discount will be reinstated after a claim free 12 month period of insurance.

Adjustment for outstanding premium

If we pay the maximum amount for loss or damage to your home and/or contents, your policy ends automatically. You are not entitled to any refund of premium. If you have been paying by monthly direct debit instalments, we deduct from the payment an amount equal to the outstanding monthly instalments for the period of insurance shown on your certificate of insurance.

We take customer satisfaction seriously

If you have a complaint concerning this product, our services or a privacy issue:

Talk to us first

- The first thing you should do is call 13 7202 and speak to one of our staff;
- If your complaint relates specifically to a claim, speak with the claims officer handling your claim;
- If the staff member is unable to resolve your complaint to your satisfaction, you may ask to speak to a team leader or manager.

If you are still not satisfied:

Seek an internal review

- At your request the matter can be referred to our Internal Dispute Resolution Committee who will conduct a full review of your complaint and advise you of the committee's decision within 15 business days.

If you are still not satisfied:

Seek an external review

- RACQ Insurance is a member of a disputes resolution service, known as The Financial Ombudsman Service Limited. The service will not accept a dispute unless you have first tried to resolve it with us.
- If we do not resolve your dispute to your satisfaction, you can contact the service, which is set up to assist policyholders resolve their dispute. It is a free service to you and, although paid for by the general insurance industry, is a totally independent and impartial body. We agree to accept their determination as final.
- You can contact the service by:

Phoning: 1300 78 08 08 for the cost of a local call

Writing to:

The Financial Ombudsman Service Limited,
GPO Box 3, Melbourne, Victoria 3001

Website: www.fos.org.au

Email: info@fos.org.au

The information is also available on our website:

www.racqinsurance.com.au

General conditions

The agreement between you and us

Your insurance cover is a legal contract between you and us. We agree to give you the insurance set out in the policy for the premium paid by you.

The contract includes:

- the information you provided to us when you purchased or varied the policy, and at each renewal;
- this PDS;
- the certificate of insurance.

The insurance is only for the cover for which you have a certificate of insurance and only for the period of insurance indicated on the certificate. It is also subject to the conditions contained in this policy and on the certificate of insurance.

If two or more persons are named as the insured on the certificate of insurance, each of them is responsible both individually and together for:

- the completeness and accuracy of information in any application forms, statements, claims or documents supplied by any one of them to us; and
- compliance with the conditions of this policy.

What you must do

You must:

- at your expense take all reasonable precautions to:
 - keep your home and contents in good condition;
 - protect the safety and security of any insured property;
 - prevent further damage or legal liability occurring.
- advise us in writing as soon as possible:
 - of any material change to the construction or use of your home;
 - if you begin to lease out your home if you have previously told us that you reside in it or it was unoccupied;
 - if you commence any business activities from your home;
 - of any physical changes in or around your home or contents which increases the risk of loss or damage occurring;

General conditions

What you must do

- of any criminal convictions that you or any person residing with you have had recorded against you or them.
- comply promptly with requirements of public authorities.

If you or any person insured by this policy does not tell us everything relevant or if you or they mislead us, we may:

- refuse to pay a claim or reduce the amount we pay; and
- cancel the policy; and
- if fraud is involved, we may treat this policy as if it never existed.

Payment of premium

The premium is the amount you pay to obtain the insurance cover. The certificate of insurance shows the amount of premium and whether you are paying annually in advance or by monthly direct debit instalments.

If you are paying:

- annually you must pay by the due date;
- by monthly instalments – you must pay each instalment by the due date.

Your agreement to pay additional premium

You agree to pay any additional premium resulting from a claim made under this policy between the time a premium notice inviting renewal of your policy is issued and the actual renewal date.

Non payment of premium

If you have not paid the premium by the due date shown on the certificate of insurance or the interim cover certificate, this policy will not come into force. In that case, you will have to reapply to us for insurance cover.

General conditions

Non payment of premium

If you are paying your premium by monthly instalments and any instalment payment is overdue for a period of at least 14 days, we may refuse to pay a claim.

If after payment of the first instalment, any subsequent instalment payment is overdue by a period of at least one month, your policy will be cancelled from the date the instalment was due to be paid. We will send a letter to your last known address advising you of the reason, effective date and time of such cancellation.

Policy comes into force

This policy comes into force on and from the first date of the period of insurance shown on the certificate of insurance or interim cover certificate issued to you, provided you have paid the annual or instalment premium shown on your premium notice.

Variation

You may ask us to change a provision of your policy. The change or addition takes place only when we confirm it in writing to you or endorse it on your policy or certificate of insurance, and you pay any additional premium that we require.

Waiver

A provision is only waived if we give you the waiver in writing.

Cancellation

By you

Apart from any rights you may exercise under the "Cooling-off period" provisions of this policy you may cancel your policy by advising us in writing. The cancellation takes effect on the date we receive your request, see page 65.

General conditions

Cancellation

By us

We may cancel your policy at any time as permitted by law after giving you notice in writing. We refund any premium paid less an amount for the period for which you were insured.

Avoidance

In some cases, we may avoid the policy from its inception if there is on your part fraud, misrepresentation during negotiations, failure to disclose information or other breaches of your policy as set out in the *Insurance Contracts Act 1984*.

Pay by the month option

You can arrange for your bank, credit union or building society to debit an automatic payment from your account each month. All you need to do is ensure you have enough money in your account to cover the payments. Your first payment will be deducted approximately 10 days after advising us of your account/credit card details. The second and subsequent payments will be deducted on your monthly payment date. (Two payments may be deducted in the first month, depending on your monthly payment date).

Where the due date falls on a non-business day in Sydney and Melbourne, we will debit the amount on the next business day. If you are uncertain when the debit will be processed to your account, you should contact your financial institution directly.

How to apply

If you would like to pay your RACQ Insurance premiums by the month, simply call us on 13 1905.

Renewal process

You will be sent a renewal certificate prior to the expiry of your policy so you can check the details. Monthly instalments will continue to be debited to your account unless you notify us in writing to vary these arrangements.

Pay by the month option

Important Information

You may cancel your direct debit request, stop or defer an individual debit amount by writing to us at Reply Paid 4, RACQ Insurance Limited, Pay by the month, Springwood Q 4127. We must receive your notification at least 14 days prior to the next due date to process your request in time.

Your direct debit amount may vary if you make any policy alterations.

If debits are returned unpaid by your financial institution we will either attempt to debit from your nominated account again or we will contact you to arrange another way of paying. We reserve the right to cancel the direct debit arrangement if 3 or more debits are returned unpaid by your financial institution.

The following terms and conditions apply when you elect to pay your premium by this direct debit method:

- if your bank account details change you will need to tell us not less than 14 days before your next monthly instalment is due;
- if your credit card details change you must contact us not less than 2 business days before your next monthly instalment is due;
- when you have paid the first instalment, insurance cover commences on and from the first effective date and time shown on your certificate of insurance;
- if any instalment payment is overdue for a period of at least 14 days, we may refuse to pay a claim;
- if an instalment of the premium remains unpaid for a period of at least one month, the policy is automatically cancelled.

On renewal you will be sent a notice prior to the expiry date of this policy. At that time, unless you need to make any changes, you need take no action as your policy will be automatically renewed.





RACQ Insurance products are sold only by
RACQ Operations Pty Ltd
ABN 80 009 663 414 and our network of
RACQ Insurance authorised representatives

To obtain a personalised premium quotation
please call 13 1905

RACQ Insurance Limited

ABN 50 009 704 152

AFS Licence Number 233082

2649 Logan Road, Eight Mile Plains, Q, 4113

Telephone (07) 3361 2444

www.racqinsurance.com.au

Household Insurance Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS) is dated the 25th October 2009 and applies to policies with a renewal date, on or after the 25th October 2009.

This SPDS should be read with the Household Insurance Product Disclosure Statement (PDS) GHHB2 07/08. These documents together with your certificate of insurance form the basis of your insurance cover.

This SPDS reflects changes since your last renewal. If you wish to obtain a full copy of the PDS, please:-

- visit our website www.racqinsurance.com.au
- call us on 13 1905
- visit one of our RACQ branches
- write to us on the address shown below.

Important Changes

RACQ Insurance has always aimed to maintain an industry low basic policy excess, unfortunately we have had to increase this excess to \$300. We are confident it remains competitive and unless your renewal certificate indicates otherwise the new basic excess will apply from the renewal date shown on your certificate of insurance.

Please note that the annual fee that may apply if you choose to pay your insurance by the month has been increased to \$60, which equates to \$5 per month. Your direct debit confirmation certificate will indicate any fee that applies to your policy and is no longer referred to in the Household Insurance Policy Product Disclosure Statement on page 65. Please remember that if you have more than one policy with RACQ Insurance and payment is collected from the one account, then only a single monthly administration fee applies.

For a quick, secure and convenient way to renew your insurance, go to www.racqinsurance.com.au where you will also find everything you need to know about our products, benefits and discounts. If you have any questions regarding your policy or about any of our products please call 13 1905 or drive safely to your local RACQ branch.

Thank you for your continued support. We trust you have enjoyed a high standard of service from RACQ Insurance and we look forward to helping you wherever we can.

Exhibit 5

Chronology regarding Mr Gourley's claim

Date of contact	Mode of communication	Details of communication (or event)	Records available
12/01/11	Event	Mr Gourley's property at [REDACTED] Jindalee was damaged by inundation	
14/01/11	Telephone	Mrs Gourley contacted RACQ Insurance to lodge the claim. The claim was lodged and given claim number [REDACTED]	Exhibit 6
17/01/11	Email	RACQ Insurance instructed MYI Freemans to investigate and report on the claim.	Exhibit 6, 8
18/01/11	Telephone	Mr Gourley called to follow up on the progress of the matter. Mr Gourley was advised that MYI Freemans were given instructions on 17 January 2011 and that they would call as soon as possible to arrange an appointment.	Exhibit 6
20/01/11	Email	MYI Freemans emailed RACQ Insurance to acknowledge receipt of their instructions regarding Mr Gourley's property.	Exhibit 9
24/01/11	In person	Mr Gourley attended an RACQ Insurance branch to advise that he had not yet heard from the loss adjuster. RACQ Insurance called MYI Freemans to inform them that Mrs Gourley is very ill and so Mr Gourley would not be available on 25 January 2011. MYI Freemans advised that the relevant assessor was out on the road at that time, but that they have emailed him with Mr Gourley's phone numbers and the assessor would contact Mr Gourley as soon as he returned from the assessment he was currently undertaking. Mr Gourley was satisfied with that update.	Exhibit 6 and 11
26/01/11	In person	MYI Freemans inspected Mr Gourley's property.	Exhibit 12
02/02/11	Telephone	Mr Gourley's mother called to ask if she could speak with the person managing the claim to ask if it could be dealt with quickly as Mr Gourley was dealing with his wife's imminent death. The customer services officer arranges for the claim to be noted as sensitive.	Exhibit 6
03/02/11	Report	MYI Freemans provided RACQ Insurance their report on Mr Gourley's claim.	Exhibit 12

Date of contact	Mode of communication	Details of communication (or event)	Records available
11/02/11	Letter	MYI Freemans wrote to Mr and Mrs Gourley to advise that they had submitted their report to RACQ Insurance and that Water Technology had been requested to provide a report on the proximate cause of the damage.	Exhibit 14
14/02/11	Telephone	Mr Gourley called to enquire on the progress of the claim. He explained that his wife had passed away yesterday. RACQ Insurance explained that the loss adjusting report had been received and would be reviewed. Mr Gourley was very upset during the call as his wife had just passed away and asked to be contacted the next day with an update.	Exhibit 6
15/02/11	Telephone	RACQ Insurance called Mr Gourley to provide an update on the claim. Mr Gourley was advised that RACQ Insurance had received the loss adjuster's report confirming the damage to the property and was waiting for a hydrology report and could not provide a specific timeframe on when this would be received. The customer services officer confirmed that they would be in contact once the hydrology report had been received. Mr Gourley mentioned that he had been paying for accommodation and would like to hear back as soon as possible.	Exhibit 6
10/03/11		RACQ Insurance reviews the hydrology report and confirms that the damage at Mr Gourley's property has been caused by "Flood". Work is undertaken to confirm eligibility for payment from the Special Fund (including sign off by a Team Leader/Manager).	Exhibit 6 and 16
15/03/11	Telephone	RACQ Insurance called Mr Gourley to inform him that his claim had been declined. He was advised that he was eligible for a payment of \$12,500 from the RACQ Insurance Special Fund. Mr Gourley also requested further information about the hydrological conclusions that RACQ Insurance had reached in deciding his claim.	Exhibit 6

Date of contact	Mode of communication	Details of communication (or event)	Records available
15/03/11	Letter	RACQ Insurance sends letter (dated 10 March 2011) to Mr Gourley to inform him that his claim had been declined as the damage at his property was caused by "Flood". The letter confirmed that Mr Gourley was eligible for a payment of \$12,500 from the RACQ Insurance Special Fund.	Exhibit 17
16/03/11	Letter	RACQ Insurance sent Mr Gourley a copy of an information sheet which outlined RACQ Insurance's conclusions regarding the hydrological issues relevant to the Brisbane region.	Exhibit 18
21/03/11	Telephone	Mr Gourley called to state that he would like to lodge a complaint about the rejection of his claim. This message was passed on to the technical team.	Exhibit 6
29/03/11	Telephone	Mr Gourley spoke with MYI Freemans. MYI Freemans advised Mr Gourley that they were waiting for a response from RACQ Insurance.	Exhibit 19
29/03/11	Email	MYI Freemans emailed RACQ Insurance seeking further instructions on the matter.	Exhibit 20
04/04/11	In person	Mr Gourley attended the Indooroopilly branch of RACQ Insurance to request a Dispute Resolution Form. Insured was advised that there was no form that needed to be filled out, and that the matter would be referred to the Internal Dispute Resolution section.	Exhibit 6
04/04/11	Letter	RACQ Insurance wrote to Mr Gourley acknowledging his request for Internal Dispute Resolution to review the claim decision and indicating that the matter would be reviewed within 10 business days.	Exhibit 21
05/04/11	Event	Claim reviewed by the Complaints Manager who agrees with the claims decision and confirms that the file should now progress to IDR.	Exhibit 6
06/04/11		RACQ Insurance advised MYI Freemans that they could close their file for this matter.	Exhibit 22

Date of contact	Mode of communication	Details of communication (or event)	Records available
11/04/11	Letter	RACQ Insurance Internal Dispute Resolution Manager wrote to Mr Gourley to inform him that the claim had been reviewed and the original decision to decline the claim had been upheld. A copy of the original letter setting out the reasons for decline was attached to this letter.	Exhibit 24
28/04/11	Letter	Caxton Legal Centre Inc (Caxton) wrote to RACQ Insurance on behalf of Mr Gourley. The letter indicated that Caxton were preparing a submission to support a review of RACQ Insurance's decision to decline Mr Gourley's claim. It requested copies of information relied upon in determining the claim. The letter asked that no decision be made on the review until Caxton had provided reasons in support of the review.	Exhibit 25
03/05/11	Letter	RACQ Insurance's solicitors wrote to Caxton on behalf of RACQ Insurance and provided a copy of Mr Gourley's certificate of insurance and PDS documentation, a copy of the loss adjuster's report for the property and a copy of RACQ Insurance's information sheet setting out RACQ Insurance's hydrological conclusions regarding the Brisbane region.	Exhibit 26
10/05/11	Email	RACQ Insurance received an email notification from the Financial Ombudsman Service (FOS) indicating that a dispute had been lodged on behalf of Mr Gourley.	Exhibit 27
30/05/11	Letter	Caxton wrote to RACQ Insurance's solicitors providing submissions for Mr Gourley's dispute.	Exhibit 28
06/06/11	Letter	RACQ Insurance's solicitors wrote to Water Technology Pty Ltd (Water Technology) and instructed them to undertake a further review of Mr Gourley's claim in light of the material raised in the letter from Caxton dated 30 May 2011.	Exhibit 29
22/06/11	Checklist	Water Technology provided a checklist setting out their conclusions following further investigation of Mr Gourley's claim.	Exhibit 30

Date of contact	Mode of communication	Details of communication (or event)	Records available
23/06/11	Event	Claim reviewed by the Complaints Manager who agrees with the claim decision and confirms that the file should now progress to IDR.	Exhibit 6
06/07/11	Letter	Claim reviewed by IDR Manager and decision to maintain previous decline decision. Letter prepared with reasons for decision with reference to submissions by Caxton. Letter dated 6 July 2011 addressed to Mr Gourley care of his legal representatives is finalised by the IDR Manager.	Exhibit 31
11/07/11	Letter	RACQ Insurance's solicitors wrote to Caxton forwarding a copy of RACQ Insurance's IDR decision regarding Mr Gourley's claim including the checklist prepared by Water Technology which is Exhibit 30. The decision upheld the original claim decision.	Exhibit 32
16/08/11	Letter	FOS wrote to RACQ Insurance forwarding submissions provided on behalf of Mr Gourley.	Exhibit 33
22/08/11	Letter	RACQ Insurance's solicitors sent a letter (dated 19 August 2011) to Caxton forwarding a copy of regional hydrology reports relevant to Caxton clients (including Mr Gourley).	Exhibit 34
07/09/11	Letter/email	RACQ Insurance sent to FOS its submissions regarding Mr Gourley's dispute.	Exhibits 35 and 36
07/09/11	Letter	RACQ Insurance forwarded to Mr Gourley, care of his legal representatives, a copy of the submissions which had been sent to FOS.	Exhibit 37

MJM10096653 4118647v2

Exhibit 6

Claim: [REDACTED]

| CN: [REDACTED]

Ins: MICHAEL BOSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] Technical Claims - Team E ||

Summary

Loss Date	13/01/2011 09:29 AM
Notice Date	14/01/2011 09:30 AM
Loss Location	[REDACTED], JINDALEE, QLD 4074
Description	Water damage to building and major contents damage as property has been suberged in flood waters the insured adv the flood water has come up and resided quite quickly

Financials

Remaining Reserves	-
Future Payments	-
Total Paid	\$764.50

Coverages

Property #	1
Type	Building, Contents
Sum Insured	\$594,000.00

Exposures

Listing of Jobs

User: [REDACTED]

Page 1

08/10/2011 07:56 AM

Claim: [REDACTED]

| CN: [REDACTED]

Ins: MICHAEL ROSS GOURLEY | | DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) | |

Parties Involved		
Name	Roles	Phone
CREDIT UNION AUSTRALIA LTD	Mortgagee	
MYI Freemans Ltd (All Payments)	Payee	
MICHAEL ROSS GOURLEY	Insured, Incident Party	[REDACTED]
[REDACTED]	Main Contact, Reporter, Additional Insured	

Planned Activities

Litigation

Associated Claims

Latest Notes	
17/01/2011	Integration User 06:51 PM
Loss Adjuster Workflow	ACTION: On Site datasheet printed for internal Loss Adjuster OUTCOME: Loss Adjuster assigned NEXT ACTION: Await 1st report from Loss Adjuster
User: [REDACTED]	Page 2
	08/10/2011 07:56 AM

Claim: [REDACTED]

| CN: [REDACTED]

Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) ||

17/01/2011	[REDACTED] 06:42 PM	Conduct Loss Adjustment Activity Completed ACTION: Internal Loss Adjuster assignment submitted OUTCOME: Scheduled event submitted NEXT ACTION: Await scheduled event completion
18/08/2011	[REDACTED] 10:39 AM	FOS Preparing FOS submission
07/07/2011	[REDACTED] 10:09 AM	IDR Review File reviewed by IDR Manager. IDR Decision letter given to [REDACTED] to forward to Caxton Legal. Decision UPHELD.
24/06/2011	[REDACTED] 08:26 AM	IDR Review File received by IDR Manager 24/06/2011. Responses to be directed to Caxton Legal. Caxton Legal

User: [REDACTED]

Page 3

08/10/2011 07:56 AM

Claim: [REDACTED]

| CN: [REDACTED]

Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) ||

submission uploaded.

23/06/2011 [REDACTED] 01:49 PM
Complaint
ACTION: Complaint review OUTCOME: I have reviewed all the documents associated with the claim and the decision that the claim is not one for acceptance. The file should now proceed through the IDR process. Referral number 1896 NEXT ACTION: Await IDR decision

10/06/2011 [REDACTED] 03:58 PM
Spoke to [REDACTED]
Agreed in the circumstances we can send someone from CGW to the meeting. I am loathe to just have Cayton there, and I do not believe we have reasonable grounds to prevent them from being in attendance.

13/05/2011 Dale White 10:37 AM
ACTION: Phone call from the insured OUTCOME: The insured was seeking a letter which confirms the compassionate payment was due to his circumstances - his wifes passing & being long term members of RACQ. I have confirmed the payment was due to damage sustained to the main living areas & loss exceeding 10k for building & 2.5k for contents. Email sent to [REDACTED] to advise no longer to proceed with letter consideration. NEXT ACTION: CLOSED.

User: [REDACTED]

Claim: [REDACTED]

| CN: [REDACTED]

Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) ||

13/05/2011

[REDACTED]
10:24 AM

ACTION: ins Michael has called to speak to [REDACTED] regarding letter. OUTCOME:trans to Dale technical team
NEXT ACTION: review

10/05/2011

[REDACTED]
11:45 AM

Inbound Call

ACTION: RECEIVED call from Michael advising that the premier's fund want to deduct the \$12,500.00 from his 3rd round payment application for structural damages. The Insured is still on a bereavement pension, and cannot afford to have this amount deducted. I advised the Insured that should the premier's fund still wish to deduct the compassionate payment, only \$10,000.00 of the compassionate fund was for building cover. \$2,500.00 is for contents cover. RECEIVED final report and tax invoice from MYIF. Tax invoice has been submitted in error to the value of \$214.50 as our office attended to full payment of \$764.50. OUTCOME: ADVISED the Insured I would arrange for a letter to be drafted, however I do require approval from management. FILE note submitted via MYIF website advising that our office will not be attending to payment of \$214.50 (BR086963-2) as this invoice should not have been created. NEXT ACTION: PURSUE response from management in respect of letter to the Insured. Upon further advice of this letter; close claim.

10/05/2011

[REDACTED]
11:23 AM

Ins Michael called re:
compassionate payment

Action: Ins called to adv that the disaster relief fund is going to deduct compassionate payment amount from next round of payments. Ins believes he was told by HHC CSO that this would not occur. Ins is requesting a letter stating as such to provide to disaster relief fund Outcome: tsfr to [REDACTED] in HHC Next: HHC to discuss

User: [REDACTED]

Page 5

08/10/2011 07:56 AM

Claim: [REDACTED]

| CN: [REDACTED]

| Ins: MICHAEL ROSS GOURLEY | | DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) |

11/04/2011	[REDACTED] 02:47 PM	IDR File returned to IDR Mgr and decision letter has been sent to INS.
11/04/2011	[REDACTED] 02:40 PM	Internal Dispute Resolution a review of the claims decision has been completed by the IDR manager and the claims decision has been upheld. IDR admin to prepare client response letter.
05/04/2011	[REDACTED] 02:40 PM	IDR Review IDR Acknowledgement letter sent pending review.
05/04/2011	[REDACTED] 12:12 PM	Complaint review ACTION: Complaint review OUTCOME: I have reviewed all the documents associated with the claim and the decision that the claim is not one for acceptance. I agree with the decision of the claims department and the file should now proceed through the IDR process. reference number 1896 NEXT ACTION: Await IDR

User: [REDACTED]

Page 6

08/10/2011 07:56 AM

Claim: [REDACTED]

| CN: [REDACTED]

Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St: Closed | Adj: [REDACTED] (Technical Claims - Team E) ||

decision

04/04/2011

[REDACTED]
10:53 AM

INSURED CALLED

ACTION: Chen from Inooroopilly branch called with Insured inq about a 'claims resolution form' OUTCOME: Referred to case manager Tez, who advised Ins does not need to fill anything out, she is commencing with sending to IDR. Informed Ins he will be contact once a decision has been made. NEXT ACTION: IDR to review

04/04/2011

[REDACTED]
10:48 AM

Complaint #1896 - Insured Disputing Claim

ACTION: RECEIVED request for Insured to dispute claim decision of decline. OUTCOME: COMPLAINT lodged (#1896). NEXT ACTION: IDR process to commence.

04/04/2011

[REDACTED]
10:34 AM

[REDACTED] FROM INDOOROOPILLY BRANCH CALLED

ACTION: [REDACTED] called re form rec from prev contact is incorrect OUTCOME:trans HHC [REDACTED] NEXT ACTION: [REDACTED] to discuss form

User: [REDACTED]

Page 7

08/10/2011 07:56 AM

Claim: [REDACTED]

| CN: [REDACTED] | Ins: MICHAEL ROSS GOURLEY | | DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) | |

04/04/2011 [REDACTED] 10:22 AM
[REDACTED] FROM INDOOROOPILLY
BRANCH CALLED
ACTION - [REDACTED] called with ins in the branch office. Michael wanted a Dispute Resolution Form to fill in and
[REDACTED] wanted to know if it could be faxed through to her. OUTCOME - trf call to [REDACTED] in Team E to arrange
NEXT ACTION - HHCO to fax form to [REDACTED]

22/03/2011 [REDACTED] 03:15 PM
Email call back about IDR
ACTION Email sent to [REDACTED] OUTCOME N/A NEXT ACTION [REDACTED] to discuss with insured.

User: [REDACTED]

Claim: [REDACTED]

| CN [REDACTED] | Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] Technical Claims - Team E) ||

21/03/2011	[REDACTED] 12:34 PM	
Call back		From [REDACTED] Sent: Monday, 21 March 2011 12:35 PM To: RACQI HH Team E Subject: [REDACTED] Ins: MICHAEL ROSS GOURLEY Hi, Can you please call the insured to discuss complaint of claim on [REDACTED]
21/03/2011	[REDACTED] 12:33 PM	
Claim info		ACTION: The Ins called in re to the claim, the ins stated that he would like to take this claim further with a complaint about the rejection OUTCOME: caled through to the claims officer and transferred through. NEXT ACTION: await the IDR process
16/03/2011	[REDACTED] 03:22 PM	ACTION: HYDROLOGY letter requested. OUTCOME: HYDROLOGY letter sent to Insured. CLAIM finalised as rejected.
15/03/2011	[REDACTED] 11:45 AM	QA check on compassionate payment register is complete and payment approved

User [REDACTED]

Claim: [REDACTED]

[CN: [REDACTED]

Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) ||

15/03/2011	[REDACTED] 11:25 AM	Notify Claim Decline ACTION: NOTIFY insured of claim decline. OUTCOME: CONTACTED insured to discuss claim decline. Scripting read. Advised insured of compassionate payment eligibility and offered payment which was accepted and bank details obtained. Compassionate payment register has been updated and approval request sent to /leader. Decline letter has been printed and sent to insured. Insured has requested hydrology letter to be sent as well. NEXT ACTION: HYDROLOGY letter is to be sent once available. When this occurs, claim can be finalised.
10/03/2011	[REDACTED] 04:39 PM	Review Rejection & Compassionate Payment Eligibility ACTION: Referral received for claim decline & compassionate payment eligibility OUTCOME: Claim has been reviewed & confirm it is not one for acceptance under the terms of insured's policy NEXT ACTION: CSO to notify insured of claim decline and notify insured of compassionate payment eligibility
10/03/2011	[REDACTED] 08:24 AM	Decline Referral & Compassionate Payment Eligibility ACTION: CLAIM Reviewed. OUTCOME: HYDROLOGICAL & loss adjusting investigations are now complete. It has been determined that the damage at insureds property has been caused by flooding. Compassionate payment criteria reviewed and checklist completed. It has been determined that insured is

[REDACTED]

Claim: [REDACTED]

| CN: [REDACTED]

Ins: MICHAEL ROSS GOURLEY | | DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] (Technical Claims - Team E) | |

eligible for a compassionate payment of \$12,500.00. Checklist and Decline letter drafted, uploaded and referred to Team Leader. NEXT ACTION: Team Leader to review decline decision, letter & compassionate payment eligibility.

15/02/2011

Dale White

04:46 PM

ACTION: Contacted insured to provide update on the claim. OUTCOME: Advised the insured we have received a copy of site report from loss adjuster with confirmation of damage. Confirmed we are currently waiting on hydrology & do not have specific timeframe when this will be received. We will be in contact once we have the information hand. Insured has been paying for accomodation & would like to hear back as soon as possible. NEXT ACTION: Await hydrology

14/02/2011

[REDACTED]
04:55 PM

Ins Michael called

ACTION: From: [REDACTED] Sent: Monday, 14 February 2011 4:55 PM To: RACQI HH Team E
Subject: ****URGENT**** [REDACTED] | Ins: MICHAEL ROSS GOURLEY | DoL:
13/01/2011 | St: Open | ****URGENT**** Mr Ins Michael has called to enquire on progress. Advs we have received loss adjusting report and this will be reviewed. Ins was very upset as his wife has passed away Yestarday and this has obviously caused large distress to the insureds life at this current point in time. Ins desperately requests that tommorow he be contacted to discuss the claims process further and if possible speed things up as he now has a new problem to deal with in his life. PLEASE URGENTLY CONTACT THE MR INS AS SOON AS POSSIBLE OUTCOME: sent email to HHC to contact ins NEXT ACTION: HHC PLEASE CONTACT INS URGENTLY ****SENSITIVE CLAIM****

10/02/2011

Dale White

12:09 PM

User: [REDACTED]

Page 11

08/10/2011 07:56 AM

Claim: [REDACTED]

| CN [REDACTED]

Ins: MICHAEL ROSS GOURLEY | | DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] Technical Claims - Team E) | |

ACTION: Validate invoice from MYI for fees 764.50. OUTCOME: Invoice paid.

02/02/2011

[REDACTED]
03:11 PM

Ins Mother phoned

ACTION: Ins mother (not auth) phoned to check if claim can be prioritised as her son's wife is terminally ill and has been moved to palliative care at the Wesely. Ins mother adv that she doesn't want her son to know she has called. OUTCOME: adv of previous note of claim being moved to CAT team E. NEXT ACTION: sensitive claim.

02/02/2011

[REDACTED]
02:44 PM

progress

ACTION: spoke to [REDACTED] who has advised the Mrs Insured is currently in hospital -discussed claim with Team Leader [REDACTED] who will reassign this claim to CAT technical team OUTCOME: n/a NEXT ACTION: AWAIT Loss Adj Inspection Report

02/02/2011

[REDACTED]
02:29 PM

MOTHER OF INS [REDACTED] CALLED

ACTION - Mother of ins called to ask if she could speak to claim handler as she wanted to ask if claim could be dealt with quickly as her son's is dealing with his wife's imminent death at the moment OUTCOME - tried to trf to claim owner but call dropped out before call could be trf NEXT ACTION - if Meg calls back please explain that nothing can be done until hydrologist report has been rec'd and l/a report reviewed

User: [REDACTED]

Page 12

08/10/2011 07:56 AM

Claim: [REDACTED]

Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] Technical Claims - Team E) ||

25/01/2011	[REDACTED] 11:55 AM	prepare: ACTION: updated claim estimate -NCD applies as this is a CAT claim OUTCOME: n/a NEXT ACTION: AWAIT Damage Report and Quote
24/01/2011	[REDACTED] 01:03 PM	General Insured came into branch has not heard from Adjustor. Called Freemans as Insured wife is very ill and he will not be avail tomorrow as he will be at the hospital with her. Freemans advised ([REDACTED] assessor) is out on the road now and have emailed him with phone nos and [REDACTED] will contact insured directly after the current assessment he is on. Insured was most satisfied with that bit of news.
18/01/2011	[REDACTED] 05:14 PM	ACTION: Mr Ins Michael called to adv he hasn't heard from anyone and was told he would hear from someone within 2-3 bus days OUTCOME: Adv Ins that the paper work was only sent to MYI last night so they would not have received it until this morning, adv Ins that MYI will call as soon as they can to arrange the appointment. NEXT ACTION: Await first report from MYI.
17/01/2011	[REDACTED] 06:40 PM	EXTERNAL LOSS ADJ

Claim: [REDACTED]

[REDACTED]

Ins: MICHAEL ROSS GOURLEY || DoL: 13/01/2011 | St:
Closed | Adj: [REDACTED] Technical Claims - Team E) ||

ACTION: file emailed to MYI for the contents and building damage OUTCOME: none as yet NEXT
ACTION: H/Hold to review report from MYI PLEASE DISREGARD COMPUTER GENERATED
COMMENTS

14/01/2011

[REDACTED]
09:37 AM

Landing Page Details

Claim Summary Claim Number is [REDACTED] has been successfully saved. Reporter Name [REDACTED]
GOURLEY Insured Name: MICHAEL ROSS GOURLEY Team Assignment: Major Event Non Case
Managed Claim Excess: \$300 (Please explain payment method) Insured advised that in the past 5 years,
they or anyone on the policy has not been convicted of a criminal offence. Declaration accepted Claim
Rejection/Partial Rejection Claim has been declined for the following reasons: Items Not Covered (Please
advise Customer they will receive a confirmation letter within 7 working days)

User: [REDACTED]

Exhibit 7



Quick search: Claim No.

Go [» Detailed search](#)

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- [» Associated parties](#)

» Reports & attachments

[» Full claim history](#)

[» Service performance](#)

Storm - Closed

Insured: GOURLEY, T

Your Ref: [REDACTED]

Assigned to: [REDACTED]

Policy response: Under evaluation

Reserve: \$398,000.00

Cerno Ref: [REDACTED]

Office: Brisbane

Actions

- [» Add to watch list](#)
- [» Create file note](#)
- [» Printer friendly !\[\]\(2ce3fce7bbff3e01af6d3936d3483daf_img.jpg\)](#)

Full claim history

Date	Type	Description
10-05-11	File Note	RACQI Advice
06-04-11	Report	First Assess RACQ Progress Payt Report
06-04-11	File Note	CLOSE FILE
06-04-11	Fee	Fee for RACQ Insurance Brisbane
29-03-11	PPA	Present Position Advice (email) by [REDACTED]
29-03-11	File Note	Phone out Insured
18-02-11	PPA	Present Position Advice (email) by [REDACTED]
11-02-11	Letter	Generic Letter to Insured
11-02-11	Letter	Provider Request to Water Technology Brisbane
11-02-11	File Note	email dated from [REDACTED] to [REDACTED] added by [REDACTED] (11/02/2011)
04-02-11	Report	First Assess Site Report Flood Event
04-02-11	Attachment	Flood checklist
04-02-11	File Note	email dated from [REDACTED] added by [REDACTED] (04/02/2011)
03-02-11	Fee	Fee for RACQ Insurance Brisbane
24-01-11	File Note	Call from [REDACTED] of RACQ
21-01-11	File Note	Contact with Insured
20-01-11	Attachment	Original Instructions
20-01-11	QuickAck	Acknowledgement (email) by [REDACTED]

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Exhibit 8

Loss Adjustment Verification Sheet



Risk Details

Risk inception: 24 November 1997
Period from: 24 November 2010 TO 24 November 2011
Product: Household Insurance
PDS Version: GHHB2 03/09 RACQ Household Insurance PDS
Risk address: [REDACTED] JINDALEE QLD 4074
Occupancy Type: Owner Occupied
Unoccupied from: TO

Claim Contact Details

Claim Number: [REDACTED]
Incident Party: [REDACTED]
Primary contact: MICHAEL ROSS GOURLEY
Relationship to insured: Insured
Contact numbers:
Home: [REDACTED]
Work: [REDACTED]
Mobile:
Other:
Postal address: [REDACTED] JINDALEE QLD 4074

Claim Details

Date of loss: 13 January 2011
Date reported: 14 January 2011
Loss Address: [REDACTED] JINDALEE QLD 4074
Loss Cause: Flood and Storm Surge

Description of loss:

Water damage to building and major contents damage as property has been suberged in flood waters the insured adv the flood water has come up and resided quite quickly

Excess

Total	Standard	Compulsory	Other
\$300.00	\$300.00	\$0.00	\$0.00

Policy Coverage

Coverages	Sum Insured
Building	\$491,000.00
Contents	\$103,000.00

Optional Coverages

Motor Burnout option (Building)
Glass Cover (Building)
Glass Cover (Contents)
Motor Burnout option (Contents)

Background & Policy Details

Building Details

Building Type	House
Wall Type	Brick veneer
Roof Type	Tiles
Year build	1980
Under construction	Not under construction
Mortgagee	CREDIT UNION AUSTRALIA LTD

Average weekly rent:	N/A
Property under Rental Agreement:	No
Property Professionally Managed	No

Agent Details

GST Registered: ITCE %

Minimum security:

- KEY-OPERATED DOUBLE CYLINDER DEADLOCKS FITTED
- ACCESSIBLE WINDOWS
- SECURITY SCREENS OR GRILLES

Policy / Risk Comments:

trc spoke to insured re unpaid nb advised that payment will be made by expi rycov 002 - Insured requested that cover for property under contract be start ed from 22/12/2005 as they had not secured finance yet and they had been to ld that they did not need to insure it until theDeadlock WAS: ; NOW: Y ;Window Locks WAS: ; NOW: N ;Bars/Grilles WAS: ; NOW: Y ;Other Security WAS: ; NOW: N ;Minimum Security WAS: ; NOW: Y ;Contents S/Insured WAS: \$0 ; NOW: \$69000 ;NCD (Cnts) WAS: 0 ; NOW: 5 ;Earthquake Xs (Cnts) WAS: 0 ; NOW: 300 ;Combined Discount WAS: NOT APPLIED ; NOW: APPLIES ;R & R Extn (C) WAS: NOT APPLIED ; NOW: APPLIES ;FU WAS: NOT APPLIED ; NOW: APPLIES ;GL WAS: NOT APPLIED ; NOW: APPLIES ;

Other claims areas that have interest in the claim

- Major Loss

Claims History

Claim number	Date of loss	Loss Cause	Decision	Status	Payments
[REDACTED]	13 January 2011	Flood and Storm Surge	Reject	open	0

Total claim payments (All till date): 0

Number of Theft claims: 0

Total Number of Claims: 1

Contents & unfixed building SOW

Insured MICHAEL ROSS GOURLEY
 Claim No XXXXXXXXXX

Loss Adjusting support

Is this a Contents Major loss? Yes	If Major loss: Estimated value of items claimed \$20,000.00
If no, list items lost / damaged below	
Total Policy Excess: \$300.00	

Items Claimed SOW

#	Item	Brand / Description	Age (Yrs)	Model #	# of items	Value	Claimable amount	Fulfilment decision	Proof	Proof OK

Contents & unfixed building SOW Supplementary Page

#	Item	Brand / Description	Age (Yrs)	Model #	# of items	Value	Claimable amount	Fulfilment decision	Proof	Proof OK

Contents & unfixed building SOW Supplementary Page

#	Item	Brand / Description	Age (Yrs)	Model #	# of Items	Value	Claimable amount	Fulfilment decision	Proof	Proof OK

Exhibit 9

[REDACTED]

From: [REDACTED]
Sent: Thursday, 20 January 2011 8:16 AM
To: cchhinbound
Subject: Acknowledgement - Storm - GOURLEY [REDACTED] (Our Ref: [REDACTED])
[REDACTED] Instructing officer: Household Claims

Insured: [REDACTED]
Situation of loss: [REDACTED] JINDALEE QLD 4074
Your ref: [REDACTED]
Instructing officer: Household Claims
Our ref: [REDACTED]
Office: MYI Freemans Brisbane
Phone no: [REDACTED]
Fax no: [REDACTED]
Email: [REDACTED]

Thank you for your instructions, we acknowledge receipt of your claim.

If you have been provided with access to Freemans ClaimNet, you can view your claim online at

<https://extranet.freemans.com.au/servlet/au.com.icconsulting.freemans.servlet.SearchServlet?choice1=claim number&searchParam1=HH01259293>

Please note immediate access attempts may be unsuccessful due to job transfer timing. If so please allow further time.

In the meantime if you have any queries, please do not hesitate to contact me.

Regards
[REDACTED]
MYI Freemans Brisbane

Exhibit 10



Quick search: Claim No.

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Storm - Closed

Insured: [REDACTED]

Your Ref: [REDACTED]

Assigned to: [REDACTED]

Policy response: Under evaluation

Reserve: \$398,000.00

Cerno Ref: [REDACTED]

Office: Brisbane

Actions

- [» Add to watch list](#)
- [» Create file note](#)
- [» Printer friendly !\[\]\(762406eef2963bff0ad3fe10759218a9_img.jpg\)](#)

File note details

Title: Contact with Insured

Date: 21-01-11

Author: [REDACTED]

Spoke with mr Gourley today. He advised that his wife is dying of cancer and he has two young boys aged [REDACTED]. They are unable to live in the house due to the damage and the power is not on. He sounded quite distressed.

Exhibit 11



Quick search: Claim No.

Go [» Detailed search](#)

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Storm - Closed

Insured: GOURLEY, T

Your Ref: [REDACTED]

Assigned to: [REDACTED]

Policy response: Under evaluation

Reserve: \$398,000.00

Cerno Ref: [REDACTED]

Office: Brisbane

Actions

- [» Add to watch list](#)
- [» Create file note](#)
- [» Printer friendly !\[\]\(b972d9710cfc7cd7a8205167459269d8_img.jpg\)](#)

File note details

Title: Call from [REDACTED] of RACQ

Date: 24-01-11

Author: [REDACTED]

Advised the Insured has come into the office and wanted to know what was going on. Advised TMA was assessing.

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Exhibit 12



myifreemans

SITE REPORT - Property Claim			
Client	RACQ Insurance Brisbane PO Box 3004 LOGAN CITY QLD 4114	Report Date	3 February 2011
Claims Officer	Household Claims	Claim Reference	[REDACTED]
MYIF Assessor	[REDACTED]	MYIF Reference	[REDACTED]
MYIF Case Contact	[REDACTED]	MYIF Contact Phone	[REDACTED]

KEY CONTACT DATES			
Date of Loss	13 January 2011	Case Received	17 January 2011
Claimant Contacted	21 January 2011	Inspection Date	26 January 2011

CLAIMANT DETAILS			
Claimant Name	GOURLEY, [REDACTED]		
Postal Address	[REDACTED]	JINDALEE QLD 4074	
Situation of Loss	[REDACTED]	JINDALEE QLD 4074	
Primary Contact	Michael Gourley	Tax Status	To be advised
Telephone	[REDACTED]	ABN	
Telephone 2	[REDACTED]	ITC	0%
Email Address	Not advised	Claim Form Status	Not required

POLICY DETAILS			
Policy Type	GHHB2 03/09 RACQ! Household Insurance PDS	Inception Date	24 November 1997
Policy No	Not advised	Expiry Date	24 November 2011
Policy Section:-	Sum Insured:-	Excess:-	
Building	\$491,000.00	\$300.00	
Contents	\$103,000.00		
Total Sum Insured	\$594,000.00	\$300.00	Total Excess Applied

MYI Freemans Ltd

42 Costin Street Fortitude Valley QLD 4006, PO Box 554 Fortitude Valley QLD 4006

Tel: 07 3867 4600 Fax: 07 3867 4699 Email: brisbane@myifreemans.com.au

Web: www.myifreemans.com.au

ABN: 86 111 653 386



RESERVE			
Policy Section	Reserve	Payments to Date	Outstanding Reserve
Building	\$300,000.00		\$300,000.00
Contents	\$90,000.00		\$90,000.00
Personal Property			\$0.00
			\$0.00
Total Claim	\$390,000.00	\$0.00	\$390,000.00
Excess applied	\$0.00		\$0.00
Total Claim less Excess	\$390,000.00		\$0.00
Management Fee	\$8,000.00		\$0.00
Total Reserve	\$398,000.00	\$0.00	\$0.00

CIRCUMSTANCES / CAUSE	
Type of Loss	FLOOD
Relating to	Flood catastrophe
Caused by	Flooding
Date of Loss	13 January 2011
Date/Time of Discovery	12 January 2011
Discovered by	Insured
Who was responsible?	Brisbane river Dam Storm water drain Torrential rain
STATUTORY SERVICES	
SES	Attended
EXPERT CONSULTANTS	
Building Consultant	Recommended
Hydrologist	Recommended



EXTENT OF LOSS / DAMAGE	
BUILDING	
No of rooms affected	10
Square metres affected	Approx. 187 square metres.
Severity of damage	Destroyed
What is damaged	Entire structure Aerials/Antennas Appliances - fixed Architraves Bath/Basin Bench tops Benches Carport Ceiling finishes Ceiling/s Cooling system Cupboards/Shelves Decking Doors Electrical circuit/wiring Exhausts External blinds External building/s Fans - fixed Floor finishes Floor/s Garage doors Garage GPO's/Switches Heating system Insulation - roof Internal blinds Light fittings Patio Pergola Pool/Spas Roof cladding Roof plumbing Sinks Skirtings Wall frames Walls - internal finishes Walls external finishes Window frames
CONTENTS	
Severity of damage	Destroyed
What is damaged	All contents Appliances - brown goods Appliances - white goods Bedding Books Business/professional tools/equipment CD's, DVD's, Blue Ray Clothing Computer software/accessories/games Cutlery/Crockery/Pots/Pans/Utensils Electronic goods - computers Electronic goods - games Floor coverings Food Furniture - external Furniture - inside Garden tools Luggage Manchester/linen Medications Musical goods Toiletries Window coverings
OTHER DETAILS	
Action Taken	Arranged pre cleaning Insured has had premise totally stripped back to bare structure due to extent of water damage. All contents have been disposed. Insured premise uninhabitable and insured staying in a motel with his family. Insureds wife sick with cancer and is not expected to survive.
Scope of Damage	To be provided with next report
Property Loss Schedule	To be provided with next report

SUMMARY			
Indemnity	Under evaluation		
Recovery	Unlikely	Salvage	Likely
Other Insurance	None advised	Other Insurance Details	No other known policies

RISK ISSUES	
Type of Risk	Dwelling
Sum Insured Comment	Adequate
Previous Claims	None relevant to this claim
Underwriting Recommendations	



EVENT ISSUES	
A - Accommodation required	Yes
B - Accommodation required during repairs	Yes
Asbestos issues	Some villa board with asbestos.

FLOOD ISSUES – TO BE PROVIDED WITH SECOND REPORT

NEXT STEPS	
Insured	Await confirmation of acceptance of claim.
MYIF – Next Report	Seek insurers instructions on policy indemnity.
Your Office:	Confirm acceptance of claim Note the contents of this report Provide further instructions Confirm policy cover

MYIFREEMANS LTD



ANZIIF(Snr. Assoc.)

Dipl. Bus. (Loss Adjusting)

Email: 

IMAGES

	
---	--

Premise has been stripped bare.



Risk premise



Inground pool

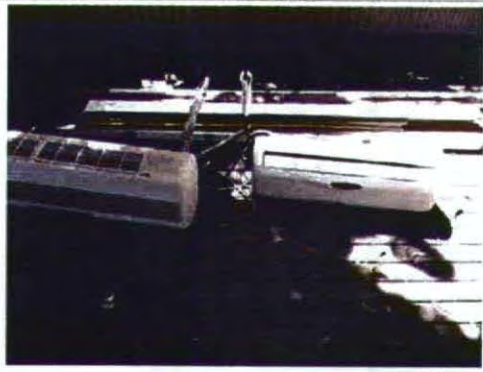


Exhibit 13



Best Practice - Flood Checklist			
File Ref:	[REDACTED]		
Insured:	NICHTEL BOONLEY		
Was Insured present at the time?	Yes	<input checked="" type="radio"/> No	
Others present?	Yes	No	
	Who:		
At what time did the water start to enter the property?	Wednesday 12th Jan Jan		
How quickly did the water rise?	Slow	Medium	<input checked="" type="radio"/> Fast
Was the water contaminated?	<input checked="" type="radio"/> Yes	No	Sewage
Where did the water come from?	<input checked="" type="radio"/> River	<input checked="" type="radio"/> Dam	Creek Canal
	Other: STORM WATER GULLY / DAM		
If from waterway, name of waterway.	BRISBANE RIVER		
Distance to the subject waterway	1 km		
What is the name of the nearest waterway?			
Distance to nearest waterway.			
Type of foundations.	<input checked="" type="radio"/> Slab	Stumps	Stilts Other -
What is the distance between floor and ground level?	GRANA		
Did Insured evacuate the property?	<input checked="" type="radio"/> Yes	No	COULD NOT GIVE COMMENTS
At what height did the water level peak?	AT 2.00pm wednesday, water level rose above ceiling - 2500mm		
How long was the property inundated by water?	2 1/2 Hours		
Was Insured previously aware flood may occur at the property?	Yes	<input checked="" type="radio"/> No	

Exhibit 14



myifreemans

Our Ref. [REDACTED]

11 February 2011

Mr Michael Ross [REDACTED] Gourley
[REDACTED]
JINDALEE QLD 4074

Dear Sir

As you are we are the Insurance loss adjusters appointed by your Insurers RACQ to assist with the settlement of the claim.

We refer to our recent attendance in respect to the claim and we now advise that our first report had been submitted to your Insurers detailing the nature and extent of the loss.

A request has also been made for a hydrology report from Water Technology Brisbane to determine the proximate cause (flood/ stormwater drain/ other) of the damages sustained to your property.

We would be pleased to answer any questions in regard to your claim but in the meantime we thank you for your co-operation and patience.

Yours faithfully
MYI FREEMANS

Per [REDACTED]
ANZIIF (Snr. Assoc.)
Dipl. Bus. (Loss Adjusting)
[REDACTED]

Exhibit 15

Investigation of the January 2011 Inundation Event - Brisbane



CONFIDENTIAL AND SUBJECT TO LEGAL PROFESSIONAL PRIVILEGE

Date: **March 2011**

Client: **Cooper Grace Ward Lawyers**

Cover Photo: reproduced from www.nearmap.com.au

Water Technology Pty Ltd
93 Boundary Street
West End QLD 4101

Telephone (07) 3105 1460

Fax (07) 3846 5144

ACN No. 093 377 283

ABN No. 60 093 377 283

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1. INTRODUCTION

This report has been undertaken by Water Technology, specialist flooding engineers. The purpose of the report is to provide advice to Cooper Grace Ward Lawyers (CGW), who is acting on behalf of RACQ Insurance Limited (RACQI), on the cause of inundation that peaked within the City of Brisbane on 13th January 2011.

We note that this report is confidential and for internal use by the client to assist them in processing claims for the particular event, time and location described above.

This is a technical report and the author has made opinions based on generally accepted engineering industry standard definitions for stormwater and flooding terminology for the purposes of classifying the particular inundation event that occurred as noted above. It is noted that these classifications are site specific and therefore the author has also provided additional information where necessary in order for the client to make a determination on whether a particular claim falls within RACQI's policy coverage. The decision of whether or not to pay a claim rests solely and entirely with the insurance company.

This report and any attachments have been prepared for the purpose of gathering information and/or for the purpose of giving and/or receiving legal advice and/or the giving and/or receiving of legal advice and is both confidential and subject to legal professional privilege.

2. GUIDELINES AND TERMINOLOGY

The terminology used in this report is provided in Table 2-1 below. This terminology is based on the glossaries of following documents and information from the Bureau of Meteorology, with additional information and examples provided by Water Technology to further clarify the use in this report:

1. "Floodplain Management in Australia: Best Practice Principles and Guidelines – SCARM Report 73", 2000, CSIRO.
2. "Queensland Urban Drainage Manual", Second Edition, 2008, Queensland Government Natural Resources and Water.
3. "Mitigating the Adverse Impacts of Flood, Bushfire and Landslide - State Planning Policy Guideline SPP1/03", June 2003, Queensland Government.
4. "Australian Rainfall and Runoff – Volume 1 – A Guide to Flood Estimation", 1998, Institution of Engineers Australia.
5. Bureau of Meteorology (2011) definitions and terminology as listed on their webpage http://www.bom.gov.au/hydro/flood/flooding.shtml#definitions_terminology

Table 2-1 Standard Terminology

Term	Definition
Annual Exceedance Probability (AEP)	The probability of exceedance of a given discharge within a period of one year. Can be expressed as a percentage (eg 1% change in any one year) or 1 in Y [years] (eg a probability of 1 in 100). This report will generally use ARI terminology.
Average Recurrence Interval (ARI)	The average or expected period between exceedances of a given discharge expressed in years. This is another method of expressing the magnitude of a particular event in probabilistic terms (eg a "100 year ARI flood" can also be described as a flood with an AEP of "1%" or "1 in 100"). The ARI of a flood event is a statistical estimate that gives no indication of when a flood of that size or larger will occur next.
Backwater	No definition in documents listed above. We define as a body or area of water where there is little or no current that is connected to a drainage system or receiving water either above or below ground (pipe drainage). The water level of the backwater area is governed by the adjacent drainage system or receiving water.
Breakout	No definition in the documents listed above. Breakout flows occur when flow in a river system reaches a level high enough to engage a wider or an alternate flow path other than the normally defined channel.
Catchment	The area of land contributing stormwater runoff to a particular site or point under consideration. It always relates to a particular location and includes the catchments of tributary streams as well as the main stream.

Critical Storm Duration	The duration of the storm event that produces the largest flood discharge at the location of interest. Critical storm duration depends on the catchment size, topography (slope, drainage path, presence of storages or basins), magnitude of storm, land use of the catchment (eg urban, rural or forest). In general terms the critical storm duration provides an indication of how long a catchment takes to deliver peak flow to a particular point of interest following rainfall commencement. When the rainfall is not at a constant intensity the timing of the peak flood will depend on the temporal pattern of rainfall.
Detention Basin	A large, open, free draining basin that temporarily "detains" collected stormwater runoff. These basins are normally maintained in a dry condition between storm events.
Drainage System	A system of gully [street or field] inlets, pipes, overland flow paths, open channels, culverts and detention basins used to convey runoff to its receiving waters.
Flash Flood	Sudden and unexpected flooding caused by local heavy rainfall either at the site in question or upstream. Often defined as flooding within six hours of the rain which causes flooding.
Flood	The temporary inundation of land by expanses of water that overtop the natural or artificial banks of a watercourse, including a drainage channel, stream, creek, river, estuary, lake or dam, or any associated water holding structure. A flood can be caused by excessive rainfall, storm surge, dambreak or a tsunami.
Local Runoff	Refer to "Runoff" and "Stormwater Flooding".
Minor flood level	A flood level that causes inconvenience. Low-lying areas next to watercourses are inundated which may require the removal of stock and equipment. Minor roads may be closed and low-level bridges submerged.
Moderate flood level	In addition to the above for minor flooding, the evacuation of some houses may be required. Main traffic routes may be covered with flood waters. The area of inundation is substantial in rural areas requiring the removal of stock.
Major flood level	In addition to the above for minor and moderate flooding, extensive rural areas and/or urban areas are inundated. Properties and towns are likely to be isolated and major traffic routes likely to be closed. Evacuation of people from flood affected areas may be required.
Rainfall Intensity	The rate at which rain falls, typically measured in mm/hour. Rainfall intensity varies throughout a storm. This variation is called a temporal pattern.
Receiving Waters	A body of water (normally sea, river, creek or larger drainage system) that receives flow from a generally smaller (tributary) drainage system.

Runoff	<p>That part of rainfall which is not lost to infiltration, evaporation, transpiration or depressions in the ground.</p> <p>We add that for the purposes of investigating or studying a flood it is the amount of rainfall that drains along the surface and into the "drainage system" or directly into receiving waters. Local runoff is that which occurs locally to a point in question (i.e. within a backyard) and has not yet reached a drainage system.</p>
Stormwater Flooding	<p>CSIRO (2000) defines as "inundation by local runoff caused by heavier than usual rainfall. Stormwater flooding can be caused by local runoff exceeding the capacity of an urban stormwater drainage system or by the backwater effects of mainstream flooding causing urban stormwater drainage systems to overflow."</p> <p>We add that the capacity of the local stormwater drainage system to drain runoff can be lessened by backwater effects of a downstream receiving water system or by obstructions. Inundation caused by backwater surcharging out of a stormwater drainage system from a flood would not necessarily be classed as stormwater flooding as the source of water or the flood level reached may not be caused by local runoff.</p>
Surface Water or Inundation	<p>Any water collecting on the ground or in an open drainage system or receiving water body.</p> <p>In this report we use these terms to discuss water before it is categorised into flood, stormwater or other.</p>

CGW has provided the following definitions for the purposes of this report:

- a) **Flood** – is rising water which enters a home as the result of it running off or overflowing from any origin or cause;
- b) **Flash flood and stormwater runoff** – is a sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater runoff; and
- c) **Water inundation** – is the influx of water onto the property (ie the expression is not being used to refer only to properties which have been completely immersed in water).

In preparing this report the author is therefore cognisant of clarifying the time to flood as the time taken between the commencement of "flood-causing" rainfall and the time for a particular site to be flooded as RACQ's definition will result in a wider geographic region meeting this definition than the standard definition defined in CSIRO (2000).

3. PURPOSE AND SCOPE OF THE REPORT

The purpose of the report is to provide advice to Cooper Grace Ward Lawyers on the cause of inundation that peaked within the City of Brisbane on 13th January, 2011.

This report is confidential and for internal use by the client to assist them in processing claims for the particular event, time and location described above.

This report is based on:

- A desktop review of rainfall and flow data made available through the Bureau of Meteorology (BoM) for the Brisbane River catchment relating to this inundation event.
- Inundation mapping made available through the Insurance Council of Australia (ICA).
- A review of available news and gathered internet footage and photos.
- A review of historic flooding.
- A limited number of site inspections.

For the purposes of this report, "Brisbane" is defined as the area within the Brisbane City Council Local Government Area as shown in Figure 3-1.

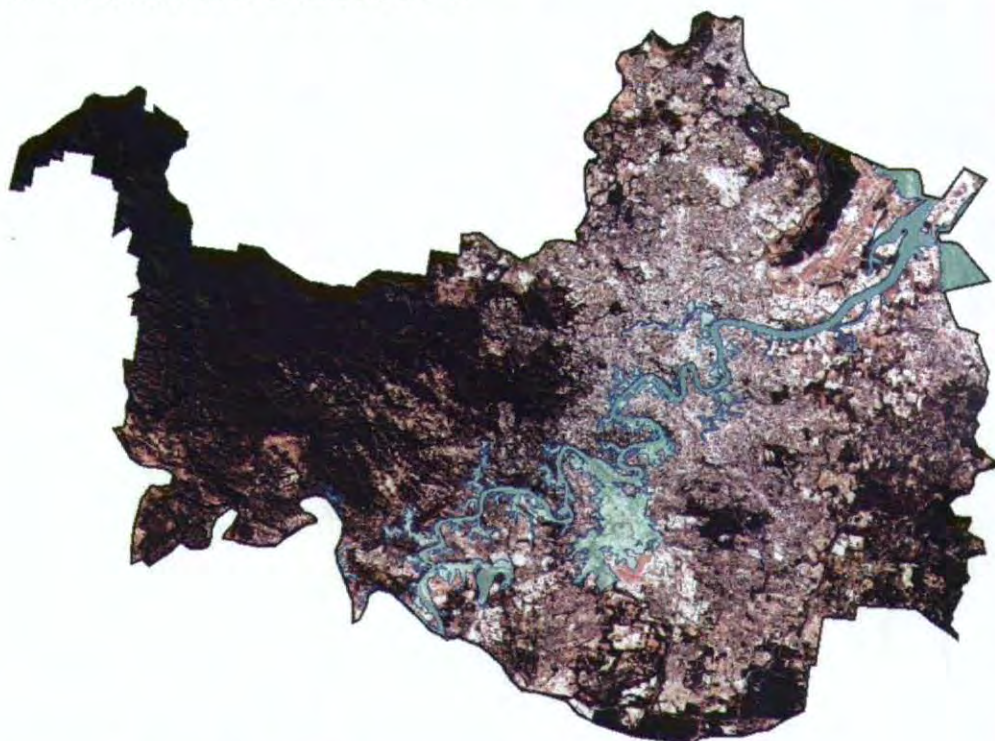


Figure 3-1 Brisbane City Council Local Government Area

4. BRISBANE RIVER CATCHMENT DESCRIPTION

Flooding within the city of Brisbane can be generated through a range of mechanisms. BoM's "Flood Warning System for the Brisbane River Below Wivenhoe Dam to Brisbane city" states:

The Brisbane River catchment covers an area of approximately 15,000 km² of which about half is below Wivenhoe Dam. The Lockyer-Laidley Valley drains into the Brisbane River just downstream of Wivenhoe Dam near Lowood... Although Wivenhoe Dam significantly reduces the frequency of flooding in Brisbane City, major flooding can still occur.

Flooding in the Brisbane City area can also be caused by local creeks including Oxley and Bulimba Creeks on the southside and Kedron Brook, Moggill and Enoggera Creeks in the northern and western suburbs. During intense rainfalls, the suburban creeks rise very quickly and can cause significant flooding of streets and houses.

Figure 4-1 below presents the flood warning system for the overall Brisbane River Catchment, while Figure 4-2 presents the flood warning system for the lower Brisbane River.

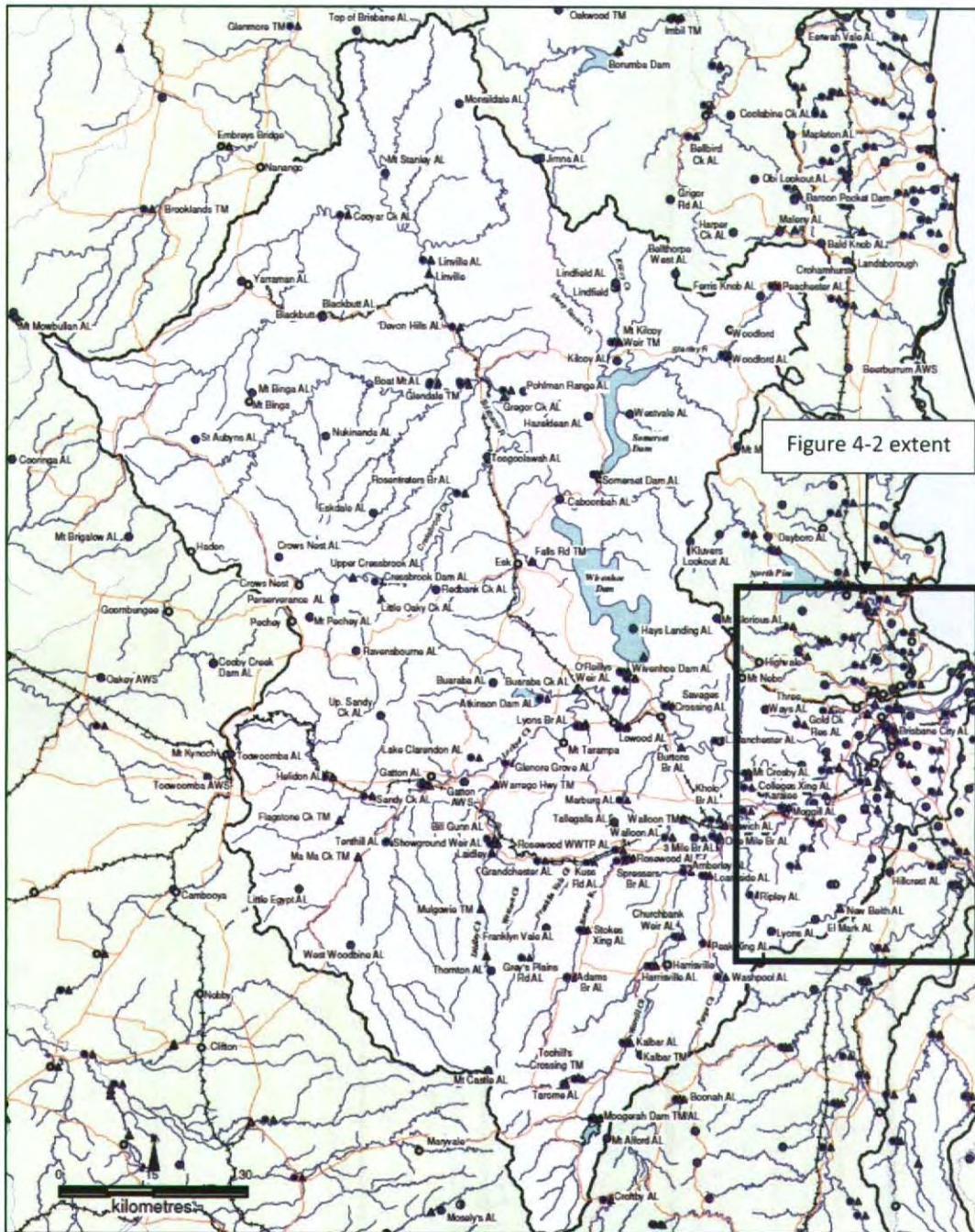


Figure 4-1 Brisbane, Bremer and Stanley Rivers Flood Warning Network (BOM, 2011)



Figure 4-2 Lower Brisbane River Flood Warning Network (BOM, 2011)



Figure 4-3 Brisbane River Catchment and Selected Brisbane River Gauging Stations

5. HISTORIC FLOODING

BoM's "Flood Warning System for the Brisbane River Below Wivenhoe Dam to Brisbane city" states:

Flood records for Brisbane extend back as far as the 1840's and indicate that the city has a long history of flooding. The largest flood of the 20th century occurred in January 1974, rising to a height of 5.45 metres on the Brisbane City Gauge at the river end of Edward Street. The flood caused widespread damage in Brisbane, affecting at least 8,000 properties.

Figure 5-1 presents a history of flood peaks at the Brisbane River City Gauge.

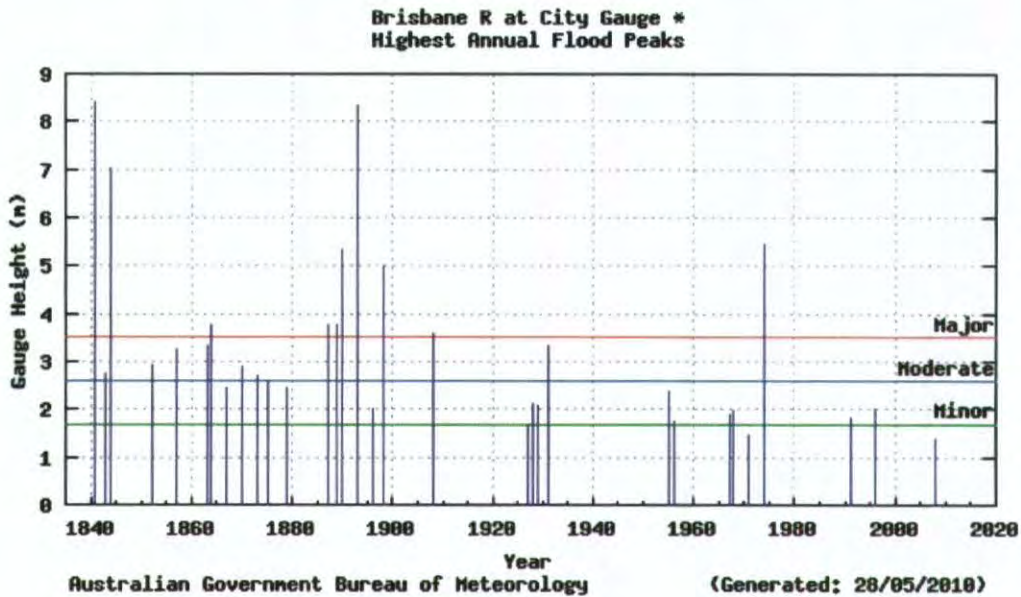


Figure 5-1 Lower Brisbane River Flood Warning Network (BOM, 2011)

Note that this description was written prior to the January 2011 event occurring. Comparison of the relative magnitudes of flood events in the Brisbane River is complex and potentially misleading due to both:

- The different mechanisms that can cause flooding at particular locations eg:
 - local creek flooding associated with short duration rainfall events in local catchments,
 - Brisbane River flooding associated with longer duration rainfall events in the upper Brisbane River catchment, and
 - The combination of short duration rainfall events in local creeks occurring at the same time as Brisbane River flooding generated by longer duration rainfall events in the upper Brisbane River catchment.

- Significant works that impact on the behavior of Brisbane River floods include:
 - Dredging of the mouth of the river in the early part of the century,
 - Construction of Somerset Dam,
 - Construction of Wivenhoe Dam,
 - Operational releases of Somerset and Wivenhoe Dams during flood events.

6. INUNDATION EVENT, JANUARY 2011

6.1 General

The National Climate Centre's Special Climate Statement 24 (BoM, 25 January, 2011) provides an overview of the event. Several extracts of this report are quoted below:

Major Rain Events of the Period

...

10 to 12 January. An upper-level low combined with a humid easterly flow to bring very heavy rain to southeast Queensland and northeast New South Wales. The heaviest falls were in the areas north and west of Brisbane. ... Three-day totals exceeded 200 mm over most of the area bounded by Brisbane, Gympie and Toowoomba, including the majority of the Brisbane River Catchment. Further south, totals exceeding 100 mm extended to the coast and adjacent ranges of New South Wales north of Coffs Harbour, locally approaching 200 mm on parts of the Northern Tablelands, and also extended into inland southern Queensland as far west as Dalby. The heavy rain covered a smaller area than was the case in the late December event. The highest daily totals observed in the Bureau's regular network were 298.0 mm at Peachester and 282.6 mm at Maleny on 10 January, while the highest three-day totals were 648.4 mm at Mount Glorious and 617.5 mm at Peachester. Intense short-period falls also occurred during the event, with one-hour falls in excess of 60 mm occurring on both 10 and 11 January at numerous stations in various locations north and west of Brisbane. It is possible that higher short-period falls occurred in areas between observing sites.

...

Extreme Daily Rainfall Totals for the Period

...

Peak rainfalls from the 1974 event were substantially heavier than those in 2011. Many stations in the 1974 event experienced daily totals which exceeded 400 mm; the highest were 563.2 mm at Mount Tamborine and 561.5 mm at Wundurra, in the Gold Coast hinterland, while in the Brisbane area 475.8 mm fell on 26 January at Enoggera Reservoir.. 1974 also saw much heavier rainfall in metropolitan Brisbane than 2011, with Brisbane's three-day and peak one-day totals of 600.4 mm and 314.0 mm in 1974 comparing with 166.2 mm and 110.8 mm in 2011. However, in 1974 the heaviest rains were close to the coast, whereas in 2011 heavy falls spread further inland, and on the western fringe of the Brisbane River catchment and on the Great Dividing Range 2011 was the wetter of the two events (Figure 5 ...). The weeks prior to the 1974 event, whilst wetter than normal, were also less wet than the equivalent weeks prior to the 2011 event.

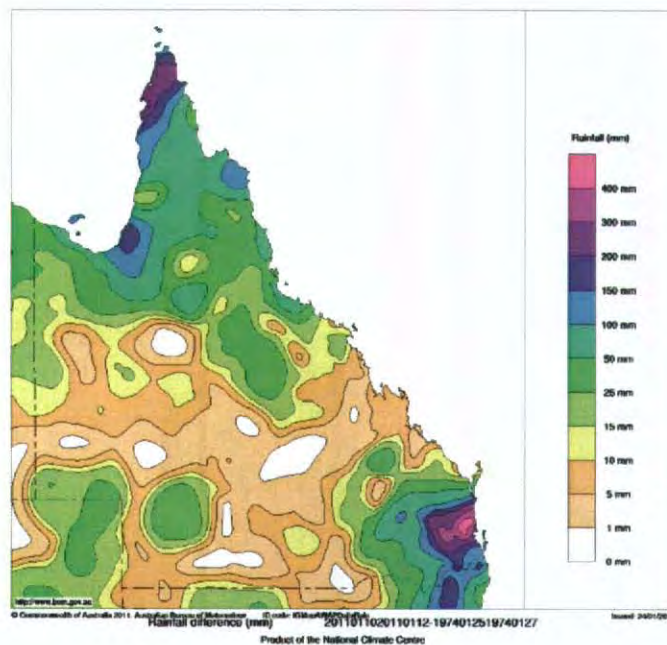


Figure 6-1 Three day rainfalls for 10 to 12 January 2011
(extract from Figure 5 - BOM, 2011)

Floods resulting from the rainfall

The most destructive floods during the period occurred during the second week of January in the southeast corner of Queensland and adjacent border areas of New South Wales. There was major flooding through most of the Brisbane River catchment, most severely in the Lockyer and Bremer catchments where numerous flood height records were set ..., along with the Toowoomba area just outside the Brisbane catchment. In Brisbane it was the second-highest flood of the last 100 years, after January 1974. The flooding caused substantial loss of life, and thousands of properties were inundated in metropolitan Brisbane and elsewhere. Major flooding with inundation of properties also extended inland to the upper Condamine-Balonne catchment, with Chinchilla and Dalby being severely affected for the second time in less than a month. ...

6.2 Brisbane River Catchment Above Wivenhoe

Significant rainfall in the catchment above Wivenhoe Dam occurred over the period 9th, 10th and 11th of January 2011. This rainfall caused significant inflows to the dam during the same period. Figure 6-2 presents cumulative 3 day rainfall at three rainfall stations in the catchment above Wivenhoe Dam. Figure 6-2 also shows the Brisbane River inflows to the dam at Gregor Creek gauging station (located on the Brisbane River upstream of Wivenhoe Dam).

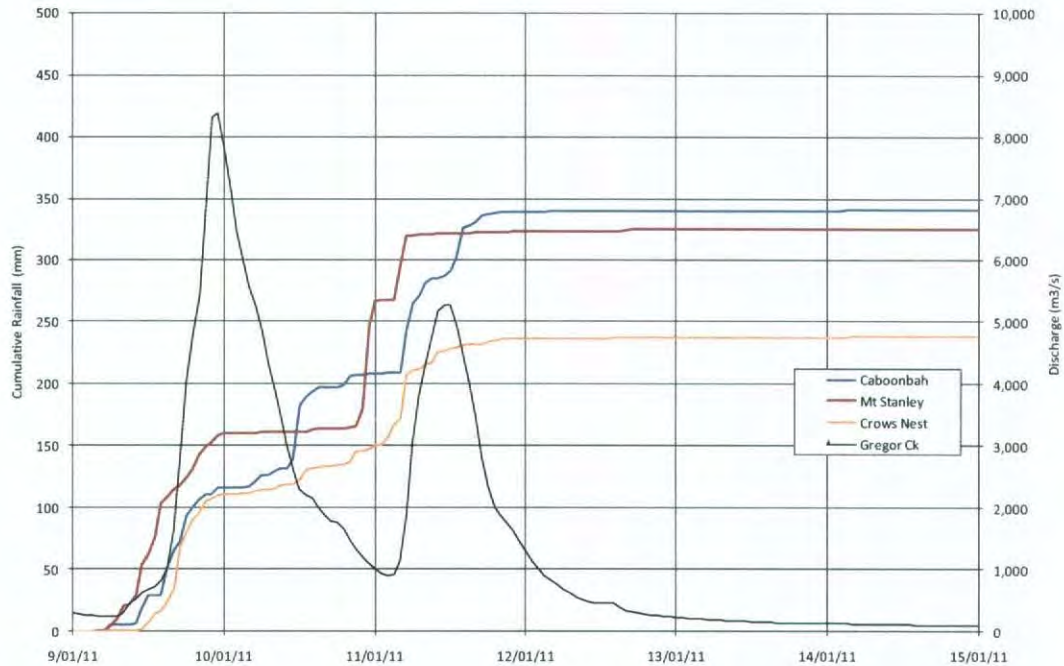


Figure 6-2 Cumulative Rainfall Records totals and Brisbane River (Gregor Ck) inflows to Wivenhoe Dam (9th to 15th January, 2011)

Figure 6-3 presents cumulative rainfall totals at selected stations through this period, together with the Wivenhoe Dam level. Figure 6-3 shows that the level of Wivenhoe dam rose rapidly over the period 9th to 12th January, 2011.

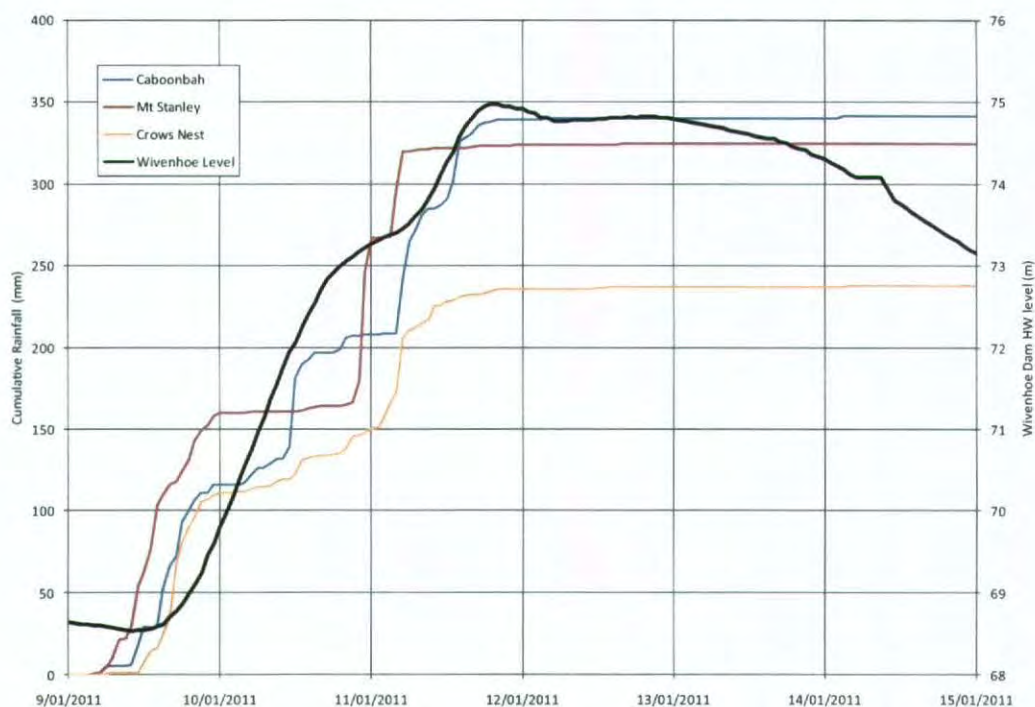


Figure 6-3 Cumulative Rainfall Records (selected) in the catchment above Wivenhoe Dam and Wivenhoe Dam Levels

These gauge observations indicate:

- The rain event that filled Wivenhoe Dam between 9th and 12th of January started at approximately 06:00 9th January.
- Any inundation directly caused by releases of water from Wivenhoe Dam to the downstream reaches of the Brisbane River after 06:00 10th January would then be attributable to the rain event that commenced at approximately 06:00 9th January.

6.3 Brisbane River Catchment Below Wivenhoe

Several major catchments enter the Brisbane River below Wivenhoe Dam. These include the Lockyer Creek and the Bremer River catchments amongst others.

Figure 6-4 presents the water level records for the Brisbane River at various gauging stations downstream of Wivenhoe Dam. The locations of these gauging stations are shown in Figure 4-3.

The following is of note:

- The Lowood gauging station includes both:
 - flow from Wivenhoe Dam, and
 - Lockyer Creek, which enters the Brisbane River downstream of Wivenhoe Dam.
- Flow from the Bremer River enters the Brisbane River above the Moggill Gauge.
- The peak level at the Brisbane City Gauge occurred at approximately 04:00 on the 13th January, 2011 over 24 hours after the recorded peak at the Lowood gauge.
- The Lowood gauge water level provides a reasonable indicator of the timing of the peak discharge from Wivenhoe Dam. Please note that at the time of compilation of this report, the Wivenhoe Dam discharge records were unavailable.

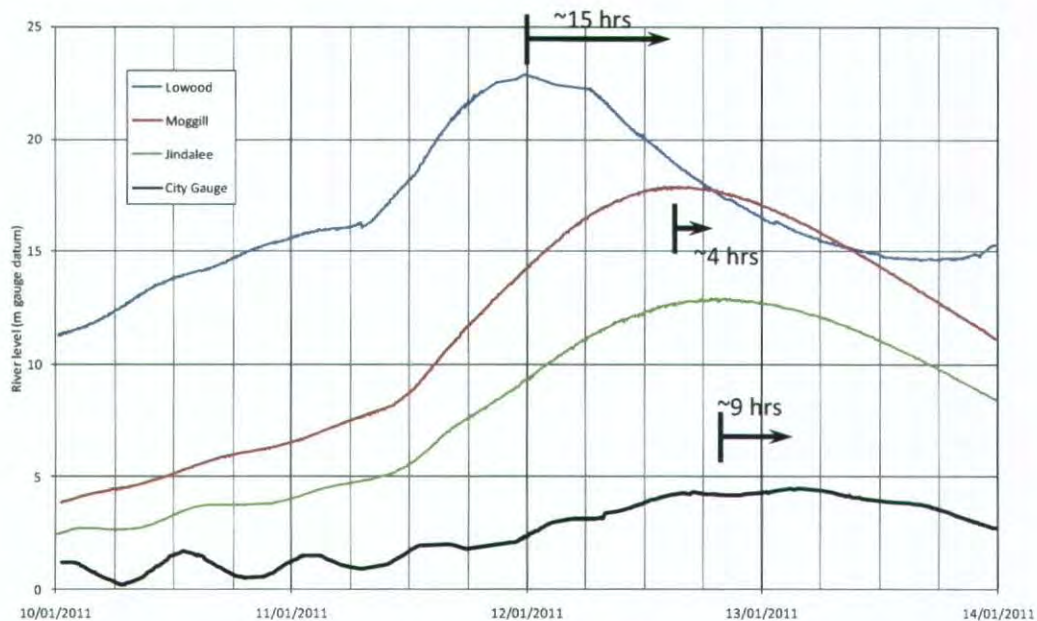


Figure 6-4 Recorded Brisbane River Levels at Gauges below Wivenhoe

Figure 6-5 and Figure 6-6 show cumulative rainfall for selected rainfall gauges in and adjacent to the Brisbane River catchment, together with river heights for the Brisbane River City gauge and the Bremer River at Walloon respectively.

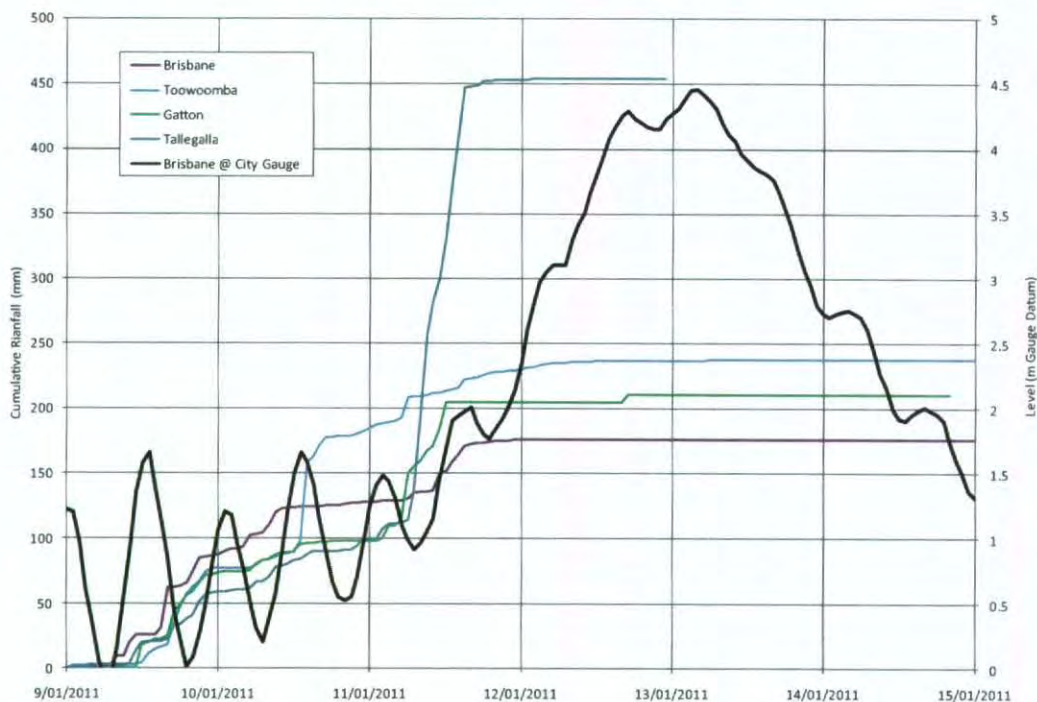


Figure 6-5 Cumulative Rainfall Records (selected) in the catchment below Wivenhoe Dam and recorded Brisbane River Levels

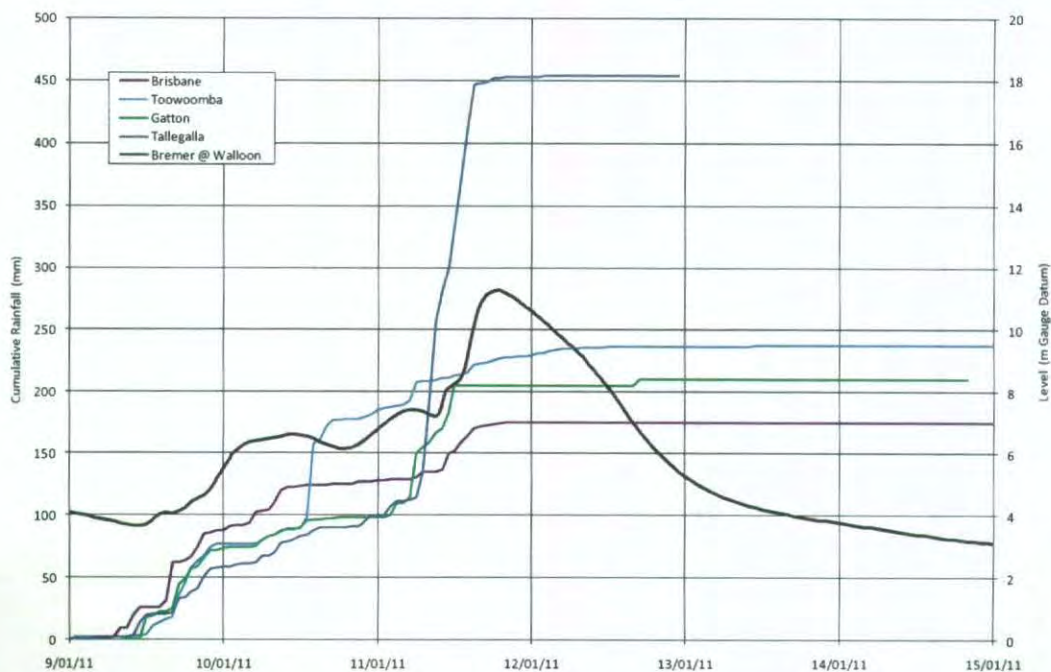


Figure 6-6 Cumulative Rainfall Records (selected) in the catchment below Wivenhoe Dam and Bremer River height at Walloon

At the time of writing of this report, there was limited discharge information available at gauging stations. Figure 6-7 provides an indication of the relative magnitude of the discharges within the Brisbane River at Savages Crossing and the Bremer River at Walloon.

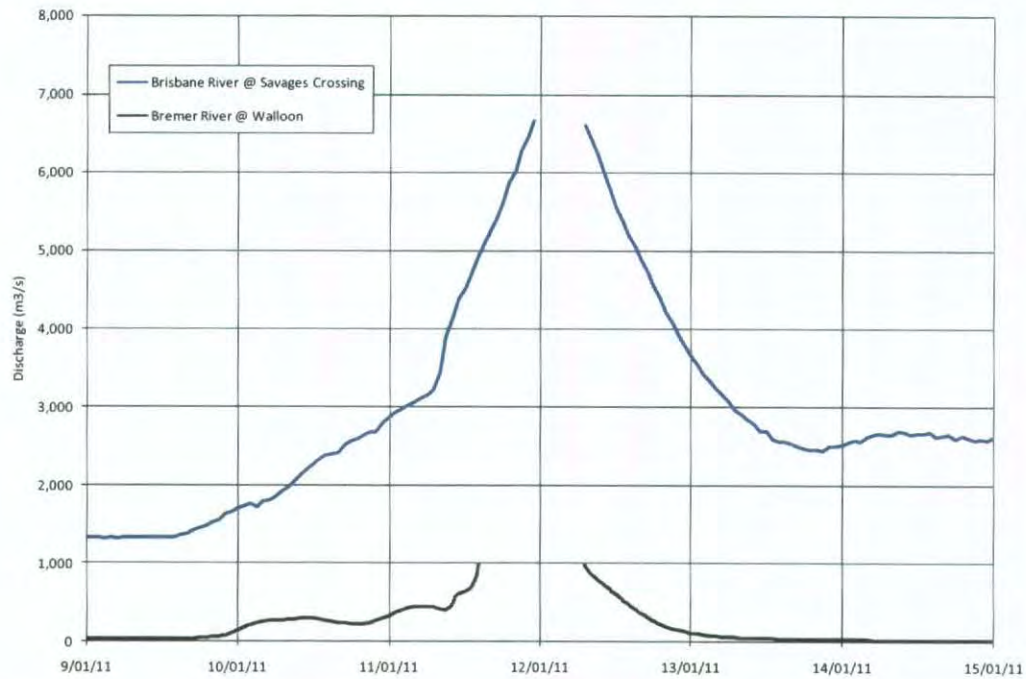


Figure 6-7 Brisbane and Bremer River Discharge Comparisons

Note that this comparison is limited by the amount of information available at the time of preparation of this report.

7. DISCUSSION

Following are relevant points when considering inundation caused by the Brisbane River.

Brisbane River Catchment Above Wivenhoe Dam

- Wivenhoe Dam experienced significant inflows over the period 9th (Sunday), 10th (Monday) and 11th (Tuesday) of January associated with rainfall in the catchment above Wivenhoe during this same period.
- Rainfall commenced at approximately 06:00 on the 9th (Sunday) of January.
- These inflows contributed to a peak outflow from Wivenhoe occurring at approximately 00:00 (midnight) on the 12th (Wednesday) of January.
- Significant Wivenhoe discharges occurred greater than 24 hours after the commencement of the rainfall event that lead to the significant inflows into Wivenhoe dam. Therefore, any inundation directly associated with the Brisbane River flows below Wivenhoe dam would be attributable to the rain event that commenced at approximately 06:00 9th January (and indeed earlier rainfall).

Brisbane River Catchment Below Wivenhoe Dam

- No rainfall was recorded at the Brisbane Rainfall Gauge within the 24 hours preceding the peak Brisbane River level.
- A significant rainfall event occurred at Tallegalla in the Upper Bremer River catchment between approximately 06:00 and 15:00 on 11th (Tuesday) January.
- Figure 6-6 shows the rapid response of the Bremer River at Walloon to the Tallegalla rainfall.
- The available gauging information presented in Figure 6-7 indicates that in terms of peak flow, the Bremer River contributed of the order of 15 - 25% of the Brisbane River flow. This is a necessarily imprecise figure because it is based on derived discharge information (which is both incomplete and in any event imprecise) and there are additional catchments contributing to both the Brisbane and Bremer River flows downstream of these gauges.
- Due to high Brisbane River tailwater levels there would have been some attenuation of the peak flow rate in the lower reaches of the Bremer River.
- This means that the overall contribution of water from the Bremer River to the Brisbane River (in terms of peak flow) is likely to be less than the estimate above. Based on the data currently available it is not possible to quantify how much less.

8. CONCLUSIONS

From our review of the available data for the event of January, 2011 we have formed the following opinions with regard to damage suffered within the Brisbane area:

- Damage directly associated with Brisbane River inundation within Brisbane post 06:00 on the 12th (Wednesday) of January has been caused by “flood”.
- A small proportion of the overall depth of the Brisbane River within Brisbane pre 06:00 on the 12th (Wednesday) may be partially attributable to rainfall that fell within the catchments downstream of Wivenhoe Dam in the preceding 24 hours.
- Thereafter, the Brisbane River water level continued to rise to its peak level recorded (at the Brisbane City Gauge) at 04:00 on the 13th (Thursday) January (some 22 hours later) of 4.45m, approximately 1.3m higher than the level at 06:00 on the 12th (Wednesday) January.

Properties as listed in Schedule A suffered damage caused by “flood”.

Schedule B lists the sites where it has not been possible to formulate an opinion at the time of provision of this report.

9. REFERENCES

Bureau of Meteorology, 2011, Definitions and Terminology,
http://www.bom.gov.au/hydro/flood/flooding.shtml#definitions_terminology

Bureau of Meteorology, 2011, Special Climate Statement 24, "Frequent heavy rain events in late 2010/early 2011 lead to widespread flooding across eastern Australia". First issued 7th January, 2011, Updated 25th January, 2011.
<http://www.bom.gov.au/climate/current/statements/scs24b.pdf>

CSIRO, 2000, "Floodplain Management in Australia: Best Practice Principles and Guidelines – SCARM Report 73".

Institution of Engineers Australia, 1998, "Australian Rainfall and Runoff – Volume 1 – A Guide to Flood Estimation".

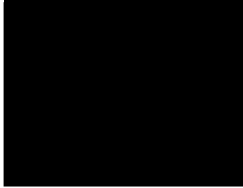
Queensland Government Department of Environment and Resource Management Historical monitoring data – Watershed, <http://www.derm.qld.gov.au/watershed/html/wshed.html>.

Queensland Government Natural Resources and Water, 2008, "Queensland Urban Drainage Manual", Second Edition.

Queensland Government, June 2003, "Mitigating the Adverse Impacts of Flood, Bushfire and Landslide - State Planning Policy Guideline SPP1/03".

10. AUTHORS QUALIFICATIONS

The author of this report is [REDACTED] In arriving at my opinions in this report, I have been assisted by the following Water Technology staff who have carried out certain work under my direction and supervision:



I have reviewed their work and the opinions expressed in this report are my own.

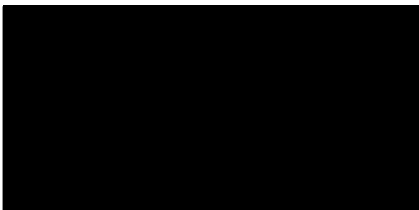
Details of my qualifications are provided in Table 10-1 below.

Table 10-1 Authors Qualifications

Full Name	[REDACTED]
Job Position	Director
Location	Brisbane, Queensland
Qualifications	Bachelor of Civil Engineering (Hons), UQ, 1988 Master of Engineering Science, UQ, 1999 National Professional Engineers Register (NPER) Registered Professional Engineer Queensland (RPEQ)
Key Areas of Relevant Expertise	Hydrologic and hydraulic engineering, floodplain management and flood warning

This report contains my preliminary views on the January, 2011 flood event within the Brisbane Local Government Area. It is preliminary essentially because not all inspections have been completed and not all relevant data is available. In due course should you wish it, I will prepare a final report after the completion of those further investigations (by me or by others). That report, that has been requested by CGW, should be prepared in the form required by the rules of court for an expert witnesses report, given the possibility of litigation arising.

However, subject to those further investigations, this preliminary report refers to all material matters of which I am currently aware and could reasonably obtain at the time of writing which might affect my conclusions.



Schedule A

Schedule A RACQI-Inundation Investigation Brisbane - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
279				MYI Freemans Ltd			Auchenflower
280				MYI Freemans Ltd			Auchenflower
282				MYI Freemans Ltd			Auchenflower
283				MYI Freemans Ltd			Auchenflower
284				MYI Freemans Ltd			Auchenflower
285				MYI Freemans Ltd			Bellbowrie
286				MYI Freemans Ltd			Bellbowrie
287				MYI Freemans Ltd			Bellbowrie
288				MYI Freemans Ltd			Bellbowrie
294				MYI Freemans Ltd			Bulimba
296				MYI Freemans Ltd			Bulimba
297				MYI Freemans Ltd			Bulimba
300				MYI Freemans Ltd			Chelmer
302				MYI Freemans Ltd			Chelmer
303				MYI Freemans Ltd			Chelmer
304				MYI Freemans Ltd			Chelmer
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322				MYI Freemans Ltd			Chelmer

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
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325					MYI Freemans Ltd		Chelmer
326					MYI Freemans Ltd		Chelmer
327					MYI Freemans Ltd		Chelmer
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354					MYI Freemans Ltd		Darra
355					MYI Freemans Ltd		East Brisbane
356					MYI Freemans Ltd		East Graceville
357					MYI Freemans Ltd		East Graceville
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364					MYI Freemans Ltd		Fairfield
367					MYI Freemans Ltd		Fairfield

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
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371							Fairfield
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374							Fairfield
375							Fairfield
376							Fairfield
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412							Graceville

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Ad	Insured Name	Site Address	Site Town / Suburb
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446				MYI Freemans Ltd			Indooroopilly
447				MYI Freemans Ltd			Jamboree Heights
448				MYI Freemans Ltd			Jamboree Heights
449				MYI Freemans Ltd			Jamboree Heights
450				MYI Freemans Ltd			Jamboree Heights
451				MYI Freemans Ltd			Jindalee
452				MYI Freemans Ltd			Jindalee
454				MYI Freemans Ltd			Jindalee
455				MYI Freemans Ltd			Jindalee

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
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459				MYI Freemans Ltd			Jindalee
460				MYI Freemans Ltd			Jindalee
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497				MYI Freemans Ltd			Milton
498				MYI Freemans Ltd			Milton
503				MYI Freemans Ltd			Mt Ommaney
510				MYI Freemans Ltd			New Farm
511				MYI Freemans Ltd			New Farm
512				MYI Freemans Ltd			New Farm
513				MYI Freemans Ltd			New Farm
517				MYI Freemans Ltd			Norman Park
518				MYI Freemans Ltd			Norman Park
520				MYI Freemans Ltd			Oxley
521				MYI Freemans Ltd			Oxley
522				MYI Freemans Ltd			Oxley
524				MYI Freemans Ltd			Oxley

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
526				MYI Freemans Ltd			Oxley
527				MYI Freemans Ltd			Oxley
528				MYI Freemans Ltd			Oxley
529				MYI Freemans Ltd			Oxley
531				MYI Freemans Ltd			Oxley
532				MYI Freemans Ltd			Oxley
533				MYI Freemans Ltd			Oxley
534				MYI Freemans Ltd			Oxley
535				MYI Freemans Ltd			OXley
536				MYI Freemans Ltd			Oxley
537				MYI Freemans Ltd			Oxley
540				MYI Freemans Ltd			Oxley
541				MYI Freemans Ltd			Oxley
542				MYI Freemans Ltd			Oxley
543				MYI Freemans Ltd			Oxley
544				MYI Freemans Ltd			Oxley
545				MYI Freemans Ltd			Oxley
546				MYI Freemans Ltd			Oxley
547				MYI Freemans Ltd			Oxley
548				MYI Freemans Ltd			Oxley
549				MYI Freemans Ltd			Oxley
550				MYI Freemans Ltd			Oxley
552				MYI Freemans Ltd			Oxley
554				MYI Freemans Ltd			Paddington
555				MYI Freemans Ltd			Paddington
557				MYI Freemans Ltd			Paddington
558				MYI Freemans Ltd			Paddington
561				MYI Freemans Ltd			Pinjarra Hills
564				MYI Freemans Ltd			Riverhills
565				MYI Freemans Ltd			Riverhills
566				MYI Freemans Ltd			Riverhills
567				MYI Freemans Ltd			Riverhills
568				MYI Freemans Ltd			Riverhills
574				MYI Freemans Ltd			Riverhills
575				MYI Freemans Ltd			Riverhills
576				MYI Freemans Ltd			Rocklea

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
577				MYI Freemans Ltd			Rocklea
578				MYI Freemans Ltd			Rocklea
579				MYI Freemans Ltd			Rocklea
580				MYI Freemans Ltd			Rocklea
581				MYI Freemans Ltd			Rocklea
582				MYI Freemans Ltd			Rocklea
583				MYI Freemans Ltd			Rocklea
584				MYI Freemans Ltd			Rocklea
585				MYI Freemans Ltd			Rocklea
586				MYI Freemans Ltd			Rocklea
587				MYI Freemans Ltd			Rocklea
588				MYI Freemans Ltd			Rocklea
589				MYI Freemans Ltd			Rocklea
590				MYI Freemans Ltd			Rocklea
591				MYI Freemans Ltd			Rocklea
592				MYI Freemans Ltd			Rocklea
593				MYI Freemans Ltd			Rocklea
594				MYI Freemans Ltd			Rocklea
595				MYI Freemans Ltd			Rocklea
596				MYI Freemans Ltd			Rocklea
597				MYI Freemans Ltd			Rocklea
598				MYI Freemans Ltd			Rocklea
599				MYI Freemans Ltd			Rocklea
602				MYI Freemans Ltd			Sherwood
604				MYI Freemans Ltd			Sherwood
608				MYI Freemans Ltd			Sherwood
609				MYI Freemans Ltd			Sherwood
610				MYI Freemans Ltd			Sherwood
614				MYI Freemans Ltd			Sherwood
615				MYI Freemans Ltd			Sherwood
618				MYI Freemans Ltd			Spearwood
619				MYI Freemans Ltd			St Lucia
620				MYI Freemans Ltd			St Lucia
622				MYI Freemans Ltd			St Lucia
623				MYI Freemans Ltd			St Lucia
624				MYI Freemans Ltd			St Lucia

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
625				MYI Freemans Ltd			St Lucia
626				MYI Freemans Ltd			St Lucia
627				MYI Freemans Ltd			St Lucia
629				MYI Freemans Ltd			Taringa
630				MYI Freemans Ltd			Taringa
631				MYI Freemans Ltd			Taringa
632				MYI Freemans Ltd			Taringa
633				MYI Freemans Ltd			Taringa
634				MYI Freemans Ltd			Taringa
635				MYI Freemans Ltd			Taringa
636				MYI Freemans Ltd			Taringa
637				MYI Freemans Ltd			Taringa
638				MYI Freemans Ltd			Tennyson
639				MYI Freemans Ltd			Tennyson
640				MYI Freemans Ltd			Tennyson
641				MYI Freemans Ltd			Tennyson
642				MYI Freemans Ltd			Tennyson
643				MYI Freemans Ltd			Toowong
644				MYI Freemans Ltd			Toowong
646				MYI Freemans Ltd			Toowong
650				MYI Freemans Ltd			West End
651				MYI Freemans Ltd			West End
652				MYI Freemans Ltd			West End
653				MYI Freemans Ltd			West End
654				MYI Freemans Ltd			West End
656				MYI Freemans Ltd			West End
657				MYI Freemans Ltd			West End
662				MYI Freemans Ltd			Westlake
663				MYI Freemans Ltd			Westlake
664				MYI Freemans Ltd			Westlake
665				MYI Freemans Ltd			Westlake
666				MYI Freemans Ltd			Westlake
667				MYI Freemans Ltd			Westlake
669				MYI Freemans Ltd			Westlake
670				MYI Freemans Ltd			Westlake
671				MYI Freemans Ltd			Westlake

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
672				MYI Freemans Ltd			Westlake
673				MYI Freemans Ltd			Westlake
674				MYI Freemans Ltd			Westlake
675				MYI Freemans Ltd			Westlake
676				MYI Freemans Ltd			Westlake
678				MYI Freemans Ltd			Westlake
679				MYI Freemans Ltd			Westlake
680				MYI Freemans Ltd			Westlake
681				MYI Freemans Ltd			Westlake
682				MYI Freemans Ltd			Westlake
683				MYI Freemans Ltd			Westlake
684				MYI Freemans Ltd			Westlake
686				MYI Freemans Ltd			Windsor
688				MYI Freemans Ltd			Woolloongabba
689				MYI Freemans Ltd			Yeerongpilly
690				MYI Freemans Ltd			Yeronga
691				MYI Freemans Ltd			Yeronga
693				MYI Freemans Ltd			Yeronga
694				MYI Freemans Ltd			Yeronga
695				MYI Freemans Ltd			Yeronga
696				MYI Freemans Ltd			Yeronga
697				MYI Freemans Ltd			Yeronga
698				MYI Freemans Ltd			Yeronga
699				MYI Freemans Ltd			Yeronga
701				MYI Freemans Ltd			Yeronga
702				MYI Freemans Ltd			Yeronga
703				MYI Freemans Ltd			Yeronga
706				MYI Freemans Ltd			Yeronga
708				MYI Freemans Ltd			Yeronga
709				MYI Freemans Ltd			Yeronga
710				MYI Freemans Ltd			Yeronga
711				MYI Freemans Ltd			Yeronga
712				MYI Freemans Ltd			Yeronga
714				MYI Freemans Ltd			Yeronga
715				MYI Freemans Ltd			Yeronga
1276				MYI Freemans Ltd			uchenflower

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
1279							Bellbowrie
1289							Chelmer
1290							Chelmer
1291							Chelmer
1292							Chelmer
1293							Chelmer
1296							Chelmer
1297							Corinda
1298							Corinda
1305							Fairfield
1307							Gailes
1308							Graceville
1309							Graceville
1310							Graceville
1311							Graceville
1312							Graceville
1313							Graceville
1317							Graceville
1318							Graceville
1319							Graceville
1320							Graceville
1321							Graceville
1322							Indooroopilly
1325							Jindalee
1327							Jindalee
1328							Jindalee
1330							Kenmore
1331							Middle Park
1333							Milton
1338							Newstead
1339							Norman Park
1340							Oxley
1341							Oxley
1342							Oxley
1347							Riverhills
1348							Riverhills

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adj	Insured Name	Site Address	Site Town / Suburb
1349				MYI Freemans Ltd			Rocklea
1351				N/A			Rocklea
1352				MYI Freemans Ltd			Rocklea
1353				N/A			Rocklea
1354				MYI Freemans Ltd			Sherwood
1355				MYI Freemans Ltd			Sherwood
1356				MYI Freemans Ltd			Sherwood
1357				MYI Freemans Ltd			Sherwood
1359				MYI Freemans Ltd			Sherwood
1361				MYI Freemans Ltd			Sherwood
1363				MYI Freemans Ltd			Sherwood
1364				MYI Freemans Ltd			Sherwood
1371				MYI Freemans Ltd			St Lucia
1372				MYI Freemans Ltd			St Lucia
1373				MYI Freemans Ltd			St Lucia
1378				MYI Freemans Ltd			St Lucia
1379				MYI Freemans Ltd			St Lucia
1386				MYI Freemans Ltd			St Lucia
1389				MYI Freemans Ltd			Tennyson
1390				MYI Freemans Ltd			Toowong
1395				N/A			West End
1396				N/A			West End
1397				N/A			West End
1399				MYI Freemans Ltd			Westlake
1400				N/A			Westlake
1402				MYI Freemans Ltd			Yeronga

Schedule B

Schedule B RACQ-Inundation Investigation - Brisbane - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
274				MYI Freemans Ltd			Alexandra Hills
275				MYI Freemans Ltd			Ashgrove
276				MYI Freemans Ltd			Archerfield
277				MYI Freemans Ltd			Aspley
278				MYI Freemans Ltd			Aspley
281				MYI Freemans Ltd			Auchenflower
289				MYI Freemans Ltd			Bracken Ridge
290				MYI Freemans Ltd			Bracken Ridge
291				MYI Freemans Ltd			Bracken Ridge
292				MYI Freemans Ltd			Bracken Ridge
293				MYI Freemans Ltd			Bridgeman Downs
295				MYI Freemans Ltd			Bulimba
298				MYI Freemans Ltd			Carseldine
299				MYI Freemans Ltd			Chapel Hill
301				MYI Freemans Ltd			Chelmer
324				MYI Freemans Ltd			Chelmer
341				MYI Freemans Ltd			Chermside West
342				MYI Freemans Ltd			Churchill
343				MYI Freemans Ltd			Churchill
344				MYI Freemans Ltd			Corinda
353				MYI Freemans Ltd			Corinda
363				MYI Freemans Ltd			Fairfield
365				MYI Freemans Ltd			Fairfield
366				MYI Freemans Ltd			Fairfield
369				MYI Freemans Ltd			Fairfield
370				MYI Freemans Ltd			Fairfield
372				MYI Freemans Ltd			Fairfield
377				MYI Freemans Ltd			Fairfield
378				MYI Freemans Ltd			Ferny Hills
380				MYI Freemans Ltd			Fig Tree Pocket
383				MYI Freemans Ltd			Fig Tree Pocket
387				MYI Freemans Ltd			Fig Tree Pocket
391				MYI Freemans Ltd			Fig Tree Pocket
436				MYI Freemans Ltd			Graceville East

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
437				MYI Freemans Ltd			Greenbank
438				MYI Freemans Ltd			Highvale
439				MYI Freemans Ltd			Holland Park West
440				MYI Freemans Ltd			Indooroopilly
441				MYI Freemans Ltd			Indooroopilly
453				MYI Freemans Ltd			Jindalee
456				MYI Freemans Ltd			Jindalee
458				MYI Freemans Ltd			Jindalee
464				MYI Freemans Ltd			Jindalee
469				MYI Freemans Ltd			Jindalee
471				MYI Freemans Ltd			Jindalee
476				MYI Freemans Ltd			Jindalee
480				MYI Freemans Ltd			Jindalee
485				MYI Freemans Ltd			Kenmore
487				MYI Freemans Ltd			Kenmore
488				MYI Freemans Ltd			Keperra
489				MYI Freemans Ltd			Keperra
490				MYI Freemans Ltd			Keperra
491				MYI Freemans Ltd			Kuraby
492				MYI Freemans Ltd			Middle Park
493				MYI Freemans Ltd			Middle Park
495				MYI Freemans Ltd			Milton
499				MYI Freemans Ltd			Moggill
500				MYI Freemans Ltd			Mt Nebo
501				MYI Freemans Ltd			Mt Nebo
502				MYI Freemans Ltd			Mt Ommaney
504				MYI Freemans Ltd			Mt Ommaney
505				MYI Freemans Ltd			Mt Ommaney
509				MYI Freemans Ltd			New Farm
514				MYI Freemans Ltd			New Farm
515				MYI Freemans Ltd			Newmarket
516				MYI Freemans Ltd			Norman Park
519				MYI Freemans Ltd			Nudgee
523				MYI Freemans Ltd			Oxley
525				MYI Freemans Ltd			Oxley
530				MYI Freemans Ltd			Oxley

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
538				MYI Freemans Ltd			Oxley
539				MYI Freemans Ltd			Oxley
551				MYI Freemans Ltd			Oxley
553				MYI Freemans Ltd			Oxley
556				MYI Freemans Ltd			Paddington
559				MYI Freemans Ltd			Pinjarra Hills
560				MYI Freemans Ltd			Pinjarra Hills
562				MYI Freemans Ltd			Pullenvale
563				MYI Freemans Ltd			Redland Bay
569				MYI Freemans Ltd			Riverhills
570				MYI Freemans Ltd			Riverhills
571				MYI Freemans Ltd			Riverhills
572				MYI Freemans Ltd			Riverhills
573				MYI Freemans Ltd			Riverhills
600				MYI Freemans Ltd			Seventeen Mile Ro
601				MYI Freemans Ltd			Shailer Park
603				MYI Freemans Ltd			Sherwood
605				MYI Freemans Ltd			Sherwood
606				MYI Freemans Ltd			Sherwood
607				MYI Freemans Ltd			Sherwood
611				MYI Freemans Ltd			Sherwood
612				MYI Freemans Ltd			Sherwood
613				MYI Freemans Ltd			Sherwood
616				MYI Freemans Ltd			Sinnamon Park
617				MYI Freemans Ltd			Slacks Creek
621				MYI Freemans Ltd			St Lucia
645				MYI Freemans Ltd			Toowong
647				MYI Freemans Ltd			The Gap
648				MYI Freemans Ltd			The Gap
649				MYI Freemans Ltd			The Gap
655				MYI Freemans Ltd			West End
658				MYI Freemans Ltd			Westlake
659				MYI Freemans Ltd			Westlake
660				MYI Freemans Ltd			Westlake
661				MYI Freemans Ltd			Westlake
668				MYI Freemans Ltd			Westlake

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
677				MYI Freemans Ltd			Westlake
685				MYI Freemans Ltd			Willawong
687				MYI Freemans Ltd			Wishart
692				MYI Freemans Ltd			Yeronga
700				MYI Freemans Ltd			Yeronga
704				MYI Freemans Ltd			Yeronga
705				MYI Freemans Ltd			Yeronga
707				MYI Freemans Ltd			Yeronga
713				MYI Freemans Ltd			Yeronga
716				MYI Freemans Ltd			Yeronga
717				MYI Freemans Ltd			Yeronga
1275				MYI Freemans Ltd			Ashgrove
1277				MYI Freemans Ltd			Auchenflower
1278				N/A			Auchenflower
1280				MYI Freemans Ltd			Bellbowrie
1281				MYI Freemans Ltd			Bellbowrie
1282				MYI Freemans Ltd			Bellbowrie
1283				MYI Freemans Ltd			Bellbowrie
1284				MYI Freemans Ltd			Bellbowrie
1285				MYI Freemans Ltd			Bellbowrie
1286				MYI Freemans Ltd			Bellbowrie
1287				MYI Freemans Ltd			Bellbowrie
1288				MYI Freemans Ltd			Bellbowrie
1294				MYI Freemans Ltd			Chelmer
1295				MYI Freemans Ltd			Chelmer
1299				MYI Freemans Ltd			Daisy Hill
1300				MYI Freemans Ltd			Durack
1301				MYI Freemans Ltd			East Brisbane
1302				MYI Freemans Ltd			Fairfield
1303				MYI Freemans Ltd			Fairfield
1304				MYI Freemans Ltd			Fairfield
1306				MYI Freemans Ltd			Fairfield
1314				MYI Freemans Ltd			Graceville
1315				MYI Freemans Ltd			Graceville
1316				MYI Freemans Ltd			Graceville
1323				MYI Freemans Ltd			Indooroopilly

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
1324				MYI Freemans Ltd			Indooroopilly
1326				MYI Freemans Ltd			Jindalee
1329				N/A			Kenmore
1332				MYI Freemans Ltd			Milton
1334				MYI Freemans Ltd			Moggill
1335				MYI Freemans Ltd			Moggill
1336				MYI Freemans Ltd			New Farm
1337				MYI Freemans Ltd			New Farm
1343				MYI Freemans Ltd			Oxley
1344				MYI Freemans Ltd			Paddington
1345				MYI Freemans Ltd			Riverhills
1346				MYI Freemans Ltd			Riverhills
1350				MYI Freemans Ltd			Rocklea
1358				MYI Freemans Ltd			Sherwood
1360				MYI Freemans Ltd			Sherwood
1362				MYI Freemans Ltd			Sherwood
1365				MYI Freemans Ltd			Sinnamon Park
1366				MYI Freemans Ltd			Sinnamon Park
1367				MYI Freemans Ltd			Sinnamon Park
1368				N/A			Sinnamon Park
1369				MYI Freemans Ltd			South Brisbane
1370				MYI Freemans Ltd			St Lucia
1374				MYI Freemans Ltd			St Lucia
1375				MYI Freemans Ltd			St Lucia
1376				MYI Freemans Ltd			St Lucia
1377				MYI Freemans Ltd			St Lucia
1380				N/A			St Lucia
1381				N/A			St Lucia
1382				MYI Freemans Ltd			St Lucia
1383				MYI Freemans Ltd			St Lucia
1384				MYI Freemans Ltd			St Lucia
1385				MYI Freemans Ltd			St Lucia
1387				N/A			ST LUCIA
1388				MYI Freemans Ltd			Tanah Merah
1391				MYI Freemans Ltd			Toowong
1392				N/A			Toowong

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
1393				N/A			Toowong
1394				MYI Freemans Ltd			Upper Brookfield
1398				N/A			West End
1401				MYI Freemans Ltd			Yeerongpilly

Exhibit 16

Compassion Payment Decision Checklist

Claim rejected due to flooding

FINAL ASSESSMENT

Name of insured: Surname GOURLEY First name MICHAEL ROSS

Claim number: [REDACTED]

1. Has the Pre-Assessment Checklist been completed?
Yes _____ *Complete steps 5A, 6A, 8, 9 only* No *Complete all steps*
2. Is it a Body Corporate insurance policy?
Yes _____ *No Compassion payment* No *Go to 3*
3. Is the damage due to flooding internally above that level of the floor which encompasses the main living areas (e.g. lounge room, dining room, kitchen, bedrooms)? This does not include the garage, carport, shed or outside buildings. Refer to Loss Adjustor's report.
Yes *Go to 4* No _____ *No Compassion payment*
4. Does the insured have building insurance?
Yes *Go to 5* No _____ *Go to 6*
5. Is the estimated building loss greater than \$10,000?
Yes *Payment capped at \$10,000* No _____ *Use the estimated loss amount*
- 5A Estimated amount for building insurance payment: \$ 10,000
6. Does the insured have contents insurance?
Yes *Go to 7* No _____ *Go to 8*
7. Is the estimated contents loss greater than \$2,500?
Yes *Payment capped at \$2,500* No _____ *Use the estimated loss amount*
- 6A Estimated amount for contents insurance payment: \$ 2,500
8. Total amount for contents and building insurance: \$ 12,500
9. Are there any special factors for consideration in relation to this claim?

Exhibit 17

10/03/2011

Mr M R Gourley
[REDACTED]
JINDALEE QLD 4074

Dear Mr Gourley,

Household Insurance

Policy Number: [REDACTED]

Claim Number: [REDACTED]

We have now completed our investigations relating to your claim. It has been determined that the damage at your property has been caused by flooding.

We refer you to your Household Insurance Policy Product Disclosure Statement(s) which state in part:

Words / terms with special meanings

Flood Rising water which enters your home as a result of it running off or overflowing from any origin or cause. *This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.*

As your policy does not include cover for flood, we must advise your claim has not been accepted.

As you may be aware where the policy is unable to respond, RACQ Insurance has established a compassionate fund to provide assistance to our customers most seriously affected by the Queensland floods.

Although you are not entitled to a payment under the terms of your policy, we are pleased to advise that your circumstances mean that you are eligible for a payment of \$ 12,500.00 from the RACQ Insurance compassionate fund.

It is important for you to understand that RACQ Insurance cannot accept any responsibility for any changes in your financial circumstances as a result of making this payment to you. You may wish to seek financial advice prior to accepting this payment.

If you are dissatisfied with the position we have taken in relation to this matter, RACQ Insurance has a review process that we would like you to be aware of.

We have enclosed a Customer Information Sheet outlining this process should you wish to dispute our decision. This entire process is at no cost to you.

We confirm that if the review process results in a payment under your insurance claim, the amount of the compassionate fund payment made to you will be taken to be an advance payment under your claim. This way the compassionate fund remains available to those most seriously affected policy holders who are not entitled to a payment under the terms of their insurance policy.

CAT L15 2/11

If you have any queries or need more information, please call us on 137 202.

Sincerely,



Customer Service Officer

Exhibit 18

RACQ Insurance Ltd
ABN: 50 009 704 152
2649 Logan Rd, Eight Mile Plains, QLD 4113
PO Box 3004, Logan City, QLD 4114
Telephone 137 202 Facsimile (07) 3031 2750

16 March 2011

Mr M R Gourley

[REDACTED]
JINDALEE QLD 4074

Dear Mr Gourley,

Household Insurance

Policy Number: [REDACTED]

Claim Number: [REDACTED]

Thank you for your request for further information in relation to RACQ Insurance's assessment of your claim.

In response to that request, we **enclose** a report by RACQ Insurance on the flooding which occurred in your region. This report outlines the conclusions that RACQ Insurance has reached in relation to hydrological issues relevant to the region, which we have applied to your particular property and claim.

We hope this further clarifies RACQ Insurance's decision on your claim.

If you have any questions or need more information, please call us on 137 202.

Sincerely,

[REDACTED]
Customer Service Officer

CAT L18 2/11

REPORT BY RACQ INSURANCE LIMITED ON ITS INVESTIGATIONS INTO BRISBANE FLOODS

This document has been prepared by RACQ Insurance Limited to provide its policyholders with some further details of the investigations it has carried out into the flooding which occurred in Brisbane in January 2011.

RACQ Insurance's investigations

1. RACQ Insurance has carried out extensive investigations into the floods in Brisbane. These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Brisbane and the rate and speed at which water flowed through that catchment.

The key results

2. A substantial amount of rain fell in the Brisbane River catchment above Wivenhoe Dam both before, but particularly over the period 9, 10 and 11 January 2011 commencing at approximately 9am on 9 January 2011. This rain caused significant inflows into the Wivenhoe Dam, the level of which is reported to have peaked at approximately before midnight on 11 January 2011.
3. There were significant discharges of this water from the Wivenhoe Dam which flowed into the Brisbane River which worked its way down the River towards Brisbane. A substantial amount of rain also fell in the Bremer River catchment from around 6.00am on 11 January 2011. This rain travelled down the Bremer River towards the junction of the Bremer River and the Brisbane River.
4. The Bremer River contributed in the order of 15% to 25% of the Brisbane River's peak flow. This is a necessarily imprecise figure because some important data is still not available to us.
5. Due to the high Brisbane River tailwater levels there was some attenuation of the peak flow rate in the lower reaches of the Bremer River. This means that the overall contribution of the Bremer River to the Brisbane River is likely to be less than the above estimate but we cannot presently say by how much less.
6. A small proportion of the overall depth of the Brisbane River prior to 6.00am on 12 January 2011 may be partially attributable to the rain that fell in the Bremer River catchment on 11 January 2011. However, the overwhelming influence on the flooding of the Brisbane River was the rain which fell some days earlier and its subsequent release from the Wivenhoe Dam.
7. After 6.00am on 12 January 2011, the Brisbane River continued to rise to its peak level of 4.45m (recorded at the Brisbane City Gauge at approximately 4.00am on 13 January 2011).

Impact on application of policy

8. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
9. The majority of properties that reported damage in Brisbane were inundated as a result of the release of water from Wivenhoe Dam that followed the rainfall in the Brisbane River catchment that commenced on 9 January 2011.
10. This does not meet the requirements of "Flash flood or stormwater run-off" as defined in RACQI's standard policy. Claims for loss or damage in Brisbane will, therefore, generally not be covered.
11. There may be some properties which have suffered damage at different times or as a result of different causes specific to their location. Decisions on these claims will be made on a case by case basis.

AJW10091926 3728852v1

Exhibit 19



Quick search: Claim No.

Go [» Detailed search](#)

[» Home](#) [» Lodge claim](#) [» My profile](#)

File Index

[» Claim summary](#)

Assessment

- [» Circumstances](#)
- [» Policy details](#)
- [» Policy issues](#)
- [» Risk analysis](#)

Financial

- [» Extent of loss](#)
- [» Payments](#)
- [» Adjuster fees](#)

People

- [» cerno claim team](#)
- [» Insured details](#)
- [» Client details](#)
- [» Third parties](#)
- [» Associated parties](#)

[» Reports & attachments](#)

[» Full claim history](#)

[» Service performance](#)

Storm - Closed

Insured: GOURLEY [REDACTED]

Your Ref: [REDACTED]

Assigned to: [REDACTED]

Policy response: Under evaluation

Reserve: \$398,000.00

Cerno Ref: [REDACTED]

Office: Brisbane

Actions

- [» Add to watch list](#)
- [» Create file note](#)
- [» Printer friendly !\[\]\(51c944c3229343eb9708092ad756f8e2_img.jpg\)](#)

File note details

Title: Phone out Insured

Date: 29-03-11

Author: [REDACTED]

Advised Insured we are awaiting response from Insurers.

[Privacy policy](#) - [Terms of use](#) - [Help](#) - [Logout](#)
© Copyright 2011 Cerno Ltd

Exhibit 20

[REDACTED]

From: [REDACTED]
Sent: Tuesday, 29 March 2011 1:40 PM
To: cchhinbound
Subject: Present Position Advice - Storm - GOURLEY, [REDACTED] (Our Ref: [REDACTED])

Claim Details

Insured's Name: Mr Michael Ross [REDACTED] Gourley Your ref: [REDACTED] Our ref: [REDACTED]
Adjuster: [REDACTED]

Situation of loss: [REDACTED] JINDALEE QLD 4074
Date of loss: 13 January 2011
Claim type: Storm
Policy type: GHHB2 03/09 RACQI Household Insurance PDS Policy number: Not advised
Reserve: \$ 398000.00

Status Summary

not contacted

Additional Comments

We refer to our previous report in relation to this matter and seek Insurers further instructions.

If you have been provided with access to Freemans ClaimNet, you can view your claim online at

<https://extranet.freemans.com.au/servlet/au.com.icconsulting.freemans.servlet.SearchServlet?choice1=claim number&searchParam1=HH01259293>

Regards

[REDACTED]
MYI Freemans Brisbane

Contact telephone: [REDACTED]

Exhibit 21

4th April 2011

Mr Michael [REDACTED] Gourley
[REDACTED]
JINDALEE QLD 4074

Dear Mr & Mrs Gourley,

Re: Claim Number - [REDACTED]

We acknowledge your request for the RACQ Insurance Internal Dispute Resolution (IDR) to review the company decision made in relation to your claim.

Your request will now be reviewed by an IDR Manager within 10 business days and you will be advised of the final determination by mail.

The IDR Manager is an RACQ Insurance representative, independent of the claim decision process, with the appropriate knowledge, skills and authority to deal with the dispute.

In the interim period you may contact the Customer Dispute Resolution Department on [REDACTED] should you wish to make an enquiry or alter the timeframe that your complaint will be heard to allow you enough time to submit additional information.

RACQ Insurance
IDR Manager,
P O Box 3004,
Logan City Qld 4114

Yours faithfully

[REDACTED]

Internal Dispute Resolution Manager

Exhibit 22



Quick search: Claim No.

Go > Detailed search

> Home > Lodge claim > My profile

File index

> Claim summary

Assessment

- > Circumstances
- > Policy details
- > Policy issues
- > Risk analysis

Financial

- > Extent of loss
- > Payments
- > Adjuster fees

People

- > cerno claim team
- > Insured details
- > Client details
- > Third parties
- > Associated parties

> Reports & attachments

> Full claim history

> Service performance

Storm - Closed

Insured: GOURLEY, [REDACTED]
Your Ref: [REDACTED]
Assigned to: [REDACTED]
Policy response: Under evaluation

Reserve: \$398,000.00

Cerno Ref: [REDACTED]

Office: Brisbane

Actions

- > Add to watch list
- > Create file note
- > Printer friendly

File note details

Title: CLOSE FILE
Date: 06-04-11
Author: [REDACTED]

RACQI have advised the File can be Closed. No further Report or Customer Contact is required. Please CLOSE FILE

Exhibit 23



myifreemans

FINAL REPORT			
Client	RACQ Insurance Brisbane PO Box 3004 LOGAN CITY QLD 4114	Report Date	6 April 2011
Claims Officer	Household Claims	Claim Reference	[REDACTED]
MYIF Assessor	[REDACTED]	MYIF Reference	[REDACTED]
MYIF Case Contact		MYIF Contact Phone	

CLAIMANT DETAILS	
Claimant Name	GOURLEY [REDACTED]
Postal Address	[REDACTED] JINDALEE QLD 4074
Email Address	

UPDATE / COMMENTS

RESERVE			
Policy Section	Reserve	Payments to Date	Outstanding Reserve
Building	\$300,000.00		\$0.00
Contents	\$90,000.00		\$0.00
Total Claim	\$390,000.00	\$0.00	\$0.00
Excess applied	\$0.00		\$0.00
Total Claim less Excess	\$390,000.00		\$0.00
Management Fee	\$8,000.00		\$0.00
Total Reserve	\$398,000.00	\$0.00	\$0.00

MYI Freemans Ltd

42 Costin Street Fortitude Valley QLD 4006, PO Box 554 Fortitude Valley QLD 4006

Tel: 07 3867 4600 Fax: 07 3867 4699 Email: brisbane@myifreemans.com.au

Web: www.myifreemans.com.au

ABN: 86 111 653 386



NEXT STEPS

In accordance with instructions received from Insurers, we close our file and submit our final fees for your consideration and payment.

MYIFREEMANS LTD



ANZIIIF (Snr. Assoc.)

Dipl. Bus. (Loss Adjusting)

Email:



Attachments: MYIFreemans Invoice

Exhibit 24

11 April 2011

Mr Michael R & [REDACTED] Gourley
[REDACTED]
JINDALEE QLD 4074

Dear Mr & Mrs Gourley,

Re: Claim Number - [REDACTED]

We refer to the abovementioned claim and wish to advise at your request the Internal Dispute Resolution (IDR) Manager reviewed your claim on 11th April 2011.

Based on the information available I wish to advise that the review upholds the previous decision as advised to you in our letter dated 10th March 2011. A copy of this letter is attached for your information

The decision by the IDR Manager is the final step in this stage of your appeal process. If you are unhappy with the decision you may refer your dispute to the Financial Ombudsman Service Limited (FOS) who can advise you whether your dispute is one which falls within their Terms of Reference.

The FOS provides a free and independent dispute resolution service for consumers who have general insurance disputes that are covered by its Terms of Reference. If you wish your dispute to be reviewed by FOS you must refer your dispute to FOS within two years of the date of the IDR decision. You can do this by contacting FOS at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, Vic 3001

1300 78 08 08 (National toll free)
Tel: (03) 9613 6300 Fax: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Alternatively, you may wish to seek legal advice at your own cost.

Yours faithfully

[REDACTED]
Internal Disputes Resolution Manager

Exhibit 25

[REDACTED]

From: [REDACTED]
Sent: Thursday, 28 April 2011 5:46 PM
To: RACQI Dispute Resolution
Subject: Letter and authority - [REDACTED]
Attachments: Gourley - letter and authority.pdf [REDACTED] letter and authority.pdf [REDACTED] letter and authority.pdf

Dear [REDACTED]

Attached are the letters and authorities for [REDACTED] Gourley and [REDACTED]

We look forward to receiving the relevant documents and your earliest convenience.

Kind regards

[REDACTED]
Consumer Lawyer
Flood and Cyclone Unit

caxton
legal centre inc

1 Manning Street
South Brisbane Qld 4101 Australia
www.caxton.org.au

T [REDACTED]
Email: [REDACTED]



This centre is accredited by
The National Association
of Community Legal Centres

The information contained in this e-mail message and any attached files may be confidential information, and may also be the subject of legal professional privilege. If you are not the intended recipient any use, disclosure or copying of this e-mail is unauthorised. If you have received this e-mail in error, please notify the sender immediately by reply e-mail and delete all copies of this transmission together with any attachments.

28 April 2011

[REDACTED]
Manager, Internal Dispute Resolution
Customer Disputes Resolution Department
RACQ Insurance
PO Box 3004
LOGAN CITY QLD 4114

Facsimile No: [REDACTED]

Email: [REDACTED]

Dear [REDACTED]

Michael Gourley - [REDACTED]
Policy number: [REDACTED]

Caxton Legal Centre Inc. acts for the above named for the purpose of preparing a submission to support a review of your company's decision to refuse our clients' insurance claim arising from events in December 2010 and/or January 2011.

Please see **attached** authority to act on behalf of the client. Please ensure that all further correspondence on the reconsideration of the refusal is directed to the writer.

We understand that you have informed our client that their claim is refused. Our client formally requests that this decision be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request shortly. Please do not finalise the review without given our client the benefit of being about to provide these written submissions.

In the meantime, please provide us with copies of our client's insurance policy and the Product Disclosure Statement that was in effect in December 2010 / January 2011. Please also provide us with any evidence, hydrology reports and client information that you have used to determine this claim. In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Please contact [REDACTED] if you have any further questions.

Yours faithfully

[REDACTED]
Caxton Legal Centre Inc.

Authority

I MICHAEL ROSS GOURLEY of
[REDACTED] SINDALEE
born [REDACTED]

hereby authorise and direct Caxton Legal Centre Inc to
communicate and obtain documents on my behalf, and
obtain any documents in relation to

.....
.....
.....

I also authorise Caxton Legal Centre Inc to lodge a dispute in
the Financial Ombudsman Service on my behalf.

I am a client of Caxton Legal Centre Inc.

Date: 10/4/11

Signed: [REDACTED]

Ref: 230248

28 April 2011

[REDACTED]
Manager, Internal Dispute Resolution
Customer Disputes Resolution Department
RACQ Insurance
PO Box 3004
LOGAN CITY QLD 4114

Facsimile No: [REDACTED]

Email: [REDACTED]

Dear Paul

Michael Gourley [REDACTED]
Policy number [REDACTED]

Caxton Legal Centre Inc. acts for the above named for the purpose of preparing a submission to support a review of your company's decision to refuse our clients' insurance claim arising from events in December 2010 and/or January 2011.

Please see attached authority to act on behalf of the client. Please ensure that all further correspondence on the reconsideration of the refusal is directed to the writer.

We understand that you have informed our client that their claim is refused. Our client formally requests that this decision be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request shortly. Please do not finalise the review without given our client the benefit of being about to provide these written submissions.

In the meantime, please provide us with copies of our client's insurance policy and the Product Disclosure Statement that was in effect in December 2010 / January 2011. Please also provide us with any evidence, hydrology reports and client information that you have used to determine this claim. In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Please contact [REDACTED] if you have any further questions.

Yours faithfully

[REDACTED]
Caxton Legal Centre Inc.

Exhibit 26



COOPER GRACE WARD
LAWYERS

Our Ref: MJM:RXR 10094914
Your Ref:

3 May 2011

Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email: [REDACTED]

Level 21, 400 George Street
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

www.cgw.com.au

ABN 95 591 906 639

Dear Colleagues

RACQ Insurance - flood claim review
Your client: Michael Gourley

We refer to your letter dated 28 April 2011.

We note that you act for Mr Gourley. As your client has engaged solicitors, RACQ Insurance has engaged us to act on its behalf in this matter. Please direct any further communications in this matter to us.

We enclose the following further information relating to your client's claim:

1. a copy of your client's certificate of insurance and relevant PDS documentation;
2. a copy of the loss adjustor's report obtained by our client in relation to your client's property; and
3. a copy of our client's information sheet setting out the conclusions our client has reached in relation to the cause of flooding in your client's area.

The above information sets out the basis of our client's decision.

Your request for information is very broad and requests information that may be subject to legal professional privilege. Our client does not propose to provide information that is subject to legal professional privilege.

Further, our client does not propose to provide a copy of its hydrology report because the report contains private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege.

As you would be aware, our client is obliged to determine any application for review within 45 days of your client's complaint. We therefore ask that any submissions or material in support of the application that your client wishes to be considered be provided as soon as possible.

Yours faithfully
COOPER GRACE WARD

[REDACTED]

Associate

T
F
E
[REDACTED]

[REDACTED]

Partner

ECA210094914 3821885v1



**REPORT BY RACQ INSURANCE LIMITED ON ITS
INVESTIGATIONS INTO BRISBANE FLOODS**

This document has been prepared by RACQ Insurance Limited to provide its policyholders with some further details of the investigations it has carried out into the flooding which occurred in Brisbane in January 2011.

RACQ Insurance's investigations

1. RACQ Insurance has carried out extensive investigations into the floods in Brisbane. These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Brisbane and the rate and speed at which water flowed through that catchment.

The key results

2. A substantial amount of rain fell in the Brisbane River catchment above Wivenhoe Dam both before, but particularly over the period 9, 10 and 11 January 2011 commencing at approximately 9am on 9 January 2011. This rain caused significant inflows into the Wivenhoe Dam, the level of which is reported to have peaked at approximately before midnight on 11 January 2011.
3. There were significant discharges of this water from the Wivenhoe Dam which flowed into the Brisbane River which worked its way down the River towards Brisbane. A substantial amount of rain also fell in the Bremer River catchment from around 6.00am on 11 January 2011. This rain travelled down the Bremer River towards the junction of the Bremer River and the Brisbane River.
4. The Bremer River contributed in the order of 15% to 25% of the Brisbane River's peak flow. This is a necessarily imprecise figure because some important data is still not available to us.
5. Due to the high Brisbane River tailwater levels there was some attenuation of the peak flow rate in the lower reaches of the Bremer River. This means that the overall contribution of the Bremer River to the Brisbane River is likely to be less than the above estimate but we cannot presently say by how much less.
6. A small proportion of the overall depth of the Brisbane River prior to 6.00am on 12 January 2011 may be partially attributable to the rain that fell in the Bremer River catchment on 11 January 2011. However, the overwhelming influence on the flooding of the Brisbane River was the rain which fell some days earlier and its subsequent release from the Wivenhoe Dam.
7. After 6.00am on 12 January 2011, the Brisbane River continued to rise to its peak level of 4.45m (recorded at the Brisbane City Gauge at approximately 4.00am on 13 January 2011).

Impact on application of policy

8. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
9. The majority of properties that reported damage in Brisbane were inundated as a result of the release of water from Wivenhoe Dam that followed the rainfall in the Brisbane River catchment that commenced on 9 January 2011.
10. This does not meet the requirements of "Flash flood or stormwater run-off" as defined in RACQI's standard policy. Claims for loss or damage in Brisbane will, therefore, generally not be covered.
11. There may be some properties which have suffered damage at different times or as a result of different causes specific to their location. Decisions on these claims will be made on a case by case basis.

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 1 of 4

Amount payable \$1,164.71

Due date 24 November 2010

Your policy number [redacted]

Customer service 13 1905

Website www.racqinsurance.com.au

[Barcode] 039

MR M.R. GOURLEY [redacted] JINDALEE QLD 4074

Thank you for insuring with RACQ Insurance in the previous period of insurance.

Your current policy expires at midnight on 24 Nov 2010. When we receive your payment, this document will become your new Certificate of Insurance. It provides information about the insured property and this policy, including excesses payable. We may adjust the amount payable if you claim for loss or damage that occurs prior to the renewal date.

What do you need to do now?

- 1. Your policy consists of your insurance Application, your latest Certificate of Insurance and your PDS and any SPDS. We refer to these documents as your policy.
2. Please read and follow the instructions on this Certificate of Insurance.
3. Keep this certificate and your PDS and any SPDS together in a safe place.
4. Choose a payment method and make your payment by 24 November 2010.

Payment options

Table with 2 columns: Payment option (Annual payment, Monthly direct debit payment) and Payment amount (\$1,164.71, \$102.55)

What will happen if you do not pay on time?

If your payment is late you will not be covered by this insurance.

Can we be of service?

If you need to change any details, obtain more information or insurance or confirm payment of this premium, please contact us. You can either phone 13 1905 or write to RACQ Insurance PO Box 4, Springwood 4127 or call into any RACQ Branch Office.

We draw your attention to your Duty of Disclosure and a number of questions which are on the back of this page.

Date of issue 23 October 2010

Payment slip for MR M.R. GOURLEY - Household Insurance



Australia Post *401 03091081147825

Amount payable \$1,164.71

Due date 24 November 2010

Payment Ref No [redacted]

Your policy number [redacted]

By phone Call us on 13 1905, with your Visa, Mastercard or Amex, using the Payment Reference No. on the side of this slip.

BPAY Biller Code: 6551 Ref: 0309 10811478 25

BPAY Call your financial institution to make this payment from your account. BPAY not available for PBTM

By direct debit / pay-by-the-month (PBTM) To arrange automatic deductions from your financial institution, please refer to your PDS.

In person Pay at any RACQ office. Your nearest office is: RACQ INDOOROPILLY INDOOROPILLY SHOPPING TOWN LEVEL 1 318 MOGGILL ROAD 4068

Mail Complete your credit card details overleaf, or send your cheque or money order made payable to RACQ Insurance with this payment slip to the address: RACQ INSURANCE Reply Paid 4 Springwood Qld 4127

Pay online at www.racq.com.au Pay with the click of a mouse

Home and Contents Insurance

Your Duty of Disclosure

An important notice concerning information you are required to give us

The Insurance Contracts Act 1984 requires us to give you information about your insurance and for you to give complete and accurate information to us. This is known as Your Duty of Disclosure. Before entering a contract of insurance with us, and each time you vary or renew your policy we will ask you a number of specific questions.

In addition, if we invite renewal of the policy, we will forward our premium renewal notice to your last known postal address prior to the expiry date of the policy. This notice will include, amongst other matters, specific questions relating to you and the insured property.

What you must tell us

When answering our questions you must be honest and you have a duty under law to tell us anything known to you, and which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by this policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as if it had never existed.

If you do not understand

If you do not understand your duty, please contact us on 13 1905.

Your disclosure

Set out below are questions which are brought to your attention.

If the answers to all of the questions is "No", you need not tell us.

If the answer to any of the questions is "Yes", you must give us full details of that answer. You can do this by either phoning or writing to us, and quoting your policy number.

The questions for your attention:

In the previous period of insurance have you or any other person insured or covered by this policy:

- been convicted of any criminal offence?
- suffered any home or contents loss or damage whether an insurance claim was made or not, or had a liability claim made against you?
- had any insurance declined, cancelled, voided, insurance renewal refused, a claim rejected or special conditions imposed?

The following questions apply to each property insured or covered by this policy:

1. Is there any person (other than family members permanently living with you) who owns or has an interest in the insured property and who is not shown as an insured person on this Certificate?
2. Is there any business conducted at the property address which is not shown on this Certificate?
3. If you have not paid this premium by the due date, has any accident or theft happened after that date?
4. Has any of the information shown on this Certificate changed?

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 3 of 4

Your policy number

Customer service

13 1905

Claims hotline

13 7202

Website

www.racqinsurance.com.au

What you must do

For this Certificate to be valid, you and anyone else insured under this policy must carefully examine the Certificate information for its correctness and advise us of changes that have occurred over the previous period of insurance.

Policy holders

MR MICHAEL ROSS GOURLEY

You are an RACQ Silver Club Member

You are an RACQ Gold Club Member

You receive a discount for:

being an RACQ Gold Club Member
combining your home and contents in one policy
no claims on your home/contents
having multiple products with RACQ Insurance

Period of Insurance

from 24 Nov 2010 to midnight 24 Nov 2011

What you are insured for

	Sum Insured
HOME	\$491,000
CONTENTS AT THE HOME	\$103,000
LEGAL LIABILITY	\$20,000,000

We adjust Home and Contents sums insured to cover rising values and costs - please check that the new sums insured meet your needs.

The policy covers the Home and Contents located at:

JINDALEE 4074 which:

is a home
is permanently occupied by you
will not be unoccupied for more than 60 consecutive days
is structurally sound and well maintained (including all outbuildings)
is not used as a trade, business or professional workplace
has no other people besides family members residing at the property

What optional covers are included and not included

	Home	Contents
Motor burnout	Included	Included
Pet cover	n/a	not Included
Group Cover	n/a	not included
Selected Personal Items	n/a	not included
Advanced cover	not included	not included
Flood and storm surge	not included	not included

Please refer to your Product Disclosure Statement (PDS) and any Supplementary Product Disclosure Statement (SPDS) for full details of the optional covers available.

If you would like to vary your cover please call us on 13 1905.

Date of Issue 23 October 2010

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 4 of 4

Your policy number

Customer service

13 1905

Claims hotline

13 7202

Website

www.racqinsurance.com.au

Mortgagee

CREDIT UNION AUSTRALIA LTD holds the first mortgage

Security Installed

deadlocks (key operated inside and out) on all external doors, other than security or screen doors
steel bars / grilles on all accessible windows

Excess you contribute to any claim

APPLICABLE EXCESSES WILL BE ADDED TOGETHER

	Home	Contents
Excess	\$300	\$300
*Earthquake excess	\$300	\$300

**You contribute this additional amount to a claim for loss or damage caused by earthquake during any period of 48 consecutive hours.*

GST

This notice is not a Tax Invoice. If you need a Tax Invoice setting out the GST charged on this policy, please call and request one.

Amount payable

The amount payable is made up of the following:

* Premium	\$984.95
* Goods and Services Tax (Government charge)	\$98.50
* Stamp Duty (Government charge)	\$81.26

TOTAL AMOUNT PAYABLE **\$1,164.71**

This certificate is not valid until payment has been made.

Date of Issue 23 October 2010



myifreemans

SITE REPORT - Property Claim			
Client	RACQ Insurance Brisbane PO Box 3004 LOGAN CITY QLD 4114	Report Date	3 February 2011
Claims Officer	Household Claims	Claim Reference	
MYIF Assessor		MYIF Reference	
MYIF Case Contact		MYIF Contact Phone	

KEY CONTACT DATES			
Date of Loss	13 January 2011	Case Received	17 January 2011
Claimant Contacted	21 January 2011	Inspection Date	26 January 2011

CLAIMANT DETAILS			
Claimant Name	GOURLEY, T		
Postal Address	JINDALEE QLD 4074		
Situation of Loss	JINDALEE QLD 4074		
Primary Contact		Tax Status	To be advised
Telephone		ABN	
Telephone 2		ITC	0%
Email Address	Not advised	Claim Form Status	Not required

POLICY DETAILS			
Policy Type	GHHB2 03/09 RACQI Household Insurance PDS	Inception Date	24 November 1997
Policy No	Not advised	Expiry Date	24 November 2011
Policy Section:-	Sum Insured:-	Excess:-	
Building	\$491,000.00	\$300.00	
Contents	\$1,000,000.00		
Total Sum Insured	\$594,000.00	\$300.00	Total Excess Applied

MYI Freemans Ltd

42 Costin Street Fortitude Valley QLD 4006, PO Box 554 Fortitude Valley QLD 4006
 Tel: 07 3867 4600 Fax: 07 3867 4699 Email: brisbane@myifreemans.com.au
 Web: www.myifreemans.com.au
 ABN: 66 111 653 386



RESERVE			
Policy Section	Reserve	Payments to Date	Outstanding Reserve
Building	\$300,000.00		\$300,000.00
Contents	\$90,000.00		\$90,000.00
Personal Property			\$0.00
			\$0.00
Total Claim	\$390,000.00	\$0.00	\$390,000.00
Excess applied	\$0.00		\$0.00
Total Claim less Excess	\$390,000.00		\$0.00
Management Fee	\$8,000.00		\$0.00
Total Reserve	\$398,000.00	\$0.00	\$0.00

CIRCUMSTANCES / CAUSE	
Type of Loss	FLOOD
Relating to	Flood catastrophe
Caused by	Flooding
Date of Loss	13 January 2011
Date/Time of Discovery	12 January 2011
Discovered by	Insured
Who was responsible?	Brisbane river Dam Storm water drain Tormential rain
STATUTORY SERVICES	
SES	Attended
EXPERT CONSULTANTS	
Building Consultant	Recommended
Hydrologist	Recommended



EXTENT OF LOSS / DAMAGE	
BUILDING	
No of rooms affected	10
Square metres affected	Approx. 187 square metres.
Severity of damage	Destroyed
What is damaged	Entire structure Aerists/Antennas Appliances - fixed Architraves Bath/Basin Bench tops Benches Carport Ceiling finishes Ceiling's Cooling system Cupboards/Shelves Decking Doors Electrical circuit/wiring Exhausts External blinds External building's Fans - fixed Floor finishes Floor's Garage doors Garage GPO's/Switches Heating system Insulation - roof Internal blinds Light fittings Patio Pergola Pool/Spas Roof cladding Roof plumbing Sinks Skirtings Wall frames Walls - internal finishes Walls external finishes Window frames
CONTENTS	
Severity of damage	Destroyed
What is damaged	All contents Appliances - brown goods Appliances - white goods Bedding Books Business/professional tools/equipment CD's, DVD's, Blue Ray Clothing Computer software/accessories/games Cutlery/Crockery/Pots/Pans/Utensils Electronic goods - computers Electronic goods - games Floor coverings Food Furniture - external Furniture - Inside Garden tools Luggage Manchester/linen Medications Musical goods Toiletries Window coverings
OTHER DETAILS	
Action Taken	Arranged pre cleaning Insured has had premise totally stripped back to bare structure due to extent of water damage. All contents have been disposed. Insured premise uninhabitable and insured staying in a motel with his family. Insureds wife sick with cancer and is not expected to survive.
Scope of Damage	To be provided with next report
Property Loss Schedule	To be provided with next report

SUMMARY			
Indemnity	Under evaluation		
Recovery	Unlikely	Salvage:	Likely
Other Insurance	None advised	Other Insurances Details	No other known policies

RISK ISSUES	
Type of Risk	Dwelling
Sum Insured Comment	Adequate
Previous Claims	None relevant to this claim
Underwriting Recommendations	



EVENT ISSUES	
A - Accommodation required	Yes
B - Accommodation required during repairs	Yes
Asbestos issues	Some villa board with asbestos.

FLOOD ISSUES - TO BE PROVIDED WITH SECOND REPORT

NEXT STEPS	
Insured	Await confirmation of acceptance of claim.
MYIF - Next Report	Seek insurers instructions on policy indemnity.
Your Office:	Confirm acceptance of claim Note the contents of this report Provide further instructions Confirm policy cover

MYIFREEMANS LTD



ANZIIF(Snr. Assoc.)

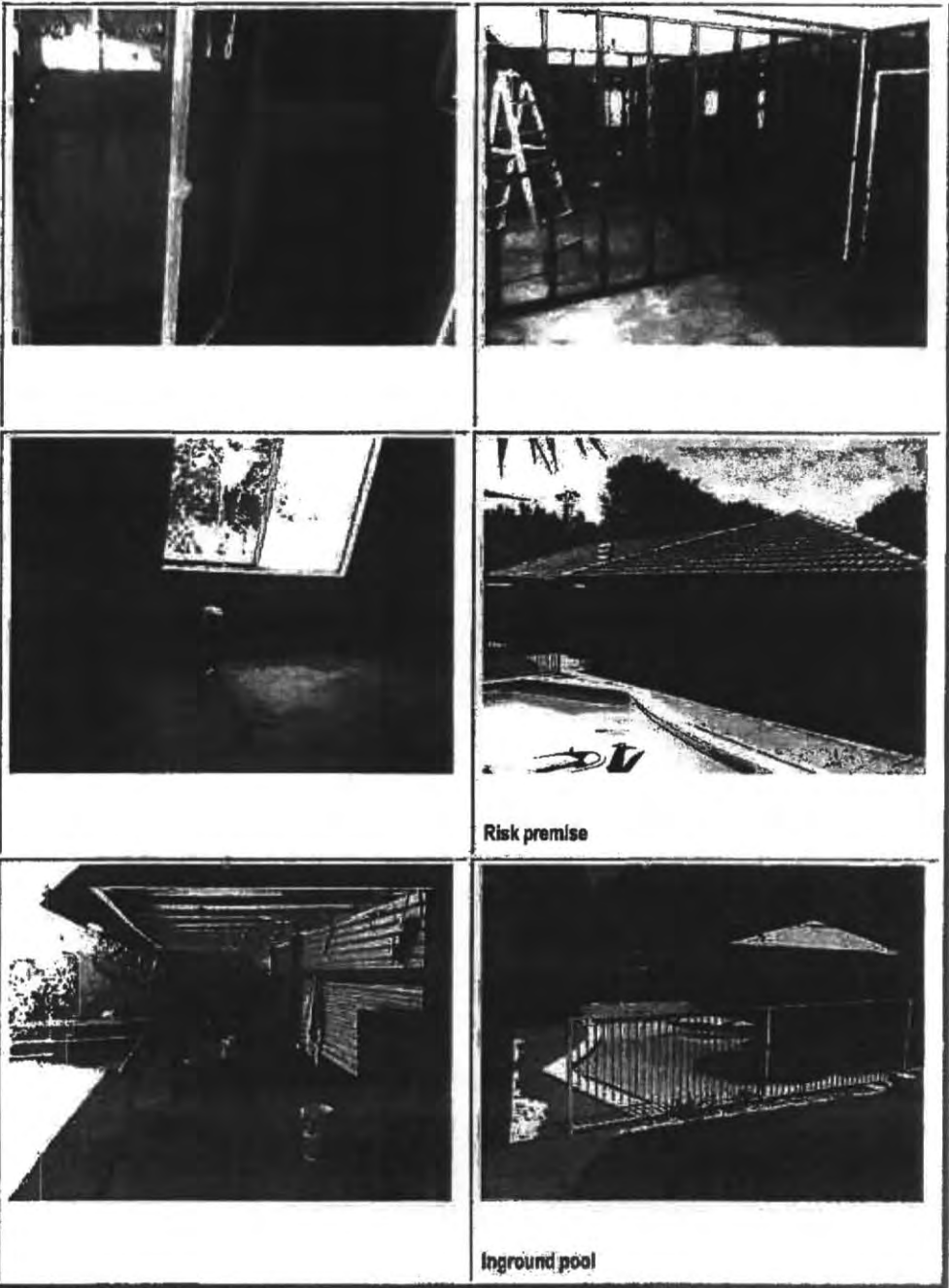
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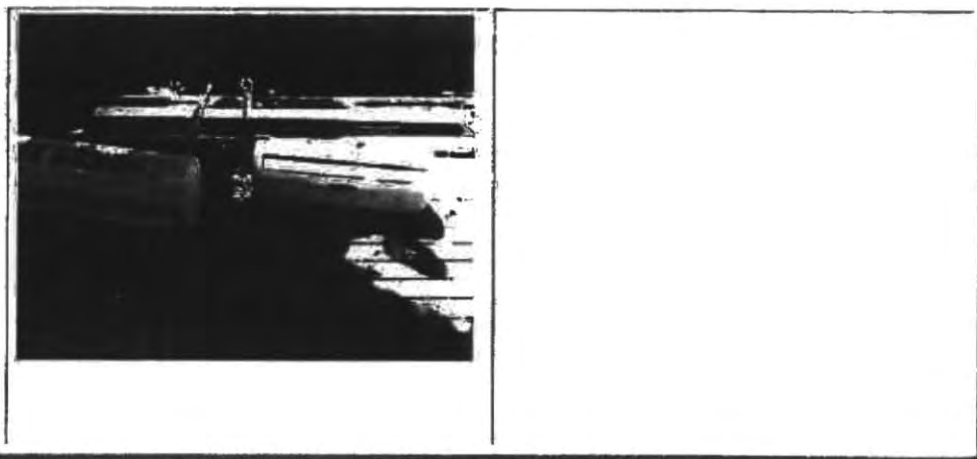
Email: 

IMAGES

	
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Premise has been stripped bare.





Household Insurance Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS) is dated the 25th October 2009 and applies to policies with a renewal date, on or after the 25th October 2009.

This SPDS should be read with the Household Insurance Product Disclosure Statement (PDS) GHHB2 07/08. These documents together with your certificate of insurance form the basis of your insurance cover.

This SPDS reflects changes since your last renewal. If you wish to obtain a full copy of the PDS, please:-

- visit our website www.racqinsurance.com.au
- call us on 13 1905
- visit one of our RACQ branches
- write to us on the address shown below.

Important Changes

RACQ Insurance has always aimed to maintain an industry low basic policy excess, unfortunately we have had to increase this excess to \$300. We are confident it remains competitive and unless your renewal certificate indicates otherwise the new basic excess will apply from the renewal date shown on your certificate of insurance.

Please note that the annual fee that may apply if you choose to pay your insurance by the month has been increased to \$60, which equates to \$5 per month. Your direct debit confirmation certificate will indicate any fee that applies to your policy and is no longer referred to in the Household Insurance Policy Product Disclosure Statement on page 65. Please remember that if you have more than one policy with RACQ Insurance and payment is collected from the one account, then only a single monthly administration fee applies.

For a quick, secure and convenient way to renew your insurance, go to www.racqinsurance.com.au where you will also find everything you need to know about our products, benefits and discounts. If you have any questions regarding your policy or about any of our products please call 13 1905 or drive safely to your local RACQ branch.

Thank you for your continued support. We trust you have enjoyed a high standard of service from RACQ Insurance and we look forward to helping you wherever we can.

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Household Insurance Policy

Product Disclosure Statement



GHHB2 07/08

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Welcome to RACQ Insurance

Thank you for insuring with RACQ Insurance.

We are delighted to have you as a customer. Please do not hesitate to contact us if you have any questions about insurance or need help in making a claim.

RACQ Insurance is one of the largest providers of motor vehicle and household insurance in Queensland. Customers have access to a network of branches and agents throughout Queensland and a 24 hour, seven day-a-week call centre.

How to contact us

If you need more information or help with any of our products or services you can contact us:

- 7 days a week by telephone

Policy related enquires	13 1905 or any Branch
Claims related enquiries	13 7202 or any Branch
Emergency Home Assist	1800 800 552

- Visit one of our branches during business hours
- Email us with your Home and Contents claim or documents enquiries at:
racq_houseclaims@racqi.com.au
and we will respond during business hours
- Visit our website: www.racqinsurance.com.au

How this policy works

RACQ Insurance Household Insurance policy is designed to provide you with comprehensive cover for your home and contents in the case of loss or damage caused by an insured event.

This policy provides cover for:

- The Insured events listed on pages 16 to 22
- The Additional benefits for your home and contents listed on pages 35 to 47
- Emergency Home Assist on page 47
- Options that you can add to your policy by paying more:
 - Motor burnout
 - Advanced cover
 - Group and/or selected personal items cover
 - Pet cover
 - Flood and storm surge
This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.
 - Landlord's fixtures and fittings
 - Mortgagee's interest in a home unit
- Legal liability insurance.

All policy limits and values include all relevant statutory charges and taxes. This policy does not cover you for everything. For further details of the cover and the amounts we will pay for any claim, please read this Product Disclosure Statement (PDS).

If you decide to take out insurance with us, we will provide you with the cover you have chosen as described in your current certificate of insurance and this PDS.

Important information about your policy

Policy benefits

The table shown below is a summary of the policy benefits available. Please read the PDS for details of the extent of cover provided.

Cover provided	Benefit	Page
Additional living expenses	Benefit to cover up to 10% of sum insured	35
Attendance by a security firm	Contents cover up to \$750	35
Breakage of glass	Up to the sum insured	36
Campus cover	Contents cover up to \$5,000	37
Clean up costs	Up to 10% of the sum insured	38
Contents while in storage	Contents cover up to the sum insured	38
Contents in transit	Contents cover up to the sum insured for contents in transit to a new permanent address in Australia	39
Contents in a safe deposit box	Contents cover up to 10% of the sum insured	39
Credit card misuse	Contents cover up to \$1,500	40
Damage caused by emergency services	Home cover up to \$1,000	40
Demolition and relocation cover	Home cover up to 10% of the sum insured	40
Emergency Home Assist	Home cover up to 10% of the sum insured	47
Emergency and alternative accommodation	Home cover up to 10% of the sum insured	41
Funeral expenses	Up to \$5,000	41

Important information about your policy

Policy benefits

Cover provided	Benefit	Page
Inflation protection at renewal	Increase your sum insured at renewal	42
Loss of rent	Home cover up to 10% of the sum insured	42
Peace of mind protection	Home cover increase sum insured by the annual inflation protection adjustment in the event of a claim	43
Professional documents	Contents cover up to \$1,000	43
Re-key, recode or replacement of locks	Home cover up to \$500	43
Removal of debris	Up to 10% of the sum insured	44
Special occasion gifts	Contents cover up to \$1,000	44
Storage of contents after an event	Contents cover up to 10% of the sum insured	45
Storm damage to pool and/or spa covers	Home cover up to \$500	45
Temporary removal of contents	Contents cover up to 20% of the sum insured	46
Theft of purchased water	Contents cover up to \$200	46
Uninsured visitor's contents	Contents cover up to \$500	46

Important information about your policy

Policy discounts that you may be entitled to

Discount type	Benefit
No claim discount	You may be entitled to a no claim premium discount of up to 7% on your home and contents premium if you have not made a claim in the last 12 months.
Age discount	You may be entitled to a 10% premium discount where at least one (1) nominated insured is aged 55 years or over and the insured's own owner/occupied dwelling is being insured. Also a 15% premium discount may apply where at least one (1) nominated insured is aged 55 years or over and the contents are being insured in either an owner/occupied or rented dwelling.
Senior card holder discount	A 15% premium discount may apply for Queensland Seniors Card Holders on Building Insurance and 25% discount may apply on Contents Insurance. The discount is restricted to owner/occupier's building and/or contents and tenant's contents only. The Seniors Card Holders Discount does not apply in addition to the existing age discount.
Alarm discount	You may be entitled to a premium discount of up to 10% on your contents premium for having an alarm installed that is monitored 24 hours per day 7 days a week by a monitoring facility.
Combined discount	If you are an owner/occupier, by combining your home and contents onto the one policy, you may be entitled to a combined premium discount of up to 13%.
Multi-policy discount	If you have three (3) or more qualifying policies/covers, currently with RACQ Insurance, you may be entitled to a premium discount of up to 5% for each qualifying cover.
Membership loyalty discount	You may be entitled to a premium discount of up to 17.5% based on your current RACQ Membership level.

Important information about your policy

The PDS describes the types of insurance cover available to you. Please read it carefully and keep it in a safe place along with your certificate of insurance.

The certificate of insurance is a separate document that forms part of your policy. It describes the type of insurance you have taken out, and provides specific details about your building, contents and other items of value covered under your policy. It also specifies the limits of cover (sums insured), additional benefits, optional covers, the period of insurance, any special conditions, details of any excesses that apply and premium payment. Please check any certificate of insurance you receive when you start your policy and each time you vary or renew it.

RACQ Insurance Limited is the issuer of this insurance and is responsible for the obligations set out in our PDS.

Cooling-off period

When you take out or renew a policy with RACQ Insurance we provide a cooling-off period of up to 21 days. The cooling-off period starts from the date and time this policy was issued, or from midnight immediately preceding any renewal date.

If you wish to take advantage of the cooling-off period and cancel this policy from the date and time this policy was issued, you must advise us in writing or electronically during the cooling-off period and the premium paid for the policy will be refunded in full providing a claim has not been made.

Important information about your policy

Duty of Disclosure

The *Insurance Contracts Act 1984* requires us to give you information about your insurance and for you to give complete and accurate information to us. Before entering a contract of insurance with us, and each time you vary or renew your policy, we will ask you a number of specific questions.

What you must tell us

When answering our questions, you must be honest and you have a duty under law to tell us anything known to you, or which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by this policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as if it had never existed.

If you do not understand

If you do not understand your duty, please contact us.

Important information about your policy

Evidence of ownership

We require you to keep evidence of the purchase and value of your building and contents.

You may be required to provide proof of ownership and evidence of its value if you make a claim under this policy. Such proof includes but is not limited to receipts, valuations, model and serial numbers, photographs, credit card or bank statements.

Personal information

The personal information you give us is used to set-up and administer your Household Insurance Policy. It is used to determine the extent of insurance risk that you have proposed and plays a role in determining fair and competitive premiums. If you make a claim, your personal information enables us to determine your entitlement. If you do not provide the information we request then this can either delay or prevent us from providing the insurance you want or allowing your claim.

General Insurance Code of Practice

The purpose of the General Insurance Code of Practice is to establish standards of practice for insurers that we at RACQ Insurance adhere to and support. You may obtain a copy of the Code from the Insurance Council of Australia web site www.ica.com.au or by phoning them on 02 9253 5100.

Words / terms with special meanings

Word / term	Meaning
Accidental	Anything which is unintended from your point of view.
As new	Repair or replacement with new items or materials regardless of the age of the insured item or property.
Business	Any business, trade, profession or other occupation which income is earned except: <ul style="list-style-type: none"> • casual child minding or other child care of a domestic nature, all residential at the property address, and • a department of a home if the home is used as a business, provided you have previously notified that the home is used as such.
Collection	A number of items that have been gathered together according to some unifying principle or orderly arrangement as part of an interest or hobby with the intent of collecting. Examples include but are not limited to collections of coins, stamps, models, toys, badges, and spoons, and unless we agree collections would exclude items bought for consumption, such as a wine collection. Contents cover limits apply as shown on page 34.
Common Area	Means part of a property title scheme, strata title scheme or flat, which does not form part of your lot or tenancy, including but not limited to garages, storage areas, parking bays, lifts, stairs and stairwells that are not secure and over which you do not have control or use under the by-laws of your body corporate or tenancy agreement.

Words / terms with special meanings

Word / term	Meaning
Consequential loss	Any loss or additional expense arising indirectly from an event that is covered by this policy. For example consequential loss may be: <ul style="list-style-type: none"> • any additional expense in replacing undamaged property so as to create a uniform appearance; • the inability to match the bricks following impact damage to a brick wall; • reduction in value following repair or replacement of lost or damaged property.
Contents	Your contents shown as insured on page 29.
Cost to us	What it would cost us, including any discounts that are available to us, to repair or replace the item or property at the time the loss or damage occurred.
Emergency	Is a circumstance, which poses an immediate threat to the physical safety of your home or contents, such as a burst water pipe or during a storm a branch falls through the roof of your home.
Excess	The amount you have to pay us or bear towards the cost of a claim under this policy. All excesses are shown on your certificate of insurance.
Family or your family	Your spouse, your de facto spouse, your parents and parents-in-law, your brothers and sisters, your or your spouse's or de facto spouse's children, who all usually reside with you at the insured property address.
Fixed swimming pool	Includes an in-ground pool or an above-ground pool and their fixed accessories where erection or installation of the pool required earthworks, construction of decks, ladders, fencing or the like of a permanent nature.
Flood	Rising water which enters your home as a result of it running off or overflowing from any origin or cause. <i>This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</i>

Words / terms with special meanings

Word / term	Meaning
Flash flood and stormwater run-off	A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off.
Forcible entry	Unlawful entry into your home or living quarters including unlawful use of keys or lock picking. Forcible entry does not mean opening an unlocked door, window or skylight.
Home	Your home shown as insured on page 28.
Insured property address	The property address shown on your certificate of insurance as the location of the insured home and/or its contents.
Portable instrument	Cash, bank notes, savings certificates, money orders, gift vouchers, stamps (not part of a collection).
Open air	Means anywhere within the insured's property address that is not fully enclosed and lockable.
Personal items	Contents items or articles that are regarded as a unit. Examples are earrings, golf clubs, candle holders, dinner set, ornaments.
Personal items	Your personal items shown as insured on pages 50.
PDS	Your insurance contract includes this PDS, your most recent certificate of insurance and the information you provide us when you purchase or vary your insurance and at each renewal.
Repairs	When any part of the roof, floor or the external walls are removed for the purpose of additions, alterations, repairs or decoration.
Retaining wall	A wall which is not part of the residential building, designed to hold back or prevent the movement of earth or water.
Specified contents	Contents items that have a higher value than the limit shown on page 34. You will need to have them specifically listed on your certificate of insurance and pay an additional premium.

Words / terms with special meanings

Word / term	Meaning
Sporting equipment	Equipment used in sporting activities (including or used in competition), leisure and recreational activities. Sporting equipment does not include, among other things, fishing equipment, model craft, hang glider, ultralight motor vehicle, motor sleds, trail bikes, snow bike, motorised go-kart or any part, part or accessory for the equipment, fishing kit (sny helmet, gloves, boots, gaiters or waders suit).
Storm	A violent disturbance of the atmosphere associated with strong winds including a cyclone, lightning, heavy rain, hail or snow, but not continuous bad weather by itself.
Storm surge	An increase in the level of the sea associated with tropical cyclone or other intense storm.
Temporary/non fixed swimming pool	An inflatable or aboveground swimming pool or spa mounted on their own accessories or on a temporary site.
Terrorism	An act, including but not limited to the use of force by violence and/or the threat thereof, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from the nature or context is done for or in connection with political, religious, ideological, ethnic or similar purposes, including the intention to influence any government and/or puts the public, or any section of the public, in fear.
Tools of trade	Any tools whose principal use is in connection with a business.
Tsunami	An oceanic wave that has its origins in an underwater earthquake or volcano.
Unoccupied	The home situated at the insured property address has not been occupied for more than 60 days, and we have not been told of this beforehand. Occasional overnight stays of less than one night a week on average during the 60 day period does not mean the home is being occupied.

Words / terms with special meanings

Word / term	Meaning
We, us	RACQ Insurance Limited. ABN 50 009 704 152 AFS Licence Number 233082.
You, your	The person or persons shown as the policy holder/s on the certificate of insurance and your family who usually reside with you at the property address.

Calculating your sum insured

Help with calculating your home sum insured

Your home building sum insured needs to be sufficient to cover the cost of rebuilding your home in the unfortunate circumstance of total destruction by an insured event.

The cost of rebuilding is based on the materials and labour needed - not your home real estate market value.

You can refer to the following sources to assist in calculating a reasonable sum insured for your building:

- building industry professionals, such as licensed builders, architects or valuers
- RACQ Insurance website calculators
www.racqinsurance.com.au
- ask us for a copy of our valuation guide.

For each subsequent renewal, we will increase your selected sum insured to allow for increased building costs as detailed on page 42.

You are responsible for calculating the sum insured on the cost of rebuilding your home. If you do not have an adequate sum insured, you may be out of pocket if you suffer loss or damage to your home.

Calculating your sum insured

Help with calculating your contents sum insured

When you add up the replacement value of your household contents, it can be more than you think. Contents insurance covers items in your home, from furniture and carpets to valuables and sentimental items.

How much cover do you need?

By telling us exactly how much cover you require for your contents, you know for sure that you're not wasting money on cover you don't need. To make sure your contents are fully covered, go through the house room by room and write down what it would cost to replace each item at today's prices. You may also refer to the calculators available on the RACQ Insurance website or ask us for a copy of our valuation guide.

'New for old' cover

This means that if your contents (not clothing) get damaged or stolen, and we can not or elect not to repair, we will replace your contents.

Protecting valuable items

If you've got valuable items worth more than the amounts shown on page 34 – for example if you have a piece of jewellery worth more than \$2,000 or works of art worth more than \$2,000 – let us know, as these need to be specifically noted on your certificate of insurance and insured for their full value.

Insured events you are covered for

If your home is covered by this policy the word home will be shown on your certificate of insurance. We cover your home for loss or damage caused by any of the insured events, which happen at the property address during the period of insurance.

If the contents of your home are covered by this policy, the word contents will be shown on your certificate of insurance. We cover your contents for loss or damage caused by any of the insured events, which happen at the property address during the period of insurance.

We cover you for loss or damage caused by the insured events listed on pages 16 to 22. If you want protection from loss or damage caused by other events you should consider the optional covers provided for in the Optional covers for extra peace of mind section of this policy.

Insured events you are covered for

Damage caused by weather...

What is covered	What is not covered
Storm	<p>Loss or damage:</p> <ul style="list-style-type: none"> *caused by rain, hail or snow after it has reached the ground; *caused by rain or wind entering the home unless it enters through an opening in the windows, walls or roof made by a storm; *to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other playing surfaces; *to paint and/or external coatings of buildings when there is no structural storm damage to other parts of the home; *to swimming pool and spa covers, liners and the like other than loss or damage covered under Additional benefit; Storm damage to pool and/or spa covers on page 45; *to a glasshouse whether constructed principally of glass or not; *during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired. *caused by storm surge; *caused by power surge.
Tsunami	
Earthquake	

x Not covered

Insured events you are covered for

Damage caused by weather...

What is covered	What is not covered
<p>Flash flood and stormwater run-off A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> *by flood; *to swimming pools or spas and their covers, liners and tiles; *to the water in swimming pools or spas; *by water being allowed through floors, external and internal walls of your home (including raised floors) and any subsequent loss or damage to contents including carpets; *by hydrostatic pressure building up below or behind any part of your home or structure including a swimming pool, spa or tank; *to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other paved surfaces; *by storm surge or any other action of the sea; *by power surge; *during the first 45 days of the initial period of insurance with this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with the signing of a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired.
<p>Lightning including power surge caused by lightning strike</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> *by power surge or power fluctuations not caused by lightning; *where there is no reasonable evidence that lightning was the cause of damage.

* Not covered

Insured events you are covered for

Criminal acts against you...

What is covered	What is not covered
<p>Theft including attempted theft or burglary</p> <p>Vandalism, malicious or intentional damage</p>	<p>Loss or damage caused by theft, vandalism or malicious or intentional damage:</p> <ul style="list-style-type: none"> × by someone who has entered the home with your consent or the consent of someone usually living there; × by the tenant, a sub-tenant or any person authorised by the tenant to enter the home; × to cash, negotiable instruments or legal tender which value is gained through a keypad or unlocked door, window or skylight; × to contents of a room used for boarding houses, dormitories, nurses quarters, barracks or the like which are gained through an open or unlocked door, window or skylight; × from common areas; × if your home was deemed to be unoccupied at the time the loss or damage occurred.
<p>Riot or civil commotion including the acts of lawful authorities in controlling such occurrences</p>	<p>× Not covered</p>

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
<p>Bursting, leaking, discharging or overflowing of liquids from:</p> <ul style="list-style-type: none"> • dish and clothes washing machines • water equipment (such as refrigerators, freezers and evaporators and conditioners) • waterbeds • pipes, gutters, drains designed for carrying liquid which are fixed or connected to the home • fixed domestic appliances such as but not limited to water tanks, hot water heaters and pans, baths, basins, sinks but not a shower recess or outside • water rising located at or adjacent to the property address <p>Locating the source of leaks If damage has been caused to your home by the escape of liquid, we will pay for the reasonable cost of locating the source of the escape if it is unknown.</p> <p>In addition to the home sum insured, the most we will pay for locating the source of the escape in any one claim is 10% of the home sum insured.</p>	<p>Loss or damage caused by the equipment or device which has leaked, discharged or overflowed (this includes a down pipe or gully):</p> <ul style="list-style-type: none"> • the escape of liquid occurring as a result of a gradual process of bursting, leaking, discharging or overflowing unless you can prove: • the loss or damage - <ul style="list-style-type: none"> - that the policy covered your home and it was covered for the whole of the time that the damage was occurring; or - that the policy covered your contents and it was covered for the whole of the time that the damage was occurring; and - you or any others of your home could not reasonably have been expected to have known that the problem was occurring; • the leak that you knew about and had repaired before the loss or damage occurred; • if your home was designed to be unoccupied at the time the loss or damage occurred. <p>We will not pay for the cost of the escaped liquid.</p>

x Not covered

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
<p>Impact</p> <p>Impact at or adjacent to the property address by:</p> <ul style="list-style-type: none"> • a vehicle or craft designed for use on, the road or water; • a falling tree or part of a tree including the cost of removal and disposal of the tree or branch that has damaged the home; • space debris or debris from a rocket or satellite; • aircraft; • a satellite dish, solar hot water tank, television or radio aerial which breaks or collapses. 	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> × to garden borders, lawns, paths, paving, patios, patios or underground × retaining walls × by a vehicle or craft designed for use on the road × by a tree or part of a tree that has fallen down by you or another person living in the home or any person acting on behalf of that person acting without their consent; × the cost of removing or clearing a stump.
<p>Explosion</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> × to a vessel or apparatus that is the source of an explosion; × if your home was deemed to be unoccupied at the time the loss or damage occurred.

× **Not covered**

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
<p>Fire</p>	<p>Loss or damage caused by:</p> <ul style="list-style-type: none"> scorching, melting, heat damage *where there was no flame, or *where your home or contents have not caught fire or *where fire or heat was applied as part of a process, which is not limited to a stove, fireplace, chimney, oven, electric element, iron or saucer. <p>Loss or damage:</p> <ul style="list-style-type: none"> *arising from within for the first 48 hours of the initial period of insurance of this policy unless we have issued it to you • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired. *if your home was deemed to be unoccupied at the time the loss or damage occurred.
<p>Acts of animals</p>	<ul style="list-style-type: none"> *Loss or damage caused by pets, animals or livestock kept by you or any person usually living in your home.

x Not covered

Your home

What we insure as your home

Your residential building situated at the insured property address including:

- other buildings such as garages, sheds, pergolas, carports and the like that are used for domestic purposes;
- fixed wall coverings, ceiling coverings and floor coverings excluding carpets;
- fixed barbecues, clothes hoists, external blinds and awnings, shade sails, aerials and masts;
- outdoor water and sullage pumps attached to service pipes or drains;
- fixed swimming pools, spas or saunas and their associated pump motors and filters;
- fixed outdoor water tanks;
- fixed solar appliances;
- paths and paving and playing surfaces;
- fencing, walls and gates;
- garden borders and driveways;
- built-in furniture;
- gas, water, electricity or other services (whether underground or not) that are your property or that you are legally liable to repair or replace;
- apparatus or appliances permanently fixed to the gas, plumbing or electrical systems including fixed or built in:
 - air conditioning units, ovens, stoves, range hoods and dishwashers;
 - ceiling fans and ceiling exhaust fans.
- a transportable home that is fixed to foundations anchored into the ground and connected to all services on the site;
- an unregistered caravan or mobile home which:
 - is not used on a public road;
 - is used by you solely as your permanent or temporary residence;
 - includes its fixtures and fittings and annexe, but not a fabric annexe over five years old.
- landlord's:
 - fixtures and fittings;
 - floor coverings and carpets;
 - light fittings and window coverings.

Your home

What we do not insure as your home

What is not covered:

- × retaining walls;
 - × temporary homes or structures;
 - × homes under construction or reconstruction other than as provided for in renovations to your home on page 28 of this policy;
 - × floor carpets other than landlord's carpets;
 - × a hotel, motel, boarding house or barracks;
 - × fences, sheds, stables or other structures used or intended to be used for agricultural business purposes or any other business;
 - × the land on which your home is constructed;
 - × a campervan, bus, semi-trailer, rail carriage, tram, watercraft or aircraft;
 - × a caravan or mobile home which is:
 - registered;
 - used on a public road; or
 - not used solely as your permanent or temporary residence.
 - × boat jetties, pontoons or a wharf except if shown on your certificate of insurance as being part of your home;
 - × glasshouse or greenhouse whether constructed principally of glass or not;
 - × a home unit other than a duplex unit;
 - × temporary/non fixed swimming pools or spas;
 - × lawns, trees, shrubs, plants and hedges.
- × **Not covered**

Your home

Settling your claim

If your certificate of insurance shows that you have home insurance we will cover your home for loss or damage as a result of an insured event occurring during the period of insurance.

We may choose at our option to:

- rebuild or repair your home as new; or
- pay you the cost to us of rebuilding or repairing your home as new including any additional costs (relating only to that part of the home that was damaged) necessary to comply with government or local government laws existing at the time of damage occurring, provided that at the time of original construction the laws and by-laws prevailing then were complied with; or
- pay you the home sum insured; or
- settle, when allowance for wear and tear or lack of maintenance of the property is to be made, as explained in "Claims settlement other than on a new basis" on page 26.

We will pay up to the home sum insured shown in your certificate of insurance less any applicable excess.

If we choose to pay you the cost to us of rebuilding or repairing your home or the home sum insured, we may first pay to a mortgagee or credit provider who is identified on your certificate of insurance, the amount owing by you to the mortgagee or credit provider in respect of the mortgage of your home up to the home sum insured.

The terms and conditions of this policy apply to a mortgagee or other credit provider in the same manner as they apply to you.

We will pay for materials of a similar kind and quality if the original materials are not readily available in Australia.

If the home is totally destroyed and we choose to rebuild it, you may choose to rebuild it on another site but only if we have agreed.

Your home


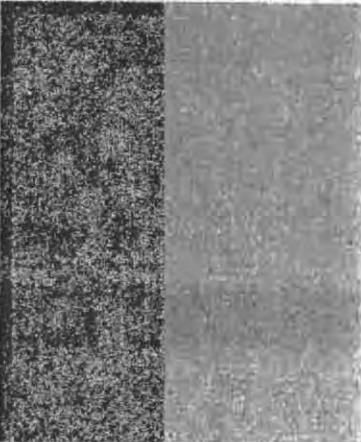
Claims settlement other than on an as new basis

The amount we pay for rebuilding or repairing damage will be reduced from an as new basis to an amount that would place you in the same position you were in immediately before the loss or damage occurred with due allowance for age, wear, tear and where applicable, lack of maintenance of the property in the following circumstances:

- where the home was not in a sound condition or well maintained at the time of the loss or damage occurring;
- where you are the landlord, for floor carpets that were damaged that were over 10 years old;
- if the rebuilding or repairs of your home are not commenced by you within 12 months from the date of loss, unless you can demonstrate a longer period of time is reasonable;
- if you do not cooperate with us in exercising our option to rebuild or repair your home.

Your home

The most we will pay you for home claims

What is covered	What is not covered
<p>Flash flood and stormwater run-off</p> <p>We will pay up to 10% of your home sum insured or 200,000, whichever is higher.</p>	
<p>Rebuilding or repairing of that part of the home that was damaged or destroyed</p> <p>We will pay:</p> <ul style="list-style-type: none"> • up to the home sum insured shown on your certificate of insurance less any applicable excess; • 50% of the cost of repairing or replacing up to 2 kilometres of dividing fences, walls and gates that form part of a shared boundary; • replacement of window, wall, floor or ceiling coverings in the room, hall or passageway where the damage is evident; • materials of a similar kind and quality if the original materials are not readily available in Australia. 	<p>We will not pay for:</p> <ul style="list-style-type: none"> • additional expenses for repairing or matching damaged parts to create a uniform appearance; or • extra costs of rebuilding or repairing your home to a better condition than when the home was damaged or destroyed. <p>If, prior to the loss or damage, your home or part of it was intended to be demolished or was subject to demolition order, we will pay only the salvage value of the home or that part as if it had already been demolished.</p>
<p>Landlord fixtures and fittings</p> <p>We will pay up to 10% of your home sum insured.</p> <p>Any amount we pay for this benefit will reduce your home sum insured by a corresponding amount.</p> <p>You can choose to insure a higher amount for landlord fixtures and fittings as an optional cover level to page 50.</p>	

x **Not covered**

Your home

The most we will pay you for home claims

What is covered	What is not covered
<p>Renovations to your home If the insured home is undergoing renovations, then until the roof, floor or external walls have been replaced, the cover provided by this policy is limited to loss or damage to the home and building materials at the property address shown on the certificate of insurance caused by the following Insured Events:</p> <ul style="list-style-type: none">• Fire;• Explosion;• Lightning;• Earthquake;• Riot or civil commotion;• Impact and damage caused by abnormally high winds.	

Your contents

What we insure as your contents

Those household goods and personal items located in your residential building situated at the insured property address including:

- carpet;
- contents in the open air;
- electrical appliances, other than those included in the fire policy: fridges, freezers, dryers, air conditioning units;
- firearms (only registered and stored);
- furniture and furnishings;
- furniture and furnishings in an office or study in your home;
- home entertainment appliances, such as hi-fi, CD players, stereo systems;
- household tools, and tools of trade;
- internal door and window frames;
- non-fixed light fittings;
- non-removable:
 - golf bag(s);
 - motorised wheelchairs;
 - lawn and garden appliances;
- remote-controlled models of toys;
- personal items;
- sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterkites;
- temporary structures, such as marquees;
- non-structural fixtures and fittings not insurable by any other policy of insurance if you own and occupy a home unit that is part of a community title scheme or strata title scheme;
- landlord fittings and fixtures for which you are responsible under the rental agreement and any storage or display fittings installed by you with the permission of your landlord;

Your contents

What we do not insure as your contents

What is not covered:

- × structural improvements to the home;
- × travel tickets or other forms of tickets or coupons, lottery tickets and competition entry forms and the like;
- × registered securities;
- × precious metals in the form of bars or bullion, precious or semi-precious uncut or loose gems;
- × motor vehicles, motor cycles, trail and motor bikes, motorised scooters, trailers and caravans, their tools, parts, spare parts and accessories whether fitted or not;
- × golf buggies or motorised wheelchairs that are required to be registered;
- × aircraft or watercraft, their tools, parts, spare parts and accessories whether fitted or not (other than sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis or remote-controlled models or toys);
- × lawns, trees, shrubs, plants and hedges;
- × pets, livestock, fish or birds;
- × credit, debit or any other form of financial transaction card;
- × contact lenses while engaged in sporting and water activities;
- × stock in trade or any property or materials used in a business, other than tools of trade and home office equipment;
- × mobile phones and their accessories;
- × apparatus or appliances permanently fixed to the gas, plumbing or electrical systems;
- × contents of a caravan or mobile home which is, or is required to be registered;
- × the following items of property when they are contents of a caravan or mobile home:
 - sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis and their spare parts and accessories;
 - musical instruments, sporting equipment;
 - computer equipment;
 - collections of any kind.

× Not covered

Your contents

Settling your claim

If your certificate of insurance shows that you have contents insurance we will cover your contents for loss or damage as a result of an insured event occurring during the period of insurance.

We may choose at our option to:

- repair the item as far as reasonably possible to the original condition it was in, using materials that are readily available in Australia; or
- replace the item with a new item (regardless of brand or supplier) which is available in Australia and which is its nearest equivalent (in terms of quality and price) at the time of loss or damage; or
- if you do not want us to repair or replace an item, we will pay you the reasonable cost to repair or replace the item, but only if we have agreed to this; or
- pay you up to the contents sum insured, or if you have chosen Selected personal items cover, pay you the sum insured for that item; or
- If you have chosen Group cover, pay up to the maximum overall sum insured limit.

We will pay up to the sum insured shown in your certificate of insurance less any applicable excess.

If an insured item consists of a pair, set or collection, we will pay only for the repair or replacement of the lost or damaged part. If we cannot repair or replace the part, we will pay the proportional replacement value of only that part. We do not pay for any decrease in the value of the pair, set or collection. If we replace or pay for an item, the lost or damaged item becomes our property.

Claims settlement other than on an as new basis

We will adjust your contents claim for age, wear and tear for the following items:

- floor carpets that were over 10 years old;
- clothing.

Your contents

The most we will pay you for contents claims

What is covered	What is not covered
<p>Cash, currency and negotiable instruments We will pay up to \$300 for theft of, loss of or damage to cash, treasury notes, bank notes, savings certificates, stamps (not forming part of a collection) or other forms of negotiable instruments.</p>	<p>We will not pay for loss or damage caused by: × entry gained through an unlocked door, window or skylight.</p>
<p>Contents in the open air For contents in the open air at the insured property address, we will pay up to the contents sum insured, if they are lost or damaged as a result of an insured event.</p> <p>If the loss or damage is a result of theft, the most we will pay for such contents is 5% of the contents sum insured.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for loss or damage caused by: × theft from common areas; × theft from locked or unlocked motor vehicles; × impact.</p>
<p>Contents in your home For contents that are in an entirely enclosed and lockable part of your home, we will pay up to the contents sum insured less: • any amount paid as contents in the open air.</p>	
<p>Flash flood and stormwater run-off We will pay up to 50% of your contents sum insured or \$25,000, whichever is the higher, but not exceeding your contents sum insured.</p>	

× Not covered

Your contents

The most we will pay you for contents claims

What is covered	What is not covered
<p>Office equipment</p> <p>We will pay for loss or damage to all things in the following groups as specified in item 2 of your certificate of insurance. Things are not covered if damaged as a result of an insured event:</p> <ul style="list-style-type: none"> • computer equipment (including associated hardware and software) • office equipment which is not transportable • associated hardware and software • copy which is not of a hard copy, the original you hold a letter or memorandum which contains and data • furniture and fixtures in an office building in your home 	
<p>Refrigerated foodstuffs and goods</p> <p>We will pay up to \$500 in total for spoilage of foodstuffs and other goods stored in your domestic freezers or refrigerators (including the reasonable cost of temporary alternative refrigeration and ice) if caused by an insured event covered by this policy.</p>	<p>We will not pay for loss or damage to:</p> <ul style="list-style-type: none"> • a refrigerator or freezer caused by spoiled food.
<p>Renovations to your home</p> <p>If the home is being renovated or repaired, then until the roof, floor or external walls have been replaced, the cover provided by this policy is limited to loss or damage to contents of the property. Addressed in item 3 of the certificate of insurance. Events by the following Insured Events:</p> <ul style="list-style-type: none"> • Fire; • Explosion; • Lightning; • Earthquake; • Riot or civil commotion; • Impact and damage caused by storms or high winds. 	
<p>Tools of trade</p> <p>We will pay up to \$2,000 in total for tools or trade used wholly or partly in any business lost or damaged as a result of an insured event.</p>	

× Not covered

Your contents

The most we will pay you for contents claims

What is covered	What we will pay
* Watches, jewellery and gold or silver artefacts (but not bullion)	Up to \$2,000 for each item or set, but not more than a total of \$6,000
* Cameras and camera accessories	Up to \$2,000 total
* Movie or video cameras and camera accessories	Up to \$2,000 total
* Hand woven rugs and mats	Up to \$1,000 each
* CDs, DVDs, audio and video tapes, records, computer discs, game cartridges and consoles	Up to \$5,000 in total
* Paintings, pictures, drawings, works of art, figurines, moulded objects, vases or curios (not being jewellery, gold, or silver artefacts)	Up to \$2,000 for each item or set, but not more than a total of \$12,000
* Stamp collections and collector's non-negotiable currency	Up to \$2,000 in total
* Collections, medals or memorabilia	Up to \$2,000 in total
* Group cover for personal items listed on page 51 Includes accidental damage cover in Australia or New Zealand	Up to the maximum overall sum insured limit shown on your certificate of insurance. Refer to page 50 for the maximum overall sum insured limits you can choose for your Group cover personal items
* Selected personal items cover for items listed on pages 51 Includes accidental damage cover in Australia or New Zealand	Up to the sum insured for that item listed on your certificate of insurance
Additional benefits or options	Up to the limit shown for that additional benefit or option
All other contents items	Up to the contents sum insured unless a separate limit applies

If your contents items have a value higher than the limit shown above, you will need to have them specifically listed on your certificate of insurance and pay an additional premium to ensure you are covered for their full value. Proof of ownership will be required in the event of a claim.

Additional benefits we provide for you

What is covered	What is not covered
<p>Additional living expenses Contents cover: We will pay for the cost of a home or hotel with all the property address that you need accidentally damaged by an Insured Event during the period of insurance when you cannot live in, we will pay for your reasonable additional living expenses from the home or hotel until you can live in.</p> <p>We will also pay for additional living expenses such as telephone or electric for the duration of your temporary place of accommodation.</p> <p>In addition, for the individuals who insured, the most we will pay for this additional benefit for any one claim is 10% of the total amount insured.</p>	<p>We will not pay for:</p> <p>• Accommodation</p>
<p>Attendance by a security firm Contents cover: We will pay up to \$750 towards the cost incurred by you for a security firm to respond to a monitored alarm signal at the insured property address.</p>	<p>We will not pay for:</p> <p>• Any amount unless the security firm attendance was in connection with a claim for an insured event for which we have agreed to pay.</p>

x Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Breakage of glass Home cover If the glass panes of your home are accidentally broken, we will pay for the cost of repairing or replacing:</p> <ul style="list-style-type: none"> • fixed glass; • a skylight; • porcelain, tile, granite, fibreglass or plastic in the sink, basin, shower base, bath or toilet; • glass or ceramics in your car, forming part of the frame which happens during the period of insurance. <p>The most we will pay for this additional benefit for any one claim is the home sum insured.</p>	<p>We will not pay for damage to or breakage of:</p> <ul style="list-style-type: none"> • glass if the break does not extend through the entire thickness of the glass; • glass in a glasshouse, conservatory or greenhouse; • kitchen tiles or tiled furniture forming part of the home; • if your home was deemed to be in disrepair at the time the damage or breakage occurred.

x **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Breakage of glass Contents of a fixture are not covered. Lockers will pay for the cost of replacement of broken glass forming part of the frame of a picture, screen or the frame of a mirror, provided the frame of the picture, screen or mirror is not damaged or broken.</p> <p>The maximum limit for additional benefit for glass forming part of a picture, screen or mirror is \$2,000.</p>	<p>We will not pay for damage to or breakage of: - glass if the break does not extend through the entire thickness of the glass; - glass in the tube or screen of a radio, TV or visual display unit unless an advanced cover applies to contents; - glass forming part of a radio set, telephone, ornament or lamp unless an advanced cover applies to contents; - glass in a picture frame other than a wall hanging picture frame; - hand mirrors normally carried by hand; - your home was deemed to be occupied at the time the breakage or breakage occurred.</p> <p>The cover is limited to accidental breakage of glass forming part of furniture.</p> <p>Cover does not extend to include breakage of other materials such as wood, marble, granite, polymarble or ceramics.</p>
<p>Contents cover Contents cover We will pay up to a maximum of \$2,000 for any one item, \$5,000 in total for your contents following loss or damage caused by an insured event whilst your contents are contained in a residential lockable room where you are residing within any student campus located in Australia.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for: - loss of or damage to cash or negotiable instruments, - jewellery of any kind, watches, pearls, gold, silver or any other precious metal; - theft from common areas or open air; - theft without signs of forcible entry; - any amount that we have agreed to pay for under the Additional benefit: temporary removal of contents on page 46.</p>

x Not covered

Additional benefits we provide for you


What is covered	What is not covered
<p>Clean up costs . . .</p> <p>Home and/or contents cover . . .</p> <p>When your contents are damaged due to fire, we will pay the cost of cleaning up, including:</p> <ul style="list-style-type: none"> • any material damaged or destroyed by the fire, including the debris; • the cost of any forensic or police investigation. <p>If your home is damaged, we will clean up any damage caused by the fire, including the cost of police investigation.</p> <p>In addition to the main benefit, the most we will pay for this additional benefit for any one claim is 10% of the home and/or contents sum insured, whichever is applicable.</p>	
<p>Contents while in storage . . .</p> <p>Contents cover . . .</p> <p>If your contents have been removed from the property address, and are in storage, we will pay for loss or damage to your contents caused by an insured event which happens during the period of insurance, but only if you tell us beforehand and we agree to cover them.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> • loss of or damage to cash or negotiable instruments; • jewellery of any kind, watches, gems, gold, silver or any other precious metal; • storage of contents beyond 60 consecutive days commencing on the first day of storage, or extending beyond the period of insurance shown on your certificate of insurance.
<p>× Not covered</p>	

Additional benefits we provide for you

What is covered	What is not covered
<p>Contents in transit Contents cover items being moved to a new permanent address in Australia. We cover your loss or damage to your personal contents by an insured fire occurring during the period of transit while at the old address or the new address for a 30-day period from the date you need to move. You tell us about the move beforehand.</p> <p>We will also cover your contents for loss or damage which happens during the period of transit as a result of fire, theft, collision or overturning of the conveyance vehicle during sea transport to your new permanent residence in Australia.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for: - Substances retained during loading or unloading of the conveyance vehicle; - Loss or damage to cash or negotiable instruments.</p>
<p>Contents in a safe deposit box Contents cover We will cover loss or damage caused by an insured event to your contents while your contents are located in a safe deposit box at a financial institution.</p> <p>The most we will pay for this additional benefit for any one claim is 10% of the contents sum insured.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for: - Loss of or damage to cash or negotiable instruments.</p>

x Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Credit card misuse</p> <p>Contents cover If your contents are shown as covered on your certificate of insurance we will pay up to \$1,500, if a credit card or financial transaction card is lost or stolen anywhere in Australia and someone other than:</p> <ul style="list-style-type: none"> • you; or • someone living at the property address, <p>illegally uses them to steal money from your account or buy goods for which you become liable.</p> 	<p>We will not pay if:</p> <ul style="list-style-type: none"> • a person misused the credit or financial transaction card because they found or had access to your personal identification number or other access details; or • you did not notify the financial institution or credit provider within 24 hours of the credit or financial transaction card being discovered lost or stolen; or • the financial institution or credit provider provides indemnity for any loss; or • you broke the terms and conditions under which the credit or financial transaction card was issued.
<p>Damage caused by emergency services</p> <p>Home cover We will pay up to \$1,000 to repair damage to your home caused by emergency services during the process of gaining entry to your home.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> • any amount unless the emergency service attendance was in response to loss or damage caused by an insured event for which we have agreed to pay.
<p>Demolition and redesign costs</p> <p>Home cover If your home has to be rebuilt or repaired after damage caused by an insured event, we will pay the reasonable cost of:</p> <ul style="list-style-type: none"> • survey work; • design work; • related legal work; • exploratory work necessary to locate the cause of the damage; • demolition. <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	

x Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Emergency and alternate accommodation We will pay for the cost of alternate accommodation for you if your home is damaged or destroyed by an insured event and you are unable to return to your home for a period of 30 days or more. We will pay for your alternate accommodation for up to 30 days, and we will pay for your alternate accommodation for a period of up to 90 days if you are unable to return to your home for a period of 90 days or more.</p> <p>In addition to the amount you are insured, the amount we will pay for this additional benefit for each claim is 10% of the benefit you are insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> alternate accommodation for more than 12 months from the date the damage occurred.
<p>Funeral expenses</p> <p>Home and contents cover We will pay up to \$5,000 to assist you with funeral expenses if you or a member of your family die as a result of an insured event described on pages 16 to 22, and we have agreed to pay your claim.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> death resulting from an event that occurred away from the insured address; death occurring more than 90 days after the event that caused it.

x Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Inflation protection at renewal</p> <p>Home cover: If you are entitled to a claim for damage to your building, we will allow for any increase in building costs. We will use your home building index as a reference.</p> <p>Contents cover: When a claim is due for renewal, we will increase your contents sum insured to allow for any increase in the value of your contents. You might buy different types of insurance or the replacement value of your contents.</p> <p>Your certificate of insurance at renewal will show the building and/or contents sum insured and the premium applying.</p>	
<p>Loss of rent</p> <p>Home cover: If you did not occupy the home, and it was with our prior knowledge rented to others immediately prior to it being damaged by an insured event rendering it unfit to live in, we will pay you the net loss of rental income (limited to the rentable value of the home immediately prior to damage) until the home is fit to live in.</p> <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> loss of rent for more than 12 months from the time the damage occurred.

x Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Peace of mind protection Home cover If the sum insured does not fully cover the repair or rebuilding of your home at the time of any claim for loss or damage as a result of an insured event that we have agreed to pay, we will:</p> <ul style="list-style-type: none"> • Increase the sum insured by the current annual inflation protection adjustment at the time of the loss or damage. 	
<p>Professional documents Contents cover We will cover up to \$1,000 to replace, restore or reproduce professional documents lost or damaged as a result of an insured event.</p>	
<p>Re-key, recode or replacement of locks Home cover If you are the owner-occupier of the insured home, we will pay up to \$500 to re-key, recode or replace locks if:</p> <ul style="list-style-type: none"> • a key for any external door of your home is stolen anywhere in Australia; and • you have reported the theft to the police; and • the keys had your property address or other identifying information with them. <p>No excess is applicable to this additional benefit.</p>	




x **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Removal of debris Home and/or Contents cover If your home and/or contents are damaged by an insured event we will pay for the reasonable costs of removing the debris.</p> <p>In addition to the sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home and/or contents sum insured, whichever is applicable.</p>	
<p>Special occasion gifts Contents cover We will automatically increase your sum insured to cover gifts you have purchased for a special occasion. For example, this covers gifts bought for a family wedding or gifts bought for the Christmas season.</p> <p>Contents cover limits apply as shown on page 34.</p> <p>We will pay up to \$1,000 in addition to your contents sum insured if a total loss occurs as a result of an insured event.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> *loss of or damage to cash or negotiable instruments or mobile phones.

x **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Storage of contents after an event  We will pay for the labor of which your contents are contained is damaged or rendered unusable rendering it unusable. We will pay for labor and materials to remove and store your contents until you have found another place to temporarily store them until the time is determined to whichever is the greater.</p> <p>We will also pay for removal of contents from home.</p> <p>In addition, when contents can be insured, this benefit will provide this benefit for any one item up to 10% of the original item insured.</p> <p>We will also pay for the remaining contents not insured for any additional loss or damage to your contents either before or insured even if they are at the place of storage .</p> <p>Contents cover limits apply  shown on page 32-33.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> conversion of cash precious instruments; jewelry of any kind; watches; guns; or silver or any other valuable metal.
<p>Storm damage to pool and/or spa covers</p> <p>Home cover We will pay up to \$500 for loss or damage to your pool or spa cover or liner as a result of a storm.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> any amount where we have not agreed to pay for storm damage to other parts of your home arising from the same event; loss or damage to your pool or spa cover or liner that is more than 5 years old.

x Not covered

Additional benefits we provide for you

What is covered	What is not covered
<p>Temporary removal of contents Contents cover We will cover your contents for loss or damage caused by an insured event while they are on your person or located in any dwelling within Australia where you are temporarily residing.</p> <p>We will pay up to 20% of the contents sum insured for any one claim for such loss or damage.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> x contents outside your dwelling x loss of or damage to cash or negotiable instruments x loss or damage while in the possession of a person or in transit caused by theft, storm, fire, flood, stormwater run-off, vandalism, malicious damage or intentional damage x contents temporarily removed for a period exceeding 30 days
<p>Theft of purchased water Contents cover We will pay up to \$200 for theft of your water supply stored in an outdoor water tank.</p> <p>No excess is applicable to this additional benefit.</p>	<p>We will not pay:</p> <ul style="list-style-type: none"> x where you have not reported the theft to the police x for theft of water without signs of forced entry to your insured property
<p>Uninsured visitor's contents Contents cover We will pay up to \$500 for uninsured visitor's contents at the insured address if the loss or damage is caused by an insured event.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> x cash or negotiable instruments x mobile phones x jewellery x laptop computer and laptop accessories x visitor's contents insured under any other insurance

x **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Emergency Home Assist Home and/or Contents cover We provide you with the following benefits if this policy is current at the time when an emergency happens. We do not charge you for these benefits.</p> <p>In the event of an emergency our support team are there to assist you 24 hours a day. Simply call 1800 800 552.</p> <p>Immediate help in the event of an emergency:</p> <ul style="list-style-type: none"> • where possible you will be advised of simple measures that you can take to minimise damage; • we will consult a unique computerised listing, to find the trades person you need; • we advise you of the name of a locally available trades person and their call out charge and where possible an estimate for the cost of the whole job. If you feel the price quoted is too high, we will locate an alternate trades person/supplier; • wherever possible we prefer to use local trades persons, as they generally provide a quick, reliable service; • if you want the trades person to call on you, we will make those arrangements and let you know what time they are expected to arrive; • we will check back with you to make sure the problem has been solved to your satisfaction. <p>Who pays for the repairs? Initially you do, however if the damage relates to an insurance claim simply include the repair account and receipt with your completed claim form for our consideration.</p>	<p>*The Emergency Home Assist service can only be used as an emergency service. If you require a trades person for general maintenance or non-emergency work, you should consult a local services directory or the Yellow Pages.</p>

x Not covered

Optional covers for extra peace of mind

The covers outlined in this section are optional and do not apply unless you have asked for them and we agree to cover you. Additional premiums apply for each cover. Your certificate of insurance will show which covers operate. All optional covers are subject to the terms and conditions of this policy.

What is covered	What is not covered
<p>Motor burnout Home and/or contents cover If the wiring of a domestic electric motor that forms part of your insured home and/or contents burns out, then we will pay you the cost of repairs or replacement of the electric motor, whichever method is the most economical.</p> <p>We will pay for:</p> <ul style="list-style-type: none"> • re-gassing if the electric motor is inside a sealed refrigeration or air-conditioning unit; • a swimming pool water pump if it is combined with its electric motor, if the replacement pump motor cannot be bought on its own; • labour and installation costs and call out fees. <p>Spoilage of refrigerated/frozen goods Contents cover When motor burnout option is added to your contents cover, we also cover foodstuffs and other goods that have spoiled as a result of:</p> <ul style="list-style-type: none"> • a motor in a refrigerator or freezer burning out or fusing; or • the failure to supply electricity by any public electricity provider. <p>The most we will pay for food spoilage is \$600.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> • any motor or sealed unit over 10 years old; • any equipment, component or apparatus that is not an electric motor; • a motor covered by a guarantee or warranty; • a motor used in any business; • any printed circuit board; • cost of removing and replacing a submersible pump; • loss or damage to a refrigerator or freezer caused by spoiled food; • spoiled goods where the refrigerator or freezer is over 10 years old; • spoiled goods caused by the tripping of a safety switch unless caused by an Insured Event.

x **Not covered**

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Advanced cover</p> <p>Home and/or contents cover</p> <p>In addition to insured events cover, advanced cover also covers you for accidental damage to:</p> <ul style="list-style-type: none"> • your home when it is insured by this policy, and • the contents described below when contents are insured by this policy: <ul style="list-style-type: none"> • indoor and outdoor furniture; • furnishings, household decorative items, works of art, wall hangings and household ornaments; • glass forming part of a picture tube or screen of a television or visual display unit, a radio or clock, vase, ornament or lamp; • kitchen, dining room, lounge room, bedroom and bathroom ware and floor carpets; • household and domestic electrical and electronic goods, personal computer equipment and associated hardware, <p>caused by any event not excluded by this policy, provided the damage occurred during the period of insurance while located within the entirely enclosed and lockable part of your home, apart from outdoor furniture that may be located in the open air.</p> <p>Plus, for extra peace of mind, advanced cover also covers you for loss or damage to your home or contents caused by motor burnout.</p> <p>We pay for loss or damage in the same way and in the same amounts as we do under insured events cover. This means any limitations as to the type of damage or the amount we pay as set out in those sections apply equally to a claim under this optional cover.</p>	<p>Accidental loss or damage caused:</p> <ul style="list-style-type: none"> • by the events or causes not set out in section 11.1.1.1 are not covered up to a maximum of 61; • by any insured event other than to the extent provided for in this policy; • by tenants; • to your home or contents if your home is let to tenants; • by renovating or reconstruction work on your home; • by power supply interruption by an insured event to this property address; • by mechanical, electrical or electronic breakdown or failure other than the cover provided by the cover for door option; • by cracking, chipping or breakage of glass, aluminium or china ordinarily carried by hand while in use; • by minor dents, scratching or chipping to property such as walls, roofs, flooring, ceilings or furniture; • by scorching by cigarettes, cigar, pipe, tobacco, ash or other substance, or when fire or heat was required as part of the process; • to swimming pools, outdoor spas and associated equipment including covers and filters except that damage is covered by insured events cover to the extent allowed under any relevant benefit; • if your home was deemed to be unoccupied at the time the accidental loss or damage occurred, this does not apply for motor burnout.

x Not covered

Optional covers for extra peace of mind

Group and/or selected personal items cover

Cover is provided for accidental loss or damage of the insured items in Australia or New Zealand or while in transit between the two countries during the period of insurance if you have insured items under group cover or selected personal items cover.

Group cover

By selecting one choice from the following range of sum insured limits available and paying an additional premium, you can choose to increase cover for your personal items included in the groups on the next page. This is a form of blanket cover over this group of personal items that do not need to be individually specified. If you choose this option it will be shown on your current certificate of insurance.

Option	Maximum sum insured for any one item	Maximum overall sum insured
1	\$500	\$1,000
2	\$500	\$2,000
3	\$500	\$3,000
4	\$1,000	\$4,000

Selected personal items cover

For an additional premium you can increase your cover on personal items included in the groups on the next page by having them separately listed as selected personal items with their replacement value on your certificate of insurance.

Our claim settlement options are detailed on page 31 under the heading of "Settling your claim".

Optional covers for extra peace of mind

Selected personal items cover

What is covered	What is not covered
<p>We will pay for:</p> <ul style="list-style-type: none"> • binoculars and their accessories; • cameras and telescopes; • carpets, travel rugs, towels; • cosmetics, toiletries; • razors, shavers; • CD, VCDs, audio and video tapes, records, computer discs, game cartridges and consoles; • watches; • leather jackets, coats and suits; • handbags, briefcases, purses, wallets, suitcases, knapsacks and other travel bags; • crutches, aids, medical aids, canes; • bicycles, non motorised wheelchairs, walking sticks and crutches; • jewellery (not uncut or unset gems); • laptops, computers not used for business; • musical instruments; • photographic equipment; • portable music systems; • prams, strollers and other baby carriers; • prescription sunglasses and spectacles; • watches; • sewing machines; • sporting equipment excluding skis; • watches; 	<p>We will not pay for:</p> <ul style="list-style-type: none"> • motorised bicycles, mopeds, scooters; • musical instruments, film cameras, sporting equipment (including fishing gear) made from wood for their designed purpose, except bowls; • watercraft and their spares, parts and accessories; • damage to fire insuranceable property resulting from rusting, derangement, explosion or bursting of a vessel; • any unregistered firearms or firearms not stored in accordance with relevant law; • glass in camera lenses, watches, clocks, or scientific instruments, unless other parts of the property damaged in the same accident; • items or equipment: <ul style="list-style-type: none"> • undergoing cleaning or repair; • while on hire from you or another person; • while on loan to someone other than any person stated below at your home, except when the loss or damage is caused by fire or theft following forcible and violent entry into a home; • items or equipment where loss or damage has been caused by: <ul style="list-style-type: none"> • the action of both atmospheric conditions or weather and extremes of temperature; • lack of maintenance or gradual deterioration during its lifetime; • or resulting from breakdown, electronic or electrical breakdown or failure, or malfunction, derangement or inherent defect; • the events of circumstances set out in section 4.1 when <i>contents not covered</i> - <i>see</i> exclusions on pages 59 to 61; • any contents items used for a business purpose;

x Not covered

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Pet cover</p> <p>Contents covers the cost for the reasonable costs of veterinary treatment (including dental injury or illness suffered by your pet, dog or cat identified on your certificate of insurance which has prior during the period of insurance).</p> <p>The maximum we will pay for each pet is shown in table 1. The pet excess applies only to a single injury or illness.</p> <p>Any claim made for a benefit under this optional cover will be supported by a veterinary certificate completed by the attending veterinary surgeon. This certificate forms part of the Karu Pet Insurance Claim form. The cost, if any, for the completion of the certificate is not payable under this optional cover.</p> <p>The excess payable for each claim under this section is £20 and if your certificate with instances shows an additional pet excess then these excesses will be added together.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> • veterinary expenses relating to or resulting from the loss or death of your dog or cat or their dependent(s) • routine elective or preventative veterinary treatment such as operations as, spaying or neutering, desexing; • treatment of an illness(es) or injury that pre-existed the commencement of this optional cover; • treatment of congenital defects; • abortions; • treatment of injury or illness arising from or connected with a business, occupation or sporting event including dog and cat shows or animal hunting event; • treatment of a pet that does not permanently reside with you.

x **Not covered**

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Flood and storm surge This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</p> <p>Home and/or contents cover We cover you for loss of or damage to your home or contents caused by flood or storm surge which happens during the period of insurance at the property address.</p> <p>We will pay up to the:</p> <ul style="list-style-type: none"> • home sum insured, if your home is insured; • contents sum insured, if your contents are insured for damage caused by flood or storm surge. <p>We will pay for loss or damage in the same way and in the same amounts as we do under insured events cover.</p>	<p>We will not pay for loss or damage to:</p> <ul style="list-style-type: none"> x paths, driveways, patios, retaining walls, fences or other part of the house, garden, driveway or other playing areas; x shade or sail cloth; x fabric awnings, swimming pool and spa cover, or similar items like; x glasshouse whether or not constructed principally of glass; x water in swimming pools or spas; x your property during the first 48 hours of the initial period of insurance of this policy, unless we have issued a note: • in conjunction with you signing a contract to purchase the home; or • to replace a policy with us on another insurer from the date and time that other policy expired.
<p>Landlord's fixtures and fittings Home cover Under this cover, you can insure landlord's:</p> <ul style="list-style-type: none"> • floor coverings; • light fittings; • window coverings; and • other fixtures and fittings. <p>We will pay up to the specified sum insured, for loss or damage to the fixtures and fittings specifically listed on your certificate of insurance caused by an insured event and:</p> <ul style="list-style-type: none"> • Motor burnout; or • Flood and storm surge which happens during the period of insurance, if they are shown as covered on your certificate of insurance. 	<p>Not covered</p>

x Not covered

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Mortgagee's interest in a home unit</p> <p>We will pay the mortgagee shown on your certificate of insurance if the mortgagee makes a claim on your policy because of loss or damage caused by an insured event during the period of insurance for which we would extend indemnity to you.</p> <p>The most we will pay the mortgagee at the time of loss or damage is:</p> <ul style="list-style-type: none"> • the amount secured by the mortgage at the time of the loss or damage, but not exceeding the sum insured; • the lesser of the sum insured shown on your certificate of insurance, or the cost of rebuilding or repairing your property. <p>If we pay the mortgagee, then the rights of the mortgagee under the mortgage are assigned to us.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> * legal liability.

* **Not covered**

Legal liability insurance

What is covered

When your home is insured

If home is shown as covered on your certificate of insurance, we cover you for your legal liability as owner or owner-occupier of your home to pay compensation for death, bodily injury or loss of or damage to property resulting from an accident which:

- happens during the period of insurance; and
- arises or occurs within the home or within the domestic boundaries of the property address on which it stands.

When your contents are insured

If contents are shown as covered on your certificate of insurance, we cover you and any person who permanently resides with you at the property address, other than a boarder, for your or their legal liability (other than as owner of a home or owner-occupier) to pay compensation for death, bodily injury or loss or damage to property resulting from an accident which:

- happens during the period of insurance; and
- occurs within Australia.

If:

- you own a home unit in which the insured contents are located and the body corporate has insured your unit for legal liability resulting from death, bodily injury or damage to property, we will also cover you for your legal liability as owner or owner-occupier of that unit to pay compensation for death, bodily injury or loss of or damage to property resulting from an accident which:
 - happens during the period of insurance; and
 - arises or occurs within the unit or on common area adjacent to the unit, but only to the extent that such liability is not covered by the insurance taken out by the body corporate;
 - if you are a tenant we do cover your legal liability arising from damage to a home or home unit you are renting if contents are shown as covered on your certificate of insurance, but only if the damage is caused by insured events fire or bursting, leaking, discharging or overflowing of liquids.

Legal liability insurance

What is not covered

We will not pay for any amount that exceeds \$20,000,000 for legal liability less any applicable excess, regardless of the number of claims arising out of any one accident. The amount also includes all legal costs.

We will not pay for legal costs you incur unless such costs are incurred with our prior written approval.

If we pay out the maximum amount for loss or damage to the home or contents less any applicable excess, the cover for legal liability ceases from the date of the final payment.

We do not cover you as owner-occupier or any person who resides with you at the property address for legal liability arising from:

- death or bodily injury to you or them;
- loss of or damage to property owned by you or them;
- damage to property in your or their physical or legal control;
- fines, penalties or punitive, exemplary or aggravated damages or the costs associated with the enforcement of any law or regulation relating to any kind of emission, effluent or pollution.

We do not cover you or any person for legal liability caused by, through or in connection with:

- the ownership or occupancy of any building or land other than a home (and its domestic land) insured by this policy;
- the ownership or occupancy of a home unit, other than to the extent provided for in this section when the contents of that home unit are insured by this policy;
- your or their use, ownership or control of a vehicle (other than a bicycle, golf buggy, wheel chair, or ride on mower or other garden appliance, which is not registered, nor required by law to be registered);
- an aircraft other than a model aircraft;

Legal liability insurance

What is not covered

- any watercraft other than a sailboard, surfboard, canoe, kayak, rowing boat, non motorised surf ski or hand held flotation device or model boat;
- aircraft landing areas;
- any business you or they are engaged in or associated with;
- tree lopping or felling by you or any person acting with your or their express or implied consent;
- a home under construction;
- alterations, additions, repairs or decorations to your home, where the total cost of such work exceeds \$50,000;
- the transmission of any communicable disease or infection;
- illness or disease caused by asbestos;
- ownership of a boarding house;
- any breach of building regulations such as a requirement to install smoke detectors;
- failing to provide a swimming pool fence, child resistant barrier or gates and doors that restrict access to the pool or spa as required by law;
- the ownership or control of a pet, domestic animal or livestock, unless reasonable steps were taken to comply with relevant legislation;
- an agreement including a rental agreement, unless the liability would have been incurred without the agreement existing;
- libel or slander;
- bodily injury to or death of any person to the extent that you or they:
 - are deemed to be employed by you for the purposes of the relevant workers compensation legislation or are injured in circumstances where their employment or deemed employment with you give rise to workers compensation exposure on your behalf or on behalf of your workers compensation insurer;

Legal liability insurance

What is not covered

- are entitled to indemnity for such liability under any fund, scheme, policy or insurance or self insurance arrangement created, issued pursuant to or required by any law relating to workers' or employees' compensation; or
- would have been entitled to such indemnity if you had complied with your obligations pursuant to such law.
- any law relating to workers' or employees' compensation;
- any law relating to employment practices, including discrimination, equal opportunity and unfair or wrongful dismissal;
- the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination;
- any contract of employment or workplace agreement;
- if your home was deemed to be unoccupied at the time the loss or damage or injury occurred.

When you are not covered – general exclusions

These general exclusions apply to all sections of your policy. We will not pay for loss or damage or the incurring of a legal liability caused by:

Exclusions	When you are not covered
portals of the sea	<ul style="list-style-type: none"> portals of the sea but we will cover: <ul style="list-style-type: none"> • theft • storm surge (if the optional cover Flood and storm surge applies to your policy)
an event outside the period of insurance	any event or accident that occurs outside the period of insurance shown on your certificate of insurance.
fire	fire, except glass breakage to windows and doors.
breaking the law	<ul style="list-style-type: none"> • failure to comply with applicable laws and regulations; • any failure to comply with any legislation relating to firearms; • the supply or consumption of alcohol or drugs; • your or their acts or omissions occurring during the course of any criminal or illegal act; • the intended results of any act or omission by you or them or the results of any reckless or malicious act committed or omitted by you or them.
business premises	any business being conducted at the address, except a business conducted from a home address or home office.
consequential loss	any loss or additional expense arising indirectly from an event that is covered by this policy.
confiscation	confiscation, nationalisation or requisition of property by any government or local authority.

x Not covered

When you are not covered - general exclusions

Exclusions	When you are not covered
computers, data	<ul style="list-style-type: none"> × failure of any computer program or electronic system to process any form of data including day or date functions properly and accurately; × the loss of data or information however kept or stored; × a computer virus; × computer hacking.
defective or faulty workmanship	<ul style="list-style-type: none"> × the inherent defect or defective or faulty workmanship, design or manufacture.
deliberate acts	<p>By:</p> <ul style="list-style-type: none"> × any person who enters the home or home unit at the property address with your express or implied consent or that of a person you have given permission to invite people onto your property address; × you or a person residing with you including a family member or boarder or a person acting with the express or implied consent of you or those persons; × a tenant, any person residing with a tenant or any person who enters your home, home unit or the property address with the express consent or implied consent of a tenant or any person residing with a tenant.
erosion, landslide	<ul style="list-style-type: none"> × erosion, landslide, subsidence, earth movement (except earthquake), earth shrinkage or expansion no matter how caused.
failing to take care of the home or contents	<ul style="list-style-type: none"> × failure to maintain the home and its contents in good condition.
fraud	<ul style="list-style-type: none"> × fraud or attempted fraud including: <ul style="list-style-type: none"> • the passing of valueless cheques or negotiable instruments; or • promises that are not subsequently honoured.

× Not covered

When you are not covered - general exclusions

Exclusions	When you are not covered
Loss not caused by theft or identifiable theft	Losses being lost when its loss is not attributable to any identifiable theft or theft has been misplaced.
radioactivity	radioactivity or the use, existence or escape of nuclear fuel, material waste or action of nuclear fission.
pollution	escape, pollution or contamination by any substance not insured against.
terrorism, war	an act of terrorism directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination caused by the aforementioned; war or other acts of a foreign enemy whether war is declared or not or revolution.
trees, shrubs or plantations	the removal of trees, shrubs or plantations.
vermin, termites or insects	vermin, termites or insects.
watercraft	<p>boats or any watercraft</p> <ul style="list-style-type: none"> • in the sailboard, windsurfer, windsurfer, canoe, kayak, non-motorized surfski, waterski or remote-controlled model watercraft.
wear, tear, rust, mould	wear, tear, rust, corrosion, rot, mould, action of light or atmospheric or climatic conditions including damage caused by wind, rain or sand happening over an extended period of time.

× Not covered

Important information about the cost of this policy

How we calculate your premium

Rating criteria	Affect on premium
Sum insured of the home and contents	The amount of sum insured chosen for the home and contents will impact on the premium level. A higher sum insured generally means an increased premium.
Construction of the home	The type of construction and the materials used will have an effect on the frequency and cost of claims. For example: tile roofs may be more susceptible to storm damage.
Location of the home and contents	The location of the home and contents may influence the likelihood of theft and burglary claims and susceptibility to natural perils.
Age of the home	The age of the home can affect the general condition and maintenance level of the home which can impact on the frequency and cost of claims.
The amount of excess	A higher excess will reduce the amount of premium you pay.
The type of options chosen	The more optional covers chosen the higher the premium you pay.

Important information about the cost of this policy

How your premium can change

Action	Your premium may increase if:	Your premium may decrease if:
You change your sun insured	you move into an area with a high crime rate or increased risk of storm, flood or cyclone.	you move into an area with a low crime rate or reduced risk of storm, flood or cyclone.
You change where you live	you move into an area with a high crime rate or increased risk of storm, flood or cyclone.	you move into an area with a low crime rate or reduced risk of storm, flood or cyclone.
You change the options on your policy	you elect to take a higher excess.	you elect to take a lower excess.
You change your excess	you elect to take a higher excess.	you elect to take a lower excess.

Important information about the cost of this policy

Policy costs and charges

Excess	<p>When you make a claim and you are required to pay an excess to us, we tell you when to pay that excess, how to pay it and we may direct you to pay it to a third party on our behalf. In some cases we may deduct the excess from the amount we pay you.</p> <p>When loss or damage occurs to both your home and contents because of the same insured event, you will only be required to pay one excess. If the excesses are different, you will have to pay the higher excess.</p> <p>The total amount payable for loss or damage caused by earthquake during any period of 48 consecutive hours will be reduced by the amount of the Earthquake excess shown on your certificate of insurance.</p> <p>In addition to any other excess that may apply, an excess will apply to a claim for theft of:</p> <ul style="list-style-type: none">• contents, including specified contents items;• property insured under Group and/ or Selected personal items cover, when the words burglary and theft excess appear on your certificate of insurance followed by the amount of excess applicable. <p>Direction to pay excess</p> <p>In the case of a repair or the supply of goods or services, unless we advise you otherwise, you are required to pay the excess, if any, to the repairer or supplier as our agent. Your appointment as our agent is for the sole purpose of paying to the repairer or supplier the excess which you owe us.</p> <p>There may be more than one excess that applies. The applicable excess or excesses are shown on your certificate of insurance.</p>
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Important information about the cost of this policy

Policy costs and charges

Cancellation fee	<p>If you cancel your policy during the period of cover (up to 30 days after the 31 day cooling-off period) and you have paid an amount in advance, the refund will be calculated on a pro rata basis for the unexpired period of cover. An administrative fee of \$80.00 will apply (with a minimum fee of \$100.00 with the pro rata cancellation fee of \$100.00).</p> <p>There is no refund if you cancel when paying monthly.</p>
Pay by the month	<p>If you choose to pay by the month using the direct debit method, an annual fee of \$48.00 may apply which equates to \$4.00 per month.</p> <p>Please note our premium discounts do not apply to such fees.</p>
Claims costs that you may bear	<p>Where a claim is made that would otherwise be covered by your policy, but the claim amount (as assessed by us) is less than the amount you have to pay, we will not make the claim.</p> <p>For example: The cost to repair the broken glass in your window is \$750. However your basic excess is \$100. In this scenario, as the cost of your claim is less than the basic excess amount, we would not make your claim.</p>

Claims information and requirements

How to make a claim

If your home and/or contents suffer loss or damage, or an accident happens that might lead to a claim simply call us on 13 7202 or go into any RACQ Branch.

Our consultants are available to help you 24 hours, 7 days a week. We will explain the claim process and advise you of what you need to do to assist the efficient progress of your claim.

In most cases a claim form is not required. You will be provided with one if it is required.

If you are registered for Goods and Services Tax (GST), you must provide us with your Australian Business Number (ABN) and Input Tax Credits (ITC) percentage before your claim can be lodged.

What you must do

If an accident happens that might lead to a claim, you must:

- do everything you reasonably can to limit the loss or damage and prevent further loss or damage occurring;
- immediately tell the police if a criminal act might be the cause of the loss, damage or theft and co-operate with us and relevant authorities in prosecuting the alleged offender;
- immediately send us any correspondence you receive about the claim. This includes telling us if you became aware of any pending court proceedings or offers of settlement;
- give us any information, written statements, evidence and help we may need in defending, prosecuting and investigating the claim. This may include:
 - asserting rights against any person nominated by us;
 - attending an interview with our assessor or investigator;
 - assisting any agents appointed by us such as solicitors;
 - attending court to give evidence.

Claims information and requirements

What you must do

- advise us of any impending prosecutions or inquest;
- keep damaged property for our inspection;
- tell us immediately if there is another insurance policy that provides the same cover for loss, damage or legal liability as this policy provides.

What you must not do

If you are making a claim you must not:

- carry out repairs or dispose of any damaged property unless we instruct you otherwise;
- admit liability to anyone;
- negotiate, pay or settle a claim with anyone.

What we may do

If an accident happens that causes loss or damage, or the incurring of a legal liability, we may:

- take over and conduct in your name or the name of any person entitled to cover under your policy, the defence or settlement of any claim. We have sole discretion in how the defence is conducted or a claim is settled;
- represent you or any person entitled to cover under your policy, at an inquest or official enquiry and undertake the defence in any court of any alleged offence in connection with an event covered by your policy.

Claims information and requirements

What can affect your entitlement

If you do not comply with any condition of your policy or certificate of insurance, it can affect how much we pay.

If the insured property is not kept in good condition and reasonable care is not taken to safeguard it from loss or damage, this may affect how much we pay.

If you or any other person makes a false or fraudulent claim, we can refuse to pay it. In either case we may also cancel the policy as permitted by law.

We do not have to accept a claim if your annual premium is overdue or if a monthly premium instalment is at least 14 days overdue.

Proof of ownership/value

In making any claim, you may be required to produce to us proof of having owned the property in question, an accurate description of the property and its value.

You should ensure that you obtain and keep regular written valuations for items of a unique nature such as jewellery, paintings, works of art or watches from a qualified, experienced and reputable valuer in Australia. Valuations should include a full detailed description of the property that would assist us to replace the item if necessary. In addition, photographs, receipts or accounts of purchase may well prove helpful to you should you need to make a claim.

Loss of no claim discount

Any claim lodged will result in the loss of any existing no claim discount. If the policy is renewed the no claim discount will be reinstated after a claim free 12 month period of insurance.

Adjustment for outstanding premium

If we pay the maximum amount for loss or damage to your home and/or contents, your policy ends automatically. You are not entitled to any refund of premium. If you have been paying by monthly direct debit instalments, we deduct from the payment an amount equal to the outstanding monthly instalments for the period of insurance shown on your certificate of insurance.

We take customer satisfaction seriously

If you have a complaint concerning this product, our services or a privacy issue:

Talk to us first

- The first thing you should do is call **13 7202** and speak to one of our staff;
- If your complaint relates specifically to a claim, speak with the claims officer handling your claim;
- If the staff member is unable to resolve your complaint to your satisfaction, you may ask to speak to a team leader or manager.

If you are still not satisfied:

Seek an internal review

- At your request the matter can be referred to our Internal Dispute Resolution Committee who will conduct a full review of your complaint and advise you of the committee's decision within 15 business days.

If you are still not satisfied:

Seek an external review

- RACQ Insurance is a member of a disputes resolution service, known as The Financial Ombudsman Service Limited. The service will not accept a dispute unless you have first tried to resolve it with us.
- If we do not resolve your dispute to your satisfaction, you can contact the service, which is set up to assist policyholders resolve their dispute. It is a free service to you and, although paid for by the general insurance industry, is a totally independent and impartial body. We agree to accept their determination as final.
- You can contact the service by:

Phoning: 1300 78 08 08 for the cost of a local call

Writing to:

The Financial Ombudsman Service Limited,
GPO Box 3, Melbourne, Victoria 3001

Website: www.fos.org.au

Email: info@fos.org.au

The information is also available on our website:
www.racqinsurance.com.au

General conditions

The agreement between you and us

Your insurance cover is a legal contract between you and us. We agree to give you the insurance set out in the policy for the premium paid by you.

The contract includes:

- the information you provided to us when you purchased or varied the policy, and at each renewal;
- this PDS;
- the certificate of insurance.

The insurance is only for the cover for which you have a certificate of insurance and only for the period of insurance indicated on the certificate. It is also subject to the conditions contained in this policy and on the certificate of insurance.

If two or more persons are named as the insured on the certificate of insurance, each of them is responsible both individually and together for:

- the completeness and accuracy of information in any application forms, statements, claims or documents supplied by any one of them to us; and
- compliance with the conditions of this policy.

What you must do

You must:

- at your expense take all reasonable precautions to:
 - keep your home and contents in good condition;
 - protect the safety and security of any insured property;
 - prevent further damage or legal liability occurring.
- advise us in writing as soon as possible:
 - of any material change to the construction or use of your home;
 - if you begin to lease out your home if you have previously told us that you reside in it or it was unoccupied;
 - if you commence any business activities from your home;
 - of any physical changes in or around your home or contents which increases the risk of loss or damage occurring;

General conditions

What you must do

- of any criminal convictions that you or any person residing with you have had recorded against you or them.
- comply promptly with requirements of public authorities.

If you or any person insured by this policy does not tell us everything relevant or if you or they mislead us, we may:

- refuse to pay a claim or reduce the amount we pay; and
- cancel the policy; and
- if fraud is involved, we may treat this policy as if it never existed.

Payment of premium

The premium is the amount you pay to obtain the insurance cover. The certificate of insurance shows the amount of premium and whether you are paying annually in advance or by monthly direct debit instalments.

If you are paying:

- annually you must pay by the due date;
- by monthly instalments – you must pay each instalment by the due date.

Your agreement to pay additional premium

You agree to pay any additional premium resulting from a claim made under this policy between the time a premium notice inviting renewal of your policy is issued and the actual renewal date.

Non payment of premium

If you have not paid the premium by the due date shown on the certificate of insurance or the interim cover certificate, this policy will not come into force. In that case, you will have to reapply to us for insurance cover.

General conditions

Non payment of premium

If you are paying your premium by monthly instalments and any instalment payment is overdue for a period of at least 14 days, we may refuse to pay a claim.

If after payment of the first instalment, any subsequent instalment payment is overdue by a period of at least one month, your policy will be cancelled from the date the instalment was due to be paid. We will send a letter to your last known address advising you of the reason, effective date and time of such cancellation.

Policy comes into force

This policy comes into force on and from the first date of the period of insurance shown on the certificate of insurance or interim cover certificate issued to you, provided you have paid the annual or instalment premium shown on your premium notice.

Variation

You may ask us to change a provision of your policy. The change or addition takes place only when we confirm it in writing to you or endorse it on your policy or certificate of insurance, and you pay any additional premium that we require.

Waiver

A provision is only waived if we give you the waiver in writing.

Cancellation

By you

Apart from any rights you may exercise under the "Cooling-off period" provisions of this policy you may cancel your policy by advising us in writing. The cancellation takes effect on the date we receive your request, see page 65.

General conditions

Cancellation

By us

We may cancel your policy at any time as permitted by law after giving you notice in writing. We refund any premium paid less an amount for the period for which you were insured.

Avoidance

In some cases, we may avoid the policy from its inception if there is on your part fraud, misrepresentation during negotiations, failure to disclose information or other breaches of your policy as set out in the *Insurance Contracts Act 1984*.

Pay by the month option

You can arrange for your bank, credit union or building society to debit an automatic payment from your account each month. All you need to do is ensure you have enough money in your account to cover the payments. Your first payment will be deducted approximately 10 days after advising us of your account/credit card details. The second and subsequent payments will be deducted on your monthly payment date. (Two payments may be deducted in the first month, depending on your monthly payment date).

Where the due date falls on a non-business day in Sydney and Melbourne, we will debit the amount on the next business day. If you are uncertain when the debit will be processed to your account, you should contact your financial institution directly.

How to apply

If you would like to pay your RACQ Insurance premiums by the month, simply call us on 13 1905.

Renewal process

You will be sent a renewal certificate prior to the expiry of your policy so you can check the details. Monthly instalments will continue to be debited to your account unless you notify us in writing to vary these arrangements.

Pay by the month option

Important Information

You may cancel your direct debit request, stop or defer an individual debit amount by writing to us at Reply Paid 4, RACQ Insurance Limited, Pay by the month, Springwood Q 4127. We must receive your notification at least 14 days prior to the next due date to process your request in time.

Your direct debit amount may vary if you make any policy alterations.

If debits are returned unpaid by your financial institution we will either attempt to debit from your nominated account again or we will contact you to arrange another way of paying. We reserve the right to cancel the direct debit arrangement if 3 or more debits are returned unpaid by your financial institution.

The following terms and conditions apply when you elect to pay your premium by this direct debit method:

- if your bank account details change you will need to tell us not less than 14 days before your next monthly instalment is due;
- if your credit card details change you must contact us not less than 2 business days before your next monthly instalment is due;
- when you have paid the first instalment, insurance cover commences on and from the first effective date and time shown on your certificate of insurance;
- if any instalment payment is overdue for a period of at least 14 days, we may refuse to pay a claim;
- if an instalment of the premium remains unpaid for a period of at least one month, the policy is automatically cancelled.

On renewal you will be sent a notice prior to the expiry date of this policy. At that time, unless you need to make any changes, you need take no action as your policy will be automatically renewed.



RACQ Insurance products are sold only by
RACQ Operations Pty Ltd
ABN 80 009 663 414 and our network of
RACQ Insurance authorised representatives

To obtain a personalised premium quotation
please call 13 1905

RACQ Insurance Limited
ABN 50 009 704 152
AFS Licence Number 233082

2649 Logan Road, Eight Mile Plains, Q, 4113
Telephone (07) 3361 2444
www.racqinsurance.com.au

Exhibit 27

[REDACTED]

From: FOS Registration [REDACTED]
Sent: Tuesday, 10 May 2011 11:00 AM
To: RACQ Dispute Resolution
Subject: New FOS dispute registered: Mr Gourley

Applicant: Mr Gourley
Case Number: [REDACTED]
Your ref: [REDACTED]

A dispute has been lodged in the name of Mr Michael Gourley against RACQ Insurance Limited with the Financial Ombudsman Service. The case number is provided above.

Registration process

From the information provided to us, it does not appear that the dispute has been through RACQ Insurance Limited's internal dispute resolution process. Therefore, before we conduct any review, we are referring the dispute to you. Please contact the applicant (or, where applicable, the applicant's representative) to see if the dispute can be resolved.

If the dispute remains unresolved, you should write to the applicant or their representative outlining RACQ Insurance Limited's position. We have asked the applicant to let us know if the dispute is not resolved through your internal dispute resolution process. There is no need for you to respond to us or to provide us with any further details concerning the dispute at this stage.

Dispute information

To assist you to identify the applicant, we provide the following information:

- Applicant name(s): Mr Michael Gourley
- Applicant 1 date of birth: [REDACTED]
- Applicant 2 date of birth:
- Applicant company name:
- Applicant address: [REDACTED] Jindalee, QLD, Australia 4074
- Representative name: [REDACTED] Caxton Legal Centre Inc.
- Representative address: 1 Manning Street, South Brisbane, QLD, Australia 4101
- Phone no: [REDACTED]
- Email: [REDACTED]
- Reference type: Policy no.
- Reference [REDACTED]
- Dispute summary: RACQ has denied Mr Gourley's claim on the basis that the damage suffered was caused by "flood". We are in the process of internal dispute resolution.
- Outcome requested: RACQ should participate fully in the internal dispute resolution process and provide all requested documents at its earliest convenience.

Timeframe

RACQ Insurance Limited has 45 days from the date that it first received a complaint to provide its final response to the applicant. If RACQ Insurance Limited has not received a complaint about this matter before today, you have until 24 Jun 2011 to provide your response.

A different timeframe will apply if the dispute concerns one of the following:

- difficulty meeting repayments on a credit facility such as a loan or credit card; or
- a request to postpone enforcement proceedings on a credit facility; or
- an issue about a default notice.

If the dispute concerns one of the above matters, RACQ Insurance Limited has 21 days from the date that it first received a complaint to respond to the applicant.

Collections or recovery action

If this dispute concerns a credit facility, RACQ Insurance Limited must suspend any collection activity or recovery action in relation to the facility now that the dispute has been registered with us, in accordance with our Operational Guidelines.

Next step

As outlined above, we have told the applicant to contact us if the dispute is not resolved through your internal dispute resolution process. If the applicant does not respond to us within 50 days, we will assume that the dispute has been resolved and we will close our file. If this occurs, we will notify you.

If you believe this dispute has been registered against RACQ Insurance Limited in error, please contact us by reply e-mail or by phoning [REDACTED] between 9am and 5pm AEST.

Yours sincerely

**Registration Team
Financial Ombudsman Service**

IMPORTANT

The contents of this email (including any attachments) are confidential and may contain privileged information. Any unauthorised use of the contents is expressly prohibited. If you have received this email in error, please notify us immediately by Telephone: 1300 78 08 08 (local call) or by email and then destroy the email and any attachments or documents. Our privacy policy is available on our website.

Exhibit 28

30 May 2011

[REDACTED]
Associate
Cooper Grace Ward Lawyers
Level 21, 400 George Street
Brisbane 4000 Australia

Facsimile No: [REDACTED]

Email: [REDACTED]

Dear [REDACTED]

Mr Michael Gourley of [REDACTED] Jindalee
Policy number: [REDACTED]

Caxton Legal Centre Inc. acts for Mr Gourley for the purpose of requesting a review of RACQ's decision to refuse our client's insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to us, attention the author [REDACTED] or to the address or telephone number above.

Summary of issues

The unique circumstances of both the actions of RACQ and the specific events experienced by the client give rise to a number of grounds to review:

1. Provision of the Product Disclosure Statement;
2. RACQ's definitional issues;
3. Hydrology issues; and
4. Compassionate grounds.

Each of these issues will be considered below.

1. Provision of the Product Disclosure Statement

For the flood exclusion to be effective, the existence of the exclusion needs to have been clearly informed to our clients in accordance with section 35 of the *Insurance Contracts Act 1984 (Cth)*.

Mr Gourley has held insurance with RACQ for a significant period of time. He is unsure whether the Product Disclosure Statement (PDS) was sent to him prior to making the initial payment. Please provide copies of your records in relation to when the first PDS was sent to Mr Gourley. The absence of such evidence is an indication that a PDS was not sent to our client prior to payment for the policy.

Many policies distinguish flood from damage caused by storm or flash flood and our clients did not turn their minds to this issue in the context of a drought in South East Queensland that had extended for a number of years. Assuming that the PDS was not received by Mr Gourley, because the exclusion upon which RACQ relies is contained in the PDS that was not received until after the Insurance Policy was in place, it is extremely difficult for RACQ to argue that clearly drew this exclusion to the attention of Mr Gourley when the policy was taken out or subsequently.

As a result, we assert that RACQ has not met the burden under section 35 of the *Insurance Contracts Act*, which means that Mr Gourley is entitled to standard policy cover provided for by that section. As standard insurance cover includes coverage for flooding, Mr Gourley's insurance claim should be honoured and we ask that RACQ reconsider and pay this claim.

2. RACQ definitional issues

In our view the definition of "flood" (as described above) is too broad and does not meet your obligations to clearly communicate this exclusion. The reason for this is that when the definition of "flood" is read together with the inclusion of "flash flood" on page 11 of the PDS, in our view there is overlap between the two definitions which is likely to cause confusion for a consumer about what is covered and what is not covered under flash flood and flood. The definitions of flood and flash flood appear to be contradictory and confusing from a consumer's perspective.

In our view, such contradictory definitions do not meet either the requirement to "clearly inform" under the *Insurance Contracts Act* or the requirement for "clear concise and effective" disclosure under the *Corporations Act*. In those circumstances RACQ should not seek to rely on the exclusion and payout Mr Gourley's claim.

3. Hydrology

3.1. Insurance Policy Coverage

We note that your policy does cover storm damage,¹ flash flood and stormwater run-off.² 'Flood' is defined as "rising water which enters your home as a result of it running off or overflowing from any origin or cause."³

From your refusal letter of 10 March 2011, you have refused these claims on the basis that the policy does not include cover for flood but have failed to articulate any grounds for the denying his claim for loss or damage caused by "flash flooding"

In the RACQ policy, flash flooding is covered if it is as a result of a "heavy rain" occurring within 24 hours of the flash flood or stormwater run off. Flash flood is defined as;

"A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off."⁴

We submit that the damage which Mr Gourley's property sustained first occurred from a sudden, excessive run-off of water as a direct result of a storm and is therefore covered by the policy.

3.2. Relevant Weather Data

We note that there were 2,455 recorded lightning strikes between 11pm on 10 January to 11pm on 11 January 2011 in the Brisbane Area (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

There is little doubt that storms occurred across Brisbane on Tuesday morning, 11 January 2011.

Total Strikes	Date and Time
6	11:00PM on 09 Jan 2011 to 11:00PM on 10 Jan 2011
2455	11:00PM on 10 Jan 2011 to 11:00PM on 11 Jan 2011
0	11:00PM on 11 Jan 2011 to 11:00PM on 12 Jan 2011

¹ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 17.

² RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 18.

³ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 10.

⁴ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 18.

A severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology (BoM) shortly before 9am on 11 January 2011, as reproduced below. It is our view that all of the evidence points to storm cells with torrential downpours which hit suburbs of Brisbane and Ipswich on that morning:-

Tuesday, January 11, 2011 8:49 AM

Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



Dedicated to a better Brisbane

Source: Bureau of Meteorology

For people in the Southeast Coast District and the Darling Downs and Granite Belt District southeast of Dalby to Goondiwindi.

Issued at 8:00 am on Tuesday 11 January 2011

Synoptic Situation: At 8am AEST, an upper level low was located over the Darling Downs and Granite Belt district and is forecast to move to the southwest and slowly weaken.

Heavy rain areas and thunderstorms are expected to continue through the Southeast Coast and Darling Downs and Granite Belt today. Heavy falls will lead to localised flash flooding and will worsen existing river flooding.

Currently, an intense slow moving band of rainfall extends from about Maroochydore to Warwick. Rainfall rates in this band are reaching 80 to 100 mm per hour.

According to the BoM daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area between 9 and 12 January 2011, inclusive, as shown at <http://www.bom.gov.au/climate/dwo/IDCJDW0400.shtml>.

The BoM data notes that the Archerfield airport weather station, located approximately 8 kilometres from Mr Gourley's property recorded windspeeds gusting at up to 52 kilometres per hour on Monday 10 January 2011 and at 43 kilometres per hour on Tuesday 11 January 2011. These speeds were elevated compared with the following week and support our client's claim that a significant weather event passed over his property on the morning of 11 January 2011 resulting in winds and substantial rain.

3.3. *Mr Gourley's Recollection of Events*

Mr Gourley's house is situated less than 70 metres from a large stormwater drain. This storm water drain is the outlet of water for a large area, including all of Yallambee Road, Capitol Drive and Centenary State High School. Due to it servicing such a large and highly populated area, there is a history of storm water drain problems in the area. During heavy periods of rain and storms, the stormwater drains will fill-up and overflow onto the roads and into the Jindalee Golf Course. Mr Gourley's house is also approximately 30 metres away from two other stormwater drains, which have similar issues during heavy rains.

We have **attached** a diagram labelled as 'A' which outlines the proximity of the storm water drain to Mr Gourley's house and the direction that the first inundation of water came into the house.

Mr Gourley recalls that it was consistently raining on the morning of Tuesday, 11 January 2011. This rain resulted in the stormwater drains becoming overfull and water spilling into the street and Golf Course close to Mr Gourley's house. The rain continued and water began flowing from the stormwater drains towards Mr Gourley's house. At approximately 10.00pm the water was in Mr Gourley's property and approximately ½ metre from his house. At his point, Mr Gourley and his family decided to leave the property. They packed the car with a small number of items and left the property at approximately 10.30pm. At no time did Mr Gourley or any of his neighbours receive a warning nor were they told to evacuate their homes.

When Mr Gourley left the property, the water was flowing from the stormwater drains close to his house and not from the direction of the river, which is approximately 1km away from Mr Gourley's property.

3.4. *Hydrology Information provided by RACQ*

We note that RACQ provided Mr Gourley with a two page "Report by RACQ Insurance Limited on its Investigations into Brisbane Floods". This document appears to be an unsourced summary of RACQ's investigation into the floods in Ipswich. We note that RACQ has provided no information on what investigations were carried out, when this occurred, what modelling was used to determine the findings and how the conclusions were reached. The document relies solely on assertions, assumptions and generalities to support its findings. Any document that attempts to summarise the "flooding which

occurred in Brisbane" is going to be based completely on generalisations and cannot be used to determine the events in a specific area of the city, let alone on a specific property.

We therefore submit that the document provided has no evidentiary value for what occurred at Mr Gourley's property. We note that the Financial Ombudsman Service has found in favour of the insured when hydrology information provided by the insurer has not had adequate evidentiary support.⁵

We contacted RACQ on 28 April 2011 requesting a copy of any evidence, hydrology reports and client information that was used to determine Mr Gourley's claim. We include a copy of this letter labelled as "B". RACQ responded on 3 May 2011 stating that it will not provide a copy of the hydrology report because the report contains "private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege". We include a copy of this letter labelled as "C".

Any private information in the hydrology report can be redacted by RACQ and is not a basis for denying Mr Gourley access to the report. We also submit that any claim to privilege which is made against the hydrology report is unfounded. Under the *General Insurance Code of Practice*, RACQ is required to provide our client access to information which RACQ relied on to access the claim and an opportunity to correct any mistakes and inaccuracies (clause 3.4.3). We therefore further submit that the refusal of RACQ to provide the hydrology report is a breach of their obligations under the *Code of Practice*.

Please note, regardless of the outcome of this dispute, we reserve our rights to seek (in FOS or elsewhere) costs and compensatory damages from RACQ for any loss suffered by our clients due to RACQ's unjustified refusal to provide the hydrology report at this stage.

3.5. Conclusion of Hydrology Arguments

The water that first inundated Mr Gourley's property occurred as a result of storm activity and rainwater on Tuesday morning or within 24 hours of that event. Thus, the evidence shows that the house was firstly inundated prior to the river reaching its peak and from "a sudden, excessive run-off of water as a direct result of a storm in (the) local area." We submit that the property was subsequently then inundated by riverine flooding from the Brisbane River.

The damage to Mr Gourley's property was first caused by rainwater run-off. The description of that event does not fall within the "flood" exclusion. The loss is covered by the policy and RACQ should reverse its assessment and pay the claim. This is based on the following facts:

⁵ Financial Ombudsman Service Determination, case number 41832.

1. Mr Gourley's property is adjacent to a large stormwater drain that is situated less than 70 metres away and another two stormwater drains that are approximately 30 metres away from Mr Gourley's property. The direction of the flow of the water into the home was from the direction of the stormwater drains. The river is approximately a kilometre away from Mr Gourley's property.
2. The inundation of Mr Gourley's property started in the afternoon of Tuesday 11 January whereas the peak of the Brisbane River occurred at approximately 11.00pm on Wednesday 12 January. According to information in the Insurance Council of Australia hydrology report, the relevant peak of the Brisbane River, occurred at 12.30am⁶ on Wednesday 12 January 2011. This means that there was large amounts of water entering Mr Gourley's property after heavy rainfall in the area and approximately 26 hours before the relevant peak in the Brisbane River.
3. The initial inundation of Mr Gourley's home was from slow water rises that gradually entered the property, indicating it is more likely to be a result of rain/stormwater.
4. The water entered the property from the direction of the stormwater drain and not the river.

We agree with RACQ's conclusion that Mr Gourley's property was eventually flooded by water from the Brisbane River. It appears however that RACQ did not consider the potential for two separate events, namely an initial inundation of stormwater run-off into Mr Gourley's property and later riverine flooding. The evidence provided, including weather details and Mr Gourley's recollection provides a very strong argument that the property was initially subject to significant stormwater inundation.

This finding means that RACQ is required to pay for any damage which was first caused by the stormwater run-off. If the water damage caused by the first event cannot be determined accurately by RACQ, it will be required to pay for all the damage caused to Mr Gourley's property.⁷

4. Compassionate Grounds

As you are aware, the events of January 2011 were a significant disaster that caused widespread suffering in the community, including distress and anxiety to Mr Gourley. You may however be unaware of the specific circumstances of Mr Gourley.

⁶ Insurance Council of Australia, *Flooding in the Brisbane River Catchment January 2011*, Volume 2 – Flooding in Brisbane City LGA, 20 February 2011 at p. 41.

⁷ Financial Ombudsman Services Decision 94-997.

Mr Gourley's late wife was diagnosed with breast cancer before the floods. The physical and emotional trauma of the January 2011, the requirement to move out of their home at short notice, the loss of their possessions and damage to their house resulted in a deterioration of her condition. Mr Gourley's late wife was admitted to hospital shortly after the floods and passed away one month later. The couple have two children, aged [redacted] and [redacted] and Mr Gourley is now the sole financial and emotional provider.

Mr Gourley also continues to suffer emotional trauma as a consequence of the January 2011 events. He has had spinal surgery and will need to apply for a disability support pension through Centrelink.

In light of these issues, we would greatly appreciate it if RACQ reconsiders its decision in relation to Mr Gourley's claim. If this does not occur, we request that RACQ considers making a further ex-gratia payment to Mr Gourley to assist him and children restart their lives after the devastation they have experienced.

Request for information you relied upon to make your decision

If, upon consideration of the matters raised in this submission RACQ reaffirms the original refusal, please provide copies of any other evidence not previously provided that RACQ used to determine this claim and/or in reconsideration of this claim within 7 days of its review.

In particular, please provide a transcript of Mr Gourley's proposal for insurance and record of this claim (if there is one) and a transcript of any discussion with Mr Gourley on which you rely to support the decision you have made.

Response and urgency for our client

We would appreciate it if you would expedite this review to minimise further harm that delay and uncertainty is causing for Mr Gourley.

Mr Gourley prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve their rights to revise his claim if necessary.

Yours faithfully

[redacted]

Caxton Legal Centre Inc.

"A"

nearmap

large stone
water
drain

To see all the details that are
visible on the screen, use the
"Print" option in the "Share"
menu.



↓
Michael
Courtney's
property

"B"

caxton
legal centre inc

28 April 2011

[REDACTED]
Manager, Internal Dispute Resolution
Customer Disputes Resolution Department
RACQ Insurance
PO Box 3004
LOGAN CITY QLD 4114

Facsimile No: [REDACTED]

Email: [REDACTED]

Dear [REDACTED]

Michael Gourlev - [REDACTED]
Policy number: [REDACTED]

Caxton Legal Centre Inc. acts for the above named for the purpose of preparing a submission to support a review of your company's decision to refuse our clients' insurance claim arising from events in December 2010 and/or January 2011.

Please see attached authority to act on behalf of the client. Please ensure that all further correspondence on the reconsideration of the refusal is directed to the writer.

We understand that you have informed our client that their claim is refused. Our client formally requests that this decision be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request shortly. Please do not finalise the review without given our client the benefit of being about to provide these written submissions.

In the meantime, please provide us with copies of our client's insurance policy and the Product Disclosure Statement that was in effect in December 2010 / January 2011. Please also provide us with any evidence, hydrology reports and client information that you have used to determine this claim. In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Please contact [REDACTED] if you have any further questions.

Yours faithfully

[REDACTED]
Caxton Legal Centre Inc.

Caxton Legal
Centre Inc
Unlocking the law
ABN 57 035 443 577

1 Manning Street
South Brisbane
4101 Queensland
Australia

T 07 3214 6333
E caxton@caxton.org.au
F 07 3846 7483
W www.caxton.org.au



This Centre is
accredited by the
National Association
of Community
Legal Centres.



COOPER GRACE WARD
LAWYERS

"C"



Our Ref: MJM:RXR 10094914
Your Ref:

3 May 2011

Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email:

RECEIVED
- 5 MAY 2011

Level 21, 400 George Street
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

www.cgw.com.au

ABN 95 591 906 639

BY:

Dear Colleagues

RACQ Insurance - flood claim review
Your client: Michael Gourley

We refer to your letter dated 28 April 2011.

We note that you act for Mr Gourley. As your client has engaged solicitors, RACQ Insurance has engaged us to act on its behalf in this matter. Please direct any further communications in this matter to us.

We enclose the following further information relating to your client's claim:

1. a copy of your client's certificate of insurance and relevant PDS documentation;
2. a copy of the loss adjustor's report obtained by our client in relation to your client's property; and
3. a copy of our client's information sheet setting out the conclusions our client has reached in relation to the cause of flooding in your client's area.

The above information sets out the basis of our client's decision.

Your request for information is very broad and requests information that may be subject to legal professional privilege. Our client does not propose to provide information that is subject to legal professional privilege.

Further, our client does not propose to provide a copy of its hydrology report because the report contains private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege.

As you would be aware, our client is obliged to determine any application for review within 45 days of your client's complaint. We therefore ask that any submissions or material in support of the application that your client wishes to be considered be provided as soon as possible.

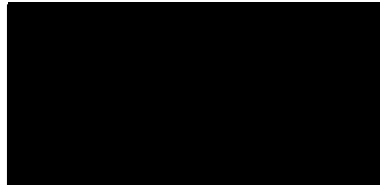
Yours faithfully

COOPER GRACE WARD



Associate

T
F
E



Partner

ECA210094914 3821685v1

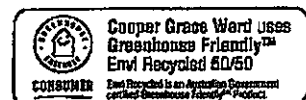


Exhibit 29



COOPER GRACE WARD
LAWYERS

Our Ref: RXR:RXR 10094914

Level 21, 400 George Street
Brisbane 4000 Australia

6 June 2011

GPO Box 834, Brisbane 4001

Water Technology
93 Boundary Road
WEST END QLD 4101

T 61 7 3231 2444
F 61 7 3221 4356

www.cgw.com.au

ABN 93 591 906 639

Email: [Redacted]

Dear [Redacted]

**Water Technology Independent analysis - water inundation
HH01259293 - Michael Gourley - [Redacted] Jindalee**

Mr Gourley has made a claim for water inundation damage to his property at [Redacted] Jindalee.

That property has been identified as one not the subject of flash flood or stormwater damage within the scope of the RACQI Policy and RACQI has made a decision to the effect that the damage is not covered by the policy.

Mr Gourley has subsequently disputed RACQI's decision (the complaint) on the basis that, in his view, the property was inundated as a result of stormwater runoff and/or flash flooding. We seek your assistance in further investigating the events giving rise to his claim.

We have attached for your reference a copy of Mr Gourley's written complaint dated 30 May 2011 and a copy of the loss adjuster's report for the property.

Instructions

1. You are instructed to investigate the complaint and complete the attached checklist once you have done so.
2. Given the nature of the complaint, we expect that you may need to undertake a visual check or detailed site inspection of the property. Subject to first obtaining our approval, please undertake any further investigations, including a visual check or detailed site inspection of the property, if you consider these are necessary to complete the checklist.

Timing of your work

3. Once you have considered the attached material please call us to discuss your preliminary views.
4. We require you to telephone us with your preliminary views by 4pm on 10 June 2011.

If you have any queries, please contact us.

Yours faithfully
COOPER GRACE WARD

[Redacted signature]

[Redacted signature]

Partner

[Redacted text]

JJD10094914 3800349v1



PROPERTY REVIEW CHECKLIST

PROPERTY DETAILS

Name of Insured: _____

Property Address: _____

Region: _____

PARTICULARS

1. What was your original conclusion on the cause of inundation of the property?

2. Please list below the further information (if any) that you have received or the further investigations that you have undertaken regarding the property since forming that conclusion:
(Please attach copies of any further relevant documents if necessary)

3. In consideration of the information listed in question 2 above, has your opinion on the cause of inundation to the property changed?

- No → Go to Q4
- Yes → Go to Q5
- Not sure; further investigations required → Go to Q6

4. Please explain why your opinion has not changed.

Please stop here

5. What is your opinion on the cause of Inundation to the property?

Please stop here

6. What further investigations are required at this stage to confirm the cause of Inundation?

Please stop here

Signed: _____

Name: _____

Position: _____

Date: _____

New Dispute (Legal Representative) for IDR Review

Insured:	Gourley M
Claim number:	
Insured's representative:	
Date received:	30 May 2011
Date final decision due:	17 June 2011

30 May 2011

[REDACTED]
Associate
Cooper Grace Ward Lawyers
Level 21, 400 George Street
Brisbane 4000 Australia

Facsimile No: [REDACTED]

Email: [REDACTED]

Dear [REDACTED]

Mr Michael Gourley of [REDACTED] Jindalee
Policy number: [REDACTED]

Caxton Legal Centre Inc. acts for Mr Gourley for the purpose of requesting a review of RACQ's decision to refuse our client's insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to us, attention the author, [REDACTED] or to the address or telephone number above.

Summary of issues

The unique circumstances of both the actions of RACQ and the specific events experienced by the client give rise to a number of grounds to review:

1. Provision of the Product Disclosure Statement;
2. RACQ's definitional issues;
3. Hydrology issues; and
4. Compassionate grounds.

Each of these issues will be considered below.

1. Provision of the Product Disclosure Statement

For the flood exclusion to be effective, the existence of the exclusion needs to have been clearly informed to our clients in accordance with section 35 of the *Insurance Contracts Act 1984* (Cth).

Mr Gourley has held insurance with RACQ for a significant period of time. He is unsure whether the Product Disclosure Statement (PDS) was sent to him prior to making the initial payment. Please provide copies of your records in relation to when the first PDS was sent to Mr Gourley. The absence of such evidence is an indication that a PDS was not sent to our client prior to payment for the policy.

Many policies distinguish flood from damage caused by storm or flash flood and our clients did not turn their minds to this issue in the context of a drought in South East Queensland that had extended for a number of years. Assuming that the PDS was not received by Mr Gourley, because the exclusion upon which RACQ relies is contained in the PDS that was not received until after the Insurance Policy was in place, it is extremely difficult for RACQ to argue that clearly drew this exclusion to the attention of Mr Gourley when the policy was taken out or subsequently.

As a result, we assert that RACQ has not met the burden under section 35 of the *Insurance Contracts Act*, which means that Mr Gourley is entitled to standard policy cover provided for by that section. As standard insurance cover includes coverage for flooding, Mr Gourley's insurance claim should be honoured and we ask that RACQ reconsider and pay this claim.

2. RACQ definitional issues

In our view the definition of "flood" (as described above) is too broad and does not meet your obligations to clearly communicate this exclusion. The reason for this is that when the definition of "flood" is read together with the inclusion of "flash flood" on page 11 of the PDS, in our view there is overlap between the two definitions which is likely to cause confusion for a consumer about what is covered and what is not covered under flash flood and flood. The definitions of flood and flash flood appear to be contradictory and confusing from a consumer's perspective.

In our view, such contradictory definitions do not meet either the requirement to "clearly inform" under the *Insurance Contracts Act* or the requirement for "clear concise and effective" disclosure under the *Corporations Act*. In those circumstances RACQ should not seek to rely on the exclusion and payout Mr Gourley's claim.

3. Hydrology

3.1. Insurance Policy Coverage

We note that your policy does cover storm damage,¹ flash flood and stormwater run-off.² 'Flood' is defined as "rising water which enters your home as a result of it running off or overflowing from any origin or cause."³

From your refusal letter of 10 March 2011, you have refused these claims on the basis that the policy does not include cover for flood but have failed to articulate any grounds for the denying his claim for loss or damage caused by "flash flooding"

In the RACQ policy, flash flooding is covered if it is as a result of a "heavy rain" occurring within 24 hours of the flash flood or stormwater run off. Flash flood is defined as:

"A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off."⁴

We submit that the damage which Mr Gourley's property sustained first occurred from a sudden, excessive run-off of water as a direct result of a storm and is therefore covered by the policy.

3.2. Relevant Weather Data

We note that there were 2,455 recorded lightning strikes between 11pm on 10 January to 11pm on 11 January 2011 in the Brisbane Area (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

There is little doubt that storms occurred across Brisbane on Tuesday morning, 11 January 2011.

Total Strikes	Date and Time
6	11:00PM on 09 Jan 2011 to 11:00PM on 10 Jan 2011
2455	11:00PM on 10 Jan 2011 to 11:00PM on 11 Jan 2011
0	11:00PM on 11 Jan 2011 to 11:00PM on 12 Jan 2011

¹ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 17.

² RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 18.

³ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 10.

⁴ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 18.

A severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology (BoM) shortly before 9am on 11 January 2011, as reproduced below. It is our view that all of the evidence points to storm cells with torrential downpours which hit suburbs of Brisbane and Ipswich on that morning:-

Tuesday, January 11, 2011 8:49 AM

Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



Dedicated to a better Brisbane

Source: Bureau of Meteorology

For people in the Southeast Coast District and the Darling Downs and Granite Belt District southeast of Dalby to Goondiwindi.

Issued at 8:00 am on Tuesday 11 January 2011

Synoptic Situation: At 8am AEST, an upper level low was located over the Darling Downs and Granite Belt district and is forecast to move to the southwest and slowly weaken.

Heavy rain areas and thunderstorms are expected to continue through the Southeast Coast and Darling Downs and Granite Belt today. Heavy falls will lead to localised flash flooding and will worsen existing river flooding.

Currently, an intense slow moving band of rainfall extends from about Maroochydore to Warwick. Rainfall rates in this band are reaching 80 to 100 mm per hour.

According to the BoM daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area between 9 and 12 January 2011, inclusive, as shown at <http://www.bom.gov.au/climate/dwo/IDCJDW0400.shtml>.

The BoM data notes that the Archerfield airport weather station, located approximately 8 kilometres from Mr Gourley's property recorded windspeeds gusting at up to 52 kilometres per hour on Monday 10 January 2011 and at 43 kilometres per hour on Tuesday 11 January 2011. These speeds were elevated compared with the following week and support our client's claim that a significant weather event passed over his property on the morning of 11 January 2011 resulting in winds and substantial rain.

3.3. Mr Gourley's Recollection of Events

Mr Gourley's house is situated less than 70 metres from a large stormwater drain. This storm water drain is the outlet of water for a large area, including all of Yallambee Road, Capitol Drive and Centenary State High School. Due to it servicing such a large and highly populated area, there is a history of storm water drain problems in the area. During heavy periods of rain and storms, the stormwater drains will fill-up and overflow onto the roads and into the Jindalee Golf Course. Mr Gourley's house is also approximately 30 metres away from two other stormwater drains, which have similar issues during heavy rains.

We have attached a diagram labelled as 'A' which outlines the proximity of the storm water drain to Mr Gourley's house and the direction that the first inundation of water came into the house.

Mr Gourley recalls that it was consistently raining on the morning of Tuesday, 11 January 2011. This rain resulted in the stormwater drains becoming overfull and water spilling into the street and Golf Course close to Mr Gourley's house. The rain continued and water began flowing from the stormwater drains towards Mr Gourley's house. At approximately 10.00pm the water was in Mr Gourley's property and approximately ½ metre from his house. At this point, Mr Gourley and his family decided to leave the property. They packed the car with a small number of items and left the property at approximately 10.30pm. At no time did Mr Gourley or any of his neighbours receive a warning nor were they told to evacuate their homes.

When Mr Gourley left the property, the water was flowing from the stormwater drains close to his house and not from the direction of the river, which is approximately 1km away from Mr Gourley's property.

3.4. Hydrology information provided by RACQ

We note that RACQ provided Mr Gourley with a two page "Report by RACQ Insurance Limited on its Investigations into Brisbane Floods". This document appears to be an unsourced summary of RACQ's investigation into the floods in Ipswich. We note that RACQ has provided no information on what investigations were carried out, when this occurred, what modelling was used to determine the findings and how the conclusions were reached. The document relies solely on assertions, assumptions and generalities to support its findings. Any document that attempts to summarise the "flooding which

occurred in Brisbane" is going to be based completely on generalisations and cannot be used to determine the events in a specific area of the city, let alone on a specific property.

We therefore submit that the document provided has no evidentiary value for what occurred at Mr Gourley's property. We note that the Financial Ombudsman Service has found in favour of the insured when hydrology information provided by the insurer has not had adequate evidentiary support.⁶

We contacted RACQ on 28 April 2011 requesting a copy of any evidence, hydrology reports and client information that was used to determine Mr Gourley's claim. We include a copy of this letter labelled as "B". RACQ responded on 3 May 2011 stating that it will not provide a copy of the hydrology report because the report contains "private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege". We include a copy of this letter labelled as "C".

Any private information in the hydrology report can be redacted by RACQ and is not a basis for denying Mr Gourley access to the report. We also submit that any claim to privilege which is made against the hydrology report is unfounded. Under the *General Insurance Code of Practice*, RACQ is required to provide our client access to information which RACQ relied on to access the claim and an opportunity to correct any mistakes and inaccuracies (clause 3.4.3). We therefore further submit that the refusal of RACQ to provide the hydrology report is a breach of their obligations under the *Code of Practice*.

Please note, regardless of the outcome of this dispute, we reserve our rights to seek (in FOS or elsewhere) costs and compensatory damages from RACQ for any loss suffered by our clients due to RACQ's unjustified refusal to provide the hydrology report at this stage.

3.5. Conclusion of Hydrology Arguments

The water that first inundated Mr Gourley's property occurred as a result of storm activity and rainwater on Tuesday morning or within 24 hours of that event. Thus, the evidence shows that the house was firstly inundated prior to the river reaching its peak and from "a sudden, excessive run-off of water as a direct result of a storm in (the) local area." We submit that the property was subsequently then inundated by riverine flooding from the Brisbane River.

The damage to Mr Gourley's property was first caused by rainwater run-off. The description of that event does not fall within the "flood" exclusion. The loss is covered by the policy and RACQ should reverse its assessment and pay the claim. This is based on the following facts:

⁶ Financial Ombudsman Service Determination, case number 41832.

1. Mr Gourley's property is adjacent to a large stormwater drain that is situated less than 70 metres away and another two stormwater drains that are approximately 30 metres away from Mr Gourley's property. The direction of the flow of the water into the home was from the direction of the stormwater drains. The river is approximately a kilometre away from Mr Gourley's property.
2. The inundation of Mr Gourley's property started in the afternoon of Tuesday 11 January whereas the peak of the Brisbane River occurred at approximately 11.00pm on Wednesday 12 January. According to information in the Insurance Council of Australia hydrology report, the relevant peak of the Brisbane River, occurred at 12.30am⁶ on Wednesday 12 January 2011. This means that there was large amounts of water entering Mr Gourley's property after heavy rainfall in the area and approximately 26 hours before the relevant peak in the Brisbane River.
3. The initial inundation of Mr Gourley's home was from slow water rises that gradually entered the property, indicating it is more likely to be a result of rain/stormwater.
4. The water entered the property from the direction of the stormwater drain and not the river.

We agree with RACQ's conclusion that Mr Gourley's property was eventually flooded by water from the Brisbane River. It appears however that RACQ did not consider the potential for two separate events, namely an initial inundation of stormwater run-off into Mr Gourley's property and later riverine flooding. The evidence provided, including weather details and Mr Gourley's recollection provides a very strong argument that the property was initially subject to significant stormwater inundation.

This finding means that RACQ is required to pay for any damage which was first caused by the stormwater run-off. If the water damage caused by the first event cannot be determined accurately by RACQ, it will be required to pay for all the damage caused to Mr Gourley's property.⁷

4. Compassionate Grounds

As you are aware, the events of January 2011 were a significant disaster that caused widespread suffering in the community, including distress and anxiety to Mr Gourley. You may however be unaware of the specific circumstances of Mr Gourley.

⁶ Insurance Council of Australia, *Flooding In the Brisbane River Catchment January 2011, Volume 2 – Flooding In Brisbane City LGA*, 20 February 2011 at p. 41.
⁷ Financial Ombudsman Services Decision 04-997.

Mr Gourley's late wife was diagnosed with breast cancer before the floods. The physical and emotional trauma of the January 2011, the requirement to move out of their home at short notice, the loss of their possessions and damage to their house resulted in a deterioration of her condition. Mr Gourley's late wife was admitted to hospital shortly after the floods and passed away one month later. The couple have two children, aged [redacted] and [redacted] and Mr Gourley is now the sole financial and emotional provider.

Mr Gourley also continues to suffer emotional trauma as a consequence of the January 2011 events. He has had spinal surgery and will need to apply for a disability support pension through Centrelink.

In light of these issues, we would greatly appreciate it if RACQ reconsiders its decision in relation to Mr Gourley's claim. If this does not occur, we request that RACQ considers making a further ex-gratia payment to Mr Gourley to assist him and children restart their lives after the devastation they have experienced.

Request for information you relied upon to make your decision

If, upon consideration of the matters raised in this submission RACQ reaffirms the original refusal, please provide copies of any other evidence not previously provided that RACQ used to determine this claim and/or in reconsideration of this claim within 7 days of its review.

In particular, please provide a transcript of Mr Gourley's proposal for insurance and record of this claim (if there is one) and a transcript of any discussion with Mr Gourley on which you rely to support the decision you have made.

Response and urgency for our client

We would appreciate it if you would expedite this review to minimise further harm that delay and uncertainty is causing for Mr Gourley.

Mr Gourley prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve their rights to revise his claim if necessary.

Yours faithfully

[redacted]
Caxton Legal Centre Inc.



"A"

nearmap
i.com

large storm
water
drain

To see all the details that are visible on the screen, use the "Print" option in the "Share" menu.



↓
Michael
Courtney's
property

"B"

28 April 2011

[Redacted]
Manager, Internal Dispute Resolution
Customer Disputes Resolution Department
RACQ Insurance
PO Box 3004
LOGAN CITY QLD 4114

Facsimile No: [Redacted]
Email: [Redacted]

Dear [Redacted]

Michael Gourley - [Redacted]
Policy number [Redacted]

Caxton Legal Centre Inc. acts for the above named for the purpose of preparing a submission to support a review of your company's decision to refuse our clients' insurance claim arising from events in December 2010 and/or January 2011.

Please see attached authority to act on behalf of the client. Please ensure that all further correspondence on the reconsideration of the refusal is directed to the writer.

We understand that you have informed our client that their claim is refused. Our client formally requests that this decision be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request shortly. Please do not finalise the review without given our client the benefit of being about to provide these written submissions.

In the meantime, please provide us with copies of our client's insurance policy and the Product Disclosure Statement that was in effect in December 2010 / January 2011. Please also provide us with any evidence, hydrology reports and client information that you have used to determine this claim. In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Please contact [Redacted] if you have any further questions.

Yours faithfully

[Redacted]
Caxton Legal Centre Inc.



COOPER GRACE WARD
LAWYERS

"C"



Our Ref: MJMRXR 10084914
Your Ref:

3 May 2011

Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email: [Redacted]

Level 21, 400 George Street
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

www.cgw.com.au

ABN 95 591 906 639

RECEIVED
- 5 MAY 2011

BY:

Dear Colleagues

RACQ Insurance - flood claim review
Your client: Michael Gourley

We refer to your letter dated 26 April 2011.

We note that you act for Mr Gourley. As your client has engaged solicitors, RACQ Insurance has engaged us to act on its behalf in this matter. Please direct any further communications in this matter to us.

We enclose the following further information relating to your client's claim:

1. a copy of your client's certificate of insurance and relevant PDS documentation;
2. a copy of the loss adjuster's report obtained by our client in relation to your client's property; and
3. a copy of our client's information sheet setting out the conclusions our client has reached in relation to the cause of flooding in your client's area.

The above information sets out the basis of our client's decision.

Your request for information is very broad and requests information that may be subject to legal professional privilege. Our client does not propose to provide information that is subject to legal professional privilege.

Further, our client does not propose to provide a copy of its hydrology report because the report contains private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege.

As you would be aware, our client is obliged to determine any application for review within 45 days of your client's complaint. We therefore ask that any submissions or material in support of the application that your client wishes to be considered be provided as soon as possible.

Yours faithfully
COOPER GRACE WARD



Associate

T
F
E



Partner

ECA210084914 3821686v1





myifreemans

SITE REPORT - Property Claim			
Client	RACQ Insurance Brisbane PO Box 3004 LOGAN CITY QLD 4114	Report Date	3 February 2011
Claims Officer	Household Claims	Claim Reference	[REDACTED]
MYF Assessor	[REDACTED]	MYF Reference	[REDACTED]
MYF Case Contact	[REDACTED]	MYF Contact Phone	02 9438 2855

KEY CONTACT DATES			
Date of Loss	13 January 2011	Case Received	17 January 2011
Claimant Contacted	21 January 2011	Inspection Date	28 January 2011

CLAIMANT DETAILS			
Claimant Name	GOURLEY [REDACTED]		
Postal Address	[REDACTED] INDALEE QLD 4074		
Situation of Loss	[REDACTED] INDALEE QLD 4074		
Primary Contact	Michael Gourley	Tax Status	To be advised
Telephone	[REDACTED]	ABN	
Telephone 2	[REDACTED]	ITC	0%
Email Address	Not advised	Claim Form Status	Not required

POLICY DETAILS			
Policy Type	GHHB2 (3/09 RACQ) Household Insurance PDS	Inception Date	24 November 1997
Policy No	Not advised	Expiry Date	24 November 2011
Policy Section:-	Sum Insured:-	Excess:-	
Building	\$491,000.00	\$300.00	
Contents	\$103,000.00		
Total Sum Insured	\$594,000.00	\$300.00	Total Excess Applied

MYI Freemans Ltd
 42 Costin Street Fortitude Valley QLD 4006, PO Box 554 Fortitude Valley QLD 4006
 Tel: 07 3867 4600 Fax: 07 3867 4699 Email: brisbane@myifreemans.com.au
 Web: www.myifreemans.com.au
 ABR: 86 111 653 386



RESERVE			
Policy Section	Reserve	Payments to Date	Outstanding Reserve
Building	\$300,000.00		\$300,000.00
Contents	\$90,000.00		\$90,000.00
Personal Property			\$0.00
			\$0.00
Total Claim	\$390,000.00	\$0.00	\$390,000.00
Excess applied	\$0.00		\$0.00
Total Claim less Excess	\$390,000.00		\$0.00
Management Fee	\$8,000.00		\$0.00
Total Reserve	\$398,000.00	\$0.00	\$0.00

CIRCUMSTANCES / CAUSE	
Type of Loss	FLOOD
Relating to	Flood catastrophe
Caused by	Flooding
Date of Loss	13 January 2011
Date/Time of Discovery	12 January 2011
Discovered by	Insured
Who was responsible?	Brisbane river Dam Storm water drain Terrenial rain
STATUTORY SERVICES	
SES	Attended
EXPERT CONSULTANTS	
Building Consultant	Recommended
Hydrologist	Recommended



EXTENT OF LOSS / DAMAGE	
BUILDING	
No of rooms affected	10
Square metres affected	Approx. 187 square metres.
Severity of damage	Destroyed
What is damaged	Entire structure Aerials/Antennas Appliances - fixed Architraves Bath/Basin Bench tops Benches Carpet Ceiling finishes Ceiling/s Cooling system Cupboards/Shelves Decking Doors Electrical circuit/wiring Exhausts External blinds External buildings/s Fans - fixed Floor finishes Floor/s Garage doors Garage GPO's/Switches Heating system Insulation - roof Internal blinds Light fittings Patio Pergola Pool/Spas Roof cladding Roof plumbing Sinks Skirtings Wall frames Walls - internal finishes Walls external finishes Window frames
CONTENTS	
Severity of damage	Destroyed
What is damaged	All contents Appliances - brown goods Appliances - white goods Bedding Books Business/professional tools/equipment CD's, DVD's, Blue Ray Clothing Computer software/accessories/games Cutlery/Crockery/Pots/Pans/Utensils Electronic goods - computers Electronic goods - games Floor coverings Food Furniture - external Furniture - inside Garden tools Luggage Manchester/linen Medications Musical goods Toiletries Window coverings
OTHER DETAILS	
Action Taken	Arranged pre cleaning Insured has had premise totally stripped back to bare structure due to extent of water damage. All contents have been disposed. Insured premise uninhabitable and insured staying in a motel with his family. Insured's wife sick with cancer and is not expected to survive.
Scope of Damage	To be provided with next report
Property Loss Schedule	To be provided with next report

SUMMARY			
Indemnity	Under evaluation		
Recovery	Unlikely	Salvage	Likely
Other Insurance	None advised	Other Insurance Details	No other known policies

RISK ISSUES	
Type of Risk	Dwelling
Sum Insured Comment	Adequate
Previous Claims	None relevant to this claim
Underwriting Recommendations	



EVENT ISSUES	
A - Accommodation required	Yes
B - Accommodation required during repairs	Yes
Asbestos issues	Some villa board with asbestos.

FLOOD ISSUES - TO BE PROVIDED WITH SECOND REPORT

NEXT STEPS	
Insured	Await confirmation of acceptance of claim.
MYIF - Next Report	Seek insurers instructions on policy indemnity.
Your Office:	Confirm acceptance of claim Note the contents of this report Provide further instructions Confirm policy cover

MYIFREEMANS LTD





ANZIIF(Snr. Assoc.)

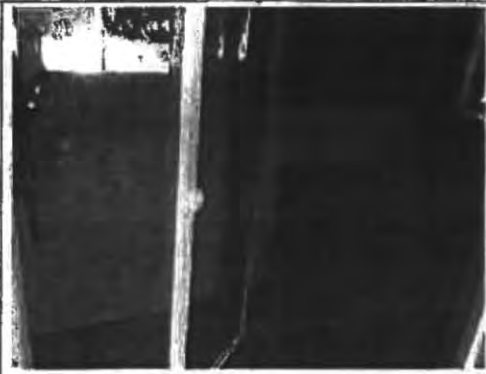
Dipl. Bus. (Loss Adjusting)

Email: [Redacted]

IMAGES

	
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Premise has been stripped bare.



Risk premise



Inground pool



Exhibit 30

PROPERTY REVIEW CHECKLIST

PROPERTY DETAILS

Name of Insured: Michael Gourley
Property Address: [REDACTED]
Jindalee.
Region: Brisbane.

PARTICULARS

1. What was your original conclusion on the cause of inundation of the property?
Inundation due to rising Brisbane River water levels attributable to rainfall that fell over 24 hours prior to the inundation.
2. Please list below the further information (if any) that you have received or the further investigations that you have undertaken regarding the property since forming that conclusion:
(Please attach copies of any further relevant documents if necessary)
Site visit by WI + RACQI staff, discussions with insured + review of Coxson Legal Centre's letter of 30 May 2011. Also review of rainfall + river gauge records as well as topographic information.
3. In consideration of the information listed in question 2 above, has your opinion on the cause of inundation to the property changed?
 No → Go to Q4
 Yes → Go to Q5
 Not sure; further investigations required → Go to Q6
4. Please explain why your opinion has not changed.
Insured stated that at the time of evacuation (Wednesday 12:30 AM 12/1/2011) there was "no water in house but assumed it was about to go in". Also stated that "water was lapping in door".
(H) →

Please stop here

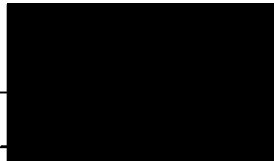
5. What is your opinion on the cause of inundation to the property?

Please stop here

6. What further investigations are required at this stage to confirm the cause of inundation?

Please stop here

Signed:



Name:

Position:

Director

Date:

22.6.11



WATER TECHNOLOGY
WATER, COASTAL & ENVIRONMENTAL CONSULTANTS

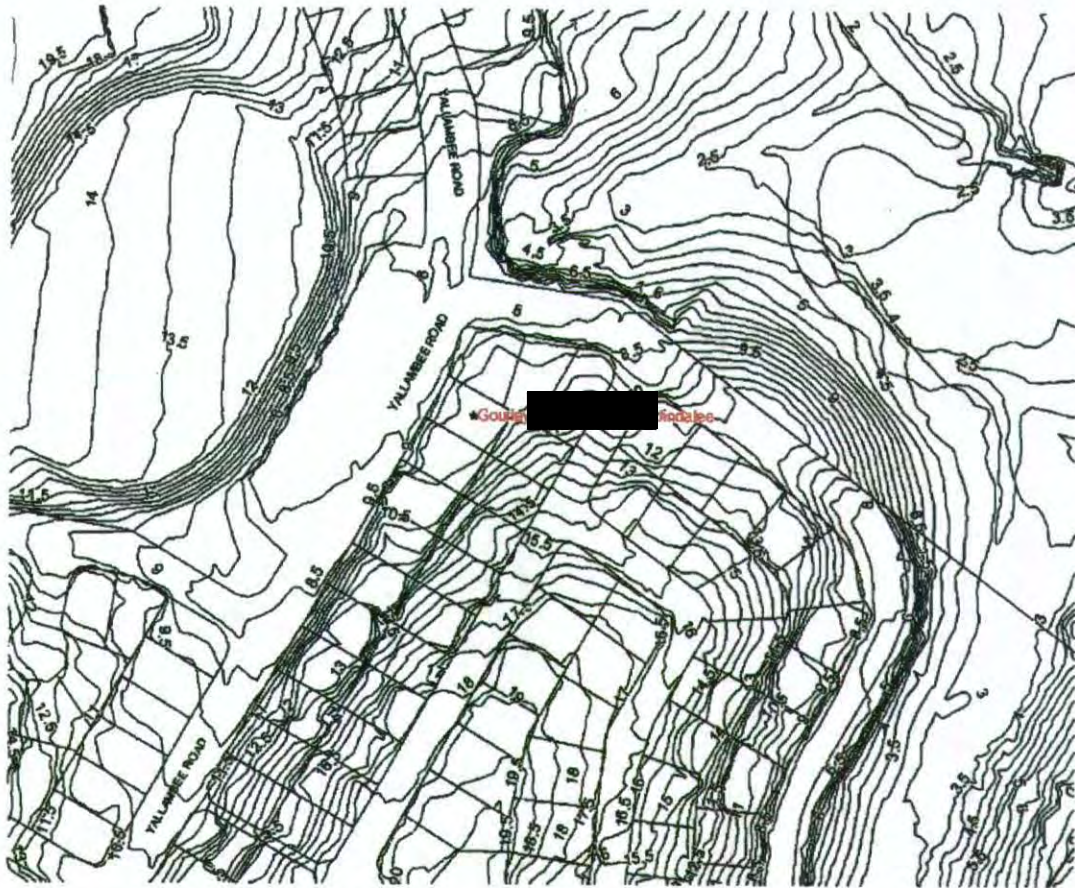
Project	Job N°	
Subject	Date	
	By	
	Checked	
	Page	1

(A) These observations are consistent with WTI's interpolated water levels (based on the Jindalee + Oxley Creek gauge records) at the property.

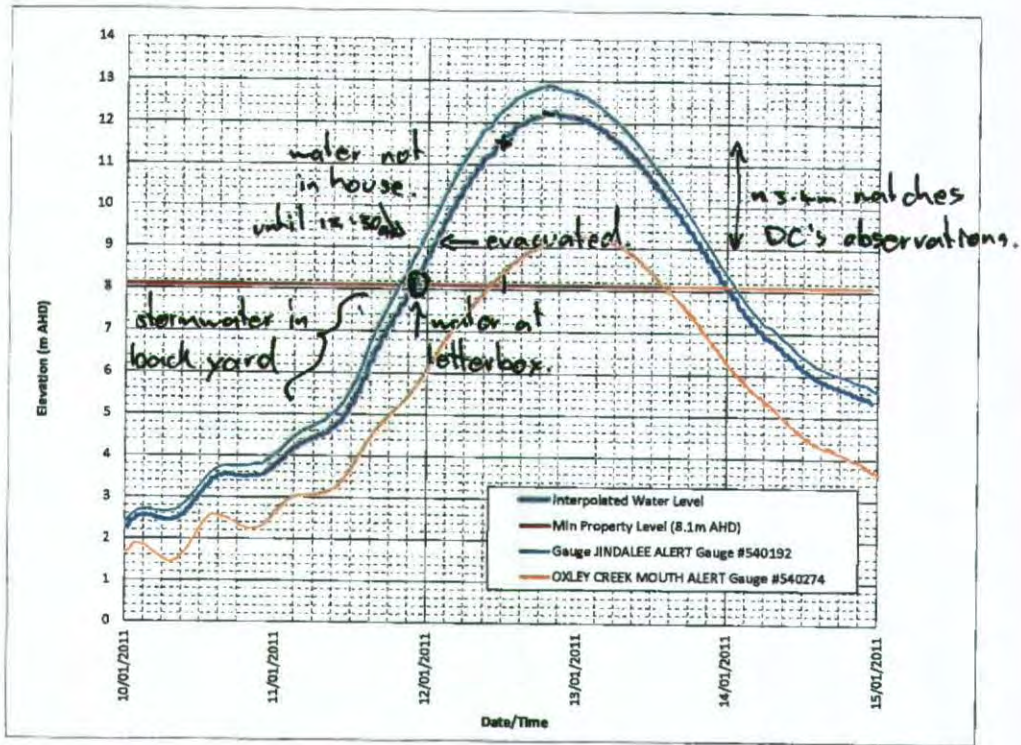
The rainfall records indicate that the most intense rainfall on the Tuesday occurred just before midday. If stormwater issues ~~were to~~ had occurred, it is reasonable to expect these to have occurred immediately following the heavy rainfall (not 12 hours later).

The combination of the insured's observations being consistent with the Brisbane River levels; and there being a relatively lengthy period since the previously recorded rainfall (approximately 3 hours since any rainfall had occurred, and 12 hours since the most intense rainfall burst) indicates the inundation was caused by rising Brisbane River water levels.

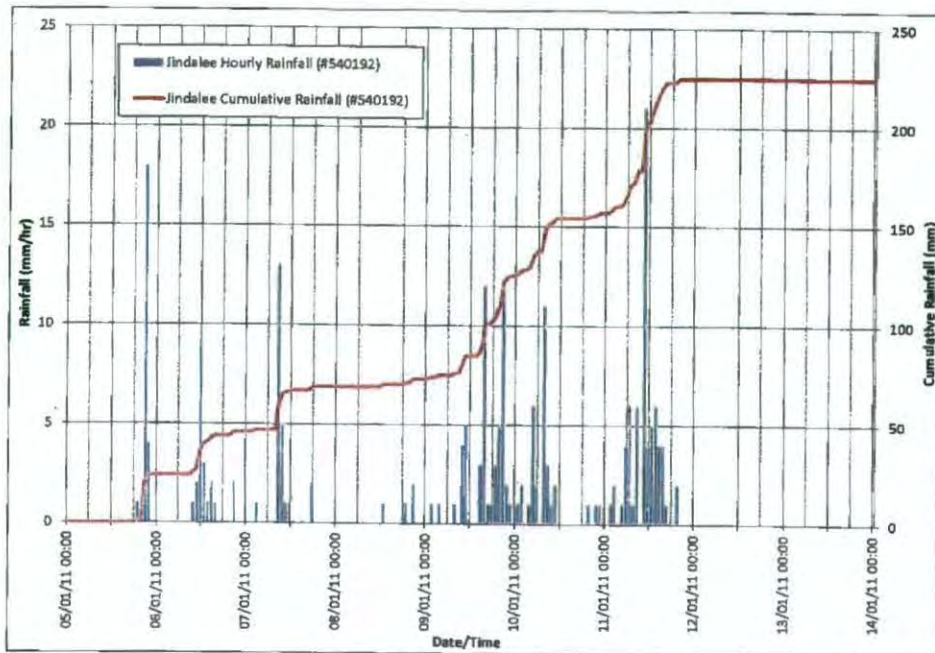
Attachment A Topographic Details



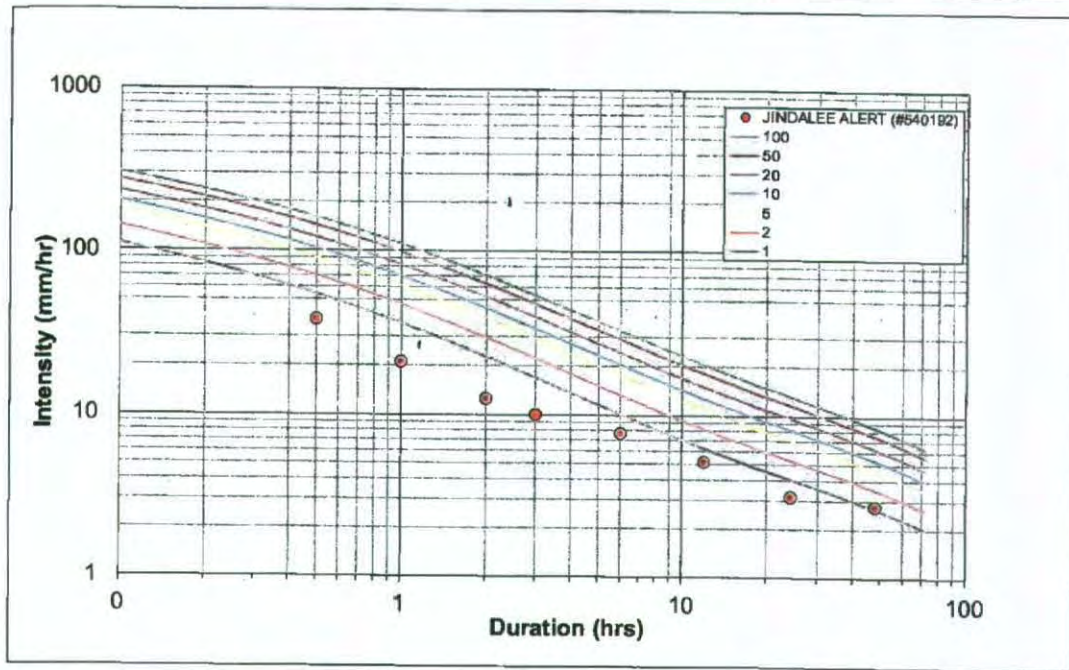
Attachment B – Gauge time histories



Interpolated Bremer River Water Level at Property and Minimum Property Level



Rainfall Record for the Jindalee Alert Station



Rainfall Intensity Frequency Duration Analysis for the Jindalee Alert Station



Exhibit 31

6 July 2011

Mr M Gourley

[REDACTED]
Caxton Legal Centre Inc.
1 Manning Street
SOUTH BRISBANE QLD 4101

Dear Ms Gardner,

Re: Claim Number - [REDACTED]
Your reference: M Gourley

We refer to your letter dated 30 May 2011.

The IDR manager has reviewed your client's submissions and decided to confirm the decision to decline your client's claim.

The reasons for that decision are as follows:

Provision of Product Disclosure Statement (PDS)

Our records indicate that your client's policy has been in force from 20 November 1997.

We do not understand the significance you appear to place on whether the PDS was received by your client prior to the initial payment. If that event had any significance, it would suggest that a prospective insured could get better coverage that the policy would otherwise entitle them to by rushing to make an initial payment.

Such an interpretation is not supported by the clear words of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth) and would be contrary to public policy in that it would encourage insureds to make payments before they had a chance to read and understand the terms of their policy.

It is RACQ Insurance's position that a copy of the PDS was sent to your client, along with the certificate of insurance, within 14 days of the date the policy was entered into. This is sufficient to "clearly inform" your client for the purposes of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth).

Furthermore, each year your client would have received policy renewal documents which would include any updated PDS or SPDS documentation. We do not understand how your client could have received the documents relating to renewal of the policy without also receiving these other documents.

Flood definition

We do not agree with your comments about the definition of "Flood".

When the definitions of "Flood" and "Flash flood and stormwater run-off" are read together, the difference between the two is clear. "Flash flood and stormwater run-off" is a particular category of flood - namely, a sudden flood caused by rain that fell not more than 24 hours earlier. The policy makes clear that this is the only type of flood which is covered, and that any other kind of flood is not covered.

RACQ Insurance's position is that your client was clearly informed about the scope of the flood coverage.

Hydrology Issues

There is no evidence that the inundation of your client's property falls within the definition of "Flash flood and stormwater run-off".

The evidence relied upon by your client is basically to the effect that there was rain or a storm on 11 January 2011 and your client's property has begun to be inundated. That evidence is not sufficient to show any connection between the rain that fell on 11 January 2011 and the inundation of your client's property (the fact that one occurred after the other does not show that one was caused by the other.)

We note your client has not sought to rely upon hydrological evidence.

The fact that there was local rainfall before the inundation does not mean that the inundation was "Flash flood or stormwater run-off". It is not sufficient, to satisfy the definition, to show that there was rain within 24 hours of your client's property being inundated. Your client must show that the rain which fell within 24 hours was what caused the inundation. The evidence relied upon by your client does not establish this.

We attach a copy of RACQ Insurance's hydrologist's property review checklist resulting from their inspection of your client's property. The hydrologist has confirmed that his original view that the loss at your client's property was the result of the rising level of the Brisbane River (which was a Flood) has not changed.

Overall, we do not believe that the inundation of your client's property meets the definition of "Flash flood or stormwater run-off".

Request for information relied upon

The information we relied upon in making a decision on your client's claim includes:

- Your client's IDR submissions;
- Your client's certificate of insurance;
- Your client's PDS documentation; and
- RACQI information sheet - Brisbane

Your client has not alleged any matter which would make the policy inception recording you have requested a transcript of relevant to the determination of your client's claim. RACQ Insurance does not propose to go to the expense of locating and transcribing recordings which are of no relevance to the claim decision.

We have also relied upon a hydrology report relating to Brisbane provided by Water Technology Pty Ltd. We are not in a position to release that hydrology report to you because the report contains personal details of a number of customers which we are required to protect, and the report is also subject to legal professional privilege.

The information sheet is attached and explains in detail the conclusions we have formed following our hydrological investigations.

We also do not propose to release legal advice we have received in relation to your client's claim on the basis that it is subject to legal professional privilege.

RACQ Insurance

RACQ INSURANCE Limited
2649 Logan Road
EIGHT MILE PLAINS QLD 4113
Ph: (07) 3361 2444 Fax: (07) 3219 7933
ABN 50 009 704 152

The decision by the IDR Manager is the final step in this stage of your appeal process. If you are unhappy with our internal dispute resolution (IDR) decision you may refer your dispute to the Financial Ombudsman Service Limited (FOS) who can advise you whether your dispute is one which falls within their Terms of Reference.

The FOS provides a free and independent dispute resolution service for consumers who have general insurance disputes that are covered by its Terms of Reference. If you wish for the FOS to consider whether the dispute falls within their Terms of Reference, you must refer your dispute to FOS within two years of the date of the IDR decision. You can do this by contacting FOS at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, Vic 3001

1300 78 08 08 (National toll free)
Tel: (03) 9613 6300 Fax: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Yours faithfully



Manager - Internal Disputes Resolution

RACQ Insurance Limited ABN 50 009 704 152

REC01571 03/09/01

Motoring Insurance Travel Finance



Exhibit 32



COOPER GRACE WARD
LAWYERS

Our Ref: MJM:RXR 10094814
Your Ref:

11 July 2011

Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email: [REDACTED]

Level 21, 400 George Street
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

www.cgw.com.au

ABN 95 591 906 639

Dear Colleagues

RACQ Insurance - flood claim review
Your client: Michael Gourley

We refer to your letter dated 30 May 2011.

Our client has reviewed your client's submissions.

Please find enclosed a copy of our client's IDR decision.

Yours faithfully
COOPER GRACE WARD

[REDACTED]

Senior Associate

T
F
E
[REDACTED]

[REDACTED]

Partner

ECA210094814 3852594v1



6 July 2011

Mr M Gourley

Caxton Legal Centre Inc.
1 Manning Street
SOUTH BRISBANE QLD 4101

Dear [REDACTED]

Re: **Claim Number - [REDACTED]**
Your reference: M Gourley

We refer to your letter dated 30 May 2011.

The IDR manager has reviewed your client's submissions and decided to confirm the decision to decline your client's claim.

The reasons for that decision are as follows:

Provision of Product Disclosure Statement (PDS)

Our records indicate that your client's policy has been in force from 20 November 1997.

We do not understand the significance you appear to place on whether the PDS was received by your client prior to the initial payment. If that event had any significance, it would suggest that a prospective insured could get better coverage that the policy would otherwise entitle them to by rushing to make an initial payment.

Such an interpretation is not supported by the clear words of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth) and would be contrary to public policy in that it would encourage insureds to make payments before they had a chance to read and understand the terms of their policy.

It is RACQ Insurance's position that a copy of the PDS was sent to your client, along with the certificate of insurance, within 14 days of the date the policy was entered into. This is sufficient to "clearly inform" your client for the purposes of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth).

Furthermore, each year your client would have received policy renewal documents which would include any updated PDS or SPDS documentation. We do not understand how your client could have received the documents relating to renewal of the policy without also receiving these other documents.

Flood definition

We do not agree with your comments about the definition of "Flood".

When the definitions of "Flood" and "Flash flood and stormwater run-off" are read together, the difference between the two is clear. "Flash flood and stormwater run-off" is a particular category of flood - namely, a sudden flood caused by rain that fell not more than 24 hours earlier. The policy makes clear that this is the only type of flood which is covered, and that any other kind of flood is not covered.

RACQ Insurance's position is that your client was clearly informed about the scope of the flood coverage.

Hydrology Issues

There is no evidence that the inundation of your client's property falls within the definition of "Flash flood and stormwater run-off".

The evidence relied upon by your client is basically to the effect that there was rain or a storm on 11 January 2011 and your clients property has begun to be inundated. That evidence is not sufficient to show any connection between the rain that fell on 11 January 2011 and the inundation of your client's property (the fact that one occurred after the other does not show that one was caused by the other.)

We note your clients have not sought to rely upon hydrological evidence.

The fact that there was local rainfall before the inundation does not mean that the inundation was "Flash flood or stormwater run-off". It is not sufficient, to satisfy the definition, to show that there was rain within 24 hours of your client's property being inundated. Your client must show that the rain which fell within 24 hours was what caused the inundation. The evidence relied upon by your client does not establish this.

We attach a copy of RACQ Insurance's hydrologist's property review checklist resulting from their inspection of your client's property. The hydrologist has confirmed that his original view that the loss at your client's property was the result of the rising level of the Brisbane River (which was a Flood) has not changed.

Overall, we do not believe that the inundation of your client's property meets the definition of "Flash flood or stormwater run-off".

Request for information relied upon

The information we relied upon in making a decision on your client's claim includes:

- Your client's IDR submissions;
- Your client's certificate of insurance;
- Your client's PDS documentation; and
- RACQI information sheet - Brisbane

Your client has not alleged any matter which would make the policy inception recording you have requested a transcript of relevant to the determination of your client's claim. RACQ Insurance does not propose to go to the expense of locating and transcribing recordings which are of no relevance to the claim decision.

We have also relied upon a hydrology report relating to Brisbane provided by Water Technology Pty Ltd. We are not in a position to release that hydrology report to you because the report contains personal details of a number of customers which we are required to protect, and the report is also subject to legal professional privilege.

The information sheet is attached and explains in detail the conclusions we have formed following our hydrological investigations.

We also do not propose to release legal advice we have received in relation to your client's claim on the basis that it is subject to legal professional privilege.

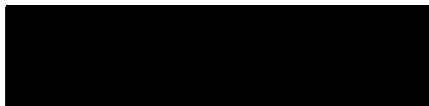
The decision by the IDR Manager is the final step in this stage of your appeal process. If you are unhappy with our internal dispute resolution (IDR) decision you may refer your dispute to the Financial Ombudsman Service Limited (FOS) who can advise you whether your dispute is one which falls within their Terms of Reference.

The FOS provides a free and independent dispute resolution service for consumers who have general insurance disputes that are covered by its Terms of Reference. If you wish for the FOS to consider whether the dispute falls within their Terms of Reference, you must refer your dispute to FOS within two years of the date of the IDR decision. You can do this by contacting FOS at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, Vic 3001

1300 78 08 08 (National toll free)
Tel: (03) 9613 6300 Fax: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Yours faithfully



Manager - Internal Disputes Resolution

PROPERTY REVIEW CHECKLIST

PROPERTY DETAILS

Name of Insured: Michael Gourley
Property Address: [REDACTED]
Jindalee.
Region: Brisbane.

PARTICULARS

1. What was your original conclusion on the cause of inundation of the property?
Inundation due to rising Brisbane River water levels attributable to rainfall that fell over 24 hours prior to the inundation.
2. Please list below the further information (if any) that you have received or the further investigations that you have undertaken regarding the property since forming that conclusion:
(Please attach copies of any further relevant documents if necessary)
Site visit by WI + RACQ staff, discussions with insured + review of Causton Legal Centre's letter of 30 May 2011. Also review of rainfall + river gauge records as well as topographic information.
3. In consideration of the information listed in question 2 above, has your opinion on the cause of inundation to the property changed?
 No → Go to Q4
 Yes → Go to Q5
 Not sure; further investigations required → Go to Q6
4. Please explain why your opinion has not changed.
Insured stated that at the time of evacuation (Wednesday 12:30 AM 12/1/2011) there was "no water in house but assumed it was about to go in". Also stated that "water was lapping in door".
(A) →

Please stop here

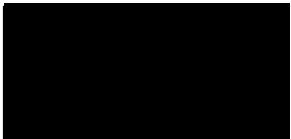
6. What is your opinion on the cause of inundation to the property?

Please stop here

6. What further investigations are required at this stage to confirm the cause of inundation?

Please stop here

Signed:



Name:

Position:

Director

Date:

22.6.11

Project	Job N°	
Subject	Date	
	By	
	Checked	
	Page	1

② These observations are consistent with WTS interpolated water levels (based on the Indales + Oxley Creek gauge records) at the property.

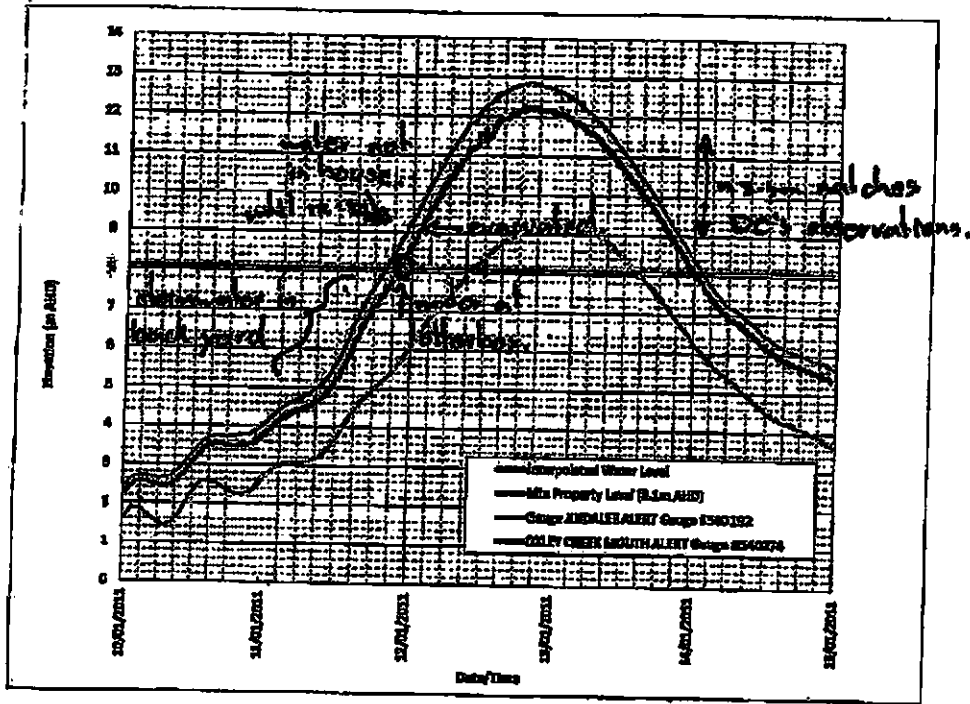
The rainfall records indicate that the most intense rainfall on the Tuesday occurred just before midday. If stormwater issues ~~were~~ had occurred, it is reasonable to expect these to have occurred immediately following the heavy rainfall (not 12 hours later).

The combination of the insured's observations being consistent with the Brisbane River levels; and there being a relatively lengthy period since the previously recorded rainfall (approximately 3 hours since any rainfall had occurred, and 12 hours since the most intense rainfall burst) indicates the inundation was caused by rising Brisbane River water levels.

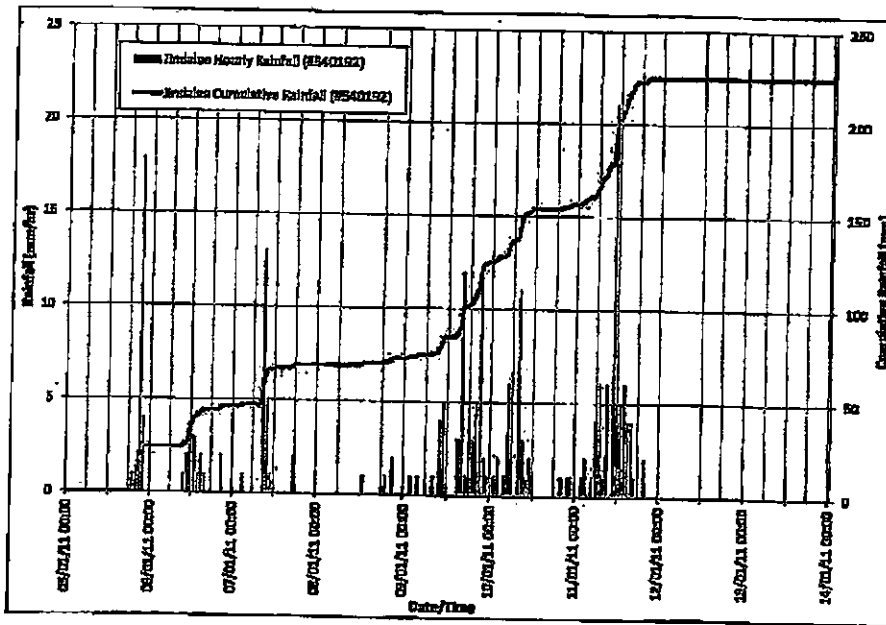
Attachment A Topographic Details



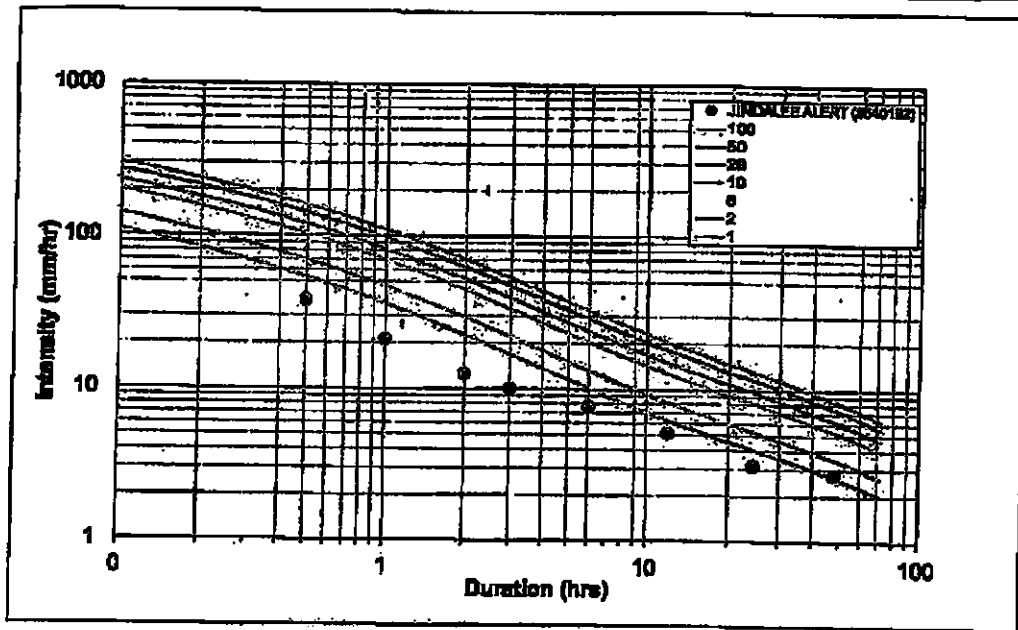
Attachment B - Gauge time histories



Interpolated Bremer River Water Level at Property and Minimum Property Level



Rainfall Record for the Jindalee Alert Station



Rainfall Intensity Frequency Duration Analysis for the Jindalee Alert Station



Exhibit 33

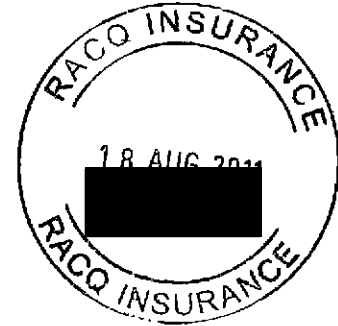
**FINANCIAL
OMBUDSMAN
SERVICE**



Financial Ombudsman Service Limited
ABN 67 131 124 448
GPO Box 3, Melbourne VIC 3001
Telephone 1300 78 08 08
Fax 03 9613 6399
Email Info@fos.org.au
Website www.fos.org.au

16 August 2011

Mr [REDACTED]
Manager Customer Dispute Resolution
RACQ Insurance Limited
P O Box 3004
Logan City DC Qld 4114



Dear [REDACTED]

Dispute lodged by: Mr Michael Gourley
Case number: [REDACTED]
Your ref: [REDACTED]

Please find enclosed details of Mr Gourley's dispute with RACQ Insurance Limited.

What you need to do

We encourage you to contact Mr Gourley within the next 21 days and discuss and resolve the dispute directly with them.

If you are able to resolve the dispute directly within 21 days, please provide written details confirming how the dispute was resolved.

If you are unable to resolve the dispute directly, you will need to provide a detailed written response to the dispute within 21 days. You should include an explanation of RACQ Insurance Limited's position and copies of all relevant information and supporting documents, including a copy of any response to Mr Gourley. This should be provided to the Financial Ombudsman Service (FOS), with a copy provided to Mr Gourley.

To assist you, a guide is enclosed setting out the information and documents that are generally relevant in a dispute such as this. Please carefully check this guide and ensure that all relevant information and documents are provided with your response.

We require your response by **6 September 2011**.

Once we receive your response we will review the dispute and decide the appropriate next step for resolving this matter.

INCMNFSP-GI

Exchange of Information

FOS encourages parties to a dispute to exchange information as part of trying to resolve the dispute. As is the practice in general insurance disputes, please ensure that a copy of all material included in your response is sent to Mr Gourley. Only the material exchanged will be relied upon by FOS unless special circumstances apply as outlined in our Terms of Reference.

Privacy

We do not wish to collect third party or sensitive information that is not required. If you include sensitive information or personal information about a third party please ensure that the information is relevant to the dispute. If the information is not relevant, please do not send it to us or take steps to de-identify the information.

Our privacy policy is available at www.fos.org.au/privacy.

How we deal with unresolved disputes

If a dispute is not resolved directly between the parties, we will use the most appropriate dispute resolution method to resolve the dispute. We may assist the parties to negotiate a resolution, or may conduct a conciliation conference where appropriate. If a dispute cannot be resolved by mutual agreement, we may issue a Recommendation or Determination.

For more information on the Financial Ombudsman Service and how we deal with disputes, including our Terms of Reference and Operational Guidelines, please refer to our website at www.fos.org.au.

Additional information

If you:

- are unclear on how to respond to this dispute
- require additional time to respond or
- have any questions

please contact me on [REDACTED] or email me at [REDACTED]

Yours sincerely

[REDACTED]

**Dispute Analyst
Financial Ombudsman Service**

enc.

Response Guide – General Insurance

When you are providing your response to us please review this Guide and provide copies of all relevant information and documents as outlined below.

Please outline your response under appropriate headings where relevant (eg. Summary of Facts, Issues in Dispute, Applicant's Position, Company's Position, Relevant Policy Provisions, Relevant Law).

<ul style="list-style-type: none">• Your company's report on its investigation of the dispute together with copies of any related correspondence. Your response should include:<ul style="list-style-type: none">○ Policy details○ Applicant's particulars○ The claim○ The vehicle/property/contents/sickness○ Details of previous claims○ Details of any alleged non-disclosure or misrepresentation○ Other relevant facts
<ul style="list-style-type: none">• A statement of the company's overall position on the dispute. This should include an outline of the issues in dispute, the Applicant's position, relevant policy provisions, relevant law and reference to any relevant FOS Terms of Reference provisions.
<ul style="list-style-type: none">• Details of any expert opinions (eg. Assessor, accident reconstruction, forensic, medical, legal).
<ul style="list-style-type: none">• Details of any suggested options or offers that will assist to resolve this dispute
<ul style="list-style-type: none">• Copies of the following documents:<ul style="list-style-type: none">○ Applicant's claim form○ Insurance proposal/applicant form○ Policy schedule applicable at time of loss○ Policy wording applicable at time of loss
<ul style="list-style-type: none">• Copies of other supporting evidence where relevant, including:<ul style="list-style-type: none">○ All assessors' and adjusters' reports on liability and quantum○ All investigators' reports○ Colour copies of all photographs, or the originals○ Underwriting guidelines○ Proof of application of underwriting guidelines (eg. Examples of declined proposals, renewals and statutory declarations from underwriters)○ Medical reports/technical reports○ Valuations○ Witness statements/statutory declarations/affidavits.

Online Dispute information

This form contains a summary of an Applicant's dispute. It is based on information submitted by an applicant when they lodge their dispute online with FOS.

FOS Case Number:	[REDACTED]
Date Dispute Recorded by FOS:	10 May 2011
Applicant Name:	Mr Michael Gourley
Applicant's Business Name (if applicable):	
Applicant Address & Contact Details:	[REDACTED] Jindalee, QLD, Australia 4074 Ph: [REDACTED] Email: [REDACTED]
Representative Name (if applicable):	[REDACTED]
Representative Address Details (if applicable):	1 Manning Street, South Brisbane, QLD, Australia 4101
Account/Policy/Claim Reference Number:	Policy no. [REDACTED]
Financial Services Provider Name:	RACQ Insurance Limited

Summary of Dispute:

RACQ has denied Mr Gourley's claim on the basis that the damage suffered was caused by "flood". We are in the process of internal dispute resolution.

Outcome Sought:

RACQ should participate fully in the internal dispute resolution process and provide all requested documents at its earliest convenience.

Michael Gourley

Jindalee Qld

21 July 2011

Dispute Officer
Financial Ombudsman Service Limited

By Email:

Dear

Mr Michael Gourley of Jindalee
Policy number

Caxton Legal Centre Inc. (**Caxton**) has been acting for me in requesting a review of RACQ's decision to refuse my insurance claim arising from events in December 2010 and/or January 2011.

I am now asking the Financial Ombudsman Service Limited (**FOS**) to review RACQ's decision to refuse my insurance claim. Any further correspondence should also be direct to me personally.

Summary of issues

My home and contents at Jindalee were severely damaged on 11 and 12 January 2011. My policy of insurance with RACQ provided cover of \$491,000 for property damage and \$103,000 for contents.

Some details of damaged contents and their value were provided to RACQ prior to denial of the claim. I can provide further details of property and contents damage if required.

A request for review was made to RACQ (via its solicitors) on 30 May 2011. Its decision to decline the claim was confirmed on 12 July 2011.

Enclosed are copy:

1. Letter from Caxton Legal Centre to Cooper Grace Ward of 30 May 2011; and
2. Letter from RACQ Insurance to Caxton Legal Centre of 12 July 2011.

I am not satisfied with the response from RACQ. The grounds for the request for review from FOS include:

1. Provision of the Product Disclosure Statement;
2. RACQ's definition issues;
3. Hydrology issues; and
4. Breach of the General Insurance Code of Practice.

These are discussed below.

1. Provision of the Product Disclosure Statement

I have held a policy of insurance with RACQ since November 1997. I have requested copies of records from RACQ in particular a copy of the first Product Disclosure Statement (PDS) which they say was sent to me when I initially took out my policy of insurance. To date this has not been received, therefore I would argue that the PDS was not sent to me when I first took out my policy of insurance. RACQ has argued that my policy of insurance does not extend coverage for "flood" based on their broad definition. I say that any exclusion in the policy that RACQ is now trying to argue, was not communicated to me by RACQ when I took out my policy of insurance.

2. RACQ definitional issues

I consider the definitions of "flood" in the RACQ policy are broad and confusing. RACQ failed to advise me about the definitions of flood coverage in my policy when I took out the policy of insurance. RACQ should not be able to rely on an exclusion in a policy which has not been properly explained to me.

3. Hydrology

I maintain that the damage which my property sustained first occurred from a sudden, excessive run-off of water as a direct result of a storm and is therefore covered by the policy.

I have not been provided with a copy of the hydrologist report that RACQ relies upon as the basis for rejecting my claim. Under the *General Insurance Code of Practice*, RACQ is required to provide me with access to information on which it relied on to assess the claim and an opportunity to correct any mistakes and inaccuracies (clause 3.4.3). RACQ's refusal to provide the hydrology report is a breach of its obligations under the *Code of Practice*.

RACQ has refused to provide the report on the basis that:

1. The report is subject to a claim of legal professional privilege; and
2. The report contains private information about other customers.

I do not accept the claim of legal professional privilege. The report should be provided to me simply by deleting any information contained in the report which identifies any other homeowner or policy holder.

In response to the findings of the RACQ Hydrologists property review checklist following his inspection of my property I make the following comments:

1. I spent at least one and a half hours talking to the hydrologist, [REDACTED] and answered multiple questions;
2. [REDACTED] did take photographs of the property but has not provide copies to me;
3. The expert's report is lacking in detail and does not properly reflect the information I provided to him;
4. At 1:00 pm on 11 January 2011 the water was already lapping at the door during and following a day of intense rainfall;
5. My property is adjacent to a stormwater drain situated less than 70 metres away and there are two other stormwater drains approximately 30 metres away from the property;
6. The water initially entered my property from the direction of the stormwater drain and overland water; and
7. From my recollection of the intense rainfall that fell on 11 January 2011 up until I left the property at 11: 30 pm and the direction that the water was flowing from, from the stormwater drains, this was the first cause of the inundation of my property.

I consider that because the damage was first caused by the inundation of the property from stormwater run off, RACQ should have to pay for all the damage caused to my property.

4. Breach of the General Insurance Code of Practice

RACQ's wrongful refusal to provide the report is a basis for your Service ordering costs and compensatory damages from RACQ for any loss suffered by myself. As I was not provided with the report, it was difficult for us to fully participate in the internal dispute resolution process. I submit that RACQ's actions amount to a breach of its duties under the General Insurance Code of Practice, namely, the duty to "conduct claims handling in a fair, transparent and timely manner" (Part 3.4.1) and the obligation to provide written reasons for its decision to deny a claim (Part 3.4.5).

I also submit that RACQ have breached its obligation to act in utmost good faith under the *Insurance Contracts Act*. Due to its actions, my family and I have suffered significant emotional distress. On the basis of this, I submit that regardless of the outcome, RACQ should be required to provide us with the maximum amount of compensation allowable for non-financial loss.

Future Contact

If you have any questions, please contact me directly on [REDACTED] Any further correspondence should also be direct to me personally.

Yours sincerely,

Michael Gourley

6 July 2011

Mr M Gourley
[REDACTED]
Caxton Legal Centre Inc.
1 Manning Street
SOUTH BRISBANE QLD 4101

Dear [REDACTED]

Re: Claim Number - [REDACTED]
Your reference: M Gourley

We refer to your letter dated 30 May 2011.

The IDR manager has reviewed your client's submissions and decided to confirm the decision to decline your client's claim.

The reasons for that decision are as follows:

Provision of Product Disclosure Statement (PDS)

Our records indicate that your client's policy has been in force from 20 November 1997.

We do not understand the significance you appear to place on whether the PDS was received by your client prior to the initial payment. If that event had any significance, it would suggest that a prospective insured could get better coverage that the policy would otherwise entitle them to by rushing to make an initial payment.

Such an interpretation is not supported by the clear words of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth) and would be contrary to public policy in that it would encourage insureds to make payments before they had a chance to read and understand the terms of their policy.

It is RACQ Insurance's position that a copy of the PDS was sent to your client, along with the certificate of insurance, within 14 days of the date the policy was entered into. This is sufficient to "clearly inform" your client for the purposes of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth).

Furthermore, each year your client would have received policy renewal documents which would include any updated PDS or SPDS documentation. We do not understand how your client could have received the documents relating to renewal of the policy without also receiving these other documents.

Flood definition

We do not agree with your comments about the definition of "Flood".

When the definitions of "Flood" and "Flash flood and stormwater run-off" are read together, the different between the two is clear. "Flash flood and stormwater run-off" is a particular category of flood - namely, a sudden flood caused by rain that fell not more than 24 hours earlier. The policy makes clear that this is the only type of flood which is covered, and that any other kind of flood is not covered.

RACQ Insurance's position is that your client was clearly informed about the scope of the flood coverage.

Hydrology Issues

There is no evidence that the inundation of your client's property falls within the definition of "Flash flood and stormwater run-off".

The evidence relied upon by your client is basically to the effect that there was rain or a storm on 11 January 2011 and your clients property has begun to be inundated. That evidence is not sufficient to show any connection between the rain that fell on 11 January 2011 and the inundation of your client's property (the fact that one occurred after the other does not show that one was caused by the other.)

We note your clients have not sought to rely upon hydrological evidence.

The fact that there was local rainfall before the inundation does not mean that the inundation was "Flash flood or stormwater run-off". It is not sufficient, to satisfy the definition, to show that there was rain within 24 hours of your client's property being inundated. Your client must show that the rain which fell within 24 hours was what caused the inundation. The evidence relied upon by your client does not establish this.

We attach a copy of RACQ Insurance's hydrologist's property review checklist resulting from their inspection of your client's property. The hydrologist has confirmed that his original view that the loss at your client's property was the result of the rising level of the Brisbane River (which was a Flood) has not changed.

Overall, we do not believe that the inundation of your client's property meets the definition of "Flash flood or stormwater run-off".

Request for information relied upon

The information we relied upon in making a decision on your client's claim includes:

- Your client's IDR submissions;
- Your client's certificate of insurance;
- Your client's PDS documentation; and
- RACQI information sheet - Brisbane

Your client has not alleged any matter which would make the policy inception recording you have requested a transcript of relevant to the determination of your client's claim. RACQ Insurance does not propose to go to the expense of locating and transcribing recordings which are of no relevance to the claim decision.

We have also relied upon a hydrology report relating to Brisbane provided by Water Technology Pty Ltd. We are not in a position to release that hydrology report to you because the report contains personal details of a number of customers which we are required to protect, and the report is also subject to legal professional privilege.

The information sheet is attached and explains in detail the conclusions we have formed following our hydrological investigations.

We also do not propose to release legal advice we have received in relation to your client's claim on the basis that it is subject to legal professional privilege.

RACQ Insurance

RACQ INSURANCE Limited
2649 Logan Road
EIGHT MILE PLAINS QLD 4113
Ph: (07) 3361 2444 Fax: (07) 3219 7955
ABN 50 009 704 152

The decision by the IDR Manager is the final step in this stage of your appeal process. If you are unhappy with our internal dispute resolution (IDR) decision you may refer your dispute to the Financial Ombudsman Service Limited (FOS) who can advise you whether your dispute is one which falls within their Terms of Reference.

The FOS provides a free and independent dispute resolution service for consumers who have general insurance disputes that are covered by its Terms of Reference. If you wish for the FOS to consider whether the dispute falls within their Terms of Reference, you must refer your dispute to FOS within two years of the date of the IDR decision. You can do this by contacting FOS at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, Vic 3001

1300 78 08 08 (National toll free)

Tel: [REDACTED] Fax: [REDACTED]

Email: info@fos.org.au

Website: www.fos.org.au

Yours faithfully

[REDACTED]

Manager - Internal Disputes Resolution

RACQ Insurance Limited ABN 50 009 704 152

001 571 0000

Accounting Insurance Travel Finance

30 May 2011

[REDACTED]
Associate
Cooper Grace Ward Lawyers
Level 21, 400 George Street
Brisbane 4000 Australia

Facsimile No: [REDACTED]
Email: [REDACTED]

Dear [REDACTED]

Mr Michael Gourley of [REDACTED] Jindalee
Policy number: [REDACTED]

Caxton Legal Centre Inc. acts for Mr Gourley for the purpose of requesting a review of RACQ's decision to refuse our client's insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to us, attention the author, [REDACTED] or to the address or telephone number above.

Summary of issues

The unique circumstances of both the actions of RACQ and the specific events experienced by the client give rise to a number of grounds to review:

1. Provision of the Product Disclosure Statement;
2. RACQ's definitional issues;
3. Hydrology issues; and
4. Compassionate grounds.

Each of these issues will be considered below.

1. Provision of the Product Disclosure Statement

For the flood exclusion to be effective, the existence of the exclusion needs to have been clearly informed to our clients in accordance with section 35 of the *Insurance Contracts Act 1984* (Cth).

Mr Gourley has held insurance with RACQ for a significant period of time. He is unsure whether the Product Disclosure Statement (PDS) was sent to him prior to making the initial payment. Please provide copies of your records in relation to when the first PDS was sent to Mr Gourley. The absence of such evidence is an indication that a PDS was not sent to our client prior to payment for the policy.

Many policies distinguish flood from damage caused by storm or flash flood and our clients did not turn their minds to this issue in the context of a drought in South East Queensland that had extended for a number of years. Assuming that the PDS was not received by Mr Gourley, because the exclusion upon which RACQ relies is contained in the PDS that was not received until after the Insurance Policy was in place, it is extremely difficult for RACQ to argue that clearly drew this exclusion to the attention of Mr Gourley when the policy was taken out or subsequently.

As a result, we assert that RACQ has not met the burden under section 35 of the *Insurance Contracts Act*, which means that Mr Gourley is entitled to standard policy cover provided for by that section. As standard insurance cover includes coverage for flooding, Mr Gourley's insurance claim should be honoured and we ask that RACQ reconsider and pay this claim.

2. RACQ definitional issues

In our view the definition of "flood" (as described above) is too broad and does not meet your obligations to clearly communicate this exclusion. The reason for this is that when the definition of "flood" is read together with the inclusion of "flash flood" on page 11 of the PDS, in our view there is overlap between the two definitions which is likely to cause confusion for a consumer about what is covered and what is not covered under flash flood and flood. The definitions of flood and flash flood appear to be contradictory and confusing from a consumer's perspective.

In our view, such contradictory definitions do not meet either the requirement to "clearly inform" under the *Insurance Contracts Act* or the requirement for "clear concise and effective" disclosure under the *Corporations Act*. In those circumstances RACQ should not seek to rely on the exclusion and payout Mr Gourley's claim.

3. Hydrology

3.1. Insurance Policy Coverage

We note that your policy does cover storm damage,¹ flash flood and stormwater run-off.² 'Flood' is defined as "rising water which enters your home as a result of it running off or overflowing from any origin or cause."³

From your refusal letter of 10 March 2011, you have refused these claims on the basis that the policy does not include cover for flood but have failed to articulate any grounds for the denying his claim for loss or damage caused by "flash flooding"

In the RACQ policy, flash flooding is covered if it is as a result of a "heavy rain" occurring within 24 hours of the flash flood or stormwater run off. Flash flood is defined as;

"A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off."⁴

We submit that the damage which Mr Gourley's property sustained first occurred from a sudden, excessive run-off of water as a direct result of a storm and is therefore covered by the policy.

3.2. Relevant Weather Data

We note that there were 2,455 recorded lightning strikes between 11pm on 10 January to 11pm on 11 January 2011 in the Brisbane Area (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

There is little doubt that storms occurred across Brisbane on Tuesday morning, 11 January 2011.

Total Strikes	Date and Time
6	11:00PM on 09 Jan 2011 to 11:00PM on 10 Jan 2011
2455	11:00PM on 10 Jan 2011 to 11:00PM on 11 Jan 2011
0	11:00PM on 11 Jan 2011 to 11:00PM on 12 Jan 2011

¹ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 17.

² RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 18.

³ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 10.

⁴ RACQ Insurance, *Household Insurance Policy Product Disclosure Statement*, GHBB2 07/08 at page 18.

A severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology (BoM) shortly before 9am on 11 January 2011, as reproduced below. It is our view that all of the evidence points to storm cells with torrential downpours which hit suburbs of Brisbane and Ipswich on that morning:-

Tuesday, January 11, 2011 8:49 AM

Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



Dedicated to a better Brisbane

Source: Bureau of Meteorology

For people in the Southeast Coast District and the Darling Downs and Granite Belt District southeast of Dalby to Goondiwindi.

Issued at 8:00 am on Tuesday 11 January 2011

Synoptic Situation: At 8am AEST, an upper level low was located over the Darling Downs and Granite Belt district and is forecast to move to the southwest and slowly weaken.

Heavy rain areas and thunderstorms are expected to continue through the Southeast Coast and Darling Downs and Granite Belt today. Heavy falls will lead to localised flash flooding and will worsen existing river flooding.

Currently, an intense slow moving band of rainfall extends from about Maroochydore to Warwick. Rainfall rates in this band are reaching 80 to 100 mm per hour.

According to the BoM daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area between 9 and 12 January 2011, inclusive, as shown at <http://www.bom.gov.au/climate/dwo/IDC.IDW0400.shtml>.

The BoM data notes that the Archerfield airport weather station, located approximately 8 kilometres from Mr Gourley's property recorded windspeeds gusting at up to 52 kilometres per hour on Monday 10 January 2011 and at 43 kilometres per hour on Tuesday 11 January 2011. These speeds were elevated compared with the following week and support our client's claim that a significant weather event passed over his property on the morning of 11 January 2011 resulting in winds and substantial rain.

3.3. Mr Gourley's Recollection of Events

Mr Gourley's house is situated less than 70 metres from a large stormwater drain. This storm water drain is the outlet of water for a large area, including all of Yallambee Road, Capitol Drive and Centenary State High School. Due to it servicing such a large and highly populated area, there is a history of storm water drain problems in the area. During heavy periods of rain and storms, the stormwater drains will fill-up and overflow onto the roads and into the Jindalee Golf Course. Mr Gourley's house is also approximately 30 metres away from two other stormwater drains, which have similar issues during heavy rains.

We have attached a diagram labelled as 'A' which outlines the proximity of the storm water drain to Mr Gourley's house and the direction that the first inundation of water came into the house.

Mr Gourley recalls that it was consistently raining on the morning of Tuesday, 11 January 2011. This rain resulted in the stormwater drains becoming overfull and water spilling into the street and Golf Course close to Mr Gourley's house. The rain continued and water began flowing from the stormwater drains towards Mr Gourley's house. At approximately 10.00pm the water was in Mr Gourley's property and approximately ½ metre from his house. At his point, Mr Gourley and his family decided to leave the property. They packed the car with a small number of items and left the property at approximately 10.30pm. At no time did Mr Gourley or any of his neighbours receive a warning nor were they told to evacuate their homes.

When Mr Gourley left the property, the water was flowing from the stormwater drains close to his house and not from the direction of the river, which is approximately 1km away from Mr Gourley's property.

3.4. Hydrology Information provided by RACQ

We note that RACQ provided Mr Gourley with a two page "Report by RACQ Insurance Limited on its Investigations into Brisbane Floods". This document appears to be an unsourced summary of RACQ's investigation into the floods in Ipswich. We note that RACQ has provided no information on what investigations were carried out, when this occurred, what modelling was used to determine the findings and how the conclusions were reached. The document relies solely on assertions, assumptions and generalities to support its findings. Any document that attempts to summarise the "flooding which

occurred in Brisbane" is going to be based completely on generalisations and cannot be used to determine the events in a specific area of the city, let alone on a specific property.

We therefore submit that the document provided has no evidentiary value for what occurred at Mr Gourley's property. We note that the Financial Ombudsman Service has found in favour of the insured when hydrology information provided by the insurer has not had adequate evidentiary support.⁵

We contacted RACQ on 28 April 2011 requesting a copy of any evidence, hydrology reports and client information that was used to determine Mr Gourley's claim. We include a copy of this letter labelled as "B". RACQ responded on 3 May 2011 stating that it will not provide a copy of the hydrology report because the report contains "private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege". We include a copy of this letter labelled as "C".

Any private information in the hydrology report can be redacted by RACQ and is not a basis for denying Mr Gourley access to the report. We also submit that any claim to privilege which is made against the hydrology report is unfounded. Under the *General Insurance Code of Practice*, RACQ is required to provide our client access to information which RACQ relied on to access the claim and an opportunity to correct any mistakes and inaccuracies (clause 3.4.3). We therefore further submit that the refusal of RACQ to provide the hydrology report is a breach of their obligations under the *Code of Practice*.

Please note, regardless of the outcome of this dispute, we reserve our rights to seek (in FOS or elsewhere) costs and compensatory damages from RACQ for any loss suffered by our clients due to RACQ's unjustified refusal to provide the hydrology report at this stage.

3.5. Conclusion of Hydrology Arguments

The water that first inundated Mr Gourley's property occurred as a result of storm activity and rainwater on Tuesday morning or within 24 hours of that event. Thus, the evidence shows that the house was firstly inundated prior to the river reaching its peak and from "a sudden, excessive run-off of water as a direct result of a storm in (the) local area." We submit that the property was subsequently then inundated by riverine flooding from the Brisbane River.

The damage to Mr Gourley's property was first caused by rainwater run-off. The description of that event does not fall within the "flood" exclusion. The loss is covered by the policy and RACQ should reverse its assessment and pay the claim. This is based on the following facts:

⁵ Financial Ombudsman Service Determination, case number 41832.

1. Mr Gourley's property is adjacent to a large stormwater drain that is situated less than 70 metres away and another two stormwater drains that are approximately 30 metres away from Mr Gourley's property. The direction of the flow of the water into the home was from the direction of the stormwater drains. The river is approximately a kilometre away from Mr Gourley's property.
2. The inundation of Mr Gourley's property started in the afternoon of Tuesday 11 January whereas the peak of the Brisbane River occurred at approximately 11.00pm on Wednesday 12 January. According to information in the Insurance Council of Australia hydrology report, the relevant peak of the Brisbane River, occurred at 12.30am⁶ on Wednesday 12 January 2011. This means that there was large amounts of water entering Mr Gourley's property after heavy rainfall in the area and approximately 26 hours before the relevant peak in the Brisbane River.
3. The initial inundation of Mr Gourley's home was from slow water rises that gradually entered the property, indicating it is more likely to be a result of rain/stormwater.
4. The water entered the property from the direction of the stormwater drain and not the river.

We agree with RACQ's conclusion that Mr Gourley's property was eventually flooded by water from the Brisbane River. It appears however that RACQ did not consider the potential for two separate events, namely an initial inundation of stormwater run-off into Mr Gourley's property and later riverine flooding. The evidence provided, including weather details and Mr Gourley's recollection provides a very strong argument that the property was initially subject to significant stormwater inundation.

This finding means that RACQ is required to pay for any damage which was first caused by the stormwater run-off. If the water damage caused by the first event cannot be determined accurately by RACQ, it will be required to pay for all the damage caused to Mr Gourley's property.⁷

4. Compassionate Grounds

As you are aware, the events of January 2011 were a significant disaster that caused widespread suffering in the community, including distress and anxiety to Mr Gourley. You may however be unaware of the specific circumstances of Mr Gourley.

⁶ Insurance Council of Australia, *Flooding in the Brisbane River Catchment January 2011*, Volume 2 – Flooding in Brisbane City LGA, 20 February 2011 at p. 41.

⁷ Financial Ombudsman Services Decision 94-997.

Mr Gourley's late wife was diagnosed with breast cancer before the floods. The physical and emotional trauma of the January 2011, the requirement to move out of their home at short notice, the loss of their possessions and damage to their house resulted in a deterioration of her condition. Mr Gourley's late wife was admitted to hospital shortly after the floods and passed away one month later. The couple have two children, aged [redacted] and [redacted] and Mr Gourley is now the sole financial and emotional provider.

Mr Gourley also continues to suffer emotional trauma as a consequence of the January 2011 events. He has had spinal surgery and will need to apply for a disability support pension through Centrelink.

In light of these issues, we would greatly appreciate it if RACQ reconsiders its decision in relation to Mr Gourley's claim. If this does not occur, we request that RACQ considers making a further ex-gratia payment to Mr Gourley to assist him and children restart their lives after the devastation they have experienced.

Request for information you relied upon to make your decision

If, upon consideration of the matters raised in this submission RACQ reaffirms the original refusal, please provide copies of any other evidence not previously provided that RACQ used to determine this claim and/or in reconsideration of this claim within 7 days of its review.

In particular, please provide a transcript of Mr Gourley's proposal for insurance and record of this claim (if there is one) and a transcript of any discussion with Mr Gourley on which you rely to support the decision you have made.

Response and urgency for our client

We would appreciate it if you would expedite this review to minimise further harm that delay and uncertainty is causing for Mr Gourley.

Mr Gourley prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve their rights to revise his claim if necessary.

Yours faithfully

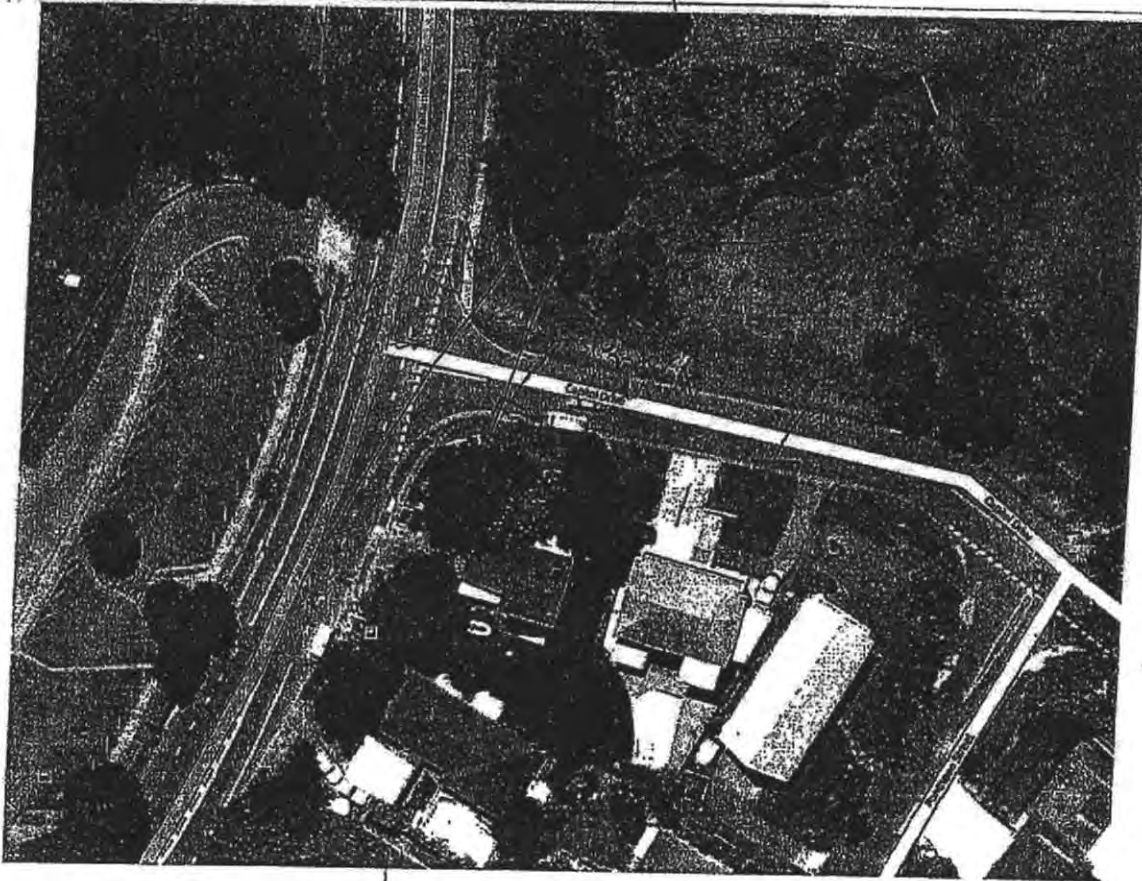
[redacted]
Caxton Legal Centre Inc.

"A"

nearmap.com

large storm
water
drain

To see all the details that are visible on the screen, use the "Print" option in the "Share" menu.



↓
Michael
Courtney's
property

"B"

28 April 2011

[Redacted]
Manager, Internal Dispute Resolution
Customer Disputes Resolution Department
RACQ Insurance
PO Box 3004
LOGAN CITY QLD 4114.

Facsimile No: [Redacted]
Email: [Redacted]

Dear [Redacted]

Michael Gourley - [Redacted]
Policy number: [Redacted]

Caxton Legal Centre Inc. acts for the above named for the purpose of preparing a submission to support a review of your company's decision to refuse our clients' insurance claim arising from events in December 2010 and/or January 2011.

Please see **attached** authority to act on behalf of the client. Please ensure that all further correspondence on the reconsideration of the refusal is directed to the writer.

We understand that you have informed our client that their claim is refused. Our client formally requests that this decision be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request shortly. Please do not finalise the review without given our client the benefit of being about to provide these written submissions.

In the meantime, please provide us with copies of our client's insurance policy and the Product Disclosure Statement that was in effect in December 2010 / January 2011. Please also provide us with any evidence, hydrology reports and client information that you have used to determine this claim. In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Please contact [Redacted] if you have any further questions.

Yours faithfully

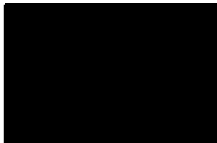
[Redacted Signature]

Caxton Legal Centre Inc.



COOPER GRACE WARD
LAWYERS

"C"



Our Ref: MJM:RXR 10094914
Your Ref:

3 May 2011

Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email:

RECEIVED
- 5 MAY 2011

BY:

Level 21, 400 George Street
Brisbane 4000 Australia
GPO Box 834, Brisbane 4001
T 61 7 3231 2444
F 61 7 3221 4356
www.cgw.com.au
ABN 95 591 906 639

Dear Colleagues

RACQ Insurance - flood claim review
Your client: Michael Gourley

We refer to your letter dated 28 April 2011.

We note that you act for Mr Gourley. As your client has engaged solicitors, RACQ Insurance has engaged us to act on its behalf in this matter. Please direct any further communications in this matter to us.

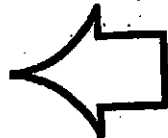
We enclose the following further information relating to your client's claim:

1. a copy of your client's certificate of insurance and relevant PDS documentation;
2. a copy of the loss adjustor's report obtained by our client in relation to your client's property; and
3. a copy of our client's information sheet setting out the conclusions our client has reached in relation to the cause of flooding in your client's area.

The above information sets out the basis of our client's decision.

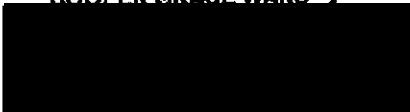
Your request for information is very broad and requests information that may be subject to legal professional privilege. Our client does not propose to provide information that is subject to legal professional privilege.

Further, our client does not propose to provide a copy of its hydrology report because the report contains private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege.



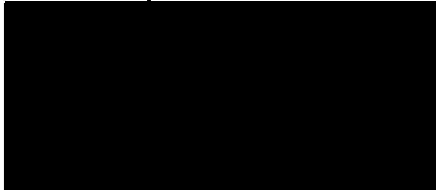
As you would be aware, our client is obliged to determine any application for review within 45 days of your client's complaint. We therefore ask that any submissions or material in support of the application that your client wishes to be considered be provided as soon as possible.

Yours faithfully
COOPER GRACE WARD



Associate

T
F
E



Partner

ECA210084914 3821685v1

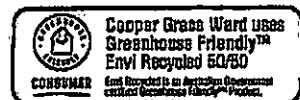


Exhibit 34



Our Ref: MJM:RXR 10094914

Level 21, 400 George Street
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

www.cgw.com.au

ABN 95 591 906 639

19 August 2011

██████████
Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email ██████████

Dear ██████████

RACQ Insurance Limited re Queensland Floods Response

Our client has instructed us to provide to you copies of the hydrology reports relevant to your clients' claims.

Accordingly, we enclose a CD with the compilations of the reports for the regions that relate to each of your clients.

You will note that some of the names in those reports have been redacted for privacy reasons. We will write to you separately, for each customer affected by the redactions, identifying how they have been affected.

Additionally, the reports refer to schedules containing personal information of customers. Those schedules have therefore been removed for privacy reasons. However, in the table below, we have set out those clients who, based on our records, you are currently acting for and the schedules in which each of your client's claims were ultimately determined to be in.

Name	Claim Number	Region	Schedule
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule B Part1
██████████	██████████	Middle Brisbane	Schedule A
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule B Part 1
██████████	██████████	Ipswich	Schedule A
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule A
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule B Part 1



[REDACTED]	HH01246565	Brisbane	Schedule A
[REDACTED]	HH01284559	Brisbane	Schedule A
[REDACTED]	HH01340793	Brisbane	Schedule A
[REDACTED]	HH01264330	Ipswich	Schedule B Part 1
[REDACTED]	HH01266178	Ipswich	Schedule B Part 1
[REDACTED]	HH01263117	Ipswich	Schedule A
[REDACTED]	HH01274766	Brisbane	Schedule A
[REDACTED]	HH01295422	Brisbane	Schedule A
[REDACTED]	HH01260575	Brisbane	Schedule A
[REDACTED]	HH01277111	Brisbane	Schedule A
[REDACTED]	HH01276238	Ipswich	Schedule A
[REDACTED]	HH01277816	Ipswich	Schedule A
[REDACTED]	HH01256679	Ipswich	Schedule B Part 1
[REDACTED]	HH01253379	Brisbane	Schedule A
[REDACTED]	HH01269847	Ipswich	Schedule A
[REDACTED]	HH01253128	Ipswich	Schedule A

This CD enclosed with this letter does not include the reports for regions in which you do not have clients. Accordingly, if you act for any insured other than those listed above, we would be grateful if you would let us know so that we can provide you with the reports and schedule information for those insureds.

Yours faithfully
COOPER GRACE WARD

[REDACTED]

Senior Associate

T
F
E

[REDACTED]

[REDACTED]

Partner

ECA210094914 4017701v1



Exhibit 35

**FOS DISPUTE RESPONSE
SUBMITTED BY RACQ INSURANCE LIMITED (THE MEMBER)**

1. BACKGROUND

- 1.1 Mr Michael Gourley (the Applicant) holds a standard household and contents policy of insurance with the Member. A copy of the certificate of insurance for the relevant policy period is attached as Attachment A.
- 1.2 In summary the policy details and the Applicant's particulars are as follows:

Insured:	Mr Michael Gourley
Type of policy:	Household and contents
Property:	Jindalee
Period of policy:	24 November 2010 to midnight 24 November 2011
Policy limits:	Home sum insured = \$491,000 Contents sum insured = \$103,000

- 1.3 The following evidence is relied upon by the Member in relation to this dispute:

Attachment	Details
A	Certificate of Insurance
B	Product Disclosure Statement
C	Statement of Stephen Quinton Clark
D	Key correspondence
E	Loss adjustor report

2. SUMMARY OF FACTS

- 2.1 The Applicant claims that his property was inundated on 11 and 12 January 2011.
- 2.2 On 14 January 2011 the Applicant made a claim under the policy.
- 2.3 From 14 January 2011 the Member undertook investigations to determine the cause of the inundation of various areas inundated in the Queensland floods, including the Applicant's premises. Some of the processes that the Member went through are as follows:
- (a) On 14 January 2011 the hydrology assessment identification process began. This involved a site inspection by loss adjustors (MYI Freemans) of all inundated properties to determine which properties required hydrological investigation.
 - (b) Between 14 January 2011 and 27 January 2011 the Member investigated an appropriately qualified hydrologist to appoint. This process took some time as there was extreme demand on the industry at the time and because of the holiday period generally.
 - (c) On 27 January 2011 Water Technology was appointed as the Member's hydrologist. The first brief that the hydrologist received was to investigate the cause of inundation in areas where there had been a number of fatalities – the Toowoomba and Lockyer Valley regions.
 - (d) On 2 February 2011 Water Technology was formally briefed to investigate the cause of inundation in various other areas including Brisbane.
 - (e) Progress in these investigations was at times hampered by lack of access to flood inundation maps, terrain information, rainfall and river gauge information and hydrodynamic modelling information.

- (f) Water Technology's investigations into the Brisbane region (insofar as they relate to the Applicant's property) were completed on 2 March 2011.
 - (g) As soon as possible after this, the Member began contacting customers to inform them of whether their claims were accepted or declined. It was not possible for all customers to be contacted immediately upon conclusion of the investigations because the Member needed to take steps to confirm that where the hydrology investigations suggested a claim should be declined, the insured had been sent a copy of the PDS for the policy prior to the loss arising. Further, the process of calling each insured was very time intensive as it was often necessary to offer comfort and support to customers, particularly where claims were being declined.
- 2.4 On 10 March 2011 the Member informed the Applicant that his claim was declined but that the Applicant was eligible for a payment of \$12,500 from the RACQ Insurance compassionate fund. It was made clear to the Applicant that accepting the compassionate fund payment would not impact on the Applicant's ability to challenge the Member's decision on the main claim. The Applicant accepted the compassionate payment and also requested information relating to the Member's hydrology investigations.
 - 2.5 On 16 March 2011 the Member sent the Applicant a letter attaching an information sheet which explained the Member's hydrology investigations in relation to the Applicant's region.
 - 2.6 On 30 May 2011 the Applicant requested that the Member's IDR Manager review the claim.
 - 2.7 On 12 July 2011 the IDR Manager confirmed the original decision to decline the Applicant's claim.
 - 2.8 On 18 August 2011 the Member received a letter dated 16 August 2011 from FOS providing details of the Applicant's dispute.
 - 2.9 On 19 August 2011 the Member provided a copy of the hydrology report relevant to the Applicant's claim to the Applicant.
 - 2.10 This document contains the Member's submissions in response.

3. ISSUES IN DISPUTE

- 3.1 At this stage, the issues that the Member believes he has been asked to respond to are the issues raised in the letter from the Applicant to FOS dated 21 July 2011 and the Caxton Legal Centre Inc. letter dated 30 May 2011.
- 3.2 The key issues appear to be as follows:
 - (a) Was the Applicant "clearly informed" about the scope of flood coverage under the policy?
 - (b) What was the cause of the Applicant's loss?
- 3.3 If a decision is to be made on any issues which have not been raised at this stage, the Member requests that it be given an opportunity to address those issues once they have been raised.

4. POSITION OF THE PARTIES

- 4.1 The key allegations made by the Applicant can be grouped into categories as follows:
 - (a) An allegation that the PDS was not sufficient to "clearly inform" the Applicant about the scope of the policy's flood coverage.
 - (b) An allegation that the cause of the Applicant's loss was "Flash flood and stormwater run-off" as defined under the policy.
- 4.2 The Member's position is as follows:
 - (a) In relation to "clearly informing" the insured:

- (i) The PDS is sufficient to "clearly inform" the insured about the scope of the flood cover.
 - (ii) The PDS clearly states that the policy does not cover "flood".
 - (iii) Further and alternatively, the certificate of insurance was sufficient to clearly inform the insured about the scope of the cover.
 - (iv) Further and alternatively, the insured was in fact aware of the scope of the cover.
- (b) In relation to the cause of the loss:
- (i) The Applicant has not discharged the onus of proving that the cause of the loss was by "Flash flood and stormwater run-off".
 - (ii) If flash flood was a proximate cause (which is denied), then "Flood" was *also* a proximate cause of the loss and, by application of the *Wayne Tank* principle, the policy does not respond.
 - (iii) The proximate cause of the Applicant's loss was "Flood" as defined.

5. POLICY PROVISIONS

5.1 The certificate of insurance states on page 3:

What optional covers are included and not included

	<i>Home</i>	<i>Contents</i>
...		
<i>Flood and storm surge</i>	<i>not included</i>	<i>not included</i>

5.2 The relevant provisions of the PDS for the policy state as follows:

(Page 10)

Words / terms with special meanings

Word / term	Meaning
...	
Flood	Rising water which enters your home as a result of it running off or overflowing from any origin or cause. <i>This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</i>

(Page 11)

Flash flood and stormwater run-off	A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off
------------------------------------	--

...

(Page 12)

Storm	A violent disturbance of the atmosphere associated with strong winds including a cyclone, lightning, heavy rain, hail or snow, but not continuous bad weather by itself.
-------	--

...

(Page 17)

Insured events you are covered for

Damage caused by weather...

What is covered

Storm

What is not covered

Loss or damage:

x caused by rain, hail or snow after it has reached the ground;

x caused by rain or wind

x caused by rain or wind entering the home unless it enters through an opening in the windows, walls or roof made by a storm;

x to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other playing surfaces;

x to paint and/or external coatings of buildings when there is no structural storm damage to other parts of the home;

x to swimming pool and spa covers, liners and the like other than loss or damage covered under Additional benefit; Storm damage to pool and/or spa covers on page 45;

x to a glasshouse whether constructed principally of glass or not;

x during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you:

- in conjunction with your signing a contract to purchase the home; or

- to replace a policy with us or another insurer from the date and time that other policy expired.

x caused by storm surge;

x caused by power surge.

...

(Page 18)

Insured events you are covered for

Damage caused by weather...

What is covered

Flash flood and stormwater run-off

A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off

What is not covered

Loss or damage caused:

x by flood;

x to swimming pools or spas and their covers, liners and the like;

x to the water in swimming pools or spas;

x by water being absorbed through floors, external and internal walls of your home (including rising damp) and any subsequent loss or damage to contents including carpets;

x by hydrostatic pressure building up below or behind any part of your home or structure including a swimming pool, spa or tank;

x to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other playing surfaces;

x by storm surge or any other action of the sea;

x by power surge;

x during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you:

- in conjunction with your signing a contract to purchase the home; or
- to replace a policy with us or another insurer from the date and time that other policy expired.

...

(Page 27)

Your home

The most we will pay you for home claims

What is covered

What is not covered

Flash flood and stormwater run-off

We will pay up to 50% of your home sum insured or \$25,000, whichever is higher

...

(Page 48)

Optional covers for extra peace of mind

The covers outlined in this section are optional and do not apply unless you have asked for them and we agree to cover you. Additional premiums apply for each cover. Your certificate of insurance will show which covers operate. All optional covers are subject to the terms and conditions of this policy.

...

(Page 53)

Optional covers for extra peace of mind

What is covered

What is not covered

Flood and storm surge

We will not pay for loss or damage to:

This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.

Home and/or contents cover

We cover you for loss of or damage to your home or contents caused by flood or storm surge which happens during the period of insurance at the property address.

We will pay up to the:

- home sum insured, if your home is insured;
- contents sum insured, if your contents are insured for damage caused by flood or storm surge.

We will pay for loss or damage in the same way and in the same amounts as we do under Insured events cover.

x paths, driveways, paving, retaining walls(whether or not part of the home), tennis courts or other playing surfaces;

x shade or sail cloth;

x fabric awnings, swimming pool and spa covers or liners and the like;

x glasshouse whether or not constructed principally of glass;

x water in swimming pools or spas;

x your property during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you:

- in conjunction with your signing a contract to purchase the home; or
- to replace a policy with us or another insurer from the date and time that other policy expired.

6. LAW

Obligation to "clearly inform"

6.1 Section 35 of the *Insurance Contracts Act 1984* (Cth) relevantly provides:

(1) *Where:*

- (a) *a claim is made under a prescribed contract; and*
- (b) *the event the happening of which gave rise to the claim is a prescribed event in relation to the contract;*

the insurer may not refuse to pay an amount equal to the minimum amount in relation to the claim by reason only that the effect of the contract, but for this subsection, would be that the event the happening of which gave rise to the claim was an event in respect of which:

- (c) *the amount of the insurance cover provided by the contract was less than the minimum amount; or*
- (d) *insurance cover was not provided by the contract.*

(2) *Subsection (1) does not have effect where the insurer proves that, before the contract was entered into, the insurer clearly informed the insured in writing (whether by providing the insured with a document containing the provisions, or the relevant provisions, of the proposed contract or otherwise) or the insured knew, or a reasonable person in the circumstances could be expected to have known:*

- (a) *where the effect of the contract, but for subsection (1), would be that the liability of the insurer in respect of a claim arising upon the happening of the event would be less than the minimum amount—what the extent of the insurer's liability under the contract in respect of such a claim would be; or*

- (b) *where the effect of the contract, but for subsection (1), would be that the insurer would be under no liability in respect of such a claim—that the contract would not provide insurance cover in respect of the happening of that event.*

6.2 Section 35 must be read with section 69, which provides:

(1) *Where:*

- (a) *by reason of a provision of this Act, information in relation to a contract of insurance is to be or may be given in writing to a person before the contract is entered into; and*

- (b) *it is not reasonably practicable for the information to be so given in writing but it is reasonably practicable for it to be so given orally;*

the provision shall be deemed to have been complied with if:

- (c) *the information is so given orally; and*

- (d) *the information is also given in writing within 14 days after the day on which the contract was entered into.*

(1A) *If:*

- (a) *an insured may, because of subsection (1), be informed orally of the matters referred to in subsection 22(1); and*

- (b) *the regulations prescribe a form of words to be used in giving the information orally;*

the information may be given using the prescribed form of words.

(2) *Where, by reason of a provision of this Act:*

- (a) *information in relation to a contract of insurance is to be or may be given in writing to a person before the contract is entered into; and*

- (b) *it was not reasonably practicable for the information to be so given orally or in writing;*

the provision shall be deemed to have been complied with, and the information shall be deemed to have been given, if the information is given in writing within 14 days after the day on which the contract was entered into.

(3) *Where information as mentioned in subsection (1) or (2) is given in writing after the contract was entered into, but at a time later than 14 days after the day on which the contract was entered into:*

- (a) *the rights of a person other than the insurer in respect of a loss that occurred during the period commencing at the expiration of 14 days after the day on which the contract was entered into and ending at the time when the information was so given are the same as though the information had not been given; and*

- (b) *the rights of a person other than the insurer in respect of a loss that occurred at any other time are the same as though the information had been given in writing before the contract was entered into.*

(4) *Where:*

- (a) *by reason of this Act, information in relation to a contract of insurance is to be or may be given in writing by the insurer to a person before, or at the time when, the contract is entered into;*

- (b) *it is reasonably practicable for the information to be so given; and*

(c) *the information is not so given, but is given in writing at a later time;*

the rights of a person other than the insurer in respect of a loss that occurred after the contract was entered into but before the information was given are the same as though the information had not been given.

- 6.3 It is submitted that the effect of section 69 is that an insurer will be able to rely on a provision which limits cover below the minimum amount referred to in section 35 so long as the insured is clearly informed, orally or in writing, of the effect of the provision at some time before the loss occurs.

Cause of the Applicant's loss

- 6.4 An insured bears the onus of proving that the loss was caused by an event covered under the policy. If a loss is proven to fall, prima facie, within the policy, then the insurer bears the onus of proving that any exclusion applies: *Wallaby Grip Ltd v QBE Insurance (Australia) Ltd* (2010) 240 CLR 444.
- 6.5 The following principles of insurance law are relevant in determining the cause of the Applicant's loss:
- (a) Courts look to find the "proximate cause" of the loss.
 - (b) The proximate cause is not the first or last cause of the loss; it is the "dominant", "effective", "direct", "efficient" (ie what "effectively" caused it) or "operative" cause of the loss.
 - (c) The proximate cause is the cause determined by a commonsense evaluation of the relevant facts – the cause that that the average person on the street would attribute to the loss: *Caine v Lumley General Insurance Limited* (2008) 15 ANZ Insurance Cases 61-756 at [78], *Max Hams v CGU Insurance Limited* [2002] NSWSC 273 [163].
 - (d) A court will generally try to find *the* (ie sole) proximate cause of the loss: *McCarthy v St Paul International Insurance Co Ltd* (2007) 157 FCR 402 at [91].
 - (e) However, the court should not strain to find one proximate cause if there are two causes both of which can properly be described as effective causes of the loss: *Wayne Tank and Pump Co Ltd v Employers Liability Assurance Corporation Ltd* [1973] 2 Lloyd's Rep 237; *City Centre Cold Store Pty Ltd v Preservatrice Skandia Insurance Ltd* (1985) 3 NSWLR 739.
 - (f) Where there are two or more proximate causes, one within the policy and another other excluded, the policy does not respond: *Wayne Tank and Pump Co Ltd v Employers Liability Assurance Corporation Ltd* [1973] 2 Lloyd's Rep 237 at 241; *Max Hams v CGU Insurance Limited* [2002] NSWSC 273; *Caine v Lumley General Insurance Limited* (2008) 15 ANZ Insurance Cases 61-756 at [85].
- 6.6 On that basis, it is submitted that the Applicant must prove that "Flash flood and stormwater run-off" or "Storm" was *the* cause of the loss. The insured's claim will fail if the loss was caused by "Flood" or by a combination of "Flood" and "Flash flood and stormwater run-off", or by a combination of "Flood" and "Storm", or by a combination of "Flood" "Storm" and "Flash flood and stormwater run-off".

7. SUBMISSIONS

Obligation to "clearly inform"

- 7.1 The Member submits that the Applicant was "clearly informed" about the scope of the policy's flood coverage when the Applicant received a copy of the PDS.
- 7.2 It is the Member's position that a copy of the PDS was sent to the Applicant, along with the certificate of insurance, within 14 days of the date the policy was entered into. Alternatively, the PDS would have been sent to the Applicant at least before the Applicant's loss arose. The Member submits that this is sufficient to "clearly inform" the Applicant for the purposes of section 35 *Insurance Contracts Act 1984* (Cth), when read with section 69.

- 7.3 Further, the PDS is sufficient to "clearly inform" the Applicant as to the scope of the flood cover and any exclusions that apply for the purposes of section 35.
- (a) The Member relies on the PDS as a whole for satisfying its obligation to clearly inform the Applicant about the scope of the policy's flood cover. However, the Member refers in particular to the following matters.
 - (b) Page 18 of the PDS clearly juxtaposes the events which are covered with those which are not covered. Under the heading "What is covered", the term "Flash flood and stormwater run-off" appears, along with the definition of that term. Immediately adjacent to this, under the heading "What is not covered", the term "Flood" is listed.
 - (c) The PDS provides a definition of "flood" and within the definition it clearly states "This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance".
 - (d) Throughout the PDS, as detailed above, it states that "This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance".
 - (e) Further, the section of the PDS dealing with optional extra coverage also makes clear that "Flood" is not an event which is included in the standard policy.
 - (f) The Applicant's submissions claim that the definition of "Flood" in the policy is "too broad". That submission, with respect, misunderstands the nature of section 35. Section 35 does not limit the insurer's decision about what cover to offer, rather it provides that if the minimum cover is not to be provided, the insured must be "clearly informed" of the differences between the cover provided and the minimum cover.
 - (g) The Member submits that when the definitions of the terms "Flood" and "Flash flood and stormwater run-off" are read together, the difference between the two is clear. "Flash flood and stormwater run-off" is a particular category of flood – namely, a sudden flood caused by rain that fell not more than 24 hours earlier. The policy makes clear that this is the only type of flood which is covered, and that any other kind of flood is not covered as part of the standard cover.
 - (h) The Member respectfully notes that FOS has previously held that the Member's policy documentation (Certificate of Insurance and PDS) is sufficient to 'clearly inform' insureds of the limitations of the policy. In particular FOS determination 239722 at paragraph 53 states "The panel having reviewed the policy documentation determines that the FSP has satisfied the legal obligation placed upon it to clearly inform the Applicant of the limitations of the policy relevant to this dispute". The Member submits that the same finding should be made here.
- 7.4 In relation to the PDS, the Member acknowledges the FOS' Circular dated July 2010 addresses the issue of establishing that documents have been sent; this states in part
- Where a decision in relation to a dispute depends on FOS deciding whether or not a financial services provider (FSP) sent, and an applicant received, a specific document (eg a renewal, certificate of insurance, policy document, cancellation notice, letter of offer or default notice etc), there are steps both parties will need to take to satisfy FOS about the dispatch and receipt of the document.*
- 7.5 The Member wishes to emphasise however that the Applicant does not appear to dispute receiving the PDS and/or certificate of insurance, and as such this dispute does not depend upon the FOS deciding whether the Member sent, and whether the Applicant received any of the aforementioned documents. Should the Applicant or FOS disagree with this assertion, the Member requests the opportunity to make submissions on the issue.
- 7.6 The Member's records indicate that the Applicant's policy has been in force from 20 November 1997. It is the Member's position that a copy of the PDS was sent to the Applicant, along with the certificate of insurance, within 14 days of the date the policy was entered into. This is sufficient to "clearly inform" your client for the purposes of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth).

- 7.7 Further, each year the Applicant would have received policy renewal documents which would include any updated PDS or SPDS documentation. The Member submits that it does not make sense that the Applicant would have received the documents relating to renewal of the policy without also receiving these other documents. The Applicant does not dispute that the said documentation was not received by them.
- 7.8 In addition to all of the above matters, the Member submits that the Applicant's certificate of insurance was sufficient to "clearly inform" the Applicant about the scope of the flood cover.
- (a) The Applicant's certificate of insurance, at page 2, clearly states that "Flood and Storm Surge cover" is "not included". This is sufficient to "clearly inform" the Applicant of the exclusions that apply under the policy.
- (b) Furthermore, the certificate of insurance directs the Applicant to read the PDS and SPDS, which as outlined above, "clearly informs" the Applicant about the scope of the flood coverage.

Cause of the Applicant's loss

- 7.9 The issues in dispute and the position of the parties require a consideration of the following question by reference to the evidence: Was the proximate cause of the Applicant's loss "Flash flood and stormwater run-off"?
- 7.10 As discussed above, the Member has (through Water Technology) conducted its own detailed hydrological investigations into the cause of flooding in Brisbane. It is important to note that the Member has undertaken these specific investigations, and it is these investigations which the Member has relied upon in making its decision (as opposed to the report obtained by the Insurance Council of Australia (the ICA Report)). The Member did this so that it would have its own information which considered the specific issues which arise under the terms of its policy.
- 7.11 Accordingly, the Member relies primarily on the attached statement of [REDACTED] is a director of Water Technology, an expert who specialises in hydrologic and hydraulic engineering. His statement deals with the cause of the flooding in Brisbane on a regional basis. The Member relies upon this statement rather than the ICA Report, although (as discussed below) we note that the conclusions formed by [REDACTED] are consistent with the findings in the ICA Report.
- 7.12 In respect of the regional issues, the critical conclusions set out in [REDACTED] statement are as follows:
11. *A substantial amount of rain fell in the Brisbane River catchment above Wivenhoe Dam both before, but particularly over the period 9, 10 and 11 January 2011 commencing at approximately 9.00am on 9 January 2011. This rain caused significant inflows into the Wivenhoe Dam, the level of which peaked late in the evening on 11 January 2011. There were significant discharges of this water from the Wivenhoe Dam which flowed into the Brisbane River. This water worked its way down the Brisbane River towards Brisbane.*
 12. *A substantial amount of rain also fell in the Bremer River catchment from around 6.00am on 11 January 2011. This rain travelled down the Bremer River towards the junction of the Bremer River and the Brisbane River.*
 13. *The Bremer River contributed in the order of 15% to 25% of the Brisbane River's peak flow. Due to the high Brisbane River tailwater levels, there was some attenuation of the peak flow rate in the lower reaches of the Bremer River. This means that the overall contribution of the Bremer River to the Brisbane River is likely to be less than 15% to 25% but it is not possible at this stage to precisely say by how much less.*
 14. *A small proportion of the overall depth of the Brisbane River prior to 6.00am on 12 January 2011 may be partially attributable to the rain that fell in the Bremer River catchment on 11 January 2011. However, the overwhelming influence on the flooding of the Brisbane River was the rain which fell some days earlier over the Wivenhoe Dam catchment and its subsequent release from Wivenhoe Dam.*

15. After 6.00am on 12 January 2011, the Brisbane River continued to rise to its peak level of 4.45m (recorded at the Brisbane City Gauge at approximately 4.00am on 13 January 2011).

...

51. On the basis of the above matters, I conclude that the cause of the inundation of the Subject Property was the rising level of the Brisbane River, which was itself caused by rain which fell more than 24 hours earlier.

7.13 These conclusions are supported by the ICA report, the Summary of Findings section of which states:

There were three generally distinct and significant periods of rainfall between 9 January and 13 January 2011: the first rainfall event occurred over the period from about 1400 hours to 2100 hours on Sunday 9 January; the second event over the period from about 0900 hours to 1200 hours on Monday 10 January; and third event from about 2100 hours on Monday 10 January to 1500 hours on Tuesday 11 January. The third rainfall event delivered the heaviest falls. The first and third of these rainfall events caused two major floods in the upper Brisbane River catchment draining directly to Wivenhoe and Somerset Dams.

...

As with the upper Brisbane River catchment, there were three generally distinct and significant rainfall periods across the lower catchment during the period Sunday 9 January to Thursday 13 January 2011. The timing of these lower catchment rainfalls was slightly different from the upper catchment rainfalls. The first lower catchment rainfall event occurred from around 1000 hours to 2100 hours on Sunday 9 January; the second from around 0600 hours to 1500 hours on Monday 10 January; and third rainfall event from around 0400 hours to 1800 hours on Tuesday 11 January. The third event was the most significant over much of the lower catchment, but the second event was especially severe over the upper reaches and catchment areas of Lockyer Creek and its tributaries that abut the Escarpment.

...

Rain ceased over the Brisbane City area around 1800 hours on Tuesday 11 January, some 24-30 hours before flood levels in the Brisbane River peaked. Thus, when the Brisbane River peaked, it is not expected that there was any downstream flow of significance in the tributary creeks draining the Brisbane LGA. As the floodwave passed downstream along the Brisbane River, backwater flooding occurred up the tributary creeks. The peak flood level and time of peak along the tributary creeks are expected to be the same as those in the Brisbane River at the mouth of the creeks.

In low-lying urban areas, especially in Brisbane and Ipswich cities, significant areas of land are separated from the Brisbane River and its tributary waterways by an intervening ridge or levee of higher land. High tailwater levels in the receiving waterways caused backflow up the piped drainage system to surcharge into the low areas and cause pipe backflow inundation.

Floodwaters moving down the Brisbane River over the period 9 to 14 January were made up of releases from Wivenhoe Dam and floodwaters from Lockyer Creek and the Bremer River. The water level response to these „normal“ flood events in lower Lockyer Creek, in the lower Bremer River and in the lower Brisbane River was dwarfed by the subsequent water level rise associated with releases from Wivenhoe Dam over the period 0600 hours on Tuesday 11 January to 0300 hours on the morning of Wednesday 12 January. The water level rise associated with the above dam releases increased water levels in the lower Lockyer Creek at O'Reillys Weir by over 5 m, in the lower Bremer River at One Mile Bridge by over 7 m, and in the Brisbane River at Savages Crossing and Mt Crosby by 7 m and 10 m respectively.

This report does not quantify the relative contributions of releases from Wivenhoe Dam and floodwaters from Lockyer Creek and the Bremer River to flows in the Brisbane River or along the lower reaches of these two tributaries. Notwithstanding this fact, on the basis of recorded water level behaviour, it is concluded that releases from Wivenhoe Dam was the principal immediate cause of flooding along the reach of the Brisbane River downstream of the Dam, along the lower reaches of Lockyer Creek and the Bremer River, and along tributaries further downstream.

However, performance of Wivenhoe Dam during the January 2011 flood event is more complex than simply assigning flood causation to „dam releases“. The dam sits astride the Brisbane River; all upstream runoff must flow into the dam and become „dam release“. In January 2011, Wivenhoe Dam was called upon to accommodate massive inflows made up of surface runoff from the upstream catchment area, releases from Somerset Dam, and direct rainfall. All of this water – generated by natural meteorological processes – had to pass through the dam. The greater the volume and peak discharge of an incoming flood, the less effective are dams at mitigating flood flows, and the more constrained „management options“ (releases) become for dam operators.

- 7.14 The statement of [REDACTED] also confirms that the Applicant's property does not appear to have been inundated by stormwater run-off or other local run-off.
- 7.15 In relation to the matters raised in the letter from the Applicant dated 21 July 2011, we note the following:
- (a) The evidence contained in that letter is basically to the effect that there was rain or a storm on 10 and 11 January 2011. The submission proceeds on the basis that the property was inundated on 11 January 2011.
 - (b) Those two facts (even assuming the claimed inundation time to be accurate) are not sufficient to show any connection between the rain that fell on 11 January 2011 and the inundation of the Applicant's property. The fact that one occurred after the other does not show that one was caused by the other.
 - (c) The fact that there was local rainfall before the inundation does not mean that the inundation was "Flash flood or stormwater run-off". It is not sufficient, to satisfy the definition, to show that there was rain within 24 hours of the Applicant's property being inundated. The Applicant must show that the rain which fell within 24 hours was what caused the inundation. The evidence relied upon by the Applicant does not establish this.
 - (d) The Applicant has not sought to rely upon any hydrological evidence. His submissions have not attempted to address the other possible causes of inundation, particularly, the effect of water (which had fallen in the Wivenhoe Dam catchment from around 9 January 2011) which was released from Wivenhoe Dam.
 - (e) FOS has previously found that, where there is expert hydrology evidence provided by the insurer which has not been "substantially refuted", that evidence should be accepted even if it contradicts statements provided by the Applicant and the Panel had "no reason to doubt these author's belief in the veracity of their statements" (FOS determination 223789 at page 7).
- 7.16 In respect of the site specific issues, [REDACTED] statement indicates the reasons why he concludes that the property did not experience stormwater flooding, and those reasons include:
- (a) The terrain information does not suggest that the Subject Property is particularly vulnerable to stormwater or other local run-off.
 - (b) The rainfall around the time of the inundation of the Applicant's property was not sufficient to cause inundation by stormwater run-off or other local run-off.
 - (c) The timing of the rise of the Brisbane River was consistent with the time of inundation of the Applicant's property as reported by the Applicant.
- 7.17 [REDACTED] addresses at paragraphs 38 - 50 of his statement how the Applicant's version of events, as raised in the Applicant's Online Dispute Information sheet, the Applicant's letter dated 21 July and the Caxton Legal Centre Inc. letter dated 30 May 2011, do not cause [REDACTED] to change his conclusion about the cause of Applicant's loss.
- 7.18 It is necessary to then consider the application of the various policy definitions in light of the evidence.
- 7.19 The evidence indicates that the proximate cause (or at the very least a proximate cause) of the loss was rain which fell in the Wivenhoe dam catchment from 9 January 2011 (and earlier) which had the effect of raising the level of the Brisbane River. That rain fell more than 24 hours

prior to the inundation of the Applicant's property. Therefore, the inundation does not meet the definition of "Flash flood and stormwater run-off".

8. CONCLUSION

8.1 For the above reasons:

- (a) the Applicant was "clearly informed" about the scope of the policy's flood coverage;
- (b) the Applicant's loss was not caused by "Flash flood and stormwater run-off" as defined in the policy;
- (c) the Applicant's loss was caused by "Flood" as defined in the policy; and
- (d) the Member's original claim decision should be upheld.

8.2 Again, if there are any specific issues to be decided that have not been addressed in this submission, the Member would like an opportunity to make submissions and put forward evidence in relation to those issues.



Manager – Customer Dispute Resolution

ATTACHMENT A



Home and Contents Insurance

Your Duty of Disclosure

An important notice concerning information you are required to give us

The Insurance Contracts Act 1984 requires us to give you information about your insurance and for you to give complete and accurate information to us. This is known as Your Duty of Disclosure. Before entering a contract of insurance with us, and each time you vary or renew your policy we will ask you a number of specific questions.

In addition, if we invite renewal of the policy, we will forward our premium renewal notice to your last known postal address prior to the expiry date of the policy. This notice will include, amongst other matters, specific questions relating to you and the insured property.

What you must tell us

When answering our questions you must be honest and you have a duty under law to tell us anything known to you, and which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by this policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as if it had never existed.

If you do not understand

If you do not understand your duty, please contact us on 13 1905.

Your disclosure

Set out below are questions which are brought to your attention.

If the answers to all of the questions is "No", you need not tell us.

If the answer to any of the questions is "Yes", you must give us full details of that answer. You can do this by either phoning or writing to us, and quoting your policy number.

The questions for your attention:

In the previous period of insurance have you or any other person insured or covered by this policy:

- been convicted of any criminal offence?
- suffered any home or contents loss or damage whether an insurance claim was made or not, or had a liability claim made against you?
- had any insurance declined, cancelled, voided, insurance renewal refused, a claim rejected or special conditions imposed?

The following questions apply to each property insured or covered by this policy:

1. Is there any person (other than family members permanently living with you) who owns or has an interest in the insured property and who is not shown as an insured person on this Certificate?
2. Is there any business conducted at the property address which is not shown on this Certificate?
3. If you have not paid this premium by the due date, has any accident or theft happened after that date?
4. Has any of the information shown on this Certificate changed?

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 3 of 4

Your policy number

Customer service
13 1906

Claims hotline
13 7202

Website
www.racqinsurance.com.au



What you must do

For this Certificate to be valid, you and anyone else insured under this policy must carefully examine the Certificate information for its correctness and advise us of changes that have occurred over the previous period of insurance.

Policy holders

MR MICHAEL ROSS GOURLEY

You are an RACQ Silver Club Member

You are an RACQ Gold Club Member

You receive a discount for:

- being an RACQ Gold Club Member
- combining your home and contents in one policy
- no claims on your home/contents
- having multiple products with RACQ Insurance

Period of insurance

from 24 Nov 2010 to midnight 24 Nov 2011

What you are insured for

	Sum Insured
HOME	\$491,000
CONTENTS AT THE HOME	\$103,000
LEGAL LIABILITY	\$20,000,000

We adjust Home and Contents sums insured to cover rising values and costs - please check that the new sums insured meet your needs.

The policy covers the Home and Contents located at:

JINDALEE 4074 which:

- is a home
- is permanently occupied by you
- will not be unoccupied for more than 60 consecutive days
- is structurally sound and well maintained (including all outbuildings)
- is not used as a trade, business or professional workplace
- has no other people besides family members residing at the property

What optional covers are included and not included

	Home	Contents
Motor burnout	Included	Included
Pet cover	n/a	not included
Group Cover	n/a	not included
Selected Personal Items	n/a	not included
Advanced cover	not included	not included
Flood and storm surge	not included	not included

Please refer to your Product Disclosure Statement (PDS) and any Supplementary Product Disclosure Statement (SPDS) for full details of the optional covers available.

If you would like to vary your cover please call us on 13 1905.

Date of issue 23 October 2010

Renewal - Certificate of Insurance

Home and Contents Insurance

Page 4 of 4

Your policy number

Customer service

13 1905

Claims hotline

13 7202

Website

www.raoqinsurance.com.au

Mortgagee

CREDIT UNION AUSTRALIA LTD holds the first mortgage

Security installed

deadlocks (key operated inside and out) on all external doors, other than security or screen doors
steel bars / grilles on all accessible windows

Excess you contribute to any claim

APPLICABLE EXCESSES WILL BE ADDED TOGETHER

	Home	Contents
Excess	\$300	\$300
*Earthquake excess	\$300	\$300

**You contribute this additional amount to a claim for loss or damage caused by earthquake during any period of 48 consecutive hours.*

GST

This notice is not a Tax Invoice. If you need a Tax Invoice setting out the GST charged on this policy, please call and request one.

Amount payable

The amount payable is made up of the following:

* Premium	\$984.95
* Goods and Services Tax (Government charge)	\$98.50
* Stamp Duty (Government charge)	\$81.26

TOTAL AMOUNT PAYABLE **\$1,164.71**

This certificate is not valid until payment has been made.

Date of issue 23 October 2010

ATTACHMENT C



FINANCIAL OMBUDSMAN SERVICE

NUMBER: 241946

Applicant: MICHAEL GOURLEY
AND
Financial Service Provider: RACQ INSURANCE LIMITED

STATEMENT

I, [REDACTED] West End, Brisbane in the State of Queensland state as follows:

Qualifications

1. I am a specialist flooding engineer and Director of Water Technology Pty Ltd at 93 Boundary Street, West End, Brisbane. My key areas of expertise are hydrologic and hydraulic engineering, floodplain management and flood warning.
2. I have the following qualifications: Bachelor of Civil Engineering (Hons) from the University of Queensland, Masters of Engineering Science from the University of Queensland, National Professional Engineers Register and Registered Professional Engineer Queensland. I attach as EXHIBIT SQC01 to this affidavit a copy of my curriculum vitae.

My engagement


3. In January 2011, in the aftermath of the Queensland floods, Cooper Grace Ward Lawyers on behalf of RACQ Insurance Limited engaged me to assist with hydrological investigations into the Queensland floods. Since then I have been engaged on an ongoing basis (and am still engaged) to assist in determining claims by insured customers. Below I identify investigations which are specifically relevant to the property of Michael Gourley (the Applicant in this FOS dispute) at [REDACTED] Jindalee (the Subject Property).

Process for considering the Subject Property

4. To determine the cause of the inundation of the Subject Property I started by considering the regional factors which led to the inundation in Brisbane generally. I then performed a site specific review of the Subject Property to consider whether the inundation of the Subject Property may have been the result of stormwater run-off.
5. I believe this approach is an appropriate way to assess the cause of the inundation at the Subject Property because the factors which led to the rise in the Brisbane River occurred on a regional basis. The rise in the Brisbane River (which was caused by the mechanisms explained below) is what would have led to the inundation of the vast majority of properties which were inundated in Brisbane. However, inundation caused by stormwater runoff is

generally very site specific, and so it is necessary to consider site specific features of the Subject Property to determine whether stormwater run-off may have caused the inundation.

Inundation event Brisbane

6. I have carried out extensive investigations into the inundation which occurred in Brisbane in January 2011.
7. In particular my investigations were to determine whether the inundation in that region was caused by heavy rain that fell no more than 24 hours prior to the flood or whether it was the result of some other cause.
8. The area I looked at includes the Brisbane River catchment up to Brisbane.
9. In forming my opinion set out below I considered meteorology data, rainfall data in the Brisbane River and Wivenhoe Dam catchment area and stream gauge data for the Brisbane River. The rainfall data was collected from the gauging stations at Caboonbah, Mt Stanley, and Crows Nest. The stream gauge data was collected from the gauging stations at Gregor Creek, Lowood, Moggill, Jindalee and the Brisbane City gauge. I attach as EXHIBIT SQC02 data the above mentioned data. 

Regional Conclusions – Brisbane

10. Based on the above data I conclude as follows.
11. A substantial amount of rain fell in the Brisbane River catchment above Wivenhoe Dam both before, but particularly over the period 9, 10 and 11 January 2011 commencing at approximately 9.00am on 9 January 2011. This rain caused significant inflows into the Wivenhoe Dam, the level of which peaked late in the evening on 11 January 2011. There were significant discharges of this water from the Wivenhoe Dam which flowed into the Brisbane River. This water worked its way down the Brisbane River towards Brisbane.
12. A substantial amount of rain also fell in the Bremer River catchment from around 6.00am on 11 January 2011. This rain travelled down the Bremer River towards the junction of the Bremer River and the Brisbane River.
13. The Bremer River contributed in the order of 15% to 25% of the Brisbane River's peak flow. Due to the high Brisbane River tailwater levels, there was some attenuation of the peak flow rate in the lower reaches of the Bremer River. This means that the overall contribution of the Bremer River to the Brisbane River is likely to be less than 15% to 25% but it is not possible at this stage to precisely say by how much less.
14. A small proportion of the overall depth of the Brisbane River prior to 6.00am on 12 January 2011 may be partially attributable to the rain that fell in the Bremer River catchment on 11 January 2011. However, the overwhelming influence on the flooding of the Brisbane River was the rain which fell some days earlier over the Wivenhoe Dam catchment and its subsequent release from Wivenhoe Dam.

15. After 6.00am on 12 January 2011, the Brisbane River continued to rise to its peak level of 4.45m (recorded at the Brisbane City Gauge at approximately 4.00am on 13 January 2011).

Further investigations

16. As already mentioned, the above analysis was performed on a regional basis. Stormwater issues are generally very site specific. Accordingly, I undertook further steps to identify whether the cause of the inundation to the Subject Property may have been stormwater.

17. CSIRO defines Stormwater Flooding as:

inundation by local runoff caused by heavier than usual rainfall. Stormwater flooding can be caused by local runoff exceeding the capacity of an urban stormwater drainage system or by the backwater effects of mainstream flooding causing urban stormwater drainage systems to overflow.

18. The further investigations I undertook to identify whether the cause of the inundation to the Subject Property may have been stormwater were: reviewing terrain data, comparing the reported time of inundation with the timing of the rise of the Brisbane River, comparing the reported time of inundation with local rainfall data, and discussions with the Applicant during a site inspection of the Subject Property conducted by Water Technology on 14 June 2011.

Terrain data

19. When considering terrain data, the main thing that I considered is whether the Subject Property is higher than the surrounding areas. This would suggest a lower likelihood of stormwater and/or flash flood issues (and the converse also applies).
20. I attach as EXHIBIT SQC03 to this statement a copy of the terrain data for the Subject Property. Superimposed over the terrain data is the stormwater pipe network and any drainage easements in the area.
21. I attach as EXHIBIT SQC04 to this statement a copy of the Brisbane City Council FloodWise data for the Subject Property.
22. This shows that the level of the Subject Property varies from approximately RL 8.1m AHD at the front of the Subject Property facing [REDACTED] to RL 10.4m AHD at the rear of the Subject Property. There is stormwater infrastructure on [REDACTED] including curb and channelling and stormwater pits. The house on the Subject Property is substantially higher (over 1.5 metres) than the ground level of [REDACTED]. Generally local run-off would travel down [REDACTED] from the South-West in a North-Easterly direction towards the Golf Course to the North-East.
23. There is a local low point in the car park opposite the Subject Property. Backflow from the stormwater drainage system as a result of the rising levels of the Brisbane River, as discussed below at paragraphs 39 – 41, would be observed in this low point before anywhere else.

24. The residential blocks immediately to the rear of the Subject Property are higher than the Subject Property itself. Local run-off from these residential blocks would travel towards and across the Subject Property and ultimately onto [REDACTED]
25. The terrain information does not suggest that the Subject Property is particularly vulnerable to stormwater or other local run-off during rainfall intensities experienced on during the January 2011 flood event.

Minimal local rainfall at time of reported inundation

26. Inundation resulting from stormwater or other local run-off generally requires intense levels of rain (ie sufficient to overcome the stormwater drainage system) and will generally occur at the same time as that intense rain or immediately after it (eg within 1 hour for localised stormwater inundation). This is because inundation by stormwater or other local run-off arises because the rate at which the water drains away through the stormwater system is less than the rate at which new water is added by the intense rainfall. Once the intense burst of rainfall is over, the rate at which the run-off is drained away will eventually exceed the rate at which new water is added, and so the overall water level will drop. All of this means that inundation by stormwater or other local run-off responds quickly to heavy local rainfall. This type of inundation will occur quickly after the intense rain has started falling and will generally (depending on variables such as catchment size) recede quickly after the intense rain has ceased falling.
27. I attach as EXHIBIT SQC05 to this statement a copy of the rainfall record for the Jindalee Alert rainfall gauge and the results of an intensity analysis for the same gauge for the period from 9 January 2011 to 15 January 2011. The Jindalee Alert gauge is approximately 2 kilometres from the Subject Property and in my view is representative of the rain that would have fallen in the vicinity of the Subject Property.
28. The gauge records show that approximately 84mm of rain fell over the period 9 January 2011 to 10 January 2011. A further approximately 68mm fell during the course of the day on 11 January 2011. The most intense rainfall on 11 January 2011 was recorded between 10.00am and 11.00am.
29. However, the intensity analysis shows that the rainfall was of very low intensity throughout this period (ie a peak intensity of a less than 1 in 1 year event). In my opinion it is unlikely that rainfall of this magnitude would cause stormwater or other run-off inundation of the Subject Property.

Timing of the rise of the Brisbane River

30. The terrain data can also be compared with the time of inundation reported by the Applicant to show that the time of inundation coincides with the timing of the rise of the Brisbane River. In the letter from Caxton Legal Centre dated 30 May 2011 the Applicant states:

[REDACTED]

[REDACTED]

Mr Gourley recalls that it was consistently raining on the morning of Tuesday 11 January 2011. This rain resulted in the stormwater drains becoming overfull and water spilling into the street and Golf Course close to Mr Gourley's house. The rain continued and water began flowing from the stormwater drains towards Mr Gourley's house. At approximately 10.00pm [11 January 2011] the water was in Mr Gourley's property and approximately 1/2 metre from his house. At his point, Mr Gourley and his family decided to leave the property. They packed up the car with a small number of items and left the property at approximately 10.30pm [11 January 2011]...

31. During the site inspection of the Subject Property conduct by Water technology staff on 14 June 2011 the Applicant told Water Technology staff that:
 - The water was up to the letter box by approximately 11.00pm on 11 January 2011;
 - By midnight on 11 January 2011 the water was half way up the driveway;
 - By approximately 12.30am on 12 January 2011 the water was not in the house but lapping at the door;
 - The Applicant evacuated by 12.30am on Wednesday 12 January 2011;
 - When the Applicant left there was no water in the house but the Applicant "assumed it was about to".
32. I note that there are a number of inconsistencies in the Applicant's observations. However, from the Applicant observations it appears that the Applicant is saying that the house on the Subject Property was inundated sometime after midnight on 11 January 2011 and the Applicant vacated the Subject Property between 10.30pm on 11 January 2011 and 12.30am on 12 January 2011.
33. EXHIBIT SQC06 to this statement is a graph intended to show the timing of the rising of the Brisbane River compared to the approximate level of the Subject Property. On it are plotted, the level of the Brisbane River at the Jindalee Alert Gauge, the level of the Brisbane River at the Oxley Creek Mouth Alert Gauge, an interpolated level of the Brisbane River at the Subject Property, and a line marking the minimum property height based on the above FloodWise report. The interpolated line showing the level of the Brisbane River at the Subject Property was derived based on an inverse distance weighted interpolation of the Subject Property's location between the Jindalee Alert Gauge and the Oxley Creek Mouth Alert Gauge.
34. Exhibit SQC06 shows that the Brisbane River would have reached a level sufficient to inundate the minimum Subject Property level (RL 8.1m AHD) at approximately 10.00pm on 11 January 2011. This is broadly consistent with the Applicant's comments that "At approximately 10.00pm [11 January 2011] the water was in Mr Gourley's property".
35. Exhibit SQC06 also shows that the Brisbane River would have reached a level sufficient to inundate half of the driveway on the Subject Property (approximately RL 8.75m AHD) at

approximately midnight on 11 January 2011. This is consistent with the Applicant's observation that by midnight the water was half way up the driveway.

36. Exhibit SQCD6 shows that the Brisbane River would have reached a level sufficient to inundate the house on the Subject Property (RL 9.5m AHD) by approximately 3.00am on 12 January 2011.
37. This further supports my conclusion that the Subject Property was inundated by the rising level of the Brisbane River.

Matters raised by the Applicant

38. I have reviewed a copy of the Applicant's Online Dispute Information sheet, a letter from the Applicant to POS dated 21 July 2011 and a letter from Coxton Legal Centre dated 30 May 2011. Those documents raise a number of issues which I propose to specifically address. In particular in the letter from Coxton Legal Centre dated 30 May 2011 the Applicant states that

Mr Gourley's house is situated less than 70 metres from a large stormwater drain. This storm water drain is the outlet of water for a large area, including all of Yellambee Road, Capitol Drive and Centenary State High School. Due to it servicing such a large and highly populated area, there is a history of storm water drain problems in the area. During heavy periods of rain and storms, the stormwater drains will fill-up and overflow onto the roads and into the Jindailee Golf Course. Mr Gourley's house is also approximately 30 metres away from two other stormwater drains, which have similar issues during heavy rains.

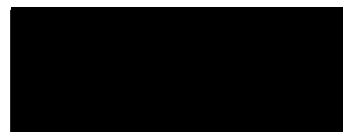
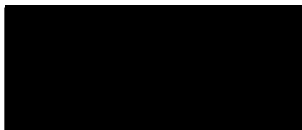
...

When Mr Gourley left the property, the water was following from the stormwater drains close to his house and not from the direction of the river, which is approximately 1km away from Mr Gourley's property.

39. The situation described by the Applicant is consistent with the inundation of the Subject Property being caused by the rising level of the Brisbane River causing water to backflow into the stormwater drainage system.
40. The way that this can occur is as follows. Stormwater drains generally drain to major watercourses. In the Brisbane region, the stormwater system would generally drain into the Brisbane River. Stormwater in the vicinity of the Subject Property drains into the Jindailee Creek which in turn drains into the Brisbane River. As river levels rise, they eventually rise above the level of the pipes which drain the stormwater into the river. As the river level continues to rise, the levels within the stormwater system are dominated by the level at the outlet to the river. Therefore, as the river level rises, water will travel back up the stormwater pipes. If there is an area of higher ground between the watercourse and a given property, it is possible for the property to be inundated by the rising level of the river, even though the water has not travelled directly from the banks of the river to the site of the property because of the obstruction posed by the higher ground.

41. I have marked on EXHIBIT SQC07 the path which stormwater drains into the Brisbane River. I have also marked on Exhibit SQC07 the backflow path from the Brisbane River towards the Subject Property.
42. This backflow effect is depicted in "Case 3" in figure 2.1 of the report by the ICA Hydrology Panel, titled "Flooding in the Brisbane River Catchment, January 2011". A copy of that diagram is attached as EXHIBIT SQC08.
43. The Applicant states that "During heavy periods of rain and storms, the stormwater drains will fill-up and overflow onto the roads and into the Jindalee Golf Course". If there is a capacity problem within the stormwater drainage network it is possible that during heavy rains the Applicant might observe what appears to be water "overflowing" from the drains. In my opinion, this would not have been the cause the inundation of the house on the Subject Property because during 11 January 2011 and 12 January 2011 rainfall intensities in this area were low and the level of the Brisbane River was so high that it would cause backflow into Jindalee Creek to a level sufficient to inundate the Subject Property.
44. The Applicant also raised a number of issues during the site inspection of the Subject Property conducted by Water Technology on 14 June 2011 which I propose to specifically address. In particular the Applicant told Water Technology staff that:
- There was water was bubbling out of the stormwater drains at 9.00am on Tuesday 11 January 2011;
 - In the afternoon on 11 January 2011 the water was coming down the back of the property. "The water was 100mm deep and roaring down the side of the house";
 - By 10.00pm on 11 January 2011 there was rising water on the road, drains were full and the water was "pushing back up the road";
 - At approximately midnight on 11 January the water was half way up the drive way and "water still roaring up through the back-yard". "No sign of riverine or flood water here at all".
45. In relation to the Applicant's comment that the water was bubbling out of the stormwater drain at 9.00am on 11 January 2011, I note that there was some local rainfall around this time. Therefore, in my opinion, water appearing to be bubbling out of the stormwater drain may be explained by local run-off temporarily exceeding the capacity of the local stormwater system. The cause of this may have been due to either backflow from the Brisbane River as discussed at paragraphs 39 - 43 (which at this time would not have risen to a level sufficient to cause backflow from the Brisbane River to come out of the stormwater drain, but would have reduced its capacity) or due to other possible capacity problems within the local stormwater system such as blockages caused by debris. This is on the assumption that the drains being spoken of are drains that are adjacent to the Subject Property. I do not understand the Applicant to have claimed that the Subject Property was inundated by 'water bubbling out of the stormwater drain'. This exceeding of the capacity of the local stormwater system would have dissipated shortly after the local rainfall as discussed above.

46. The Applicant observed "water roaring down the side of his house" during the afternoon on 11 January 2011. The most intense rainfall recorded at the Jindaes Alert station occurred between 10.00am and 11.00am on 11 January 2011. Rainfall was recorded for the duration of the afternoon on 11 January 2011 and the last recorded rainfall for the period 11 January 2011 to 15 January 2011 occurred between 7.00pm and 8.00pm on 11 January 2011. There would have been run-off associated with the rain that fell during the day on 11 January 2011. I assume this run-off would have been what the Applicant observed when he refers to "water roaring down the side of his house". Any run-off associated with this rainfall would have drained away immediately after the intense rainfall (eg within 1 hour of rainfall). I do not understand the Applicant to be claiming that the house on the Subject Property was inundated by "water roaring down the side of his house". Accordingly, it is highly unlikely that this was the cause of the inundation of the house on the Subject Property. Given that the house on the Subject Property was not inundated until many hours later, I do not think that the inundation of the house on the Subject Property would have been caused by this mechanism.
47. The Applicant comments that the drains were full and water was "pushing back up the road". I assume by this comment the Applicant is saying that the water was coming from the direction of the stormwater drains rather than the Brisbane River. However, the Applicant's comment is entirely consistent with the rising level of the Brisbane River causing water to backflow into the stormwater drainage system discussed at paragraphs 39 - 42 above.
48. The Applicant's comment that at approximately midnight on 11 January the water was half way up the drive way is consistent with the available gauge data. Exhibit SQC06 also shows that the Brisbane River would have reached a level sufficient to reach halfway up the driveway on the Subject Property at approximately midnight on 11 January 2011.
49. I do not agree with the Applicant's comments that at midnight on 11 January 2011 the water was "still roaring up through the back-yard" and that there was "No sign of riverine or flood water here at all". At midnight on 11 January 2011 it had been approximately 13 hours since the most intense rainfall had been recorded and approximately 4 hours since the last rainfall was recorded at the Jindaes Gauge. It is highly unlikely that the Applicant would have observed any significant run-off associated with rainfall at this time. Further, I disagree with the Applicant's comment that there was "No sign of riverine or flood water here at all". I assume that Applicant makes this comment on the basis that the water did not come from the direction of the Brisbane River but rather came from the stormwater drainage system. However, the direction of the water is consistent with the rising levels of the Brisbane River causing water to backflow into the stormwater drainage system as discussed above at paragraphs 39 - 42.
50. Accordingly, I conclude that the Subject Property was inundated by the rising level of the Brisbane River.



Conclusion

51. On the basis of the above matters, I conclude that the cause of the inundation of the Subject Property was the rising level of the Brisbane River, which was itself caused by rain which fell more than 24 hours earlier.

52. I conclude that the Subject Property was not Inundated by stormwater or other local run-off.

All the facts and circumstances above are within my own knowledge save such as are from information only and the means of my knowledge and source of information appear on the face of this my statement.

SIGNED by [redacted] on 6.9.2011

at Brisbane in the presence of:

[redacted]

[redacted]

Witness



Curriculum Vitae

BE Hons (Civl), MEng Sc, CPEng, MIEAUST

Director

Fields of Expertise

- Water, floodplain and coastal engineering
- Numerical models
- Risk/vulnerability assessments
- Hydrologic and hydraulic modelling
- Hydraulic assessment and design
- Environmental monitoring programs.

Education

- Bachelor of Engineering with Honours, University of Queensland, 1988.
- Masters of Engineering Science, University of Queensland, 1999. Thesis submitted was entitled "The Entrainment of Sediment due to Oscillatory Flows in the Sheet Flow Regime".
- Accredited Water Efficiency Assessor with the Queensland Water Commission

Professional Affiliations

- Registered Professional Engineer, Queensland.
- National Professional Engineers Register
- Member, Engineers Australia
- Member, River Basin Management Society
- Member, Australian Water and Wastewater Association
- Member, Stormwater Industry Association

Countries of Experience

- Australia
- China
- Indonesia

Awards

- Kenneth A. Thies Prize, 1988

Professional History

2006-present	Water Technology Pty Ltd (QLD) Manager, Brisbane Office
2001-present	Water Technology Pty Ltd Director
1999-2001	Lawson and Treloar Pty Ltd (VIC) Manager, Water Resources
1997 - 1999	Lawson and Treloar Pty Ltd (VIC) Senior Engineer
1994 - 1997	Lawson and Treloar Pty Ltd (QLD) Engineer
1989 - 1994	Connell Wagner Pty Ltd (QLD) Engineer

Fields of Special Competence Career Summary

has over 20 years experience as a specialist in the water resources field. He has an Honours Degree in Engineering and a Masters of Engineering Science from the University of Queensland. Following graduation he worked for approximately 10 years throughout Queensland in waterway & floodplain management and infrastructure investigations. These investigations have included work throughout Brisbane and the Nerang River floodplain on the Gold Coast, Maroochydore, the Noosa River and Lakes system, the Pioneer River floodplain at Maclay, the Tully Murray system and numerous investigations on the Barron River Floodplain.

From 1996 was based in Melbourne Victoria during which time he undertook various flood studies and floodplain management plans for both the Victorian and New South Wales offices of Lawson and Treloar. Of note, between 2002 and 2005 was the principal hydraulic modeller on the Yangtze River Flood Warning and Control Project, a major 5 year AUSAID project in China. As Director of the Brisbane office of Water Technology, has been involved in a diversity of high-profile projects such as managing the hydraulic component of the Pimpama Case Study, National Coastal Vulnerability Assessment for the Federal Department of Climate Change.

Key Projects

- Gwydir Wetlands Hydrodynamic Modelling, Northern NSW Department of Environment, Climate Change and Water. (2009 - current)
- North East Business Park Flood Study, Caboolture QLD Moreton Bay Regional Council (2007- current)
- Ensham Mine Flood Forecasting System, Emerald QLD Ensham Resources (2009-2010)
- Regional Planning Project (Flooding), Toowoomba QLD Toowoomba Regional Council (2009).
- Inner City Bypass (ICB) Tunnel Flooding Investigation, Brisbane Northern Busway Alliance (2009)
- National Coastal Vulnerability Assessment - Pimpama Case Study, Gold Coast QLD Federal Dept. Climate Change (2008)
- Mangoola Coal Mine Water Management System, Hunter Valley NSW, ATC Williams for Xstrata Coal (2006-2008)
- Creek Diversions, Mine Water Management Plan, Blackwater QLD, BMA Coal (2008)
- Ballina Salinity Infiltration Study, Ballina NSW, Ballina Shire Council and Department of Commerce, NSW (2007-2008)
- Water Efficiency Management Plans, South East QLD, Austral Bricks, (2007)
- Lower Goulburn Floodplain Rehabilitation Project, VIC, Goulburn Broken CMA (2006)
- Yangtze River Flood Control and Management Project, China Sagric International for AusAid (2002-2005)

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EXPERT ADVICE

Water Technology

Kunda Park Central vs Sunshine Coast Regional Council P&E Court Appeal 1057/08 (current). Engaged by Sunshine Coast Regional Council this current project involves the provision of review and expert advice services.

Comiskey Group vs Moreton Bay Regional Council P&E Court Appeal BD 210 of 2010 (current). Expert review, including review of flood related aspects of the proposed development including immunity requirements, stability and emergency management.

Stockland Development Pty Ltd vs Sunshine Coast Regional Council P&E Court Appeal 2282/09 (current). Expert review, including specialist hydraulic modelling of the development, and report preparation.

North East Business Park Pty Ltd vs Moreton Bay Regional Council P&E Court Appeal 254/10 and 255/10 (current). Provision of expert review services of the North East Business Park Development flood study and stormwater management plan for Moreton Bay Regional Council over a period of ~ 2 years. Work included a review of hydraulic modelling, comparison of results with previous flood levels, assessment of compliance with Council floodplain management requirements, identifying any impacts associated with the development and consequent implications, and a report summarising the review findings. Review of the stormwater management plan included a review of reporting and MUSIC modelling, review of relevant standards, comparison of reported results with relevant standards and a report summarising the review findings.

Amendment C70 – Boroondara Planning Scheme. Preparation (and subsequent presentation to VCAT) of an expert witness report for Stockland Pty Ltd summarising the flooding aspects of the proposal and design work undertaken to date for a major commercial and residential in inner Melbourne.

Abacus Hampton Retirement Trust vs Bayside City Council. Preparation of an expert witness report for Abacus Hampton Retirement Trust and subsequent presentation to VCAT regarding the flooding and drainage provisions of a proposed apartment block in a highly urbanised area.

Kaldumb Pty Ltd vs East Gippsland Catchment Management Authority. Preparation of an expert witness report for Kaldumb Pty Ltd and subsequent presentation to VCAT regarding flooding aspects associated with a potential industrial subdivision of floodprone (rural) land.

Lawson and Treloar

Strathmerton Deviation - VicRoads. Presentation to a panel hearing in Strathmerton regarding the hydraulic assessment and flooding implications of several potential highway alignments.

INTERNATIONAL EXPERIENCE

Yangtze River (China) Flood Control and Management Project (YRFCMP). The YRFCMP is a joint project of the Chinese and Australian Governments (managed via AusAid). [REDACTED] has recently completed undertaking a series of long term deployments in Wuhan, China. Since 2002, he has provided specialist advice on the procurement, establishment and implementation of hydraulic modelling systems within the overall flood management and warning systems.

The final stage of technical work focussed on (quantitatively) improving the accuracy and speed of flood warning procedures and the development of a Decision Support System that combines the current flood forecasting capabilities with web based assessment of flood management options for use in a real time context.

In conjunction with the technical development work, an extensive capacity building program was undertaken. As part of this program [REDACTED] had direct inputs into technical capacity building for the Flood Forecasting System and Decision Support System, the underlying hydraulic models and more generally took an active part in "train the trainer" courses.

Lombok (Indonesia) Resort Development Investigations (1995-97) for Lombok Tourism Development Corporation. Site Engineer for the site monitoring program design and initial site work involving site inspections and instrument deployment. Senior Engineer for subsequent preliminary design work included internal canals, lake systems and coastal works for a major resort development. Preliminary water balance, yield modelling and water quality considerations were addressed.

Site work was undertaken at a local level. 2 Australian engineers provided technical input, direction and training, while the site staff undertook the instrument installations, deployments, retrievals and general site measurements. This provided both an intensive initial data gathering exercise, and provided the necessary training for local staff to establish an ongoing monitoring program. The results of the results of the ongoing monitoring program were subsequently used in later stages of the design.

International Team Support (90-95) for various projects. While with Connell Wagner's Water Group, [REDACTED] was a hydraulic engineer as part of the Brisbane Office support and design team for projects undertaken by various overseas offices in Papua New Guinea, (Kainantu Water Supply and Sewerage Schemes) and China (Liaoning Urban Infrastructure Project).

WATERWAY/FLOODPLAIN MANAGEMENT INVESTIGATIONS

Water Technology

Gwydir Wetlands Hydrodynamic Modelling (2009 - current) for NSW Department of Environment, Climate Change and Water.

Project Manager and specialist hydraulic modeller for this major eco-hydraulics investigation aimed at developing advanced hydrodynamic modelling tools to assist in the environmental management of the Gwydir Wetlands.

National Coastal Vulnerability Assessment - Pimpama Case Study (2008) undertaken as part of the Federal Department of Climate Change's assessment of the socio-economic impacts and consequences of climate change for coastal communities in support of the 'first pass' National Coastal Vulnerability Assessment. Our role within the overall study team is to provide specialist hydrologic, hydraulic and coastal process advice,

analysis and modelling services in support of the overall coastal vulnerability assessment and specifically the eco-system valuation services.

Burngrove and Deep Creek Diversion, Mine Water Management Plan (2008) for BMA Coal. This project involved the conceptual mine water management plan associated with creek diversions. The mine water management plan aimed to achieve clean water flows in Burngrove and Deep Creeks, Blackwater. A digital terrain model and aerial orthophotos were used in conjunction with the BMA Coal Water Management Strategy to identify current sources of dirty water to the creeks and possible solutions to rectify the problem. Suggestions for achieving clean water flows included altered decant return arrangements, rearrangement of the drainage system and construction of sediment dams.

Coal Seam Gas Effluent Discharge Investigation (2008) for Origin Energy. Project Manager providing specialist hydrologic and hydraulic inputs into the preparation of an Environmental Management Plan for Origin Energy's proposed coal seam gas project at Tallinga, which aims to provide up to 90TJ/day of coal seam gas to the Darling Downs Power Station. Part of this project involves the installation of an advanced water treatment (reverse osmosis) facility which will provide purified water for beneficial uses. A series of investigations have been undertaken to investigate the potential discharge of this water to the Condamine River and identify constraints and opportunities associated with this process. Investigations have included Hec-Ras modelling of sediment deposition and scouring and use of the DERM IQQM between the Condamine Weir and Beardmore Dam

Yallock Outfall Sediment Trap and Ephemeral Wetland Functional Design for Melbourne Water. Water Technology is providing specialist hydraulic design services to the team (Landstart, Ecology Australia) undertaking the functional design. The aims of this investigation are to establish the functional design, ensure no adverse impact on adjacent areas and to demonstrate both of these to stakeholders.

Niddrie Quarry Stream Rehabilitation Project for Melbourne Water via Provision of specialist hydraulic design services for rehabilitation design for this urban waterway.

Lawson and Treloar

Mitta Mitta Geomorphic Investigation for North East CMA.

Badger Creek Geomorphic Investigation for Melbourne Water. Provision of specialist hydraulic analysis and design services to as part of a multidisciplinary team investigating sand management issues.

Glensig River Sand Management Investigations. Provision of specialist hydraulic and sediment transport analysis/modelling as part of a multidisciplinary team investigating sand management issues.

Tambo River Geomorphic Investigation. The 1998 Tambo River event caused significant damage in the floodplain. Specialist two dimensional hydraulic modelling was undertaken as part of an integrated study approach considering flooding, longer term geomorphological processes and potential waterway management options

Upper Oxley Creek for Logan City Council. Full 2D modelling of the rehabilitation requirements of a reach of Oxley Creek.

Secondment to Brisbane City Council Works Design, Hydraulics Group. Duties included provision of specialist hydraulic design services, assessment flooding and mitigation works following the September 1996 flood event, liaison with the Parks & Environment Sections with regard to vegetation issues and subsequent hydraulic assessments.

PLANNING

Western Downs Regional Council Planning Scheme Project –Flooding and Stormwater Analysis (2010 – current). WDRC require a new planning scheme following amalgamation of 6 local councils to form the WDRC. Several towns in WDRC are experiencing rapid growth, and Water Technology is conducting a flooding and stormwater analysis for each town to assist in development of a new planning scheme. The flooding study will identify areas at risk of inundation and their impact on current and future development. In addition Q100 hazard categories will be identified. The stormwater analysis will define and map stormwater corridors, and define trunk drainage infrastructure needed currently and for future development.

Toowoomba Regional Council Regional Planning Project (Flooding) (2009). The aim of the project was to produce a new planning scheme policy for the TRC following the amalgamation of eight councils into one. Involved review of existing flood studies, collation of GIS flood data, collation of pseudo-flood data (e.g. waterway extent, previous flood overlays) and rating the quality of each dataset. Also included the provision of expert advice on the best way to account for the uncertainty in the different qualities of flood information in the new planning scheme policy. Involved extensive collaboration with Council staff and other project team professionals (e.g. planners, scientists, engineers).

INFRASTRUCTURE INVESTIGATIONS/DESIGN

Water Technology

Ensham Mine Flood Forecasting (2009-2010) for Ensham Resources. Project Manager for the development and calibration of a hydrologic flood forecasting model to provide Ensham Mine with in-house warning of floods from the Nogoa River (QLD). Historically, Ensham has experienced difficulty in gaining access to information and/or forecasts during events. The real time model developed will provide easier access and a greater level of detail and accuracy than is currently available.

Inner City Bypass (ICB) Tunnel Flooding Investigation (2009 - current) for the Northern Busway Alliance. Assessment of the cause of flooding of the Brisbane ICB flooding in November 2008. Results were used to assist in the settlement of compensation claims by the Brisbane City Council against the Northern Busway Alliance.

Mine Water Management System Design (2006-2008) for the Xstrata Mangoola coal mine in NSW. Detailed event and long term modelling has been undertaken within the Goldsim modelling system to analyse potential risks to the mine associated with water availability. A Monte Carlo approach was utilised as part of the design process for on site storages and quantifying risks associated with water supply and potentially discharge from site.

Ballina Salinity Investigations for Ballina Shire Council and Department of Commerce. Co-ordination of salinity testing program and associated analysis to identify sources of saline infiltration into the Ballina Sewer Network with the aim of reducing salinity at the Ballina Treatment Works. The ultimate aim of the project is to reduce salinity levels to the point where re-use of the waste water is possible without the installation of an RO plant.

Scour Investigation, Princess Highway crossing of Mitchell River at Bairnsdale for VicRoads (2006). Detailed hydraulic analysis and scour investigation as inputs to a structural stability analysis of the existing bridge. Numerous mitigation options were investigated prior to VicRoads determining that the preferred option was structural reinforcement of the existing bridge.

Scour Investigation, Princess Highway crossing of Tambo River at Swan Reach for VicRoads (2006). Detailed hydraulic analysis and scour investigation as inputs to a structural stability analysis of the existing bridge.

Calder Freeway, Carlsruhe Section Specialist Hydraulic Design for John Holland via EGIS. Detailed hydraulic analysis and design of the new Calder Freeway crossing of the Campaspe River.

Heany Park Review for Fisher Stewart. Provision of expert (3rd party) review services for drainage design of an existing subdivision.

Lawson and Treloar

Hydraulic assessment of proposed Shapparton Bypass for VicRoads. Hydraulic analysis of the proposed Shapparton Bypass (Western Route) for presentation at the Panel Hearings.

Princes West Project for Leightons/GHD. Detailed hydraulic assessment and design as part of the successful Design and Construct bid. Design services were provided to both optimise the proposed design, and provide detailed information as to the potential impacts to key stakeholders.

Princes West Project for VicRoads. Comprehensive and detailed hydrologic and hydraulic assessment of the existing status of the Princes West freeway between Melbourne and Geelong for VicRoads. Crossing upgrades were designed for varying levels of immunity and various configurations. Also included was extensive consultation with relevant stakeholders and authorities along the route of the proposed upgrades.

Goulburn Valley Highway Hydraulic Assessment. Hydraulic Assessment and design of several potential alignments (in the vicinity of Strathmerton) across both the Murray River and its floodplain. Full two dimensional modelling has been used to define flow paths on a broad scale. Detailed modelling was undertaken in the vicinity of the proposed route embankments as input to structure design.

Specialist Hydraulic Investigations/Design Projects. Numerous investigations/preliminary designs undertaken for VicRoads including:

- North Arm Bridge (Lakes Entrance) Afflux Study
- Home Creek, Goulburn River
- Hallam Bypass (Eumhammering Creek)
- Swansea Road Duplication (Olinda Creek)

Handra Doomban Relief Drainage Investigation. Detailed MOUSE modelling of a severely under-capacity stormwater drainage network and relief system design.

Hemmant Master Drainage Study. Detailed MIKE 11 & MOUSE modelling of a low lying residential area. Included analysis and assessment of flooding hazard, design of mitigation works. Initial study results have transferred to BCC's GIS system for over-the-counter Interrogation.

Brookbent Road (1996) for Brisbane City Council. Detailed hydraulic assessment of the effect of the failure of the Brookbent Road crossing (embankment) during the March '96 Oxley Creek event. Sensitivity of upstream, floodprone areas to various proposed crossing reinstatement options has been conducted.

Mudgeeraba Connection Road for Gold Coast City Council. Evaluation using quasi 2D modelling of the effects of various hydraulic structure configurations for a proposed road crossing of a floodplain.

Cairns International Airport Master Drainage Study for Cairns Port Authority. Major trunk drainage system analysis and design utilising fully unsteady analysis techniques. Tools being utilised include MIKE21, MIKE11 and MOUSE.

RTA Route Selection Study, Wollongong (1994), including runoff-routing and MIKE 11 modelling of Macquarie Rivulet and Lake Illawarra.

Connell Wagner

Eastern Corridor Study, Brisbane - Gold Coast 1991. Assessment of the hydraulic impact of various proposed alignment options of the duplication of the Pacific Highway.

Relief Drainage System Design, Albion Windsor, Brisbane 1990. Upgrade of an existing inadequate pipe drainage system (Capital cost \$2 million)

Burdakin River Irrigation Area Modelling, Ayre 1989. Additional modelling of the Northcote Section of the Burdakin Area utilising the MIKE-11 modelling package

FLOODPLAIN MANAGEMENT INVESTIGATIONS

Water Technology

Western Downs Regional Council Planning Scheme Project –Flooding and Stormwater Analysis (2010 – current). Project Manager for several flood studies of towns in the Western Downs. WDRC require a new planning scheme following amalgamation of 6 local councils to form the WDRC. Several towns in WDRC are experiencing rapid growth, and Water Technology is conducting a flooding and stormwater analysis for each town to assist in development of a new planning scheme. Flood studies will be conducted for Chinchilla, Tara, Miles and Jandowae; and the Dalby flood study will be reviewed.

North East Business Park Flood Study (current). Expert reviewer for Moreton Bay Regional Council engaged to review floodplain management and water quality (stormwater management planning) aspects of the proposed development.

Lower Geulburn Floodplain Rehabilitation Project for Geulburn Broken CMA via SKM. Provision of specialist hydraulic modelling services for the largest hydraulic analysis project undertaken to date in Victoria, as part of one of the largest floodplain rehabilitation projects proposed. The terrain being used for this project incorporates the latest in aerial laser scanning technology which provides an extremely detailed data set (requiring special processing techniques) for the entire study area.

Flooding Investigations for the Wimmera CMA. Project Manager for the Horsham Flood Study, the Dimboola Flood Study and the Glenorchy to Horsham Flood Scoping Study. The three studies have been undertaken using a risk management approach with the key outcome being an increased understanding of exposure of the communities to flooding. Project scopes have included extensive community and authority consultation, detailed survey (field and photogrammetric), detailed hydrology and hydraulics and the provision of maps associated with reporting requirements.

Little Yarra Flood Mapping for Melbourne Water. Detailed Hydrologic and Hydraulic analysis to enable flood mapping of the Little Yarra River to Yarra junction.

Lawson and Treloar

Shepparton Floodplain Management Investigation for Shepparton City Council. Project Manager for the hydraulic investigation and design portion (to delivery of design events stage) of the largest floodplain management investigation undertaken at the time in Victoria.

Myrtleford Floodplain Management Study. Project Manager for the hydraulic analysis component of the project, the outputs of which were inundation maps for existing conditions, mitigation option design and mitigation option mapping.

Traralgon Floodplain Management Study (1998) for Shire of Traralgon. Project Manager for the hydraulic analysis portion of this project aimed at providing a comprehensive understanding of the flooding mechanisms is being gained through this state of the art fully two dimensional, dynamic flooding investigation.

Euroa Floodplain Management Study (1997) for Shire of Strathbogie. Project Manager for the hydraulic analysis portion of this Floodplain Management Study. A comprehensive understanding of the damaging and complex flooding regime at Euroa was provided through full two dimensional hydraulic modelling. Subsequently, the impact of various potential flood protection measures (mitigation schemes, both structural and non-structural) and flood warning systems were assessed.

High Definition Flood Study, Wallsend Plattsburg – Detailed hydraulic assessment using full two dimensional unsteady analysis of several severely floodprone (urban) areas of Newcastle, including analysis and provision of results for incorporation into Council's GIS system.

Nerang River Flood Mitigation Assessment. Assessment of the potential for flood mitigation works on the Nerang River floodplain utilising existing hydraulic structures and/or additional works.

Flood Study of Oxley Creek (1995/97) for Brisbane City Council to augment BCC's Waterways Strategy Plan. Oxley Creek is the most technically challenging creek in the Brisbane area with dramatic changes recorded over time as part of the creeks natural morphology and in response to significant sand extraction operations. Primary outcomes are the delineation of flood regulation lines based on hydrologic and hydraulic analysis. Secondary outcomes are the assessment of hydraulic structures, the effects of catchment development and the development of revegetation strategies.

Upper Barron Delta Modelling. Full 2D modelling of the Upper Barron Delta was conducted using a coarse grid model for the entire Barron Delta and a fine grid model for the upper portions. The purpose of the investigation was to examine the impact of both proposed developments and sand extractions on flooding through existing residential areas.

Flood Study of the Noosa River System for Noosa Council. This study forms the basis for a flood plain management study aiming to develop a floodplain management plan. Components of the study include:

- evaluation of the hydrologic and hydraulic characteristics of the Noosa River catchment and determination of its flooding characteristics,
- integration of model results into Noosa Council's existing GIS information networks.

Tully Murray Water Management Schema for Department of Primary Industries, Water Resources. Detailed floodplain modelling and hydraulic design of a master drainage plan. Tools being used include RAFTS, MIKE11 and MIKE21.

Emerald Floodplain Scoping Study (1994) for the Department of Primary Industries, Water Resources. This study was conducted to identify the methodology, data requirements and approximate costs associated with work necessary to develop a floodplain management plan for the Emerald floodplain system.

Ironbark Creek T.C.M. Study (1994), including data interface preparation.

Connell Wagner

Barron Delta Flooding Checks, Cairns (1989-1994). Ongoing work associated with the investigation of the effects of proposed developments upon flooding in the Barron Delta area, using the ESTRY numerical model.

Woodford Flood Study, Nambour 1993. Hydrologic (RORB) and hydraulic (HEC-2) investigation of a proposed development involving floodway encroachment.

Bulimba Creek East Master Drainage Study, Brisbane 1990-1991. Catchment management consideration of environmental values, economic analysis and public involvement.

Eudlo Creek Flood Study, Maroochydore 1989. Development of a MIKE 11 model of Lower Eudlo Creek for road crossings and flood mitigation.

DEVELOPMENT PROPOSALS ASSESSMENT/DESIGN

Water Technology

Provision of specialist hydrologic and hydraulic design services associated with several proposed developments in south east Queensland and Northern NSW. Some examples are:

Bethania Flooding Assessment (2009-2010) for AV Jennings. Project Manager for the assessment of flooding impacts of a proposed 4 ha residential development in Logan, QLD. Work included MikeFlood hydraulic modelling and WBNM hydrological modelling.

Everton Park Proposed Reconfiguration of a Lot (2009) for Conics Pty Ltd. Project Manager for the investigation of 100 year ARI flooding for a property in Everton Park, QLD. A Brisbane City Council Mike11 model was updated with new survey and a new inundation extent was defined.

Eight Mile Plains Stormwater Management Assessment (2009) for Lambert and Rehbein. Project Manager for the assessment of stormwater impacts of a proposed child care centre in Eight Mile Plains, QLD. Work included MikeStorm modelling to conceptually design onsite stormwater detention (in the form of underground tanks).

North Shearwater Precinct Development – Local Environment Study (2008) for Great Lakes Council. Project Manager for the Water Technology component of hydrology, flooding and local drainage aspects of the LES for the North Shearwater precinct development, NSW. Work involved hydrologic (WBNM) and hydraulic analysis (Mike21) of pre and post development cases, including consideration of elevated downstream estuary levels due to climate change and more extreme climate change scenarios. Water Technology was sub contracted to GeoLink for this project.

Northeast Parkhurst Master Plan – Stage 1 – Flooding Constraints (2008) for Wolters Consulting. Review of previous work related to flood constraints that has implications for the Master Planning process for the Northeast Parkhurst development, Rockhampton. Work included review of aerial photography/flooding/contour data of the area, desktop review of a previous flood report in terms of hydrological and hydraulic analysis, review of site opportunities and constraints for flooding relating to sustainability design principles, and implications for the Master Planning process.

Mackay Christian College Local Drainage Investigation (2007) for Sanders Turner Ellick Architects. Project Manager for the assessment of flooding impacts of a proposed school and residential development in Mackay,

QLD. Work included Mike21 hydraulic modelling linked to MOUSE for assessment of flooding and stormwater networks.

Lawson and Treloar

"The Waterways" Development. Provision of hydraulic analysis and design services associated with both floodplain conveyance and wetland operational issues.

Stamford Park Investigations. Provision of hydraulic analysis and design services to City of Knox associated with Corhanwarrabul Creek.

Emerald Lakes Project Flooding Assessment. Utilising state of the art, two dimensional modelling techniques (including detailed schematisation of canal developments and hydraulic controls such as bridges, culverts, locks and weirs), various development scenarios affecting the Nerang River and associated floodplain system are currently being assessed

Dong Ah Project. This study involved the hydraulic design ranging from preliminary conceptual advice through to detailed quasi 2D modelling of a proposed golf course development. Issues associated with the golf course included zero impact on neighbouring properties, provision of bunding for more common design events, conveyance, flood storage and design level issues for varying land use areas, lake and wetland water quality issues. Subsequent investigations have included water quality considerations and water balance modelling.

Hydraulic Investigation of the "Colorado" Levee banks, Emerald Floodplain (1994). In order to quantify the likely impacts on Nogoia River flooding, an investigation was conducted into the hydraulic behaviour of a proposed levee bank.

Connell Wagner

Cubbaria Creek Villa Development, Brisbane 1992. Hydrologic (RORB) and hydraulic (HEC-2) investigation of Cubbaria Creek for a proposed villa development including analysis of floodway encroachment by the development

COASTAL INVESTIGATIONS, ASSESSMENT AND DESIGN

Water Technology

National Coastal Vulnerability Assessment - Pimpama Case Study (2008-2009) undertaken as part of the Federal Department of Climate Change's assessment of the socio-economic impacts and consequences of climate change for coastal communities in support of the 'first pass' National Coastal Vulnerability Assessment. Our role within the overall study team is to provide specialist hydrologic, hydraulic and coastal process advice, analysis and modelling services in support of the overall coastal vulnerability assessment and specifically the eco-system valuation services.

"The Waterways" Development. Provision of detailed hydraulic analysis and design services investigating the flushing regime of the constructed lake/canal system.

Lawson and Treloar

Port of Geelong Channel Improvement Program. Undertook fieldwork and associated reporting as part of the dredge operation monitoring program.

Emerald Lakes Project Flooding Assessment. Utilising state of the art, two dimensional modelling techniques (including detailed schematisation of canal developments and hydraulic controls such as bridges, culverts, locks and weirs), various development scenarios affecting the Nerang River and associated floodplain system are currently being assessed

Dong Ah Project. This study involved the hydraulic design ranging from preliminary conceptual advice through to detailed quasi 2D modelling of a proposed golf course development. Issues associated with the golf course included zero impact on neighbouring properties, provision of bunding for more common design events, conveyance, flood storage and design level issues for varying land use areas, lake and wetland water quality issues. Subsequent investigations have included water quality considerations and water balance modelling.

Connell Wagner

Green Island Coral Dredging - Impact Assessment Study (1993). Engineer responsible for field work including extensive sediment sampling, water quality monitoring and current metering.

Detailed design of Dalrymple Bay Coal Terminal Berth 2 Extension (1992) providing a second berth for vessels up to 200,000 DWT. Member of the design team for the offshore structural works component.

Dredging and reclamation strategy for Port Development Works, Townsville (1992). Development of an implementation plan for capital works at the Port of Townsville with specific regard to dredging and reclamation options in terms of technical performance, implementation advantages or disadvantages and capital cost.

Wellington Point Canal Estate, Moreton Bay 1992. Investigation of proposed marina and associated dredged entrance channel. Numerical modelling (RUBICON) was undertaken to investigate entrance channel stability and canal flushing.

Stage 2 Embley Estuary Environmental Monitoring, Weipa 1993. Engineer responsible for the water quality aspects of a multidisciplinary field work program designed to establish baseline data for the Embley River Estuary. Subsequent work included the formulation of a long term work and modelling program.

Weipa Sediment Sampling and Monitoring Program for the Albatross Bay Dumpsite, (1992) for Department of Transport. Supervision of field work over a 6 month period following channel maintenance dredging and associated dumping including extensive sediment sampling, water quality monitoring and benthic community monitoring.

Weipa Environmental Monitoring Program, (1991) for Department of Transport. Supervision of field work over a 6 month period following dredging and dumping including water quality and benthic community monitoring.

Long Term Strategy for Spoil Disposal, Port of Calms (1991-1993). Examination of all possible land and sea disposal sites and methods for the disposal of maintenance dredge spoil from the Calms shipping channel using a generalised, logical two pass screening process.

Calms Port Authority Offshore Spoil Dump Studies (1989 -1993).

Following monitoring and assessment work over a three year period, short (approximately 6 months) and long (greater than 12 months) term monitoring programs were established. These

programs (with a budget in excess of \$1.5 million) to date have included:

- numerical modelling of dredge induced plumes
- numerical prediction of deposited spoil resuspension and dispersion over the short and long term
- field work program utilising state-of-the-art dredge and dump monitoring techniques (seabed, surface and aerial operations) and the analysis of gathered data
- detailed analysis (including statistical work) of long term current, wave, wind etc. records
- installation of long term monitoring equipment (current meters, waverider buoy, tide gauge, anemometer, fixed bed turbidity meters)
- flume work aimed at quantifying the threshold of movement of Cairns Harbour Dredge Spoil
- preparation of public information reports

Offshore Spoil Dump Study, Port of Mackay (1991), evaluation of the impact of spoil disposal via both surface and aerial monitoring programs

Mandurah Ocean Marina Study, Western Australia (1989). Numerical hydraulic modelling (RUBICON) of the estuarine lake system and associated sediment transport modelling to assess the impact of dredging a new ocean entrance channel and the construction of a marina.

WATER EFFICIENCY MANAGEMENT PLANS

Water Technology

Australbricks Rochdale and Riverview plants. Preparation of a Water Efficiency Management plan and investigation of potential water savings associated with construction of an on-site storage for rainwater harvesting. Funding applications for construction of the storage were prepared and funding was successfully obtained for this major project. Following construction, substantial water savings have been realised.

"Palm Lodge" Nursing Home Facility for Ozcare. Preparation of Water Efficiency Management Plan and preparation of funding applications for rebates associated with installation of water efficient fixtures.

Peel St Homeless Man's Nursing Home Facility for Ozcare. Preparation of Water Efficiency Management Plan and preparation of funding applications for rebates associated with installation of water efficient fixtures.

RELEVANT PUBLICATIONS

Clark, SQ, Wen, L & Bishop, WA, *"RERP Gwydir Wetland Hydrodynamic Model Development Overview"*. 16th QLD Water Symposium, Brisbane, Australia, 2010.

Clark, SQ *"Hydraulic Roughness Characteristics of the Yangtze River"*, 16th Queensland Water Symposium, University of Queensland, July, 2007.

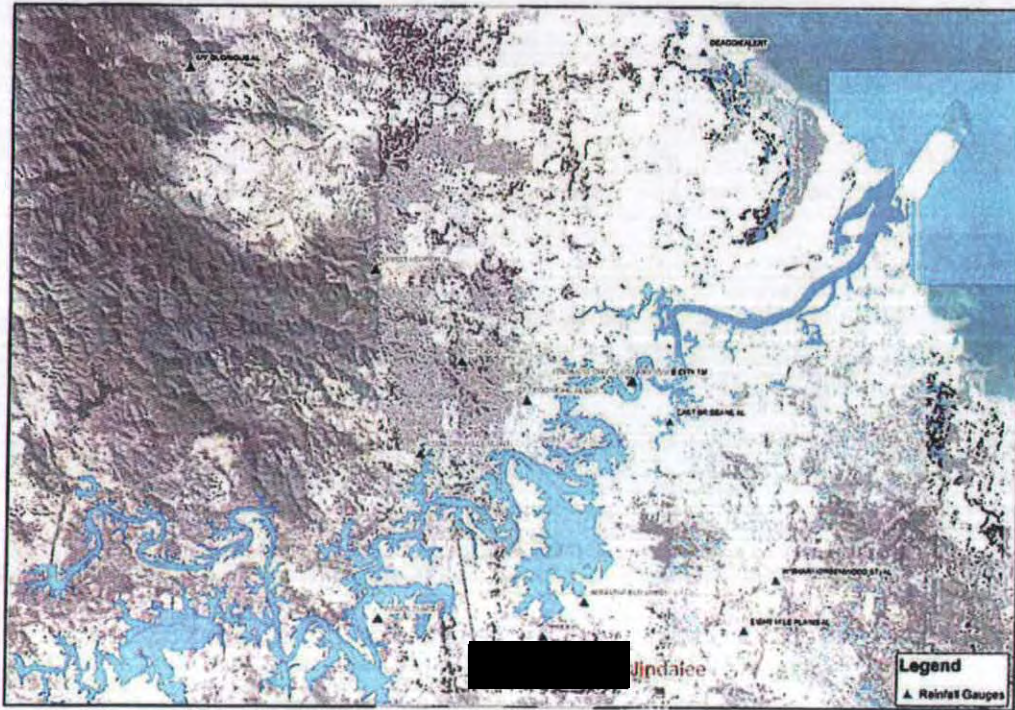
Markar, MS, Clark, SQ, Min Yaowu and Zheng Jing, *"Evaluation of Hydrologic and Hydraulic Models for Real-Time Flood Forecasting Use in the Yangtze River Catchment"*, Australian Journal of Water Resources, Vol 10, No 1, May 2006.

Betts, HW, Joy, CS, Markar, MS, Clark, SQ, Sterling, E., Gooda, M., Jin Xingping, Wu Daod, 2005b. *"The Achievements of the Yangtze River Flood Control and Management Project"*, The 2nd International Yellow River Forum Zhengzhou, 18-21 October 2005a. China

Clark, SQ, Womersley, TJ, Min Yaowu., Zhang Fangwei., Huang Wei, *"Two Dimensional Modelling of the Dongting Lakes in support of the Flood Forecasting and Options Analysis Systems of the Yangtze River Flood"*

- Control and Management Project*, The 2nd International Yellow River Forum Zhengzhou, 18-21 October 2005. China
- Markar, MS, Clark SQ, Min Yaowu, Zhang Fang Wei & Zhou Hongmei *"Trialling of a new flood forecasting system for the Yangtze River in China"*, The 2nd International Yellow River Forum Zhengzhou, 18-21 October, 2005. China.
- Betts, HW, Sterling, E., Clark, SQ, Markar, MS, M. Chan, Huang Wei, *"Flood Management Decision Making in the Yangtze River"*. 8th International River Symposium, Brisbane, Australia, 5th to 9th September, 2005.
- Clark SQ, Markar, MS, Womersley, TJ, Min Yaowu, Zhang Fangwei & Huang Wei *"Overview of supporting modelling systems developed for the Yangtze River Flood Control and Management Project"*, 8th International River Symposium, Brisbane, Australia, 5th to 9th September, 2005.
- Markar, MS, Clark, SQ, Betts, HW, Gooda, M, Min Yaowu, Chen Yali, *"Improved flood warning for the Yangtze River in China"*, 8th International River Symposium, Brisbane, Australia, 5th to 9th September, 2005.
- Clark, SQ, Markar, MS, Betts, HW, Gooda, M, Min Yaowu, Zhang, Fangwei, Huang Wei, *"Use of Numerical Modelling in Support of Yangtze River Flood Forecasting and Decision Making"*, Third International Symposium on Flood Defence, Nijmegen, 25-27 May 2005. Netherlands
- Betts, HW, Sterling, E, Clark, SQ, Wu Daoxi, Wong Jingquan, *"An Options Analysis System for Flood Management Decision Making in the Yangtze River Catchment, China"*. Third International Symposium on Flood Defence, Nijmegen, 25-27 May 2005. Netherlands
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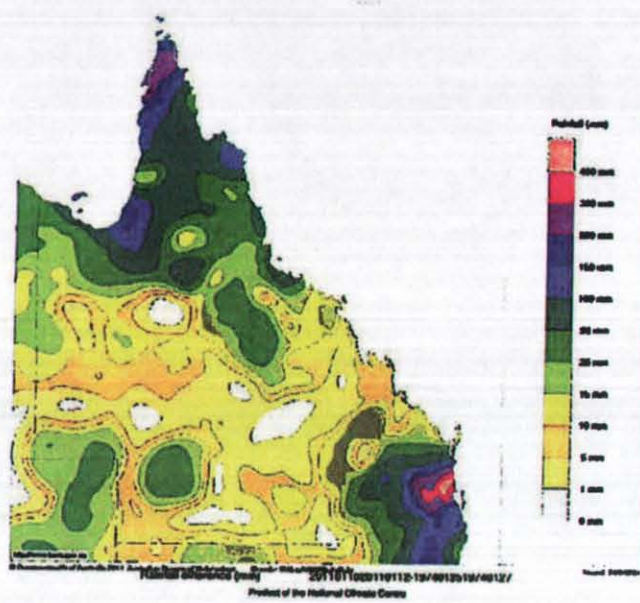
EXHIBIT SQC02



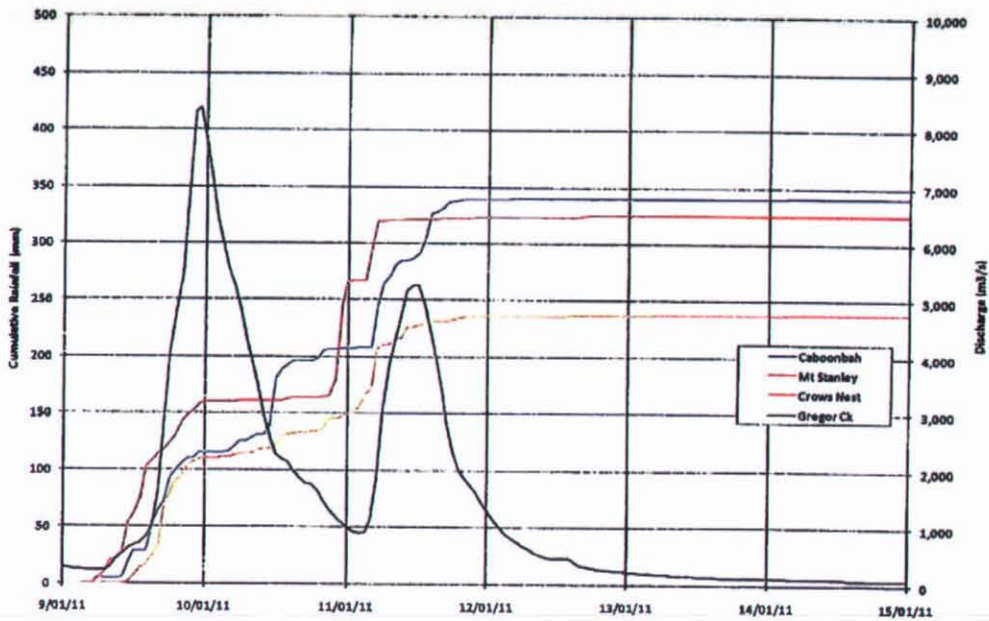
"Brisbane Area"



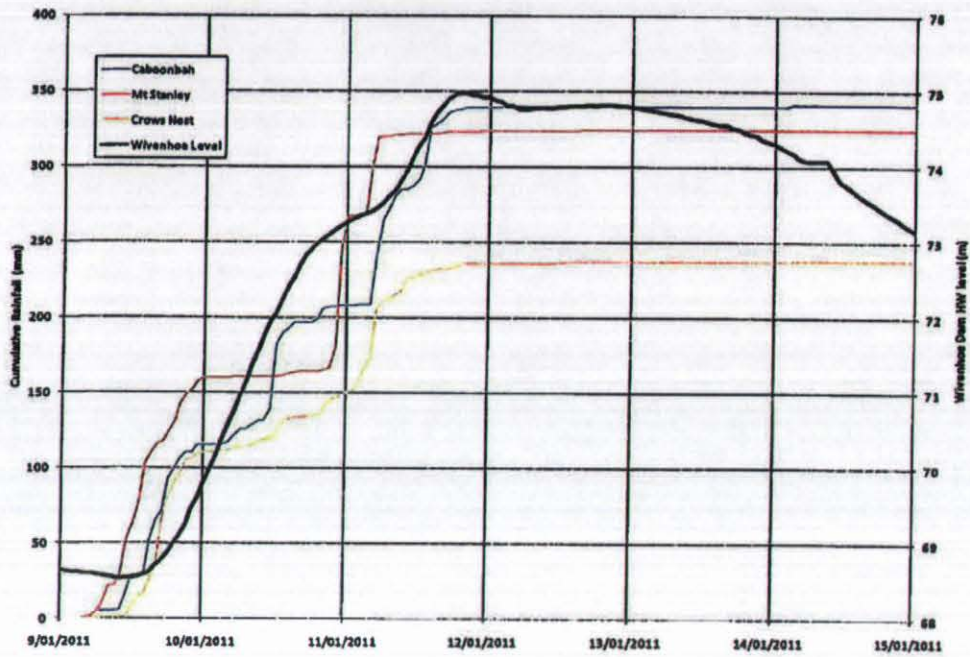
Brisbane River Catchment and Selected Brisbane River Gauging Stations



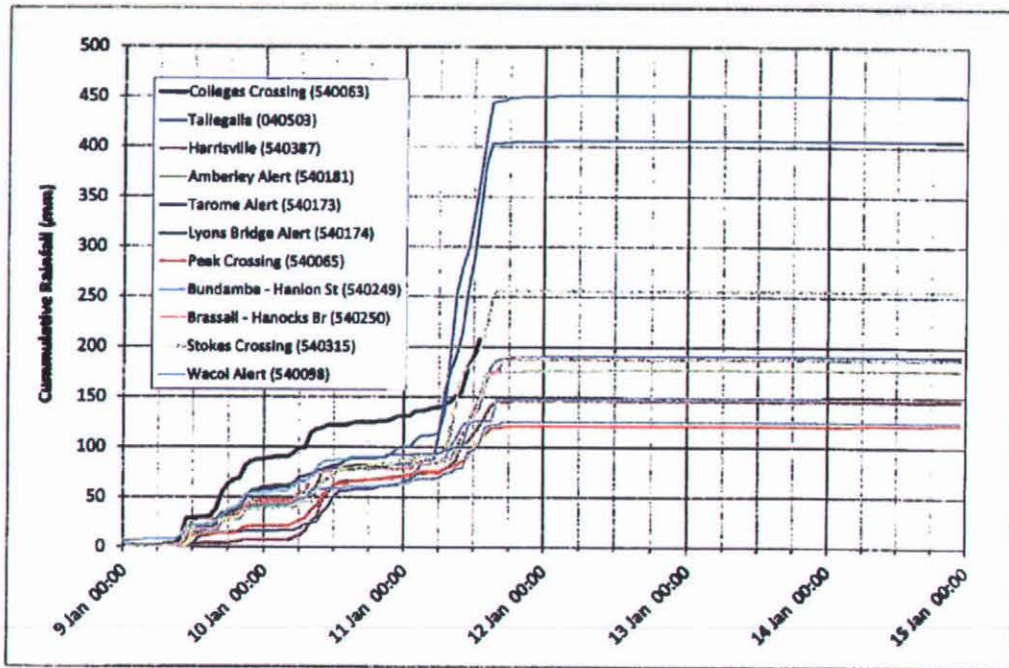
Three day rainfalls for 10 to 12 January 2011 (extract from Figure 5 - BOM, 2011)



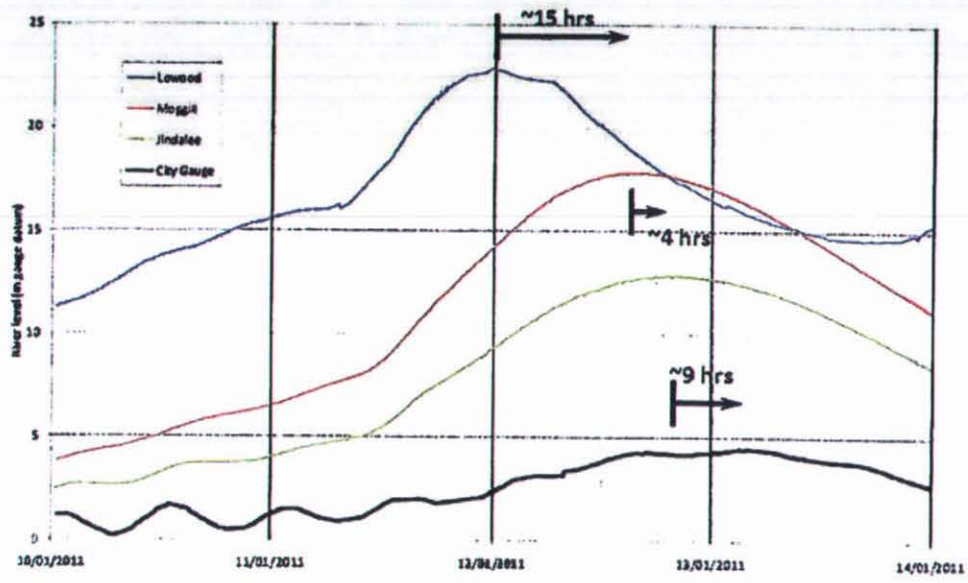
Cumulative Rainfall Records totals and Brisbane River (Gregor Ck) inflows to Wivenhoe Dam (9th to 15th January, 2011)



Cumulative Rainfall Records (selected) in the catchment above Wivenhoe Dam and Wivenhoe Dam Levels

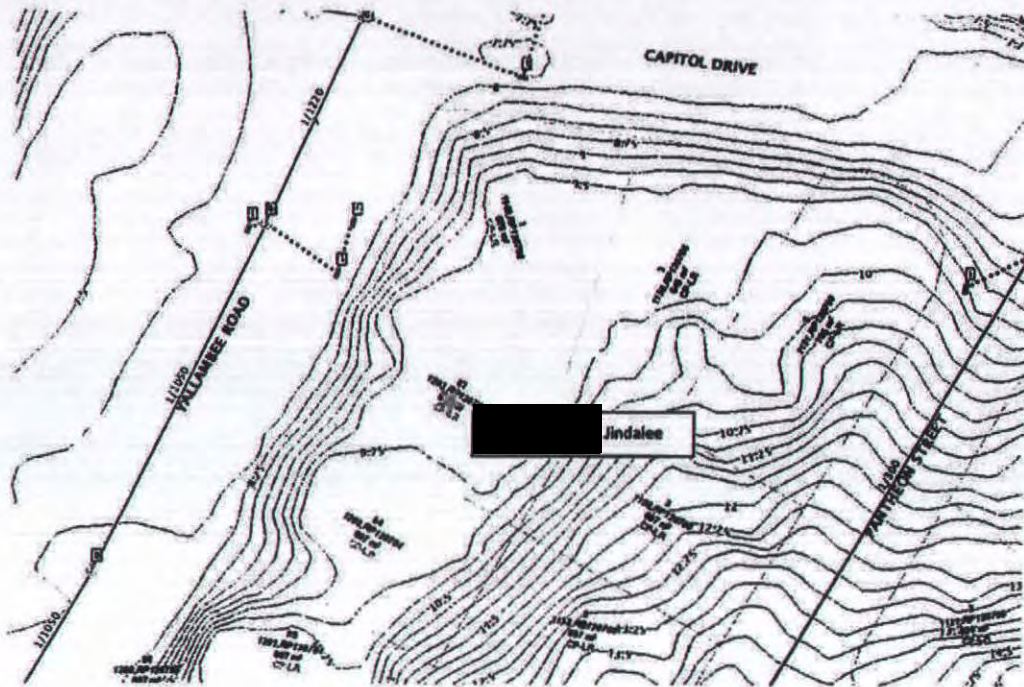


Cumulative Rainfall Records (selected) in the catchments below Wivenhoe Dam

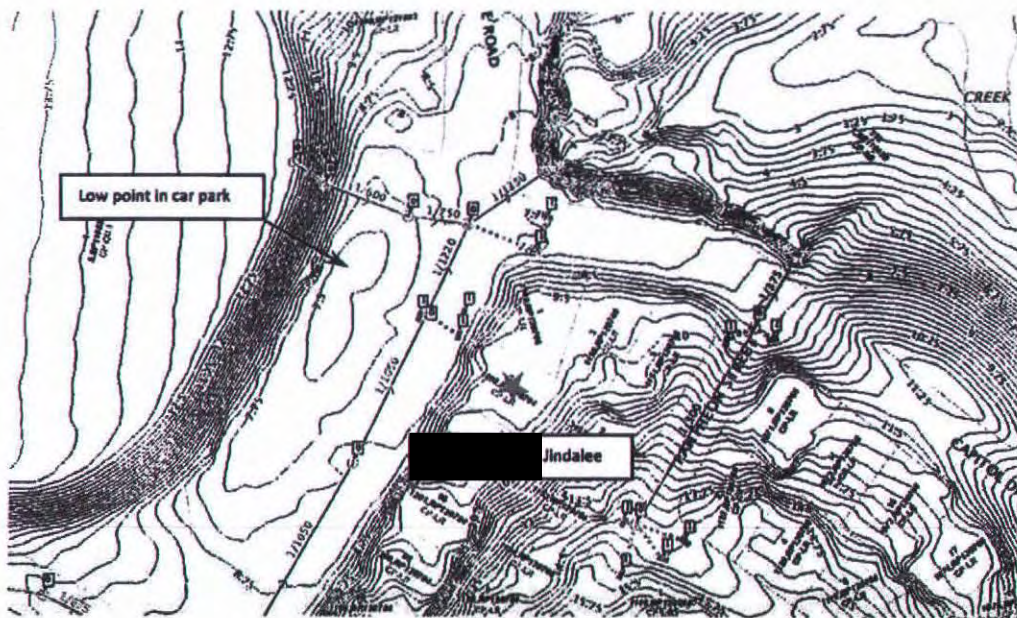


Recorded Brisbane River Levels at Gauges Below Wivenhoe Dam

EXHIBIT SQC 03



Topographic Plot of Site



Topographic Plot of Site



Aerial Image of the Site (Nearmap 2011)



Aerial Image of the Site (Nearmap 2011)



Aerial Image of the Site (Nearmap 2011)



Aerial Image of the Site (Nearmap 2011)



**Brisbane City Council
FloodWise Property Report**

Report Reference
1742910
31/08/2011 14:15:21

Dedicated to a better Brisbane

The FloodWise Property Report is a free report to inform Brisbane residents and professionals about flood risks for a specified lot or property so they may better prepare for flooding and to plan and build in accordance with Council requirements. A flood level higher than those shown below can occur in any year, although such events are rare.

To find out more about how the contents of this report may affect your ability to build or renovate, as well as Council advice on how to protect your property and family by being FloodWise, visit www.brisbane.qld.gov.au, a Customer Service Centre or call (07) 3403 8888.

PROPERTY DETAILS:

Address: [REDACTED] JINDALEE QLD 4074
Lot Details: [REDACTED]

FLOOD LEVEL INFORMATION

Flood Level (% chance in any year)	Flood Level (Metres)
20%	6.8
5%	9.5
2%	11.1
1%	12.1
Jan 2011	12.1

Ground Level	Height (Metres)
min height	8.1
max height	10.4

Minimum Habitable Floor Level
12.6

Flood Levels
The blue bars in the graph above show the percentage chance of that level being reached or exceeded in any year. The orange bar shows the January 2011 flood level at this address or lot.

Ground Levels (Min - Max)
The line above shows this property's lowest and highest ground levels. Confirm with a surveyor.

Minimum Habitable Floor Level
The dotted line in the graph above depicts the minimum height above sea level that habitable areas of development must be constructed to, i.e. lounge, kitchen or bedroom. Council recommends you confirm existing floor levels with a surveyor.

For a detailed summary of anticipated flood levels and flags see technical summary over page.

HIGHEST SOURCE OF FLOODING

RIVER The highest source of flooding affecting this property originates from a river. For more information about flooding in your area you can view and download Council's Flood Flag Maps by visiting www.brisbane.qld.gov.au/floodmap

Technical Summary

Use this summary to supply information about this property to surveyors, builders, certifiers, architects and engineers who may request this FloodWise Property Report. This summary has been designed to be easily read if scanned or faxed.

Property Details	
Address:	██████████ JINDALEE QLD 4074
Lot Details:	██████████

Flooding Information

Estimated Peak Flooding Levels

Minimum Ground Level (AHD)	8.1 m	ARI (Years)	% chance	Level (AHD)	Source
Maximum Ground Level (AHD)	10.4 m	5	20%	N/A	
Interim Residential Flood Level (IRFL)	12.1 m	20	5%	6.8 m	RIVER
Interim Residential Flood Level Source	RIVER	50	2%	9.5 m	RIVER
Minimum Habitable Floor Level (AHD)	12.6 m	100 or DFL	1%	11.1 m	RIVER
		January 2011		12.1 m	RIVER

Disclaimer

- 1 Defined Flood Levels and Interim Residential Flood Levels, and the Minimum Habitable Floor Levels based on them, are determined from the information available to Council at the date of issue. These flood levels, for a particular property, may change if more detailed information becomes available or changes are made in the method of calculating flood levels.
- 2 Council makes no warranty or representation regarding the accuracy or completeness of a FloodWise Property Report. Council disclaims any responsibility or liability in relation to the use or reliance by any person on a FloodWise Property Report.

Useful Definitions

Australian Height Datum (AHD) – The reference level for defining ground levels in Australia. The level of 0.0m AHD is approximately mean sea level.

Average Recurrence Interval (ARI) or % Chance – The probability of experiencing a flood of a particular magnitude. ARI can be interpreted in terms of years (frequency). ARI levels quoted in this report are measured in height above sea level (AHD). ARI can also be described as the percentage chance that a location will flood in any one year. For example, a 5 year ARI flood event corresponds to a 20% likelihood of a flood of this magnitude or greater occurring in any one year.

Defined Flood Level (DFL) – The flood level associated with a defined flood event. Commonly, the standard used is the 100 year ARI. For further information refer to the House Code in Brisbane City Plan 2000, specifically Table 1: House Flood Immunity Levels for residential property.

Maximum and Minimum Ground Level – Highest and lowest ground levels on the property based on available ground level information. A Registered Surveyor can confirm exact ground levels.

Minimum Habitable Floor Level – The minimum level above sea level at which habitable areas of development (generally including bedrooms, living rooms, kitchen, study, family and rumpus rooms) must be constructed.

City Plan 2000 – City Plan 2000 sets out what you can build and where new development should go. Council assesses proposed new development against the City Plan 2000.

Interim Residential Flood Level (IRFL) – The flooding standard adopted by Council following the January 2011 flood event to be applied to new residential development.

Find Out More

Whether you are building, buying, renting or preparing your property for flooding, obtaining a FloodWise Property Report is the first step in determining your property's flood risk. Council's 'Be FloodWise' series of publications can assist you to plan ahead, respond to and recover from flooding. They are available online at: <http://www.brisbane.qld.gov.au/floodwise> or by phoning Brisbane City Council on (07) 3403 8888.

The 'Be FloodWise' publications include:

Preparing for Flooding

Assess your flood risk, prepare for and respond to, flood events.

Be FloodWise - A guide for residents

Buying / Renting

Assess the flood risk of a property before making a decision to rent or buy.

Buying and renting fact sheet

Building or Renovating

Renovations around your home or business can impact on your flooding exposure. Ensure your house meets City Plan 2000 flood immunity

Building and renovating fact sheet

If you are planning to renovate or build, Council recommends you engage a Registered Professional Engineer of Queensland to undertake a thorough assessment of all flood risks specific to the property.



Get a Free Flood Flag Map

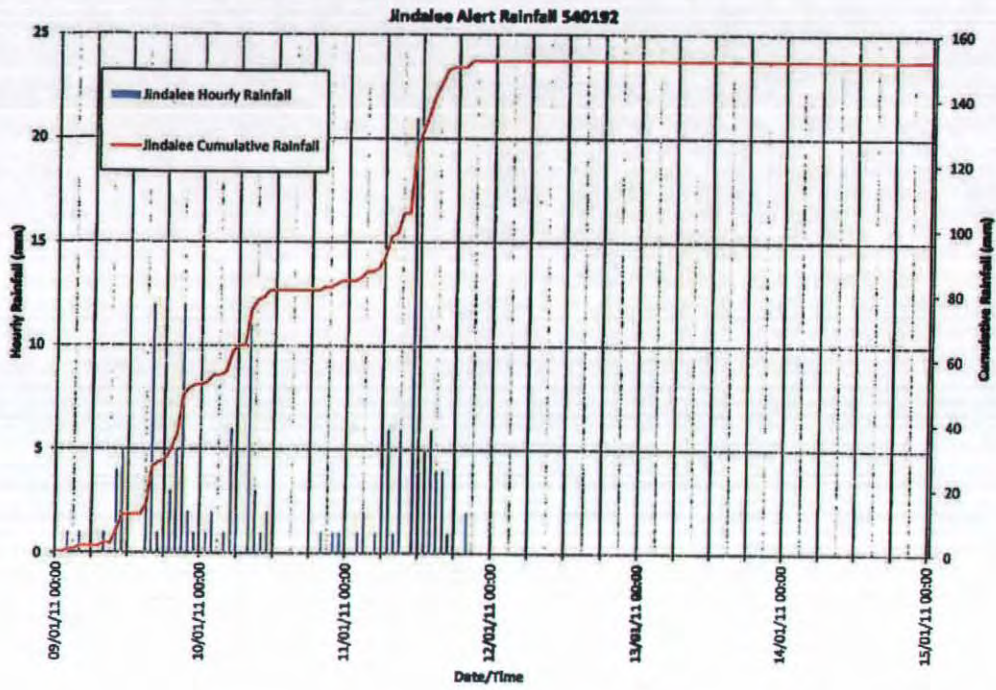
Find out more about predicted flooding in your suburb or area by downloading a free Flood Flag Map. The map shows overland flow paths and where flooding may occur from creeks, rivers and storm tides on a suburb scale.

For more information visit www.brisbane.qld.gov.au/floodmap or visit a Council Customer Service Centre

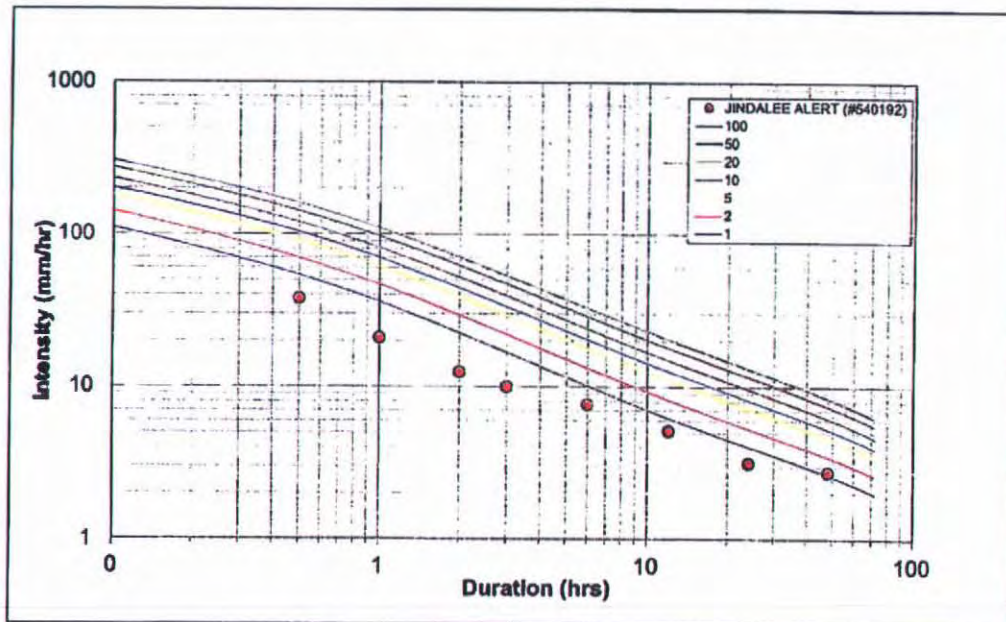
EXHIBIT SQC 03



Rainfall and Stream Gauge Locations

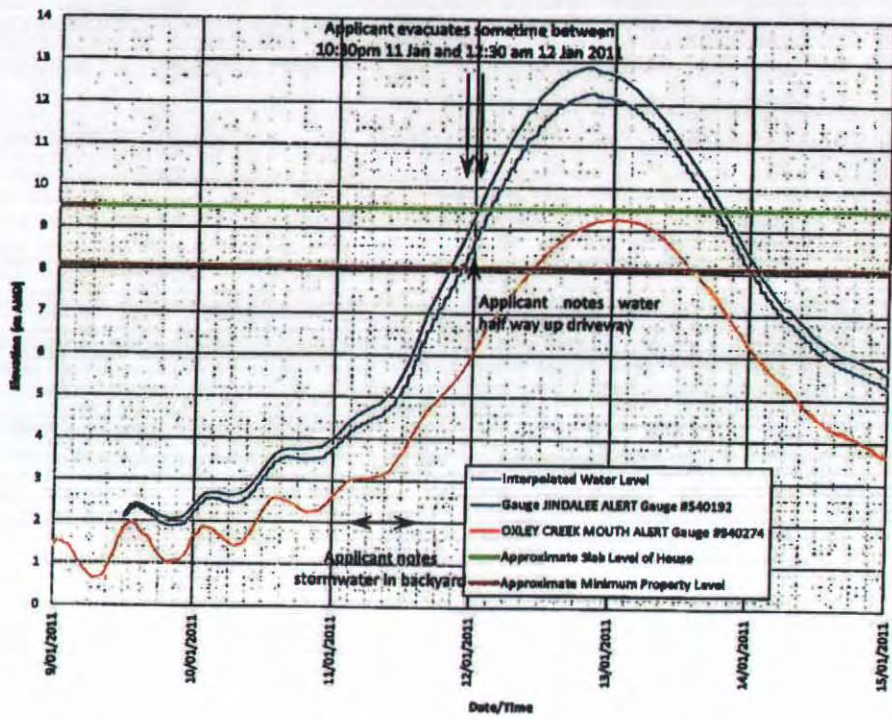


Rainfall Record for the Jindalee Alert Stations



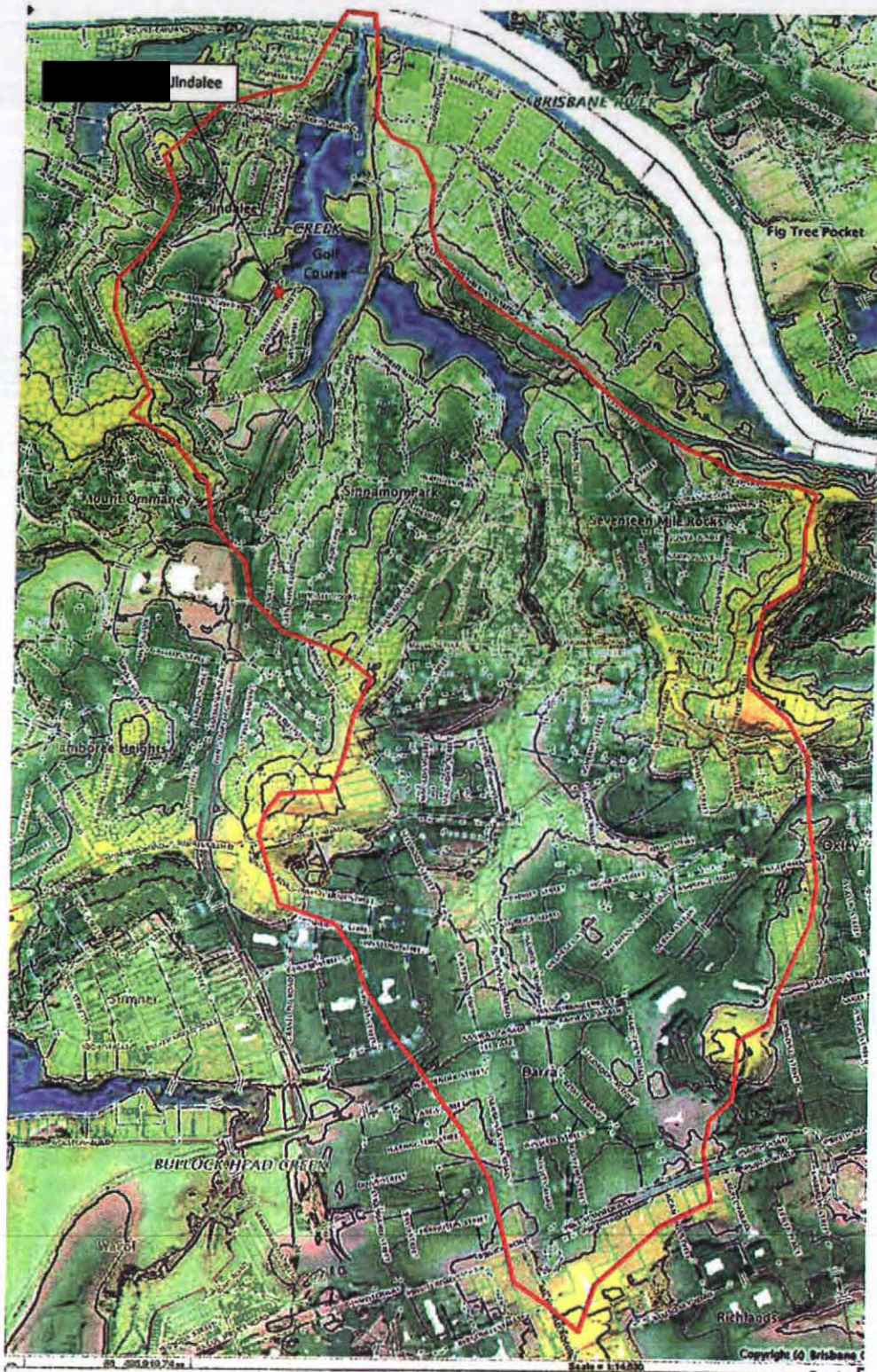
Rainfall Intensity Frequency Duration Analysis for the Jindalee Alert Stations

EXHIBIT SQC 06

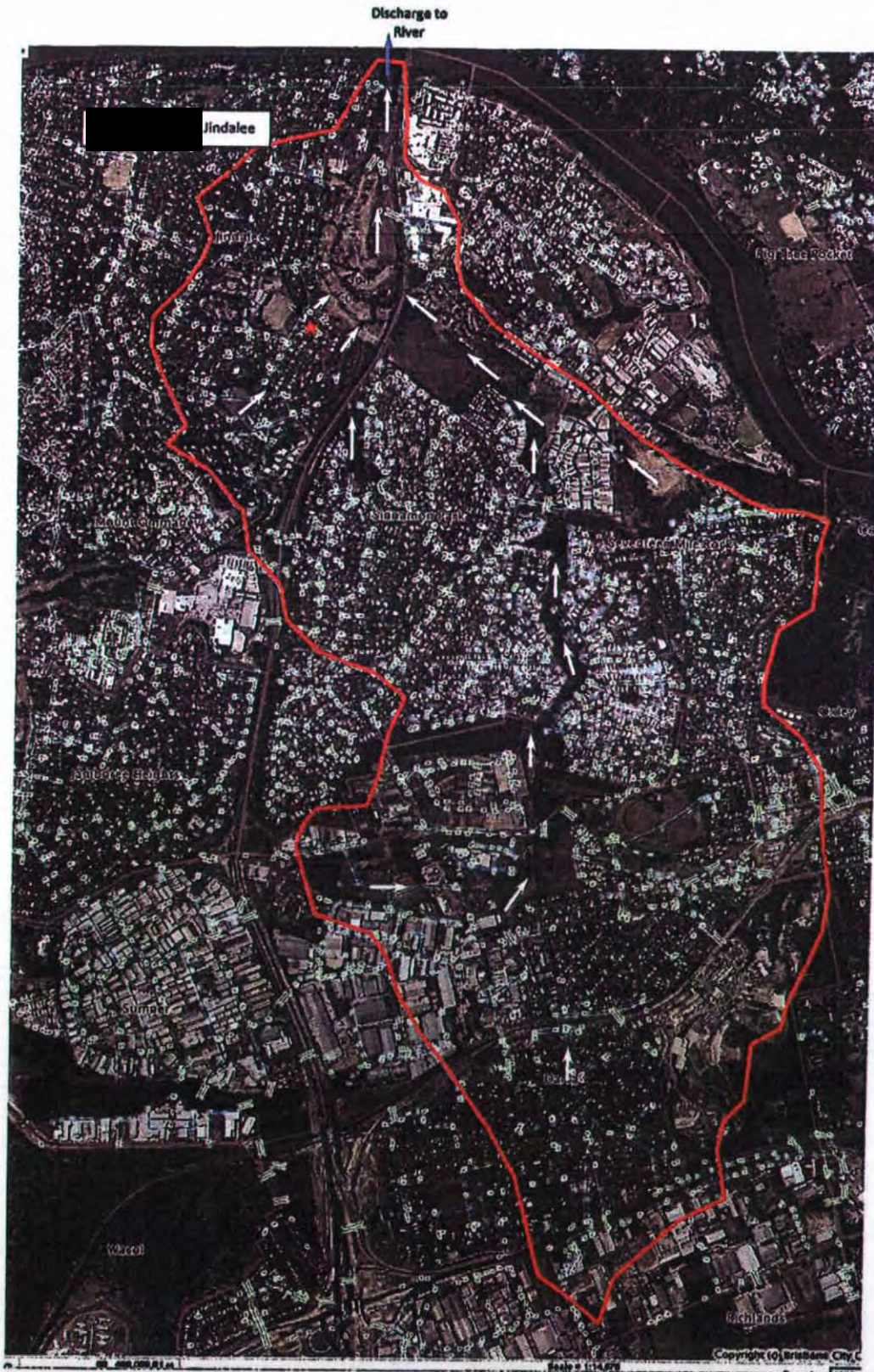


Brisbane River Water Levels near the Property and Approximate Minimum Property Level

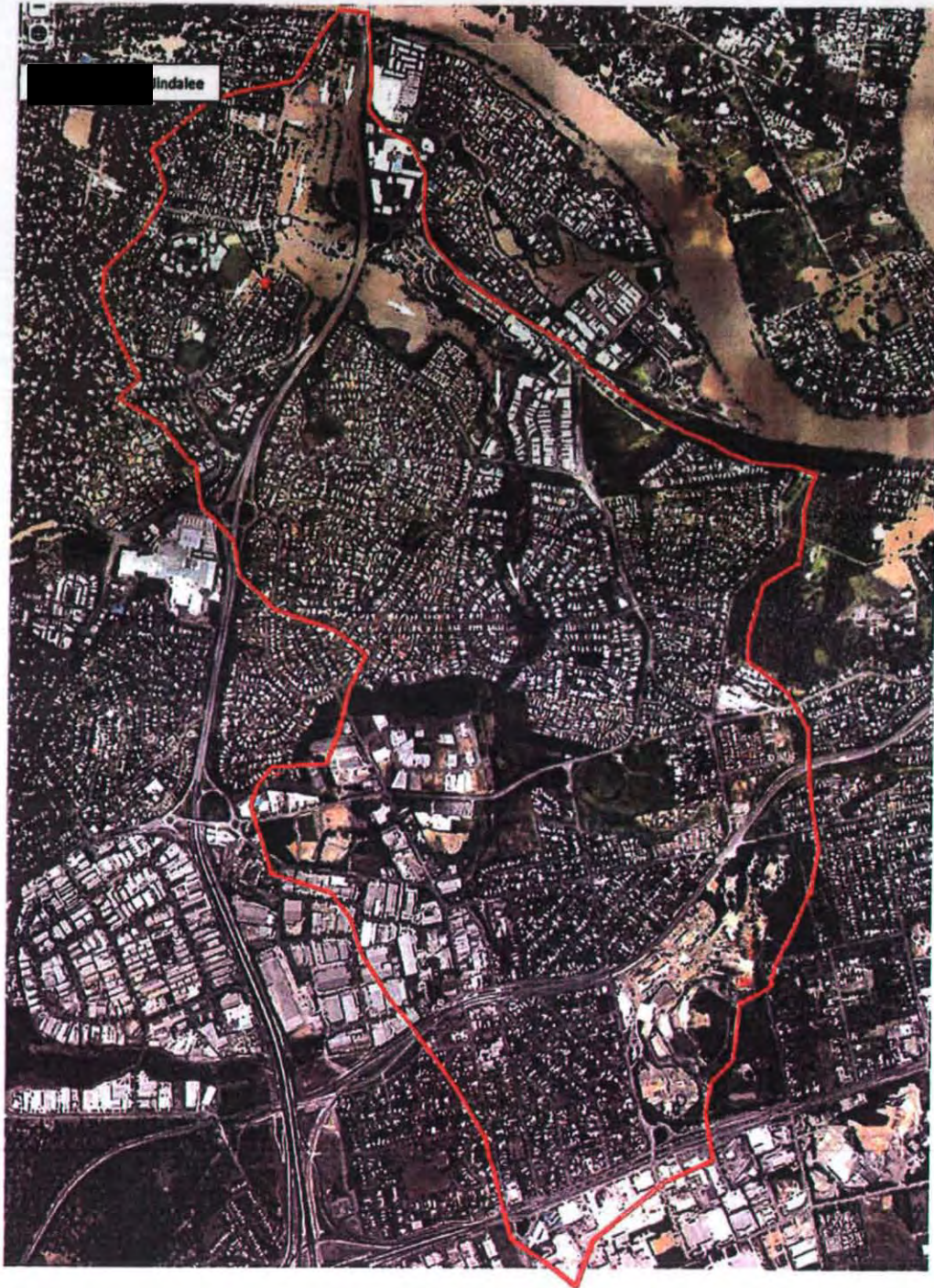
EXHIBIT SQC 07



Topographic Plot of Subject Property and stormwater infrastructure (eBlmap 2011) with catchment marked



Aerial Photography of Subject Property and stormwater infrastructure (eBimap 2011) with catchment marked. The direction of stormwater flowpaths are indicatively marked with white arrows.



Aerial Image of the Subject Property (Nearmap 2011) with direction of backflow marked as white arrows

EXHIBIT SQC 08

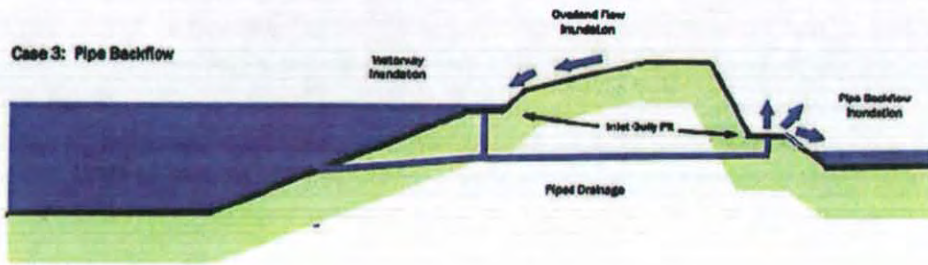


Diagram showing "pipe backflow" reproduced from Insurance Council of Australia report "Flooding in the Brisbane River Catchment January 2011", 20 February 2011.

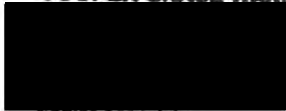
ATTACHMENT D





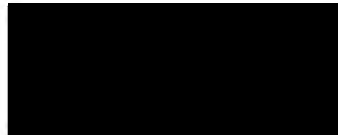
This CD enclosed with this letter does not include the reports for regions in which you do not have clients. Accordingly, if you act for any insured other than those listed above, we would be grateful if you would let us know so that we can provide you with the reports and schedule information for those insureds.

Yours faithfully
COOPER GRACE WARD



Senior Associate

**T
F
E**



Partner

ECA210084814 4017701v1

**FINANCIAL
OMBUDSMAN
SERVICE**



Financial Ombudsman Service Limited
ASN 67 131 124 443
GPO Box 3, Melbourne VIC 3001
Telephone 1300 78 08 08
Fax 03 9613 6389
Email info@fos.org.au
Website www.fos.org.au

16 August 2011

██████████
Manager Customer Dispute Resolution
RACQ Insurance Limited
P O Box 3004
Logan City DC Qld 4114



Dear ██████████

██████████
██████████
██████████
Dispute lodged by: Mr Michael Gourley
Case number: ██████████
Your ref: ██████████

Please find enclosed details of Mr Gourley's dispute with RACQ Insurance Limited.

What you need to do

We encourage you to contact Mr Gourley within the next 21 days and discuss and resolve the dispute directly with them.

If you are able to resolve the dispute directly within 21 days, please provide written details confirming how the dispute was resolved.

If you are unable to resolve the dispute directly, you will need to provide a detailed written response to the dispute within 21 days. You should include an explanation of RACQ Insurance Limited's position and copies of all relevant information and supporting documents, including a copy of any response to Mr Gourley. This should be provided to the Financial Ombudsman Service (FOS), with a copy provided to Mr Gourley.

To assist you, a guide is enclosed setting out the information and documents that are generally relevant in a dispute such as this. Please carefully check this guide and ensure that all relevant information and documents are provided with your response.

We require your response by 6 September 2011.

Once we receive your response we will review the dispute and decide the appropriate next step for resolving this matter.

INCLNFSP-G1

Exchange of Information

FOS encourages parties to a dispute to exchange information as part of trying to resolve the dispute. As is the practice in general insurance disputes, please ensure that a copy of all material included in your response is sent to Mr Gourley. Only the material exchanged will be relied upon by FOS unless special circumstances apply as outlined in our Terms of Reference.

Privacy

We do not wish to collect third party or sensitive information that is not required. If you include sensitive information or personal information about a third party please ensure that the information is relevant to the dispute. If the information is not relevant, please do not send it to us or take steps to de-identify the information.

Our privacy policy is available at www.fos.org.au/privacy.

How we deal with unresolved disputes

If a dispute is not resolved directly between the parties, we will use the most appropriate dispute resolution method to resolve the dispute. We may assist the parties to negotiate a resolution, or may conduct a conciliation conference where appropriate. If a dispute cannot be resolved by mutual agreement, we may issue a Recommendation or Determination.

For more information on the Financial Ombudsman Service and how we deal with disputes, including our Terms of Reference and Operational Guidelines, please refer to our website at www.fos.org.au.

Additional Information

If you:

- are unclear on how to respond to this dispute
- require additional time to respond or
- have any questions

please contact me on [REDACTED] or email me at [REDACTED]

Yours sincerely

[REDACTED]

**Dispute Analyst
Financial Ombudsman Service**

enc.

Response Guide – General Insurance

When you are providing your response to us please review this Guide and provide copies of all relevant information and documents as outlined below.

Please outline your response under appropriate headings where relevant (eg. Summary of Facts, Issues in Dispute, Applicant's Position, Company's Position, Relevant Policy Provisions, Relevant Law).

- | |
|---|
| <ul style="list-style-type: none">• Your company's report on its investigation of the dispute together with copies of any related correspondence. Your response should include:<ul style="list-style-type: none">○ Policy details○ Applicant's particulars○ The claim○ The vehicle/property/contents/sickness○ Details of previous claims○ Details of any alleged non-disclosure or misrepresentation○ Other relevant facts |
| <ul style="list-style-type: none">• A statement of the company's overall position on the dispute. This should include an outline of the issues in dispute, the Applicant's position, relevant policy provisions, relevant law and reference to any relevant FOS Terms of Reference provisions. |
| <ul style="list-style-type: none">• Details of any expert opinions (eg. Assessor, accident reconstruction, forensic, medical, legal). |
| <ul style="list-style-type: none">• Details of any suggested options or offers that will assist to resolve this dispute |
| <ul style="list-style-type: none">• Copies of the following documents:<ul style="list-style-type: none">○ Applicant's claim form○ Insurance proposal/applicant form○ Policy schedule applicable at time of loss○ Policy wording applicable at time of loss |
| <ul style="list-style-type: none">• Copies of other supporting evidence where relevant, including:<ul style="list-style-type: none">○ All assessors' and adjusters' reports on liability and quantum○ All investigators' reports○ Colour copies of all photographs, or the originals○ Underwriting guidelines○ Proof of application of underwriting guidelines (eg. Examples of declined proposals, renewals and statutory declarations from underwriters)○ Medical reports/technical reports○ Valuations○ Witness statements/statutory declarations/affidavits. |



Online Dispute Information

This form contains a summary of an Applicant's dispute. It is based on information submitted by an applicant when they lodge their dispute online with FOS.

FOS Case Number:	241946
Date Dispute Recorded by FOS:	10 May 2011
Applicant Name:	Mr Michael Gourley
Applicant's Business Name (if applicable):	
Applicant Address & Contact Details:	[Redacted] Lindalee QLD, Australia 4074 Email: [Redacted]
Representative Name (if applicable):	[Redacted]
Representative Address Details (if applicable):	1 Manning Street, South Brisbane, QLD, Australia 4101
Account/Policy/ Claim Reference Number:	Policy no. [Redacted]
Financial Services Provider Name:	RACQ Insurance Limited
Summary of Dispute:	
RACQ has denied Mr Gourley's claim on the basis that the damage suffered was caused by "flood". We are in the process of internal dispute resolution.	
Outcome Sought:	
RACQ should participate fully in the internal dispute resolution process and provide all requested documents at its earliest convenience.	

Michael Gourley

Jindalee Qld

21 July 2011

**Dispute Officer
Financial Ombudsman Service Limited**

By Email:

Dear

**Mr Michael Gourley of Jindalee
Policy number:**

Caxton Legal Centre Inc. (Caxton) has been acting for me in requesting a review of RACQ's decision to refuse my insurance claim arising from events in December 2010 and/or January 2011.

I am now asking the Financial Ombudsman Service Limited (FOS) to review RACQ's decision to refuse my insurance claim. Any further correspondence should also be direct to me personally.

Summary of issues

My home and contents at Jindalee were severely damaged on 11 and 12 January 2011. My policy of insurance with RACQ provided cover of \$491,000 for property damage and \$103,000 for contents.

Some details of damaged contents and their value were provided to RACQ prior to denial of the claim. I can provide further details of property and contents damage if required.

A request for review was made to RACQ (via its solicitors) on 30 May 2011. Its decision to decline the claim was confirmed on 12 July 2011.

Enclosed are copy:

1. Letter from Caxton Legal Centre to Cooper Grace Ward of 30 May 2011; and
2. Letter from RACQ Insurance to Caxton Legal Centre of 12 July 2011.

I am not satisfied with the response from RACQ. The grounds for the request for review from FOS include:

1. Provision of the Product Disclosure Statement;
2. RACQ's definition issues;
3. Hydrology issues; and
4. Breach of the General Insurance Code of Practice.

These are discussed below.

1. Provision of the Product Disclosure Statement

I have held a policy of insurance with RACQ since November 1997. I have requested copies of records from RACQ in particular a copy of the first Product Disclosure Statement (PDS) which they say was sent to me when I initially took out my policy of insurance. To date this has not been received, therefore I would argue that the PDS was not sent to me when I first took out my policy of insurance. RACQ has argued that my policy of insurance does not extend coverage for "flood" based on their broad definition. I say that any exclusion in the policy that RACQ is now trying to argue, was not communicated to me by RACQ when I took out my policy of insurance.

2. RACQ definitional issues

I consider the definitions of "flood" in the RACQ policy are broad and confusing. RACQ failed to advise me about the definitions of flood coverage in my policy when I took out the policy of insurance. RACQ should not be able to rely on an exclusion in a policy which has not been properly explained to me.

3. Hydrology

I maintain that the damage which my property sustained first occurred from a sudden, excessive run-off of water as a direct result of a storm and is therefore covered by the policy.

I have not been provided with a copy of the hydrologist report that RACQ relies upon as the basis for rejecting my claim. Under the *General Insurance Code of Practice*, RACQ is required to provide me with access to information on which it relied on to assess the claim and an opportunity to correct any mistakes and inaccuracies (clause 3.4.3). RACQ's refusal to provide the hydrology report is a breach of its obligations under the *Code of Practice*.

RACQ has refused to provide the report on the basis that:

1. The report is subject to a claim of legal professional privilege; and
2. The report contains private information about other customers.

I do not accept the claim of legal professional privilege. The report should be provided to me simply by deleting any information contained in the report which identifies any other homeowner or policy holder.

In response to the findings of the RACQ Hydrologists property review checklist following his inspection of my property I make the following comments:

1. I spent at least one and a half hours talking to the hydrologist, [REDACTED] and answered multiple questions;
2. [REDACTED] did take photographs of the property but has not provide copies to me;
3. The expert's report is lacking in detail and does not properly reflect the information I provided to him;
4. At 1:00 pm on 11 January 2011 the water was already lapping at the door during and following a day of intense rainfall;
5. My property is adjacent to a stormwater drain situated less than 70 metres away and there are two other stormwater drains approximately 30 metres away from the property;
6. The water initially entered my property from the direction of the stormwater drain and overland water; and
7. From my recollection of the intense rainfall that fell on 11 January 2011 up until I left the property at 11:30 pm and the direction that the water was flowing from, from the stormwater drains, this was the first cause of the inundation of my property.

I consider that because the damage was first caused by the inundation of the property from stormwater run off, RACQ should have to pay for all the damage caused to my property.

4. Breach of the General Insurance Code of Practice

RACQ's wrongful refusal to provide the report is a basis for your Service ordering costs and compensatory damages from RACQ for any loss suffered by myself. As I was not provided with the report, it was difficult for us to fully participate in the internal dispute resolution process. I submit that RACQ's actions amount to a breach of its duties under the General Insurance Code of Practice, namely, the duty to "conduct claims handling in a fair, transparent and timely manner" (Part 3.4.1) and the obligation to provide written reasons for its decision to deny a claim (Part 3.4.5).

I also submit that RACQ have breached its obligation to act in utmost good faith under the *Insurance Contracts Act*. Due to its actions, my family and I have suffered significant emotional distress. On the basis of this, I submit that regardless of the outcome, RACQ should be required to provide us with the maximum amount of compensation allowable for non-financial loss.

Future Contact

If you have any questions, please contact me directly on [REDACTED] Any further correspondence should also be direct to me personally.

Yours sincerely,

Michael Gourley

6 July 2011

Mr M Gourley
[REDACTED]
Cannon Legal Centre Inc.
1 Manning Street
SOUTH BRISBANE QLD 4101

Dear [REDACTED]

Re: Claim Number - [REDACTED]
Your reference: M Gourley

We refer to your letter dated 30 May 2011.

The IDR manager has reviewed your client's submissions and decided to confirm the decision to decline your client's claim.

The reasons for that decision are as follows:

Provision of Product Disclosure Statement (PDS)

Our records indicate that your client's policy has been in force from 20 November 1997.

We do not understand the significance you appear to place on whether the PDS was received by your client prior to the initial payment. If that event had any significance, it would suggest that a prospective insured could get better coverage that the policy would otherwise entitle them to by rushing to make an initial payment.

Such an interpretation is not supported by the clear words of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth) and would be contrary to public policy in that it would encourage insureds to make payments before they had a chance to read and understand the terms of their policy.

It is RACQ Insurance's position that a copy of the PDS was sent to your client, along with the certificate of insurance, within 14 days of the date the policy was entered into. This is sufficient to "clearly inform" your client for the purposes of sections 35 and 69 of the *Insurance Contracts Act 1984* (Cth).

Furthermore, each year your client would have received policy renewal documents which would include any updated PDS or SPDS documentation. We do not understand how your client could have received the documents relating to renewal of the policy without also receiving these other documents.

Flood definition

We do not agree with your comments about the definition of "Flood".

When the definitions of "Flood" and "Flash flood and stormwater run-off" are read together, the difference between the two is clear. "Flash flood and stormwater run-off" is a particular category of flood -- namely, a sudden flood caused by rain that fell not more than 24 hours earlier. The policy makes clear that this is the only type of flood which is covered, and that any other kind of flood is not covered.

RACQ Insurance's position is that your client was clearly informed about the scope of the flood coverage.

Hydrology Issues

There is no evidence that the inundation of your client's property falls within the definition of "Flash flood and stormwater run-off".

The evidence relied upon by your client is basically to the effect that there was rain or a storm on 11 January 2011 and your client's property has begun to be inundated. That evidence is not sufficient to show any connection between the rain that fell on 11 January 2011 and the inundation of your client's property (the fact that one occurred after the other does not show that one was caused by the other.)

We note your clients have not sought to rely upon hydrological evidence.

The fact that there was local rainfall before the inundation does not mean that the inundation was "Flash flood or stormwater run-off". It is not sufficient, to satisfy the definition, to show that there was rain within 24 hours of your client's property being inundated. Your client must show that the rain which fell within 24 hours was what caused the inundation. The evidence relied upon by your client does not establish this.

We attach a copy of RACQ Insurance's hydrologist's property review checklist resulting from their inspection of your client's property. The hydrologist has confirmed that his original view that the loss at your client's property was the result of the rising level of the Brisbane River (which was a Flood) has not changed.

Overall, we do not believe that the inundation of your client's property meets the definition of "Flash flood or stormwater run-off".

Request for information relied upon

The information we relied upon in making a decision on your client's claim includes:

- Your client's IDR submissions;
- Your client's certificate of insurance;
- Your client's PDS documentation; and
- RACQ information sheet - Brisbane

Your client has not alleged any matter which would make the policy inception recording you have requested a transcript of relevant to the determination of your client's claim. RACQ Insurance does not propose to go to the expense of locating and transcribing recordings which are of no relevance to the claim decision.

We have also relied upon a hydrology report relating to Brisbane provided by Water Technology Pty Ltd. We are not in a position to release that hydrology report to you because the report contains personal details of a number of customers which we are required to protect, and the report is also subject to legal professional privilege.

The information sheet is attached and explains in detail the conclusions we have formed following our hydrological investigations.

We also do not propose to release legal advice we have received in relation to your client's claim on the basis that it is subject to legal professional privilege.

RACQ Insurance

RACQ Insurance Limited
2649 Logan Road
NIGHT MILLS PLAINS QLD 4112
Ph: (07) 3261 2444 Fax: (07) 3219 7968
ABN 50 009 704 152

The decision by the IDR Manager is the final step in this stage of your appeal process. If you are unhappy with our internal dispute resolution (IDR) decision you may refer your dispute to the Financial Ombudsman Service Limited (FOS) who can advise you whether your dispute is one which falls within their Terms of Reference.

The FOS provides a free and independent dispute resolution service for consumers who have general insurance disputes that are covered by its Terms of Reference. If you wish for the FOS to consider whether the dispute falls within their Terms of Reference, you must refer your dispute to FOS within two years of the date of the IDR decision. You can do this by contacting FOS at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, Vic 3001

1300 78 08 08 (National toll free)
Tel: (03) 9613 6300 Fax: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Yours faithfully



Manager - Internal Disputes Resolution

30 May 2011

[REDACTED]
Associate
Cooper Grace Ward Lawyers
Level 21, 400 George Street
Brisbane 4000 Australia

Facsimile No: [REDACTED]
Email: [REDACTED]

Dear [REDACTED]

Mr Michael Gourley of [REDACTED] Jindalee
Policy number [REDACTED]

Caxton Legal Centre Inc. acts for Mr Gourley for the purpose of requesting a review of RACQ's decision to refuse our client's insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to us, attention the author, [REDACTED] or to the address or telephone number above.

Summary of issues

The unique circumstances of both the actions of RACQ and the specific events experienced by the client give rise to a number of grounds to review:

1. Provision of the Product Disclosure Statement;
2. RACQ's definitional issues;
3. Hydrology issues; and
4. Compassionate grounds.

Each of these issues will be considered below.

1. Provision of the Product Disclosure Statement

For the flood exclusion to be effective, the existence of the exclusion needs to have been clearly informed to our clients in accordance with section 35 of the *Insurance Contracts Act 1984* (Cth).

Mr Gourley has held insurance with RACQ for a significant period of time. He is unsure whether the Product Disclosure Statement (PDS) was sent to him prior to making the initial payment. Please provide copies of your records in relation to when the first PDS was sent to Mr Gourley. The absence of such evidence is an indication that a PDS was not sent to our client prior to payment for the policy.

Many policies distinguish flood from damage caused by storm or flash flood and our clients did not turn their minds to this issue in the context of a drought in South East Queensland that had extended for a number of years. Assuming that the PDS was not received by Mr Gourley, because the exclusion upon which RACQ relies is contained in the PDS that was not received until after the insurance Policy was in place, it is extremely difficult for RACQ to argue that clearly drew this exclusion to the attention of Mr Gourley when the policy was taken out or subsequently.

As a result, we assert that RACQ has not met the burden under section 35 of the *Insurance Contracts Act*, which means that Mr Gourley is entitled to standard policy cover provided for by that section. As standard insurance cover includes coverage for flooding, Mr Gourley's insurance claim should be honoured and we ask that RACQ reconsider and pay this claim.

2. RACQ definitional issues

In our view the definition of "flood" (as described above) is too broad and does not meet your obligations to clearly communicate this exclusion. The reason for this is that when the definition of "flood" is read together with the inclusion of "flash flood" on page 11 of the PDS, in our view there is overlap between the two definitions which is likely to cause confusion for a consumer about what is covered and what is not covered under flash flood and flood. The definitions of flood and flash flood appear to be contradictory and confusing from a consumer's perspective.

In our view, such contradictory definitions do not meet either the requirement to "clearly inform" under the *Insurance Contracts Act* or the requirement for "clear concise and effective" disclosure under the *Corporations Act*. In those circumstances RACQ should not seek to rely on the exclusion and payout Mr Gourley's claim.

3. Hydrology

3.1. Insurance Policy Coverage

We note that your policy does cover storm damage,¹ flash flood and stormwater run-off.² 'Flood' is defined as "rising water which enters your home as a result of it running off or overflowing from any origin or cause."³

From your refusal letter of 10 March 2011, you have refused these claims on the basis that the policy does not include cover for flood but have failed to articulate any grounds for the denying his claim for loss or damage caused by "flash flooding"

In the RACQ policy, flash flooding is covered if it is as a result of a "heavy rain" occurring within 24 hours of the flash flood or stormwater run off. Flash flood is defined as:

"A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off."⁴

We submit that the damage which Mr Gourley's property sustained first occurred from a sudden, excessive run-off of water as a direct result of a storm and is therefore covered by the policy.

3.2. Relevant Weather Data

We note that there were 2,455 recorded lightning strikes between 11pm on 10 January to 11pm on 11 January 2011 in the Brisbane Area (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

There is little doubt that storms occurred across Brisbane on Tuesday morning, 11 January 2011.

Frequency	Date and Time
6	11:00PM on 09 Jan 2011 to 11:00PM on 10 Jan 2011
2455	11:00PM on 10 Jan 2011 to 11:00PM on 11 Jan 2011
0	11:00PM on 11 Jan 2011 to 11:00PM on 12 Jan 2011

¹ RACQ Insurance, Household Insurance Policy Product Disclosure Statement, GHBB2 07/08 at page 17.
² RACQ Insurance, Household Insurance Policy Product Disclosure Statement, GHBB2 07/08 at page 18.
³ RACQ Insurance, Household Insurance Policy Product Disclosure Statement, GHBB2 07/08 at page 10.
⁴ RACQ Insurance, Household Insurance Policy Product Disclosure Statement, GHBB2 07/08 at page 18.

A severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology (BoM) shortly before 9am on 11 January 2011, as reproduced below. It is our view that all of the evidence points to storm cells with torrential downpours which hit suburbs of Brisbane and Ipswich on that morning:-

Tuesday, January 11, 2011 8:49 AM

Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



**QLD Severe Weather Warning:
Heavy Rainfall and Flash Flooding**



Dedicated to a better Brisbane

Source: Bureau of Meteorology

For people in the Southeast Coast District and the Darling Downs and Granite Belt District southeast of Dalby to Goondiwindi.

Issued at 8:00 am on Tuesday 11 January 2011

Synoptic Situation: At 8am AEST, an upper level low was located over the Darling Downs and Granite Belt district and is forecast to move to the southwest and slowly weaken.

Heavy rain areas and thunderstorms are expected to continue through the Southeast Coast and Darling Downs and Granite Belt today. Heavy falls will lead to localised flash flooding and will worsen existing river flooding.

Currently, an intense slow moving band of rainfall extends from about Maroochydore to Warwick. Rainfall rates in this band are reaching 80 to 100 mm per hour.

According to the BoM daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area between 9 and 12 January 2011, inclusive, as shown at <http://www.bom.gov.au/climate/dwo/IDC-IDW0400.shtml>.

The BoM data notes that the Archerfield airport weather station, located approximately 8 kilometres from Mr Gourley's property recorded windspeeds gusting at up to 52 kilometres per hour on Monday 10 January 2011 and at 43 kilometres per hour on Tuesday 11 January 2011. These speeds were elevated compared with the following week and support our client's claim that a significant weather event passed over his property on the morning of 11 January 2011 resulting in winds and substantial rain.

3.3. Mr Gourley's Recollection of Events

Mr Gourley's house is situated less than 70 metres from a large stormwater drain. This storm water drain is the outlet of water for a large area, including all of Yallambee Road, Capitol Drive and Centenary State High School. Due to it servicing such a large and highly populated area, there is a history of storm water drain problems in the area. During heavy periods of rain and storms, the stormwater drains will fill-up and overflow onto the roads and into the Jindalee Golf Course. Mr Gourley's house is also approximately 30 metres away from two other stormwater drains, which have similar issues during heavy rains.

We have attached a diagram labelled as 'A' which outlines the proximity of the storm water drain to Mr Gourley's house and the direction that the first inundation of water came into the house.

Mr Gourley recalls that it was consistently raining on the morning of Tuesday, 11 January 2011. This rain resulted in the stormwater drains becoming overfull and water spilling into the street and Golf Course close to Mr Gourley's house. The rain continued and water began flowing from the stormwater drains towards Mr Gourley's house. At approximately 10.00pm the water was in Mr Gourley's property and approximately ½ metre from his house. At this point, Mr Gourley and his family decided to leave the property. They packed the car with a small number of items and left the property at approximately 10.30pm. At no time did Mr Gourley or any of his neighbours receive a warning nor were they told to evacuate their homes.

When Mr Gourley left the property, the water was flowing from the stormwater drains close to his house and not from the direction of the river, which is approximately 1km away from Mr Gourley's property.

3.4. Hydrology Information provided by RACQ

We note that RACQ provided Mr Gourley with a two page "Report by RACQ Insurance Limited on its Investigations into Brisbane Floods". This document appears to be an unsourced summary of RACQ's investigation into the floods in Ipswich. We note that RACQ has provided no information on what investigations were carried out, when this occurred, what modelling was used to determine the findings and how the conclusions were reached. The document relies solely on assertions, assumptions and generalities to support its findings. Any document that attempts to summarise the "flooding which

occurred in Brisbane" is going to be based completely on generalisations and cannot be used to determine the events in a specific area of the city, let alone on a specific property.

We therefore submit that the document provided has no evidentiary value for what occurred at Mr Gourley's property. We note that the Financial Ombudsman Service has found in favour of the Insured when hydrology information provided by the Insurer has not had adequate evidentiary support.⁶

We contacted RACQ on 28 April 2011 requesting a copy of any evidence, hydrology reports and client information that was used to determine Mr Gourley's claim. We include a copy of this letter labelled as "B". RACQ responded on 3 May 2011 stating that it will not provide a copy of the hydrology report because the report contains "private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege". We include a copy of this letter labelled as "C".

Any private information in the hydrology report can be redacted by RACQ and is not a basis for denying Mr Gourley access to the report. We also submit that any claim to privilege which is made against the hydrology report is unfounded. Under the *General Insurance Code of Practice*, RACQ is required to provide our client access to information which RACQ relied on to access the claim and an opportunity to correct any mistakes and inaccuracies (clause 3.4.3). We therefore further submit that the refusal of RACQ to provide the hydrology report is a breach of their obligations under the *Code of Practice*.

Please note, regardless of the outcome of this dispute, we reserve our rights to seek (in FOS or elsewhere) costs and compensatory damages from RACQ for any loss suffered by our clients due to RACQ's unjustified refusal to provide the hydrology report at this stage.

3.5. Conclusion of Hydrology Arguments

The water that first inundated Mr Gourley's property occurred as a result of storm activity and rainwater on Tuesday morning or within 24 hours of that event. Thus, the evidence shows that the house was firstly inundated prior to the river reaching its peak and from "a sudden, excessive run-off of water as a direct result of a storm in (the) local area." We submit that the property was subsequently then inundated by riverine flooding from the Brisbane River.

The damage to Mr Gourley's property was first caused by rainwater run-off. The description of that event does not fall within the "flood" exclusion. The loss is covered by the policy and RACQ should reverse its assessment and pay the claim. This is based on the following facts:

⁶ Financial Ombudsman Service Determination, case number 41832.

1. Mr Gourley's property is adjacent to a large stormwater drain that is situated less than 70 metres away and another two stormwater drains that are approximately 30 metres away from Mr Gourley's property. The direction of the flow of the water into the home was from the direction of the stormwater drains. The river is approximately a kilometre away from Mr Gourley's property.
2. The inundation of Mr Gourley's property started in the afternoon of Tuesday 11 January whereas the peak of the Brisbane River occurred at approximately 11.00pm on Wednesday 12 January. According to information in the Insurance Council of Australia hydrology report, the relevant peak of the Brisbane River, occurred at 12.30am⁶ on Wednesday 12 January 2011. This means that there was large amounts of water entering Mr Gourley's property after heavy rainfall in the area and approximately 26 hours before the relevant peak in the Brisbane River.
3. The initial inundation of Mr Gourley's home was from slow water rises that gradually entered the property, indicating it is more likely to be a result of rain/stormwater.
4. The water entered the property from the direction of the stormwater drain and not the river.

We agree with RACQ's conclusion that Mr Gourley's property was eventually flooded by water from the Brisbane River. It appears however that RACQ did not consider the potential for two separate events, namely an initial inundation of stormwater run-off into Mr Gourley's property and later riverine flooding. The evidence provided, including weather details and Mr Gourley's recollection provides a very strong argument that the property was initially subject to significant stormwater inundation.

This finding means that RACQ is required to pay for any damage which was first caused by the stormwater run-off. If the water damage caused by the first event cannot be determined accurately by RACQ, it will be required to pay for all the damage caused to Mr Gourley's property.⁷

4. Compassionate Grounds

As you are aware, the events of January 2011 were a significant disaster that caused widespread suffering in the community, including distress and anxiety to Mr Gourley. You may however be unaware of the specific circumstances of Mr Gourley.

⁶ Insurance Council of Australia, *Flooding in the Brisbane River Catchment January 2011*, Volume 2 – Flooding in Brisbane City LGA, 20 February 2011 at p. 41.
⁷ Financial Ombudsman Services Decision 84-897.

Mr Gourley's late wife was diagnosed with breast cancer before the floods. The physical and emotional trauma of the January 2011, the requirement to move out of their home at short notice, the loss of their possessions and damage to their house resulted in a deterioration of her condition. Mr Gourley's late wife was admitted to hospital shortly after the floods and passed away one month later. The couple have two children, aged [REDACTED] and Mr Gourley is now the sole financial and emotional provider.

Mr Gourley also continues to suffer emotional trauma as a consequence of the January 2011 events. He has had spinal surgery and will need to apply for a disability support pension through Centrelink.

In light of these issues, we would greatly appreciate it if RACQ reconsiders its decision in relation to Mr Gourley's claim. If this does not occur, we request that RACQ considers making a further ex-gratia payment to Mr Gourley to assist him and children restart their lives after the devastation they have experienced.

Request for information you relied upon to make your decision

If, upon consideration of the matters raised in this submission RACQ reaffirms the original refusal, please provide copies of any other evidence not previously provided that RACQ used to determine this claim and/or in reconsideration of this claim within 7 days of its review.

In particular, please provide a transcript of Mr Gourley's proposal for insurance and record of this claim (if there is one) and a transcript of any discussion with Mr Gourley on which you rely to support the decision you have made.

Response and urgency for our client

We would appreciate it if you would expedite this review to minimise further harm that delay and uncertainty is causing for Mr Gourley.

Mr Gourley prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve their rights to revise his claim if necessary.

Yours faithfully

[REDACTED]
Caxton Legal Centre Inc.

Our Ref: MJM:RGR 10084914
Your Ref:

3 May 2011

Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email: [REDACTED]

Level 21, 400 George Street
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444
F 61 7 3221 4356

www.cgw.com.au

ABN 95 591 906 639

RECEIVED
- 5 MAY 2011

BY:

Dear Colleagues

RACQ Insurance - flood claim review
Your client: Michael Gourley

We refer to your letter dated 28 April 2011.

We note that you act for Mr Gourley. As your client has engaged solicitors, RACQ Insurance has engaged us to act on its behalf in this matter. Please direct any further communications in this matter to us.

We enclose the following further information relating to your client's claim:

1. a copy of your client's certificate of insurance and relevant PDS documentation;
2. a copy of the loss adjuster's report obtained by our client in relation to your client's property; and
3. a copy of our client's information sheet setting out the conclusions our client has reached in relation to the cause of flooding in your client's area.

The above information sets out the basis of our client's decision.

Your request for information is very broad and requests information that may be subject to legal professional privilege. Our client does not propose to provide information that is subject to legal professional privilege.

Further, our client does not propose to provide a copy of its hydrology report because the report contains private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege.

As you would be aware, our client is obliged to determine any application for review within 46 days of your client's complaint. We therefore ask that any submissions or material in support of the application that your client wishes to be considered be provided as soon as possible.

Yours faithfully
COOPER GRACE WARD

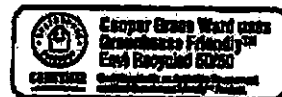
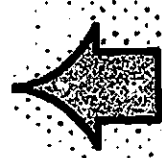
[REDACTED]

ASSOCIATE
T
P
E

[REDACTED]

Partner

ECA210084914 3521635v1



"B"

caxton
legal centre inc

28 April 2011

Manager, Internal Dispute Resolution
Customer Disputes Resolution Department
RACQ Insurance
PO Box 3004
LOGAN CITY QLD 4114.

Facsimile No: [REDACTED]

Email: [REDACTED]

Dear [REDACTED]

Michael Gurnley - [REDACTED]
Policy number: [REDACTED]

Caxton Legal Centre Inc. acts for the above named for the purpose of preparing a submission to support a review of your company's decision to refuse our clients' insurance claim arising from events in December 2010 and/or January 2011.

Please see attached authority to act on behalf of the client. Please ensure that all further correspondence on the reconsideration of the refusal is directed to the writer.

We understand that you have informed our client that their claim is refused. Our client formally requests that this decision be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request shortly. Please do not finalise the review without given our client the benefit of being about to provide these written submissions.

In the meantime, please provide us with copies of our client's insurance policy and the Product Disclosure Statement that was in effect in December 2010 / January 2011. Please also provide us with any evidence, hydrology reports and client information that you have used to determine this claim. In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Please contact [REDACTED] if you have any further questions.

Yours faithfully

[REDACTED]
Caxton Legal Centre Inc.

Caxton Legal
Centre Inc
Unlocking the law
ASN IP 023 448 077

1 Manning Street
South Brisbane
4101 Queensland
Australia

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W www.caxton.org.au



This Centre is
accredited by the
National Association
of Community
Legal Centres.

11 April 2011

Mr Michael R. [REDACTED]
[REDACTED]
JINDALEE QLD 4074

Dear Mr & Mrs Gourley,

Re: Claim Number - [REDACTED]

We refer to the abovementioned claim and wish to advise at your request the Internal Dispute Resolution (IDR) Manager reviewed your claim on 11th April 2011.

Based on the information available I wish to advise that the review upholds the previous decision as advised to you in our letter dated 10th March 2011. A copy of this letter is attached for your information

The decision by the IDR Manager is the final step in this stage of your appeal process. If you are unhappy with the decision you may refer your dispute to the Financial Ombudsman Service Limited (FOS) who can advise you whether your dispute is one which falls within their Terms of Reference.

The FOS provides a free and independent dispute resolution service for consumers who have general insurance disputes that are covered by its Terms of Reference. If you wish your dispute to be reviewed by FOS you must refer your dispute to FOS within two years of the date of the IDR decision. You can do this by contacting FOS at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, Vic 3001

1300 78 08 08 (National toll free)
Tel: (03) 9613 6300 Fax: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Alternatively, you may wish to seek legal advice at your own cost.

Yours faithfully

[REDACTED]
Internal Disputes Resolution Manager

4th April 2011

Mr Michael R & [REDACTED]
[REDACTED]
JINDALEE QLD 4074

Dear Mr & Mrs Gourley,

Re: Claim Number - [REDACTED]

We acknowledge your request for the RACQ Insurance Internal Dispute Resolution (IDR) to review the company decision made in relation to your claim.

Your request will now be reviewed by an IDR Manager within 10 business days and you will be advised of the final determination by mail.

The IDR Manager is an RACQ Insurance representative, independent of the claim decision process, with the appropriate knowledge, skills and authority to deal with the dispute.

In the interim period you may contact the Customer Dispute Resolution Department on [REDACTED] should you wish to make an enquiry or alter the timeframe that your complaint will be heard to allow you enough time to submit additional information.

RACQ Insurance
IDR Manager,
P O Box 3004,
Logan City Qld 4114

Yours faithfully

[REDACTED]
Internal Dispute Resolution Manager

RACQ Insurance Ltd
ABN: 50 009 704 152
2649 Logan Rd, Eight Mile Plains, QLD 4113
PO Box 3004, Logan City, QLD 4114
Telephone 137 202 Facsimile (07) 3031 2750

16 March 2011

Mr M R Gourley
[REDACTED]
JINDALEE QLD 4074

Dear Mr Gourley,

Household Insurance
Policy Number: [REDACTED]
Claim Number: [REDACTED]

Thank you for your request for further information in relation to RACQ Insurance's assessment of your claim.

In response to that request, we enclose a report by RACQ Insurance on the flooding which occurred in your region. This report outlines the conclusions that RACQ Insurance has reached in relation to hydrological issues relevant to the region, which we have applied to your particular property and claim.

We hope this further clarifies RACQ Insurance's decision on your claim.

If you have any questions or need more information, please call us on 137 202.

Sincerely,

[REDACTED]
Customer Service Officer

CAT L18 2/11

**REPORT BY RACQ INSURANCE LIMITED ON ITS
INVESTIGATIONS INTO BRISBANE FLOODS**

This document has been prepared by RACQ Insurance Limited to provide its policyholders with some further details of the investigations it has carried out into the flooding which occurred in Brisbane in January 2011.

RACQ Insurance's Investigations

1. RACQ Insurance has carried out extensive investigations into the floods in Brisbane. These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Brisbane and the rate and speed at which water flowed through that catchment.

The key results

2. A substantial amount of rain fell in the Brisbane River catchment above Wivenhoe Dam both before, but particularly over the period 9, 10 and 11 January 2011 commencing at approximately 9am on 9 January 2011. This rain caused significant inflows into the Wivenhoe Dam, the level of which is reported to have peaked at approximately before midnight on 11 January 2011.
3. There were significant discharges of this water from the Wivenhoe Dam which flowed into the Brisbane River which worked its way down the River towards Brisbane. A substantial amount of rain also fell in the Bremer River catchment from around 6.00am on 11 January 2011. This rain travelled down the Bremer River towards the junction of the Bremer River and the Brisbane River.
4. The Bremer River contributed in the order of 15% to 25% of the Brisbane River's peak flow. This is a necessarily imprecise figure because some important data is still not available to us.
5. Due to the high Brisbane River tailwater levels there was some attenuation of the peak flow rate in the lower reaches of the Bremer River. This means that the overall contribution of the Bremer River to the Brisbane River is likely to be less than the above estimate but we cannot presently say by how much less.
6. A small proportion of the overall depth of the Brisbane River prior to 6.00am on 12 January 2011 may be partially attributable to the rain that fell in the Bremer River catchment on 11 January 2011. However, the overwhelming influence on the flooding of the Brisbane River was the rain which fell some days earlier and its subsequent release from the Wivenhoe Dam.
7. After 6.00am on 12 January 2011, the Brisbane River continued to rise to its peak level of 4.45m (recorded at the Brisbane City Gauge at approximately 4.00am on 13 January 2011).

Impact on application of policy

8. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
9. The majority of properties that reported damage in Brisbane were inundated as a result of the release of water from Wivenhoe Dam that followed the rainfall in the Brisbane River catchment that commenced on 9 January 2011.
10. This does not meet the requirements of "Flash flood or stormwater run-off" as defined in RACQ's standard policy. Claims for loss or damage in Brisbane will, therefore, generally not be covered.
11. There may be some properties which have suffered damage at different times or as a result of different causes specific to their location. Decisions on these claims will be made on a case by case basis.

AJW10091928 3728552v1

10/03/2011

Mr M R Gourley
[REDACTED]
JINDALEE QLD 4074

Dear Mr Gourley,

Household Insurance
Policy Number: [REDACTED]
Claim Number: [REDACTED]

We have now completed our investigations relating to your claim. It has been determined that the damage at your property has been caused by flooding.

We refer you to your Household Insurance Policy Product Disclosure Statement(s) which state in part:

Words / terms with special meanings

Flood Rising water which enters your home as a result of it running off or overflowing from any origin or cause. *This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.*

As your policy does not include cover for flood, we must advise your claim has not been accepted.

As you may be aware where the policy is unable to respond, RACQ Insurance has established a compassionate fund to provide assistance to our customers most seriously affected by the Queensland floods.

Although you are not entitled to a payment under the terms of your policy, we are pleased to advise that your circumstances mean that you are eligible for a payment of \$ 12,500.00 from the RACQ Insurance compassionate fund.

It is important for you to understand that RACQ Insurance cannot accept any responsibility for any changes in your financial circumstances as a result of making this payment to you. You may wish to seek financial advice prior to accepting this payment.

If you are dissatisfied with the position we have taken in relation to this matter, RACQ Insurance has a review process that we would like you to be aware of.

We have enclosed a Customer Information Sheet outlining this process should you wish to dispute our decision. This entire process is at no cost to you.

We confirm that if the review process results in a payment under your insurance claim, the amount of the compassionate fund payment made to you will be taken to be an advance payment under your claim. This way the compassionate fund remains available to those most seriously affected policy holders who are not entitled to a payment under the terms of their insurance policy.

CAT L16 2/11

If you have any queries or need more information, please call us on 137 202.

Sincerely,


Customer Service Officer

ATTACHMENT E





myifreemans

SITE REPORT - Property Claim

Client	RACQ Insurance Brisbane PO Box 3004 LOGAN CITY QLD 4114	Report Date	3 February 2011
Claims Officer	Household Claims	Claim Reference	[REDACTED]
MYIF Assessor	[REDACTED]	MYIF Reference	[REDACTED]
MYIF Case Contact	[REDACTED]	MYIF Contact Phone	[REDACTED]

KEY CONTACT DATES

Date of Loss	13 January 2011	Case Received	17 January 2011
Claimant Contacted	21 January 2011	Inspection Date	28 January 2011

CLAIMANT DETAILS

Claimant Name	GOURLEY, T		
Postal Address	[REDACTED]	JINDALEE QLD 4074	
Situation of Loss	[REDACTED]	JINDALEE QLD 4074	
Primary Contact	Michael Gourley	Tax Status	To be advised
Telephone	[REDACTED]	AEN	
Telephone 2	[REDACTED]	ITC	0%
Email Address	Not advised	Claim Form Status	Not required

POLICY DETAILS

Policy Type	GHHB2 03/09 RACQ Household Insurance PDS	Inception Date	24 November 1997
Policy No	Not advised	Expiry Date	24 November 2011
Policy Section:-	Sum Insured:-	Excess:-	
Building	\$491,000.00	\$300.00	
Contents	\$103,000.00		
Total Sum Insured	\$594,000.00	\$300.00	Total Excess Applied

MYI Freemans Ltd

42 Costin Street Fortitude Valley QLD 4006, PO Box 554 Fortitude Valley QLD 4006

Tel: 07 3867 4600 Fax: 07 3867 4699 Email: brisbane@myifreemans.com.au

Web: www.myifreemans.com.au

ABN: 86 111 653 388



RESERVE			
Policy Section	Reserve	Payments to Date	Outstanding Reserve
Building	\$300,000.00		\$300,000.00
Contents	\$90,000.00		\$90,000.00
Personal Property			\$0.00
			\$0.00
Total Claim	\$390,000.00	\$0.00	\$390,000.00
Excess applied	\$0.00		\$0.00
Total Claim less Excess	\$390,000.00		\$0.00
Management Fee	\$8,000.00		\$0.00
Total Reserve	\$398,000.00	\$0.00	\$0.00

CIRCUMSTANCES / CAUSE	
Type of Loss	FLOOD
Relating to	Flood catastrophe
Caused by	Flooding
Date of Loss	13 January 2011
Date/Time of Discovery	12 January 2011
Discovered by	Insured
Who was responsible?	Brisbane river Dam Storm water drain Torrential rain
STATUTORY SERVICES	
SES	Attended
EXPERT CONSULTANTS	
Building Consultant	Recommended
Hydrologist	Recommended



EXTENT OF LOSS / DAMAGE	
BUILDING	
No of rooms affected	10
Square metres affected	Approx. 187 square metres.
Severity of damage	Destroyed
What is damaged	Entire structure Aerials/Antennas Appliances - fixed Architraves Bath/Basin Bench tops Benches Carport Ceiling finishes Ceiling/s Cooling system Cupboards/Shelves Decking Doors Electrical circuit/wiring Exhausts External blinds External building/s Fans - fixed Floor finishes Floor/s Garage doors Garage GPO's/Switches Heating system Insulation - roof Internal blinds Light fittings Patio Pergola Pool/Spas Roof cladding Roof plumbing Sinks Skirtings Wall frames Walls - internal finishes Walls external finishes Window frames
CONTENTS	
Severity of damage	Destroyed
What is damaged	All contents Appliances - brown goods Appliances - white goods Bedding Books Business/professional tools/equipment CD's, DVD's, Blue Ray Clothing Computer software/accessories/games Cutlery/Crockery/Pots/Pans/Utensils Electronic goods - computers Electronic goods - games Floor coverings Food Furniture - external Furniture - inside Garden tools Luggage Manchester/Linen Medications Musical goods Toiletries Window coverings
OTHER DETAILS	
Action Taken	Arranged pre cleaning Insured has had premise totally stripped back to bare structure due to extent of water damage. All contents have been disposed. Insured premise uninhabitable and insured staying in a motel with his family. Insureds wife sick with cancer and is not expected to survive.
Scope of Damage	To be provided with next report
Property Loss Schedule	To be provided with next report

SUMMARY			
Indemnity	Under evaluation		
Recovery	Unlikely	Salvage	Likely
Other Insurance	None advised	Other Insurance Details	No other known policies

RISK ISSUES	
Type of Risk	Dwelling
Sum Insured Comment	Adequate
Previous Claims	None relevant to this claim
Underwriting Recommendations	



EVENT ISSUES	
A - Accommodation required	Yes
B - Accommodation required during repairs	Yes
Asbestos issues	Some villa board with asbestos.

FLOOD ISSUES – TO BE PROVIDED WITH SECOND REPORT

NEXT STEPS	
Insured	Await confirmation of acceptance of claim.
MYIF – Next Report	Seek insurers instructions on policy indemnity.
Your Office:	Confirm acceptance of claim Note the contents of this report Provide further instructions Confirm policy cover

MYIFREEMANS LTD

[Redacted]
ANZILF(Snr. Assoc.)
Dipl. Bus. (Loss Adjusting)
Email: [Redacted]

IMAGES



Premise has been stripped bare.



Risk premise



Inground pool

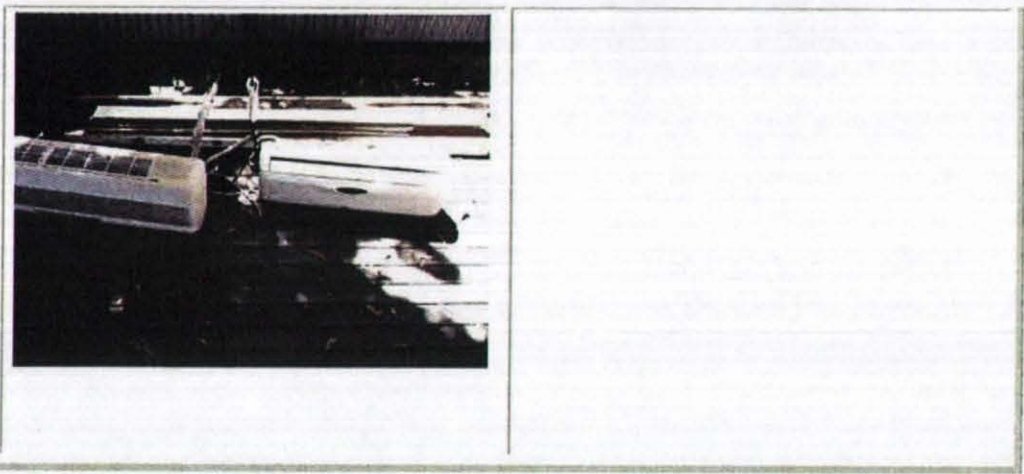


Exhibit 36

RACQ Insurance

RACQ Insurance
PO Box 3004 LOGAN CITY QLD 4114
2649 Logan Road EIGHT MILE PLAINS
PH (07) 3361 8841 FAX (07) 3219 0489

6 September 2011

Financial Ombudsman Service Limited
GPO Box 3
Melbourne Victoria 3001

Attention: [REDACTED] Dispute Analyst

Dear [REDACTED]

RE: **Consumer Complaint** - Mr Michael Gourley
Claim Number - [REDACTED]
Your Reference - [REDACTED]

Thank you for your letter dated 16 August 2011 seeking a response in relation to a dispute lodged by Mr Gourley [the Applicant]. Please find enclosed our response to the Applicant's dispute, outlining the reasons for the RACQ Insurance's final decision in relation to the dispute.

Yours faithfully

[REDACTED]
Customer Dispute Resolution Manager

Exhibit 37

RACQ Insurance

RACQ Insurance
PO Box 3004 LOGAN CITY QLD 4114
2649 Logan Road EIGHT MILE PLAINS
PH (07) 3361 8841 FAX (07) 3219 0489

6 September 2011

Mr Michael Gourley
C/- Caxton Legal Centre
Attn: [REDACTED]
1 Manning St
SOUTH BRISBANE QLD 4000

Dear Mr Gourley

RE: Claim Number - [REDACTED]

In accordance with the Financial Ombudsman Service Limited [FOS] Terms of Reference, attached is a copy of all information and documentation tendered by RACQ Insurance to the FOS.

Yours faithfully,

[REDACTED]

Manager – Customer Dispute Resolution

Exhibit 38



COOPER GRACE WARD
LAWYERS

Our Ref: MJM:RXR 10094914

Level 21, 400 George Street
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

www.cgw.com.au

ABN 95 591 906 639

18 August 2011

██████████
Caxton Legal Centre
1 Manning Street
South Brisbane QLD 4101

Email: ██████████

Dear ██████████

RACQ Insurance Limited re Queensland Floods Response

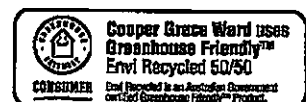
Our client has instructed us to provide to you copies of the hydrology reports relevant to your clients' claims.

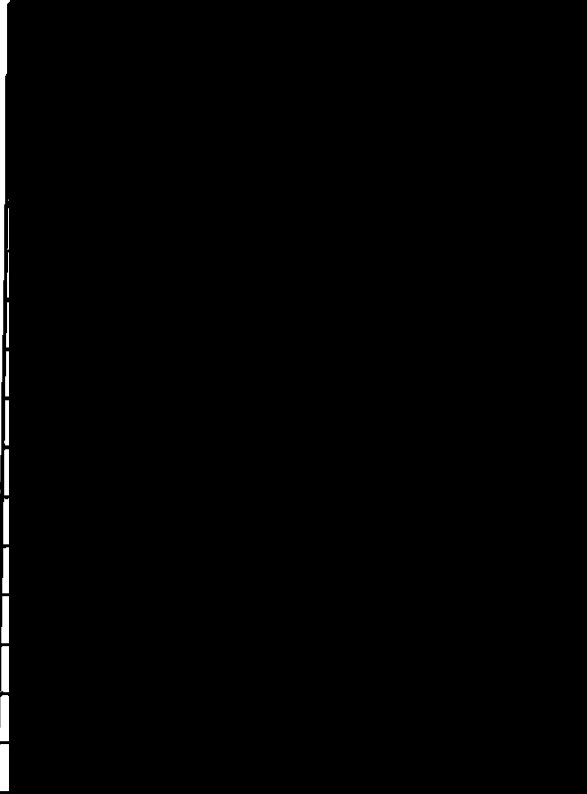
Accordingly, we enclose a CD with the compilations of the reports for the regions that relate to each of your clients.

You will note that some of the names in those reports have been redacted for privacy reasons. We will write to you separately, for each customer affected by the redactions, identifying how they have been affected.

Additionally, the reports refer to schedules containing personal information of customers. Those schedules have therefore been removed for privacy reasons. However, in the table below, we have set out those clients who, based on our records, you are currently acting for and the schedules in which each of your client's claims were ultimately determined to be in.

Name	Claim Number	Region	Schedule
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule B Part 1
██████████	██████████	Middle Brisbane	Schedule A
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule B Part 1
██████████	██████████	Ipswich	Schedule A
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule A
Gourley, M	██████████	Brisbane	Schedule A
██████████	██████████	Brisbane	Schedule A
██████████	██████████	Ipswich	Schedule B Part 1



	Brisbane	Schedule A
	Brisbane	Schedule A
	Brisbane	Schedule A
	Ipswich	Schedule B Part 1
	Ipswich	Schedule B Part 1
	Ipswich	Schedule A
	Brisbane	Schedule A
	Brisbane	Schedule A
	Brisbane	Schedule A
	Brisbane	Schedule A
	Ipswich	Schedule A
	Ipswich	Schedule A
	Ipswich	Schedule B Part 1
	Brisbane	Schedule A
	Ipswich	Schedule A
Ipswich	Schedule A	


This CD enclosed with this letter does not include the reports for regions in which you do not have clients. Accordingly, if you act for any insured other than those listed above, we would be grateful if you would let us know so that we can provide you with the reports and schedule information for those insureds.

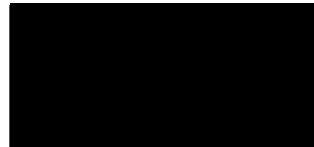
Yours faithfully
COOPER GRACE WARD



Senior Associate

T
F
E





Partner

ECA210094914 4017701v1

[REDACTED]

From: [REDACTED]
Sent: Tuesday, 23 August 2011 10:25 AM
To: [REDACTED]
Subject: Hydrology reports

Dear [REDACTED]

Thank you for speaking with me this morning. In relation to the hydrology reports, we and our clients understand the without prejudice nature of the FOS proceedings and that documents provided through the FOS dispute resolution process cannot be used in court.

We are concerned, however, that the claim you maintain in relation to legal professional privilege seeks to set up obligations on the part of our clients that some of our clients will be unable or unprepared to accept.

From my conversation with you this morning in respect of this claim to privilege, it seems that your client expects all our clients to maintain total confidentiality in relation to the hydrology reports. This is a very onerous obligation and, in our view, goes much further than the normal FOS requirement regarding not using the documents in court.

Whilst we ultimately take the view that the claim of privilege will be extraordinarily difficult for your client to maintain, we are concerned about exposing our clients to allegations, demands and possible litigation if your client feels aggrieved by any perceived breaches in the future.

Can you please clarify exactly what your client's expectations are of our clients' use of the hydrology reports, particularly as regards confidentiality?

We will then need to check with [REDACTED] of FOS regarding his expectations in relation to your client's provision of the reports, and whether the obligations you seek to impose are consistent with Part 7 of the FOS Terms of Reference. Whilst we accept the normal restrictions of the FOS process, we will not be recommending to our clients that they accept additional restrictions unless it is completely necessary.

We undertake not to view any disc received from you or your client until this matter is resolved.

Regards,

[REDACTED]

Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street
South Brisbane QLD 4101

T: [REDACTED]

F: [REDACTED]

E: [REDACTED]

W: www.caxton.org.au

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[REDACTED]

From: [REDACTED]
Sent: Tuesday, 23 August 2011 12:05 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

Thank you for your email.

The reports have been provided for the purposes of determination/resolution of complaints under the General Insurance Code of Practice. As you have noted, our client has made a claim for privilege in respect of the reports.

Accordingly, our client's expectation is that the reports will be used only for the purposes of determination/resolution of complaints/disputes under the Code.

Our client does not require your clients to specifically state that they accept our client's claim for privilege. The claim for privilege has been made, and if there is any conduct inconsistent with the claim for privilege, that cannot be said to have been done with our client's consent. Accordingly, any such conduct will not, as we see it, have any impact on our client's claim for privilege.

We do not see how our client's request that the reports only be used for the purposes of determination/resolution of complaints/disputes under the Code is in any way onerous. As you know, it is very common for there to be confidential exchanges of information between the parties during the course of disputes on a without prejudice basis. Perhaps you could clarify why this presents a difficulty for your clients and for what other purposes your clients seek to use the reports.

Kind regards

[REDACTED] Senior Associate



T [REDACTED] W www.cgw.com.au
Level 21, 400 George Street, Brisbane 4000 Australia GPO Box 834, Brisbane 4001
Assistant: [REDACTED] T [REDACTED]

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Winner – BRW Client Choice Awards 2009 and 2010 - Best Australian Law Firm (revenue less than \$50m)

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[REDACTED]

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Winner – BRW Client Choice Awards 2009 and 2010 - Best Australian Law Firm (revenue less than \$50m)

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[REDACTED]

From: [REDACTED]
Sent: Friday, 26 August 2011 1:09 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

I spoke with [REDACTED] at some length about this on Wednesday and he confirmed for me that FOS does not expect our clients to keep information received through the FOS process confidential. Part 7 of the FOS Terms of Reference refers to the 'without prejudice' nature of the FOS process but this is not the same as requiring confidentiality.

My impression from my conversation with [REDACTED] is that he accepts that some sharing of documents would occur, and that it would not be in breach of the obligations that parties agree to when they submit to the FOS process.

Can you please confirm that your client similarly accepts that the documents may be shared by some of our clients with third parties and that this in no way breaches any obligation owed by our clients to your client?

Once such confirmation is received we will open the envelope from your office containing the disc, which we received on Tuesday of this week (23 August 2011), and begin the process of distributing the relevant information to our clients.

Thank you again for your help to resolve this.

Regards,

[REDACTED]

Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street
South Brisbane QLD 4101

T: [REDACTED]

F: [REDACTED]

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[REDACTED] Senior Associate



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Level 21, 400 George Street, Brisbane 4000 Australia GPO Box 834, Brisbane 4001
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Finalist – ALB Australasian Law Awards 2008, 2010 and 2011 (Best Brisbane Firm)
Winner – BRW Client Choice Awards 2008 and 2010 - Best Australian Law Firm (revenue less than \$50m)

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Sent: Tuesday, 23 August 2011 10:25 AM

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Regards,

[REDACTED]

Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

**1 Manning Street
South Brisbane QLD 4101**

T: [REDACTED]
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W: www.caxton.org.au

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[REDACTED]

From: [REDACTED]
Sent: Friday, 26 August 2011 2:00 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

Thank you for your email.

Could you please confirm which third parties (or which types of third parties) you expect your clients would be providing the documents to and the purpose of this?

Kind regards

[REDACTED] | Senior Associate



T [REDACTED] W www.cgw.com.au
Level 21, 400 George Street, Brisbane 4000 Australia GPO Box 834, Brisbane 4001
Assistant: [REDACTED]

Winner – EOWA Employer of Choice for Women Citation 2009, 2010 and 2011
Winner – Australasian Law Awards Gold Employer of Choice 2011
Finalist – ALB Australasian Law Awards 2008, 2010 and 2011 (Best Brisbane Firm)
Winner – BRW Client Choice Awards 2009 and 2010 - Best Australian Law Firm (revenue less than \$50m)

From: [REDACTED]
Sent: Friday, 26 August 2011 1:09 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

I spoke with [REDACTED] at some length about this on Wednesday and he confirmed for me that FOS does not expect our clients to keep information received through the FOS process confidential. Part 7 of the FOS Terms of Reference refers to the 'without prejudice' nature of the FOS process but this is not the same as requiring confidentiality.

My impression from my conversation with [REDACTED] is that he accepts that some sharing of documents would occur, and that it would not be in breach of the obligations that parties agree to when they submit to the FOS process.

Can you please confirm that your client similarly accepts that the documents may be shared by some of our clients with third parties and that this in no way breaches any obligation owed by our clients to your client?

Once such confirmation is received we will open the envelope from your office containing the disc, which we received on Tuesday of this week (23 August 2011), and begin the process of distributing the relevant information to our clients.

Thank you again for your help to resolve this.

Regards,

[REDACTED]
Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street
South Brisbane QLD 4101

T: [REDACTED]

F: [REDACTED]

E: [REDACTED]

W: www.caxton.org.au

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From: [REDACTED]
Sent: Tuesday, 23 August 2011 2:47 PM
To: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

I am expecting to speak with [REDACTED] tomorrow morning (when he is back from South Australia) regarding FOS' expectations in relation to confidentiality and will get back to you on Thursday.

Thank you again for your time today.

Regards,

[REDACTED]
Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street
South Brisbane QLD 4101

T: [REDACTED]

F: [REDACTED]

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From: [REDACTED]
Sent: Tuesday, 23 August 2011 12:05 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

Thank you for your email.

The reports have been provided for the purposes of determination/resolution of complaints under the General Insurance Code of Practice. As you have noted, our client has made a claim for privilege in respect of the reports.

Accordingly, our client's expectation is that the reports will be used only for the purposes of determination/resolution of complaints/disputes under the Code.

Our client does not require your clients to specifically state that they accept our client's claim for privilege. The claim for privilege has been made, and if there is any conduct inconsistent with the claim for privilege, that cannot be said to have been done with our client's consent. Accordingly, any such conduct will not, as we see it, have any impact on our client's claim for privilege.

We do not see how our client's request that the reports only be used for the purposes of determination/resolution of complaints/disputes under the Code is in any way onerous. As you know, it is very common for there to be confidential exchanges of information between the parties during the course of disputes on a without prejudice basis. Perhaps you could clarify why this presents a difficulty for your clients and for what other purposes your clients seek to use the reports.

Kind regards

[REDACTED] Senior Associate



Tel: [REDACTED] W www.cgw.com.au
Level 21, 400 George Street, Brisbane 4000 Australia GPO Box 834, Brisbane 4001
Assistant: [REDACTED]

Winner – EOWA Employer of Choice for Women Citation 2009, 2010 and 2011
Winner – Australasian Law Awards Gold Employer of Choice 2011
Finalist – ALB Australasian Law Awards 2008, 2010 and 2011 (Best Brisbane Firm)
Winner – BRW Client Choice Awards 2009 and 2010 - Best Australian Law Firm (revenue less than \$50m)

From: [REDACTED]
Sent: Tuesday, 23 August 2011 10:25 AM
To: [REDACTED]
Subject: Hydrology reports

Dear [REDACTED]

Thank you for speaking with me this morning. In relation to the hydrology reports, we and our clients understand the without prejudice nature of the FOS proceedings and that documents provided through the FOS dispute resolution process cannot be used in court.

We are concerned, however, that the claim you maintain in relation to legal professional privilege seeks to set up obligations on the part of our clients that some of our clients will be unable or unprepared to accept.

From my conversation with you this morning in respect of this claim to privilege, it seems that your client expects all our clients to maintain total confidentiality in relation to the hydrology reports. This is a very onerous obligation and, in our view, goes much further than the normal FOS requirement regarding not using the documents in court.

Whilst we ultimately take the view that the claim of privilege will be extraordinarily difficult for your client to maintain, we are concerned about exposing our clients to allegations, demands and possible litigation if your client feels aggrieved by any perceived breaches in the future.

Can you please clarify exactly what your client's expectations are of our clients' use of the hydrology reports, particularly as regards confidentiality?

We will then need to check with [REDACTED] of FOS regarding his expectations in relation to your client's provision of the reports, and whether the obligations you seek to impose are consistent with Part 7 of the FOS Terms of Reference. Whilst we accept the normal restrictions of the FOS process, we will not be recommending to our clients that they accept additional restrictions unless it is completely necessary.

We undertake not to view any disc received from you or your client until this matter is resolved.

Regards,

[REDACTED]

Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street
South Brisbane QLD 4101

T: [REDACTED]
F: [REDACTED]
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FILE NOTE

Matter No: _____ Matter Name: _____ Date: 30, 8, 11
 Client: NACQI Start Time: 6.40 AM/PM
 Re: [REDACTED] Finish Time: 6.56 AM/PM
 Telephone / Meeting with: [REDACTED] IN OUT
 Telephone No / Location: _____ Author: [REDACTED]

Sorts of things they'll want to do

- Their clients in other matters have been going
 them to people who might be able to make
 comment on it - said I'm happy to seek out on that - ^{see}

- local council's comment.

- others may want to use for other purposes
 - explained that the reason we're discussing
 this is as to what is a reasonable
 use of the reports

Acc to [REDACTED]

- [REDACTED] said the confidentiality obligation are
 just the WP obs per TDS.

- [REDACTED] refused to say what their clients wanted
 to do with them - just that ~~their clients~~ they
 don't want to subject their clients to additional
 obligation

- This going to talk to [REDACTED] to clarify.

ACTIONS:

Dates diarised? Advice/actions confirmed in writing? Scanned to WorkSite?

Transcript of file note of conversation between [REDACTED] on 30 August 2011 between 4.40pm and 4.56pm

- Sorts of things they'll want to do
- Their clients in other matters have been giving them to people who might be able to make comment on it – said I'm happy to seek inst on that – sounds reas
- Local council's comment.
- Others may want to use for other purposes
- Explained that the reason we're discussing this is as to what is a reasonable use of the reports
- Acc to [REDACTED] said the confidentiality obligations are just the WP obs per TOS [TOR].
- [REDACTED] refused to say what their clients wanted to do with them – just that they don't want to subject their clients to additional obligations
- She's going to talk to [REDACTED] to clarify.

MJM10094914 4128656v1

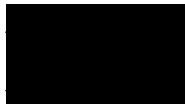
[REDACTED]

From: [REDACTED]
Sent: Friday, 16 September 2011 3:26 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: Hydrology reports
Attachments: RACQ Hydrology Reports

Dear [REDACTED]

As per our telephone conversation today, please see email below from Graham Dale at RACQ. Can you please confirm that the hydrology report has been provided in accordance with FOS Terms of Reference only and that there are no additional confidentiality requirements for Caxton or its clients? If so, please confirm that we can now open and review the hydrology reports.

Kind regards



Consumer Lawyer, Flood and Cyclone Unit



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www.caxton.org.au

T [REDACTED]
Email [REDACTED]



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of Community Legal Centres

From: [REDACTED]
Sent: Wednesday, 14 September 2011 1:14 PM
To: [REDACTED]
Subject: FW: Hydrology reports

FYI

[REDACTED] General Insurance Ombudsman
Financial Ombudsman Service Limited
P: [REDACTED] Toll Free: 1300 78 08 08 | www.fos.org.au
Please consider the environment before printing this email

From: Dale, Graham [REDACTED]
Sent: Wednesday, 14 September 2011 10:09 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: Hydrology reports

[REDACTED]

Thank you for email and apologies for the delay in responding. Late last week (particularly Friday) I received a number of extensive requests for further information from the Queensland Floods Commission of Inquiry which has had me out of action for the last week (and will have me out of action for the remainder of this week).

My understanding is that the hydrology reports have been provided to FOS and Caxton as foreshadowed to you some time ago. Caxton have detailed information about the hydrology decisions made by RACQ Insurance (and have had for some time) and I don't understand there to be any obstacle to them progressing the matters they are handling for their clients. However, in light of the comments in your email, I will undertake another review of the situation in relation to hydrology reports and will provide you and Caxton with a response specifically clarifying the position.

I would be grateful if you could let me have a further short indulgence of time (until COB Monday) to come back to you given the above mentioned circumstances.

Kind regards
Graham Dale

Graham Dale
General Manager Personal Insurance Claims
RACQ Insurance Limited

PO Box 4, Springwood, Queensland, 4127, Australia
2649 Logan Road Eight Mile Plains, Queensland, 4113, Australia
Telephone: [REDACTED]
Email: [REDACTED] | Web: www.racqinsurance.com.au

Personal Assistant: [REDACTED]
Telephone: [REDACTED]
Email: [REDACTED]

From: [REDACTED]
Sent: Friday, 9 September 2011 11:25 AM
To: Dale, Graham
Cc: [REDACTED]
Subject: FW: Hydrology reports

Hi Graham

It appears from the discussions I have had with Caxton that the exchange of information in particular the hydrology is still not occurring in a manner consistent with either your code obligations or the FOS TOR's. This may be due to a misunderstanding by the solicitors of your obligations but needs to be addressed.

As you can see from the attached email and the information below this is causing considerable frustration and additional delay. It is not my understanding as to what has been previously agreed.

As I have previously advised should the reports not be exchanged then as per our terms of reference the reports will not be relied upon in reaching a determination.

The issues are already with the Systemic and Code team for investigation but I would like to have this dealt with post haste to prevent additional delays for the consumers.

I look forward to your response.

[REDACTED]

[REDACTED] | General Insurance Ombudsman
Financial Ombudsman Service Limited

P: [REDACTED] Toll Free: 1300 78 08 08 | www.fos.org.au

Please consider the environment before printing this email

From: [REDACTED]

Sent: Wednesday, 31 August 2011 3:00 PM

To: [REDACTED]

Subject: FW: Hydrology reports

Dear [REDACTED]

As per my previous email, please see email below from [REDACTED]

Kind regards

[REDACTED]

Consumer Lawyer, Flood and Cyclone Unit



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T [REDACTED]

Email [REDACTED]



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of Community Legal Centres

From: [REDACTED]

Sent: Tuesday, 30 August 2011 5:25 PM

To: [REDACTED]

Subject: FW: Hydrology reports

Hi [REDACTED]

I note that you are helping a client to make a complaint to FOS about some of the actions of RACQ. This email can be forwarded to FOS together with the clients complaint about the provision of the hydro reports being subject to obligations of confidentiality.

Further to the below correspondence, I spoke with [REDACTED] twice regarding this issue. Firstly before the initial email to clarify written correspondence we had received from him which seemed to say that the reports are provided on the basis of certain restrictions. You can find a letter to this effect on some but not all client files and may wish to attach a copy of one to this email when you forward it on.

I spoke to him again today in response to his email from Friday of last week. In this conversation he said to me that I could provide categories of use to which the clients may put the documents. I said that I expect most clients will want to share information with tenants and family etc to seek comment, or with experts at their local council or similar, but that I did not wish to seek full instructions for all 25 clients regarding proposed use before opening the mail with the disc in it. It seems to be to be unnecessarily time consuming, and there will be some clients who will not want to submit themselves to imposed obligations 'on principle' because RACQ has been so difficult to deal with. I asked him to seek instructions from his client that they would provide the reports in accordance with the FOS Terms of Reference with no additional restrictions and he said he could but they would be 'very unlikely' to agree to that. I said that in my conversation with [REDACTED] it seemed to me that he expected them to provide the documents in accordance with the TOR. At this stage, it seemed that [REDACTED] and I had reached stalemate on the issue and I said I would speak to [REDACTED] again, which I did.

It would be very helpful if FOS could indicate whether this client and our clients in general must submit to the additional (and slightly vaguely construed) additional restrictions regarding confidentiality that RACQ are seeking to impose in order to maintain their 'right' to claim legal professional privilege over these documents.

Thanks,

[REDACTED]
Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street
South Brisbane QLD 4101

T: [REDACTED]

F: [REDACTED]

E: [REDACTED]

W: www.caxton.org.au

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From: [REDACTED]
Sent: Friday, 26 August 2011 2:00 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

Thank you for your email.

Could you please confirm which third parties (or which types of third parties) you expect your clients would be providing the documents to and the purpose of this?

Kind regards

[REDACTED] Senior Associate



Tel: [REDACTED] W www.cgw.com.au
Level 21, 400 George Street, Brisbane 4000 Australia GPO Box 834, Brisbane 4001
Assistant: [REDACTED]

Winner – EQWA Employer of Choice for Women Citation 2009, 2010 and 2011
Winner – Australasian Law Awards Gold Employer of Choice 2011
Finalist – ALB Australasian Law Awards 2008, 2010 and 2011 (Best Brisbane Firm)
Winner – BRW Client Choice Awards 2009 and 2010 - Best Australian Law Firm (revenue less than \$50m)

From: [REDACTED]
Sent: Friday, 26 August 2011 1:09 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Hydrology reports

Dear [REDACTED]

I spoke with [REDACTED] at some length about this on Wednesday and he confirmed for me that FOS does not expect our clients to keep information received through the FOS process confidential. Part 7 of the FOS Terms of Reference refers to the 'without prejudice' nature of the FOS process but this is not the same as requiring confidentiality.

My impression from my conversation with [REDACTED] is that he accepts that some sharing of documents would occur, and that it would not be in breach of the obligations that parties agree to when they submit to the FOS process.

Can you please confirm that your client similarly accepts that the documents may be shared by some of our clients with third parties and that this in no way breaches any obligation owed by our clients to your client?

Once such confirmation is received we will open the envelope from your office containing the disc, which we received on Tuesday of this week (23 August 2011), and begin the process of distributing the relevant information to our clients.

Thank you again for your help to resolve this.

Regards,

[REDACTED]
Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street

South Brisbane QLD 4101

T: [REDACTED]

F: [REDACTED]

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From: [REDACTED]

Sent: Tuesday, 23 August 2011 2:47 PM

To: [REDACTED]

Subject: RE: Hydrology reports

Dear [REDACTED]

I am expecting to speak with [REDACTED] tomorrow morning (when he is back from South Australia) regarding FOS' expectations in relation to confidentiality and will get back to you on Thursday.

Thank you again for your time today.

Regards,

[REDACTED]
Coordinator Consumer Law Service
(Tues, Thurs, Fri)

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1 Manning Street
South Brisbane QLD 4101

T: [REDACTED]

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From: [REDACTED]

Sent: Tuesday, 23 August 2011 12:05 PM

To: [REDACTED]

Cc: [REDACTED]

Subject: RE: Hydrology reports

Dear [REDACTED]

Thank you for your email.

The reports have been provided for the purposes of determination/resolution of complaints under the General Insurance Code of Practice. As you have noted, our client has made a claim for privilege in respect of the reports.

Accordingly, our client's expectation is that the reports will be used only for the purposes of determination/resolution of complaints/disputes under the Code.

Our client does not require your clients to specifically state that they accept our client's claim for privilege. The claim for privilege has been made, and if there is any conduct inconsistent with the claim for privilege, that cannot be said to have been done with our client's consent. Accordingly, any such conduct will not, as we see it, have any impact on our client's claim for privilege.

We do not see how our client's request that the reports only be used for the purposes of determination/resolution of complaints/disputes under the Code is in any way onerous. As you know, it is very common for there to be confidential exchanges of information between the parties during the course of disputes on a without prejudice basis. Perhaps you could clarify why this presents a difficulty for your clients and for what other purposes your clients seek to use the reports.

Kind regards

[REDACTED] Senior Associate



Tel: [REDACTED] W www.cgw.com.au
Level 21, 400 George Street, Brisbane 4000 Australia, GPO Box 834, Brisbane 4001
Assistant: [REDACTED]

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Winner – Australasian Law Awards Gold Employer of Choice 2011
Finalist – ALB Australasian Law Awards 2008, 2010 and 2011 (Best Brisbane Firm)
Winner – BRW Client Choice Awards 2009 and 2010 - Best Australian Law Firm (revenue less than \$50m)

From: [REDACTED]
Sent: Tuesday, 23 August 2011 10:25 AM
To: [REDACTED]
Subject: Hydrology reports

Dear [REDACTED]

Thank you for speaking with me this morning. In relation to the hydrology reports, we and our clients understand the without prejudice nature of the FOS proceedings and that documents provided through the FOS dispute resolution process cannot be used in court.

We are concerned, however, that the claim you maintain in relation to legal professional privilege seeks to set up obligations on the part of our clients that some of our clients will be unable or unprepared to accept.

From my conversation with you this morning in respect of this claim to privilege, it seems that your client expects all our clients to maintain total confidentiality in relation to the hydrology reports. This is a very onerous obligation and, in our view, goes much further than the normal FOS requirement regarding not using the documents in court.

Whilst we ultimately take the view that the claim of privilege will be extraordinarily difficult for your client to maintain, we are concerned about exposing our clients to allegations, demands and possible litigation if your client feels aggrieved by any perceived breaches in the future.

Can you please clarify exactly what your client's expectations are of our clients' use of the hydrology reports, particularly as regards confidentiality?

We will then need to check with [REDACTED] of FOS regarding his expectations in relation to your client's provision of the reports, and whether the obligations you seek to impose are consistent with Part 7 of the FOS Terms of Reference. Whilst we accept the normal restrictions of the FOS process, we will not be recommending to our clients that they accept additional restrictions unless it is completely necessary.

We undertake not to view any disc received from you or your client until this matter is resolved.

Regards,

[REDACTED]

Coordinator Consumer Law Service
(Tues, Thurs, Fri)

Caxton Legal Centre Inc.

1 Manning Street
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T: [REDACTED]

F: [REDACTED]

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COOPER GRACE WARD
LAWYERS

Our ref: RXR 10091926

19 September 2011

[Redacted]
Caxton Legal Centre
1 Manning Street
SOUTH BRISBANE QLD 4101

Email: [Redacted]

Dear [Redacted]

RACQ Insurance Limited - Hydrology Reports

We refer to our previous emails and discussions regarding the hydrology reports obtained on behalf of RACQ Insurance Limited.

The General Insurance Ombudsman, [Redacted] has provided a copy of emails your office has sent to him subsequent to the reports being provided to you. We have been instructed to respond on behalf of RACQ Insurance.

On 19 August 2011 we provided to you copies of each of the hydrology reports that relate to the clients you represent in relation to our client's claims decisions (and the complaints that either have been made or are in the course of being made).

The reports have been provided to you under or so as to satisfy Sections 3.4.3 and 6.1.4 of the Code of Practice.

We have also provided copies of these reports to the Financial Ombudsman Service. We are not sure whether FOS has also provided to you copies of these reports under Section 8.4 of the Terms of Reference. In any event, if you have not been provided with those reports by FOS you may take it that they are provided to you (for your clients) under or to satisfy the requirements of the Terms of Reference.

You have expressed some concern as to whether our clients or we have restricted the use to which you or your clients may put to the reports.

Your clients (through you) have the reports. They are given to you (for your clients) in accordance with the Code and Terms of Reference. You (for your clients) may use the reports in whatever way follows from your having them in those circumstances and our client does not wish to separately impose any additional restriction on that use.

Yours faithfully
COOPER GRACE WARD

[Redacted signature block]

Partner
T
F
E
[Redacted contact details]

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