



Statutory Declaration of
James Bruce Merchant
Regarding CGU Policy
Holder Lynn Doyle

QFCI

Date:

26/09/11

Jm

Exhibit Number:

626

Oaths Act 1867

Statutory Declaration

QUEENSLAND

TO WIT

I James Bruce Merchant, care of CGU Insurance, 181 William Street, Melbourne in the State of Victoria do solemnly and sincerely declare that:

- 1 I am employed by Insurance Australia Group Limited as National Claims Manager for CGU Insurance Ltd and was employed in this role at the time of the Queensland Floods.
- 2 I provide this declaration in relation to the request by Commissioner Justice C E Holmes to Insurance Australia Group Limited dated 12 September 2011 in relation to the Queensland Floods Commission of Inquiry (**Commissioner's request**).

Question 1.1

- 3 Our account of the events surrounding the claim differs from the request and is as set out below.

Question 1.2

- 4 Our account of the events surrounding the claim is as follows:
 - 4.1 Mrs Doyle made a claim on the policy on 11 January 2011 by telephone (**11 January 2011 conversation**). The claims lodgement consultant recorded the details of the information Mrs Doyle provided into the CIS system (**CIS records**). Attached to this statement and marked "**Annexure 1**" is a copy of the CIS records for the period from 11 January 2011 to 13 July 2011.
 - 4.2 During the 11 January 2011 conversation:
 - 4.2.1 Mrs Doyle was advised that flood was not covered, but that the claim would be lodged for consideration and we may need to send somebody out.
 - 4.2.2 the consultant advised Mrs Doyle that she should attend to whatever she needs to do to minimise any damage, and to hold on to any invoices, which would be reimbursed if the claim is covered.
 - 4.2.3 Mrs Doyle answered all of the questions asked by the consultant.
 - 4.2.4 The consultant advised that the claims department should be in contact with her within 24 hours.
 - 4.2.5 Mrs Doyle also lodged a motor claim.
 - 4.3 During the 11 January 2011 conversation the claims consultant did not ask any questions regarding creeks in the area, or whether the water was clean or dirty. There was no mention that an assessor would be attending the

property within 48 hours. Mrs Doyle may have confused this conversation with her conversation with us on 27 January 2011 (**27 January 2011 conversation**), when she was asked a number of questions regarding the height of the water, colour of the water and the location of creeks in the area. Details of the 27 January 2011 conversation are set out in the CIS records.

Question 1.3

5 In addition to the notes that were made in the CIS records, a telephone recording was also made of the 11 January 2011 conversation. Attached to this Statement and marked "**Annexure 2**" is an audio recording of the 11 January 2011 conversation.

Question 2.1

6 We contacted Mr or Mrs Doyle to update them on the progress of their claim as follows:

Date	Mode of communication	Information provided to Mrs Doyle
27/01/2011	Telephone	We advised that an assessor would be appointed to the claim to determine cause of water entry (i.e. flood or storm).
07/02/2011	Telephone	We provided Mrs Doyle with the contact details of Cunningham & Lindsey, loss assessors.
24/02/2011	Telephone	We advised that we were still awaiting Cunningham & Lindsey's assessment report. We advised the report was in draft and would be forwarded to us shortly.
01/03/2011	Telephone	We advised that we were still awaiting Cunningham & Lindsey's assessment report. We advised the report was in draft and would be forwarded to us shortly.
03/03/2011	Telephone	We contacted Mr Brett Doyle as he had been advised by his wife (Mrs Doyle) that Maree Perez at Cunningham and Lindsey had the report drafted and would forward it to us on 01/03/2011. We advised Mr Doyle that a message had been left with Maree Perez regarding the report, and that once the report was received we could progress the claim. We advised Mr Doyle that we would follow up with Maree again on 04/03/2011 and contact him again.
04/03/2011	Telephone	We contacted Mr Doyle and advised that the report from Cunningham & Lindsey had been received, and that we would like to appoint a hydrologist to further investigate the cause of the

		inundation.
08/03/2011	Telephone	<p>We contacted Mr Doyle and advised him that a hydrologist from Worley Parsons would contact him to arrange an appointment in relation to the claim. We explained to Mr Doyle that the hydrologist reports at that time were taking about 3 to 4 weeks, in light of the large volume of claims they had received to assess.</p> <p>Mr Doyle enquired if he could have a copy of assessor's report, and CGU advised Mr Doyle that the assessors report states that damage is as a result of flood. CGU explained that they were not happy with the report from Cunningham & Lindsey, which is why they have requested the hydrologist report.</p>
21/03/2011	SMS	<p>We attempted to contact Mr Doyle via telephone, but were unsuccessful. An SMS message was sent to the insured's mobile: "Hi it's CGU Insurance, we couldn't reach you by phone. Please call us on [REDACTED] and quote your reference [REDACTED] Thankyou".</p>
22/03/2011	Telephone	<p>We contacted Mr Doyle via telephone and enquired if the hydrologist had inspected the property as yet. Mr Doyle confirmed that the hydrologist attended on 16 March 2011. We explained to Mr Doyle that once the hydrologist report had been received, it would then be referred to a Technical Officer to review, and we would then contact him to discuss the outcome.</p>
29/03/2011	Voicemail	<p>We asked Mr Doyle to return our call.</p>
30/03/2011	Telephone	<p>We advised Mr Doyle that we were still awaiting the hydrologist report from Worley Parsons. Mr Doyle advised he was getting frustrated regarding the delay. We advised we would follow up the report with Worley Parsons.</p>
01/04/2011	Telephone	<p>We advised Mr Doyle that we had spoken with Worley Parsons who confirmed the report had been completed and they were in the process of sending all reports through to us. We advised Mr Doyle that we would contact him once the report had been received to advise on the outcome of the claim.</p>
06/04/2011 (6 April 2011)	Telephone	<p>We advised Mr Doyle that we had received a hydrologist report which confirmed damage had been caused by flood. We advised Mr Doyle that the claim was declined as the policy excludes</p>

conversation)		<p>'flood' damage.</p> <p>We explained to Mr Doyle the steps involved should they wish to dispute the decision to deny the claim.</p> <p>Mr Doyle requested to dispute the decision (Level 1 Dispute). The Level 1 Dispute was forwarded to the Team Manager, [REDACTED].</p> <p>We also advised Mr Doyle that a decline letter and dispute brochure would be sent to them via the post.</p>
06/04/11 (6 April 2011 letter)	Letter	<p>We advised Mr and Mrs Doyle that the loss for which they had claimed was caused by flood. We also enclosed a brochure about the dispute resolution process and information about how Mr and Mrs Doyle could obtain an independent review of the decision.</p> <p>Attached to this Statement and marked "Annexure 3" is a copy of the 6 April 2011 letter.</p> <p>Attached to this Statement and marked "Annexure 4" is a copy of the 'handling your complaints' brochure that was enclosed in the 6 April 2011 letter.</p>
07/04/2011 (7 April 2011 conversation)	Telephone	<p>A Team Manager [REDACTED] advised Mr Doyle that based on the site specific hydrology and assessment report, she agreed with the original decision to decline the claim. The Team Manager advised that she would send a decline letter with the hydrology report.</p>
05/04/11 (incorrectly dated 5 April 2011 but sent on 7 April 2011) (5 April letter 2011)	Letter	<p>We sent a letter to Mr and Mrs Doyle in response to Mr Doyle's request on 6 April 2011. We advised Mr and Mrs Doyle that after careful consideration of the information provided, we concurred with the original decision to decline the claim. We advised that if they disagreed with the decision, to please contact us and we will refer the claim to the Dispute Resolution team.</p> <p>The date typed on this letter was 5 April 2011. However, the letter was drafted and sent on 7 April 2011. Attached to this Statement and marked "Annexure 5" is a copy of the 5 April 2011 letter.</p>

13/05/11 (13 May 2011 letter)	Letter	We advised Mr and Mrs Doyle that their claim had been referred to IDR. Attached to this Statement and marked " Annexure 6 " is a copy of the 13 May 2011 letter.
18/05/2011	Telephone	We advised Mrs Doyle that the claim had been referred to the Internal Dispute Resolution Team.

Question 2.2

- 7 Details of the telephone and SMS communication between Ms Doyle, Mr Doyle and CGU are set out in the CIS Records. Other than the 11 January 2011 conversation, no other call recordings are available. This was because the flood team had been set up in a separate area which did not have call recording capability.

Question 3.1

- 8 On 4 March 2011, we sent an email to [REDACTED] at Worley Parsons and requested that he arrange a hydrologist report (**Worley Parsons instructions**). Attached to this Statement and marked "**Annexure 7**" is a copy of the Worley Parsons instructions.
- 9 On 28 January 2011 we sent a Property Assessment Notification to Cunningham & Lindsey, providing instructions to assess Mrs Doyle's claim (**Property Assessment Notification**). Attached to this Statement and marked "**Annexure 8**" is a copy of the Property Assessment Notification.

Question 4.1

- 10 As discussed in response to question 2.1 above, the claim was verbally declined on the 6th of April 2011 on receipt of the hydrology report and the 6 April 2011 letter was then issued confirming that the claim had been declined. During the 6 April 2011 conversation, Mr Doyle indicated that he wished to dispute the decision. [REDACTED] Team Manager, reviewed the claim and the initial decision and determined that the initial decision to decline the claim should be upheld. She communicated this decision to Mr Doyle during the 7 April 2011 conversation and in writing in the incorrectly dated 5 April 2011 letter which was sent on 7 April 2011.

Question 4.2

- 11 I refer to the response to question 4.1 set out above.

Question 4.3

- 12 In determining Mrs Doyle's claim, we took the following steps:

Date	Step
11/01/11	Claim lodged.
13/1/11	Discussed claim with insured and actioned technical team.
14/1/11	Discussed status with insured.

19/1/11	Discussed status with insured.
25/1/11	Discussed status with insured.
27/1/11	Contacted Mrs Doyle via telephone and advised that an assessor would be appointed to the claim.
28/1/11	We instructed Cunningham & Lindsey to investigate the claim.
7/2/11	Discussed status with insured.
7/2/11	Chased Cunningham & Lindsay re status of investigation and contacted insured to advise of assessor's contact details.
18/2/11	Discussed status with insured and chased assessor for report.
24/2/11	Discussed status with insured, emailed flood team to action, contacted assessor to ascertain status, contacted insured.
1/3/11	Discussed status with insured, chased assessor's report, contacted insured.
3/3/11	Discussed status with insured, chased assessor's report, contacted insured and further contact with other insured.
4/3/11	Discussed status with insured, chased assessor's report.
4/3/11	Cunningham & Lindsey's assessment report was received which confirmed inundation by flood waters.
4/3/11	We contacted Mrs Doyle to advise Cunningham & Lindsey's report had been received, and that we would like to appoint Worley Parsons to confirm the cause of inundation.
4/3/11	We appointed Worley Parsons to prepare a hydrology report.
8/3/11	Discussed status with insured - advised hydrology report could take 3-4 weeks.
21/3/11	Rang insured, sent SMS to insured.
22/3/11	Discussed status with insured.
28/3/11	Discussed status with insured.
29/3/11	Missed call from insured and returned call and left message.
30/3/11	Discussed status with insured, phoned Worley Parsons, emailed Worley Parsons chasing report, phoned insured back and discussed status.
1/4/11	Chased Worley Parsons, discussed status with insured.
4/4/11	Discussed status with insured.

6/4/11	Worley Parsons' Site specific hydrology report was received which confirmed inundation by flood.
6/4/11	Decision made to decline claim. We contacted Mr Doyle via telephone and advised of the decline and sent the 6 April 2011 letter. During the 6 April 2011 conversation Mr Doyle indicated that he wished to dispute the decision.
7/4/11	Team Manager [REDACTED] reviewed the claim, investigations and the decision and determined that the initial decision to decline the claim should be upheld. Ms [REDACTED] conveyed the outcome of her review to Mr Doyle during the 7 April 2011 conversation and confirmed the outcome in writing in the incorrectly dated 5 April 2011 letter.

Question 4.4

- 13 Our decision to deny Ms Dobrowa's claim was based on the following expert and other evidence:
- 13.1 Mrs Doyle's responses to the customer question set, which were recorded in the CIS records dated 21 January 2011. Attached to this exhibit and marked "**Annexure 9**" is a copy of our customer question set. The questions were asked by the claims consultant and the loss assessor;
 - 13.2 Cunningham & Lindsey report titled "Property Claim - First and Final Report" dated 22 February 2011 (**Cunningham and Lindsey report**). Attached to this Statement and marked "**Annexure 10**" is a copy of the Cunningham and Lindsey report;
 - 13.3 Worley Parsons' site-specific report titled "Hydrology report relating to the January 2011 storm" dated 1 April 2011 (**Worley Parsons report**). Attached to this Statement and marked "**Annexure 11**".

Question 4.5

- 14 We received the Worley Parsons report on 6 April 2011 confirming inundation by flood, and Mrs Doyle was contacted on the same day and advised of the determination of her claim.
- 15 The need to obtain that report and the delay in receipt of the report limited our capacity to respond to the insured sooner.

Question 4.6

- 16 Upon receipt of the hydrology report, we then communicated with the insured on the same day to advise of coverage under the policy as indicated earlier in this statement.

Question 5.1 and 5.2

- 17 On 10 May 2011, the claims department received a letter from Mr and Mrs Doyle dated 3 May 2011, seeking for the decision to be reviewed and addressing various comments in the Worley Parsons report (**3 May 2011 letter**). Attached to this Statement and marked "**Annexure 12**" is a copy of the 3 May 2011 letter and its attachments.

- 18 The claims department then advised our Decision Review Office, the department responsible for Internal Dispute Resolutions (IDR) that Mr and Mrs Doyle wished to dispute the decision to deny coverage on the basis that the damage sustained to their house and property was sustained by flood.
- 19 On 19 May 2011, IDR forwarded the 3 May 2011 letter to Worley Parsons Hydrologists to comment on the matters raised in the 3 May 2011 letter.
- 20 In a letter dated 17 May 2011, Legal Aid Queensland (LAQ) advised IDR that it was now acting for Mr & Mrs Doyle and requested copies of documents on which we relied to determine the claim (LAQ letter). Attached to this Statement and marked "Annexure 13" is a copy of the LAQ letter.
- 21 On 18 May 2011 Mrs Doyle spoke to the Dispute Resolution Case Manager and advised that they had appointed LAQ. The Dispute Resolution Case Manager told her that the 3 May 2011 letter had been sent to Worley Parsons for an appropriate response.
- 22 On 26 May 2011, Worley Parsons responded to the matters raised in the 3 May letter in an email to CGU. Attached to this Statement and marked "Annexure 14" is a copy of our internal email dated 6 June 2011 attaching the email from Worley Parsons 26 May 2011.
- 23 LAQ provided further documents and information in support of Mrs Doyle's request for an internal review in a facsimile to us dated 3 June 2011 (LAQ's supporting material). Attached to this Statement and marked "Annexure 15" is a copy of LAQ's supporting material.
- 24 We forwarded LAQ's supporting material to Worley Parsons, seeking a written response to the matters raised in that correspondence on 27 June 2011 for a written response to the further information raised by LAQ. Due to an overwhelming number of requests for their assistance, CGU did not receive Worley Parsons' response until 27 July 2011.
- 25 Despite the fact that the IDR process continued, on 24 June 2011 we received notice from the Financial Ombudsman Service (FOS) titled "FOS Dispute allocated for review: Mrs Doyle" (FOS Notice). Attached to this Statement and marked "Annexure 16" is a copy of the FOS Notice.
- 26 In a letter dated 4 July 2011 which we received on 6 July 2011, FOS advised that they required a Notice of Response to Mrs Doyle's dispute (FOS request for response). Attached to this Statement and marked "Annexure 17" is a copy of the FOS request for response and its attachments.
- 27 On 27 July CGU received a supplementary report from Worley Parsons dated 25 July 2011 which addressed the matters raised in LAQ's supporting material (Worley Parsons supplementary report). Attached to this Statement and marked "Annexure 18" is a copy of the Worley Parsons supplementary report.
- 28 On 11 July 2011 we sent a letter to Mr & Mrs Doyle outlining reasons of the initial decision to deny the claim and noting that the dispute was now in the IDR process and had been referred to FOS (11 August 2011 letter). Attached to this Statement and marked "Annexure 19" is a copy of the 11 August 2011 letter.

- 29 On 24 August 2011 we submitted our Notice of Response dated 23 August 2011 to FOS (**FOS Notice of Response**). Attached to this Statement and marked "**Annexure 20**" is a copy of the FOS Notice of Response and its attachments.
- 30 A copy of our FOS Notice of Response was also emailed to Mr & Mrs Doyle and LAQ on 29 August 2011 (**29 August 2011 email**). Attached to this Statement and marked "**Annexure 21**" is a copy of the 29 August 2011 email.

Question 5.3, 5.4 and 5.5

- 31 A determination was made regarding the review of our decision to reject Mrs Doyle's claim on 23 August 2011. The determination was to maintain denial of the claim. On 23 August 2011 CGU submitted its FOS Notice of Response to the Financial Ombudsman Service (FOS), confirming Mr & Mrs Doyle's damage arose from flood and as such was excluded under the policy.
- 32 We forwarded the FOS Notice of Response setting out the determination to Mr and Mrs Doyle and LAQ in the 29 August 2011 email. A copy of all supporting information was sent to LAQ at the same time as the FOS Notice of Response.

Question 6.1

- 33 The only documents in our possession that Mrs and Mrs Doyle or LAQ submitted to the FOS are those documents attached to the FOS request for response, including:
- 33.1 emails exchanged between FOS and LAQ dated 28 June 2011;
 - 33.2 the 5 April 2011 letter; and
 - 33.3 LAQ's supporting material.

Question 6.2

- 34 The only correspondence that we have received from FOS in relation to Mrs Doyle's matter was:
- 34.1 the FOS notice; and
 - 34.2 the FOS request for response and its attachments.
- 35 Those documents have previously been annexed to this Statement in response to question 5.1 above.

Question 6.3

- 36 We have submitted the following documents to FOS in respect of Mrs Doyle's complaint:
- 36.1 FOS Notice of Response;
 - 36.2 Worley Parsons report;
 - 36.3 Cunningham & Lindsey report;
 - 36.4 Worley Parsons supplementary report;
 - 36.5 Our 'handling your complaint' brochure;

- 36.6 Print-out from "Google Maps" in relation to Mrs Doyle's property. Attached to this Statement and marked "Annexure 22" is a copy of the Google Maps print-out;
- 36.7 Print-out of an interactive map of Mrs Doyle's property. Attached to this Statement and marked "Annexure 23" is a copy of the interactive map;
- 36.8 Renewal Schedule and Premium Instalment Advice for Policy Number 06C 2711187 06 dated 24 January 2010 (**Renewal Schedule**). Attached to this Statement and marked "Annexure 24" is a copy of the Policy Schedule;
- 36.9 Printout of our computer underwriting records. Attached to this Statement and marked "Annexure 25" is a copy of our computer underwriting records.
- 36.10 Print-out of 'nearmaps' website in relation to Mrs Doyle's property. Attached to this Statement and marked "Annexure 26" is a copy of the print-out from 'nearmaps'.

Question 7.1

37 At the time of the Queensland Floods in January 2011, the following documents comprised Mrs Doyle's contract with us:

- 37.1 First choice home insurance Product Disclosure Statement (**PDS**). Attached to this Statement and marked "Annexure 27" is a copy of the PDS;
- 37.2 Policy Endorsement Schedule dated 15 September 2010 (**Endorsement Schedule**). Attached to this Statement and marked "Annexure 28" is a copy of the Endorsement Schedule; and
- 37.3 Renewal Schedule.

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1867* (Qld).


Signature of declarant

Taken and declared before me at Melbourne

This Twenty-second day of September 2011


Justice of the Peace/Commissioner for Declarations/Solicitor


DLA Piper Australia
140 William Street, Melbourne
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

Annexure 1

C.I.S Claim Notes

Insured: MR [REDACTED] & MRS L DOYLE

Policy # [REDACTED]

Contents Claim #: [REDACTED]

Building Claim #: [REDACTED]

[11/01/2011 17:34:30, [REDACTED], [REDACTED] Customer Consultant, Melbourne CGU CCC]

*Claim lodged by: our insured Mrs LYNN DOYLE

*Other policy holder: Mr [REDACTED] DOYLE

*OUR INSURED AUTH required: no

***AUTH given to: no

*XS: \$100

*XS payable to: TBA by CMC

*CMC details advised: yes

*Builder / carpet restorer / glazier allocated: TBA by CMC

*OUR INSURED to obtain own quote: no

*Replacement script read: no

*Email address for Our Insured: [REDACTED]

*DOCS / INFO requested: no

*Other: ** have advised our insured flood not covered.

[13/01/2011 10:24:25, [REDACTED], [REDACTED] Claims Consultant, CGU National Claims Assurance NSW]

> Our Insured [REDACTED] Doyle called

- carpet removed and kept outside
- pool full of mud and debris
- Septic tank has gone under
- They can't live there at the moment and water is no longer surrounding the property
- The creek water near them but also storm water

>Per Whereis: Burpengary Creek nearby

>Advised claim to be reviewed for flood and Our Insured will be contacted within 48 hours.

- confirmed no cover for flood and read out definition per policy
- explained possible processes for the determination of flood, i.e. hydrologist, etc and that the outcome given will be explained to the insured

>Emailed Qld Technical Team for action

[14/01/2011 13:05:48, [REDACTED], [REDACTED] Claims Consultant, NSW CGU DP/Direct CAC]

Our Insured Mrs Doyle called in regards to this claim - 3id'd. Our insured advised she wants to know when her property will be assessed. Advised at this stage all claims are being reviewed and assessors will be allocated as soon as we can.

Our Insured advised she would like to know what she can do as she has septic tanks which are not working. Our Insured advised her neighbours have had assessors out who have determined it is not flooding, and also has video footage of the build up of water from the downpour. Our Insured advised there is a creek behind a neighbour's property and they did not flood.

Advised our insured:-

- Ok to start cleaning
- keep images of all items
- keep a list Inc makes, models etc
- Anything she is repairing / replacing urgently keeps receipts
- Claim is for REVIEW at this stage - coverage not determined

Advised our insured to send the video footage and or any other information she might have that would assist in reviewing this claim as flood.

NEXT ACTION:-

**** POTENTIAL FLOOD ****

- Technical to review and determine coverage

[19/01/2011 17:44:58, [REDACTED], [REDACTED] Claims Consultant, NSW CGU DP/Direct CAC]

Insured called in to check the status of the claim

I advised claim is still be reviewed to determine coverage

NEXT ACTION:-

**** POTENTIAL FLOOD ****

- Technical to review and determine coverage

[25/01/2011 12:29:44, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Claim Valid

CLII Updated: semi critical

Excess: \$100.00

OPUS/CCHG: LE B-\$402000 c-\$67000

Builder/Assessor Allocated: N/A

Our insured enquired on claim, advised flood response team are looking after these claims, advised flood team will contact our insured within next 48 hours, our insured advised both mobile numbers are ok to contact on, sent e-mail to flood team.

I cannot finalise

-flood assessment

- Excess \$100.00 applies

[27/01/2011 15:08:38, [REDACTED], [REDACTED], Claims Assurance Specialist,
CGU National Claims Assurance QLD]

Claim Valid: TBC
Cover: Listed Events - Building & Contents
Excess: \$100

Received email to contact Our Insured.

Spoke with Our Insured and asked the below questions:

Height of the water: knee height in backyard and ankle deep in property.
Colour of the water: Clear.
Where did the water come from: Our insured believes water has come from rain water run-off from heavy storms.

I asked Our Insured if any of her neighbouring properties were affected by this water. Our insured advised yes. I advised that I note that Burpengary Creek is about 500 metres away and asked if that flooded. Our Insured advised no - her neighbour across the road, their property backs onto creek and was not flooded.

Advised I will appoint an assessor to come out and determine cause of water inundated (i.e. flood or storm). Advised Our Insured that if it is determined as flood, this is excluded from policy and would not be covered. Our Insured understood this.

Email sent to internal assessing to appoint Cunningham Lindsey to claim.

Estimates updated to \$4000 contents and \$1000 building

NOCN updated to P6.

AWAITING
- 1st report from Cunningham Lindsey.

File diarised for 2 weeks.

[07/02/2011 11:30:01, [REDACTED], [REDACTED], Claims Consultant, QLD CGU
DP/Direct CAC]

Our insured Lynne(3xid'd) called for an update.

I called C&L . They haven't contacted our insured yet. Job has been allocated to them on the 29/01/11. Said they are waiting for Assessors to come from interstate. Asked if they can contact our insured urgently.

I emailed [REDACTED]

I cannot finalize:

- \$100 x/s applies

[07/02/2011 14:53:49, [REDACTED], [REDACTED] C&Lims Consultant, QLD CGU DP/Direct CAC]

Contacted and spoke with C&L Sunshine Coast Office. C&L have advised they have received the referral, but yet to allocate an assessor.

I have contacted Our Insured Lynn to advised of C&L contact details of [REDACTED] to follow up for future assessing enquiries.

I CANNOT FINALISE BECAUSE;

-await C&L assessors report C&L ref [REDACTED]

[18/02/2011 14:18:03, [REDACTED] Claims Consultant, QLD CGU DP/Direct CAC]

our insured (3xid'd) called to ask if they have to move out to have their house treated as the neighbours whose house septic tank lid have popped was told to move out so that the house to be chemically treated. She say the neighbours beside her whose tank did not pop's house is being treated.

Told her I will get the flood response team to give her a call and discuss this with her.

CANNOT FINALISE BECAUSE;

-await C&L assessors report C&L ref [REDACTED]

[18/02/2011 15:44:48, [REDACTED], [REDACTED] Claims Consultant (Contractor), QLD CGU Commercial CAC]

CL assessor [REDACTED] visited property on 17th.

Phoned assessor but was unable to leave a message

I cannot finalise

- phone assessor and ask them to contact Our Insured regarding tank question (see note above)

- await assessor report

[24/02/2011 14:32:04, [REDACTED], [REDACTED] Claims Consultant, QLD CGU DP/Direct CAC]

- received inbound call from our insured (3xid) to follow up claim

- Claim handled by Flood Response Team, called thru to CAC - J. Briggs (no answer, called thru to [REDACTED] - no answer)

From: [REDACTED]
Sent: Thursday, 24 February 2011 2:31 PM
To: CGU QLD Flood Claims
Cc: [REDACTED]
Subject: [REDACTED] MR [REDACTED] & MRS L DOYLE
[REDACTED] BURPENGARY QLD **Flood Response Team - Recovery
Group 2 - URGENT - called last week **
Importance: High

Hi

Please call Insured to discuss the progress of this claim - [REDACTED] (Mrs Doyle) or [REDACTED] (Mr Doyle). The insured called last week and has not been followed up.

- advised our insured I have emailed the Flood Response Team to action.

I CANNOT FINALISE

- Await CLA 1st Rpt - C&L ref [REDACTED]
 - discuss Tank coverage with C&L = see notes 18/02/11
 - XS \$100 to be deducted
- **refer to Recovery Group 2 - Flood Response Team to action**

[24/02/2011 16:55:30, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received an e-mail from in box to contact our insured on claim.

Contacted C&L as awaiting report, left message as maree pares in meeting to forward report

contacted our insured, advised we are still awaiting report from Cunningham & Lindsay, our insured was advised by maree to forward list of item's damaged, but our insured advised that there are still some items which have mould on advised to forward to maree & will send on report to CGU

I cannot finalise

- Await C&L 1st Rpt - C&L ref [REDACTED]
 - discuss Tank coverage with C&L = see notes 18/02/11
 - XS \$100 to be deducted
- **refer to Recovery Group 2 - Flood Response Team to action**

[01/03/2011 13:22:16, [REDACTED], [REDACTED] Claims Consultant, QLD CGU DP/Direct CAC]

Our Insured Lyn called and asked that we call her husband [REDACTED] on [REDACTED] or [REDACTED] with an update, email sent to CGU QLD Flood Claims

I cannot finalise

- Await C&L 1st Rpt - C&L ref [REDACTED]
 - discuss Tank coverage with C&L = see notes 18/02/11
 - XS \$100 to be deducted
- **refer to Recovery Group 2 - Flood Response Team to action****

[01/03/2011 16:40:27, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received e-mail in flood inbox to contact our insured on claim.

Contacted maree pares @ C&L, enquired on report maree advised in draft, will follow up with & forward to CGU.

Contacted our insured, advised we are still awaiting report from C&L how advised report is in draft & will forward shortly

I cannot finalise

- awaiting 1st report C&L
- discuss Tank coverage with C&L = see notes 18/02/11
- XS \$100 to be deducted

[03/03/2011 11:59:08 [REDACTED] Claims Consultant, QLD CGU DP/Direct CAC]

Lyn Doyle (id done) rang to see how the claim was going - have transferred her to Jackie

[03/03/2011 12:11:29, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Our insured enquired on claim, advised we are awaiting report from C&L, advised had contact C&L on 01/03/11 & spoke to maree pares how advised report has been drafted & will forward shortly.

Contacted C&L on [REDACTED], left message for maree as out to follow up with report, as not received as yet.

Advised our insured will contact our insured when received report from C&L

I cannot finalise

- awaiting assessor report
- Excess \$100.00 applies

[03/03/2011 16:15:48, [REDACTED], [REDACTED], Claims Consultant, QLD CGU DP/Direct CAC]

Call received from Our Insured re report - adv that Jackie has called assessor today and followed up on this. Adv that Jackie will call when report received

I cannot finalise

-awaiting assessor report
- Excess \$100.00 applicable

[03/03/2011 16:43:54, ██████████, ██████████ Claims Consultant, QLD CGU
DP/Direct CAC]

Our Insured ██████████ Doyle (id done) rang to speak to Jackie - have sent Jackie an email to contact Our Insured

I cannot finalise
-awaiting assessor report
- Excess \$100.00 applies

[03/03/2011 16:54:42, Briggs, Jackie, S56535, Claims Consultant, QLD CGU
DP/Direct CAC]

Received e-mail in flood in box to contact our insured Brett on claim.

Advised ██████████ how spoke to wife today how advised that maree pares had drafted draft & was forwarding report on 01/03/11.

Advised had left message today's 03/03/11 with maree @ C&L on report & are awaiting details, when received can progress claim. Advised Brett will follow up 04/03/11 with marce & contact our insured on ██████████

I cannot finalise
-awaiting assessor report
- Excess \$100.00 applies

[04/03/2011 10:14:19, ██████████, ██████████ Claims Consultant, QLD CGU
DP/Direct CAC]

~Our insured ██████████ called asking for Jackie- adv Mr our insured unable to locate Jackie. Advised Mr our insured will get Jackie to contact him back today.

~Sent an email to Jackie to contact our insured on ██████████.

[04/03/2011 11:58:40, Briggs, Jackie, S56535, Claims Consultant, QLD CGU
DP/Direct CAC]

Received e-mail from madina to contact our insured on mobile on claim,

Contacted Cunningham & Lindsey, enquired on report was advised sent to CGU on 01/03/11. Advised we have not received report & nothing on in box was advised will re sent & left message with maree to ring back.

Located report on Cunningham & Lindsey web site, uploaded from website as per summary 04/03/11.

Report confirms flood damage which is exclusion on CGU policies

Import near maps & Google maps as per NARLETT 04/03/11

Contacted our insured, advised we have received report from Cunningham & Lindsey web site, advised we have allocated a hydro gist on claim to determine damaged.

Sent hydrology report request e-mail to marc.roberts@worlcyparsons.com.

I cannot finalise

- awaiting hydrologist report
- refer to Lynton to review
- Excess \$100.00 applies

[08/03/2011 11:27:15, ██████████, ██████████, Claims Consultant (Contractor), QLD CGU DP/Direct CAC]

Spoke to our insured he requested to speak with Jackie - advised that I can't get through to her at the moment but I will e-mail her to contact our insured back on ██████████

Our insured happy with this

[08/03/2011 14:20:00, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received e-mail in flood mail box to contact our insured on ██████████

contacted our insured, how enquired on hydrologist if contacted CGU, advised hydrologist will contact our insured to arrange appointment on claim, explained reports at the moment are taking about 3 to 4 weeks.

our insured enquired if could have a copy of assessor report, advised assessor report states that flood damage, explained that I was not happy with report & have requested hydrologist report, explained can only advised our insured what report states.

Our insured enquired if CGU & NRMA sister company's, advised we are separate company's we have nothing to do with NRMA. Our insured advised neighbour around have had hydrologist round, cover for water run off but our insured is still waiting.

Advised when received hydrologist report which will take 3 to 4wweks can review matter with tech officer

I cannot finalise

- awaiting hydrologist report
- refer to Lynton to review
- Excess \$100.00 applies

[21/03/2011 11:25:59, ██████████, ██████████, Claims Consultant, QLD CGU DP/Direct CAC]

Our insured [REDACTED] (3xid'd) called to speak with Jackie. Tries the 1300 number... unsuccessful. Emailed Jackie to return our insured's call on his mobile. Informed our insured That Jackie will return his call as she is not available at this time.

CANNOT FINALISE:

- Awaiting hydrologist report for finalisation of claim

[21/03/2011 12:00:38, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received e-mail from flood mail box to contact our insured on [REDACTED].

contacted our insured - no reply - left message - sent sms -Hi it's CGU Insurance, we couldn't reach you by phone. Please call us on [REDACTED] and quote your reference [REDACTED] Thankyou

I cannot finalise

-awaiting response from our insured
-awaiting hydrologist report
- Excess \$100.00 applies

[21/03/2011 14:05:21, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received e-mails in flood mail box to contact our insured on [REDACTED].

contacted our insured - no reply - left message - sent sms-Hi it's CGU Insurance, we couldn't reach you by phone. Please call us on [REDACTED] and quote your reference [REDACTED] Thankyou

I cannot finalise

-awaiting response from our insured
-awaiting hydrologist report
- Excess \$100.00 applies

[22/03/2011 11:30:18, [REDACTED], [REDACTED], Claims Consultant, QLD CGU DP/Direct CAC]

~Mr our insured called asking for Jackie- adv will email Jackie again as unable to get hold of her via her ext [REDACTED].

~Sent email to Jackie to call our insured back.

I cannot finalise

-awaiting response from our insured
-awaiting hydrologist report
- Excess \$100.00 applies

[22/03/2011 15:30:21, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received e-mail from flood mail box to contact our insured or [REDACTED].

contacted our insured, enquired if we had hydrologist report as yet, enquired if hydrologist had been, our insured advised had as 16/03/11. Explained when report received will be check by tech officer & contact our insured with details

I cannot finalise

- awaiting response from our insured
- awaiting hydrologist report
- Excess \$100.00 applies.

[28/03/2011 17:10:44, [REDACTED], [REDACTED] Claims Consultant, QLD CGU DP/Direct CAC]

Brett Doyle called to speak with Jackie Briggs.

Called Jackie's extension and she was not available - apologised that this had occurred again and adv that as it was after 16:30, Jackie may have left for the day.

Adv that I would have Jackie call him first thing tomorrow.

Our insured advised that he is becoming increasingly frustrated at how his claim is being handled by CGU - apologised for the delays he is experiencing.

~ Sent email to Jackie to call our insured back.

I cannot finalise

- awaiting response from our insured
- awaiting hydrologist report
- Excess \$100.00 applies

[REDACTED] - Brett Doyle called to adv that he is unhappy with delay in processing his claim

[29/03/2011 14:34:22, [REDACTED], [REDACTED] Claims Consultant (Contractor), QLD CGU DP/Direct CAC]

RCVD Call from Our insured - (3xid) - [REDACTED] Doyle called to speak with Jackie Briggs.

Tried to call Jackie but unable to reach her.

Will have Jackie return Brett's call.

[29/03/2011 15:49:39, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received e-mail from flood team mail box to contact our insured on [REDACTED]

Contacted our insured - no reply -left message

I cannot finalise

-awaiting hydrologist report

- Excess \$100.00 applies.

[29/03/2011 16:35:59, [REDACTED], [REDACTED] Claims Consultant, QLD CGU DP/Direct CAC]

~Mr our insured return Jackie's call.

~adv Mr our insured unable to transfer, have sent an email for Jackie to call our insured back on his mob.

[30/03/2011 11:25:08, Briggs, Jackie, S56535, Claims Consultant, QLD CGU DP/Direct CAC]

Received e-mail in flood mail box to contact our insured on [REDACTED].

Contacted our insured on [REDACTED], advised our insured we are still awaiting the hydrologist report from Worsley parsons. Our insured was getting very frustrated re delay.

Contact [REDACTED] [REDACTED] - no reply only message bank. Advised our insured that will forward worley parson an e-mail to enquired on report & contact our insured when received.

Email sent to Worley Parsons chasing up report.

[01/04/2011 13:33:33, [REDACTED], Claims Consultant, QLD CGU DP/Direct CAC]

OUR INSURED [REDACTED] (Bxi'd) called to speak to Jackie.. Told him they were all busy on the phones. He wants someone to call him back as Jackie is not responding to his emails.

I emailed the flood response team and cc'd [REDACTED]

I cannot finalise

-awaiting hydrologist report

- Excess \$100.00 applies

[01/04/2011 15:31:37, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Commercial CAC]

Received email to contact OUR INSURED.

Contacted [REDACTED] at Worley Parsons for update on report- he advised the report has been completed and that he is just in the process of sending them all through. He said that we will have it by Monday at the latest.

Called Our Insured, spoke with [REDACTED] advised I have spoken with WP, report has been completed and they are in the process of sending all reports through- Advised Our Insured that we will be back in contact with him Monday to advise outcome of claim.

AWAIT
- Hydrology report

[04/04/2011 16:10:56, [REDACTED], [REDACTED] Claims Consultant, QLD CGU
DP/Direct CAC]
OUR INSURED Brett called to speak with Jackie, advised I will organise call back.

AWAIT
- Hydrology report

[04/04/2011 17:11:23, [REDACTED], [REDACTED], Claims Consultant, SA CGU
DP/Direct CAC]
Call from Our Insured
Fully Id

Our Insured called as he still has not had a call back
Advised last message only taken 45 minutes ago and that we are still waiting for Hydrology report, and there is not much Jackie can tell him with out the report, but email sent to Jackie requesting call back

AWAIT
- Hydrology report

[06/04/2011 11:07:36, Briggs, Jackie, S56535, Claims Consultant, QLD CGU
DP/Direct CAC]
Received e-mail from Lynton confirming damage to our insured property has been caused by flood water from Burpengary creek backing up through drainage lines.

Contacted our insured on [REDACTED], advised we have received hydrologist report which confirms damage has been caused by flood, advised CGU exclusion on policy is flood damage. our insured was not happy advised will be calling legal aid, advised report from hydrologist, decline letter & dispute booklet will be sent to our insured, if not happy with our decision on this claim.

Our insured advised that how come everyone around our insured has been cover for water damage and water was clear, advised as per hydrologist report waters exceeding the normal confines of Burpengary Creek backing up through drainage lines and flowing through the property. Advised I can only comment on our insured claim.

advised our insured step if not happy with decision made on this claim, will need to refer claim to manager then IDR then FOS, our insured requested to speak to manager, advised will forward an e-mail as manager [REDACTED] as in a meeting.

Sent e-mail to [REDACTED]

Hi [REDACTED]

Could you please contact our insured Mr Doyle on [REDACTED] as disputing decline for flood, hydrologist report on file & been mailed to our insured with decline letter

Thanks

Claim decline - sent e-mail to [REDACTED] to update spreadsheet

Referred claim to [REDACTED] - decline dispute - claim decline

[07/04/2011 14:11:21, [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

called insured Mr Doyle - [REDACTED]

- Advised based on the site specific hydrology and assessment report I concur with the original decision.

- Advised our insured the inundation was as a result of flood and the claim was not for acceptance.

- Advised I would send decline with hydrology report

No further action, file finalised

[13/05/2011 14:25:53, [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

received letter from insured requesting level 2 reviews

- DL3 sent

- Emailed [REDACTED] to refer to IDR

[17/05/2011 11:29:41, [REDACTED], [REDACTED], Claims Consultant, QLD CGU
DP/Direct CAC]

Ms our insured [REDACTED] called (3id) advised that she has disputed the flood claim, advised that on 13/5/11 [REDACTED] referred file to dispute team and provided flood response team's no for our insured to call.

[17/05/2011 12:47:59, [REDACTED], [REDACTED], Claims Consultant, QLD CGU
DP/Direct CAC]

Call from insured wants to know if we have received the dispute letter I advised I don't handle flood claims and advised her I would get my TM to call her back tomorrow

[18/05/2011 11:35:38, [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

called insured and advised file with IDR

[18/05/2011 11:46:58, [REDACTED], Senior Case Manager, CGU Dispute
Resolution]

Message left for Mr Doyle [REDACTED] to discuss dispute. NB: Qld Legal Aid
appointed. [REDACTED] IDR x [REDACTED]

[20/06/2011 11:50:43, [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Received call from insured wanting to discuss claim with IDR

Called [REDACTED] - left a message for him to return call

Please call insured on either [REDACTED] work number or mobile

[REDACTED]
Emailed [REDACTED]

[13/07/2011 11:22:22, [REDACTED] n/a, Melbourne CGU CCC]

Our Insured has called to enquire about claim that as gone to IDR - 3pt ID complete -

Our Insured was provided with IDR's email.

Annexure 2

Annexure 3





CGU Insurance

GPO Box 9902
BRISBANE QLD 4001

ABN 2704 478 371

Tel: [REDACTED]

Fax: [REDACTED]

6th April 2011

Mr [REDACTED] & Mrs L Doyle

[REDACTED]
Burpengary
4505 Qld

Dear Mr [REDACTED] & Mrs L Doyle,

Your Claim Number: [REDACTED]
Your Policy Number: [REDACTED]

I am writing to you in relation to a claim you made for damage to your property on or about 11th January 2011.

Your CGU policy covers inundation by storm water but does not provide insurance coverage for losses caused by flood. Flood is clearly defined in your policy, for details you can refer to page 62 of your Listed Events policy.

CGU reviews each claim on its individual merits and we do not deny claims lightly. We have carefully reviewed your claim and based on your advice and information available to us, we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim.

If you disagree with this decision, please contact our office and we will refer your claim to the CGU Dispute Resolution team. The Dispute Resolution team will independently review your claim and provide a decision within 15 business days of receiving your request and all relevant information.

Enclosed is a brochure that will provide you with further information about the dispute resolution process. Please do not hesitate to contact our office on [REDACTED] if you wish to discuss this matter or require any further information.

Yours sincerely

Jackie Briggs
Home Claims Consultant
CGU Claims

Annexure 4



handling your
complaint



Handling Your Complaint

Are you unhappy with a decision made by CGU Insurance regarding your insurance and/or do you wish to make a complaint?

At CGU, we value all our customers.

We understand that occasionally some customers are not satisfied with the services or products we provide or do not agree with decisions we make in relation to their insurance.

We have a process to help you if you wish to make a complaint or have a dispute managed.

CGU's Complaints Process

Step 1. Talk to us first

The first thing you should do is contact us. You can contact your nearest CGU Insurance office or talk with a relevant staff member in the department concerned. If you do not have the relevant contact details you can call us on the numbers featured on the back cover. If you let a staff member know what your complaint concerns, they may be able to resolve the issue for you. If not, they will refer you to an appropriate manager.

The Manager or a senior staff member in the Manager's area will review and respond to your complaint.

A response to your complaint will usually be provided within 15 business days from receipt of your complaint.

Step 2. Have your complaint reviewed by the relevant CGU Insurance dispute resolution area

If the Manager or senior staff member cannot resolve your complaint, they will refer it to the relevant CGU Insurance dispute resolution area. Alternatively, you can ask the Manager or senior staff member to refer you to the relevant dispute resolution area.

The relevant dispute resolution area will treat your complaint as a dispute and one of their staff members will liaise with you in relation to the dispute. They will review your dispute and provide you with a decision usually within 15 business days.

Step 3. Seek an External Review of the decision

If you are unhappy with this decision, you may wish to seek an external review of the decision. The relevant dispute resolution area's letter outlining its decision will provide you with information on external review option(s), such as, if appropriate, referring you to the dispute resolution scheme run by the Financial Ombudsman Service (FOS). The toll free number for the FOS is 1300 780 808. Or you can contact them via their website: www.fos.org.au.



**'our commitment to
customer service'**

contact details

Adelaide

80 Flinders Street
Adelaide SA 5000
Tel (08) 8405 6300
Fax (08) 8405 6444

Ballarat

The Gordon
1-3 Bath Lane
Ballarat VIC 3350
Tel (03) 5329 4100
Fax (03) 5329 4194

Brisbane

189 Grey Street
South Bank QLD 4101
Tel (07) 3135 1900
Fax (07) 3212 7898

Hobart

Level 5 188 Collins Street
Hobart TAS 7250
Tel (03) 6230 4748
Fax (03) 6230 4740

Website: www.cgu.com.au

Melbourne

181 William Street
Melbourne VIC 3000
Tel (03) 9601 8222
Fax (03) 9279 5450

Newcastle

3rd Floor The Metro
Cnr Scott & Watt Streets
Newcastle NSW 2300
Tel (02) 4935 7100
Fax (02) 4935 7110

Perth

46 Colin Street
West Perth WA 6005
Tel (08) 9254 3600
Fax (08) 9254 3601

Sydney

388 George Street
Sydney NSW 2000
Tel (02) 8224 4000
Fax (02) 8224 4025



Insurer
CGU Insurance Limited
ABN 27 004 478 371

Your insurance adviser is

Annexure 5





CGU Insurance

GPO Box 9902
BRISBANE QLD 4001

ABN 2704 478 371

Tel: 1300 882 788
Fax: 07 3135 1413

5th April 2011

MR & MRS DOYLE
[REDACTED]
BURPENGARY QLD 4505

Dear Mr and Mrs Doyle,

Your Claim Number: [REDACTED]
Your Policy Number: [REDACTED]
Situation Address: [REDACTED] BURPENGARY QLD

I am writing to you in relation to a claim you made for damage to your property on or about the 11th January 2011.

As requested I have reviewed your claim and after careful consideration of the information provided, I concur with the original decision to decline the claim for the following reasons;

Summary of the decision

The circumstances of the claim

We received an email of correspondence on the 4th April 2011 requesting reconsideration of your claim.

Your policy coverage relating to the claim

Your CGU policy covers inundation by storm water but does not provide insurance coverage for losses caused by flood. Flood is clearly defined in your policy, for details you can refer to the glossary of your CGU home policy.

The information we have considered in making this decision

CGU reviews each claim on its individual merits and we do not deny claims lightly. We have carefully reviewed your claim; water has escaped from Burpengary Creek via storm drains. Where water has escaped a water course By backing up through storm water drains to find an equal level to the river, this is also considered to fall within the definition of Flood under the CGU Policy.

Furthermore, rising storm waters that can not drain into a watercourse because the watercourse is already in flood is also considered flood water

The source of the inundation is from the Burpengary Creek. I refer to your definition of flood under your CGU policy:

Flood:

The covering of normal dry land by water escaping or released from the confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

Flood water that mixes with storm water run off that inundates your property is viewed as damage from floodwater.

Based on your advice and information available to us, we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim.

If you disagree with this decision, please contact me and I will refer your claim to the CGU Dispute Resolution team. The Dispute Resolution team will independently review your claim and provide a decision within 15 business days of receiving your request and all relevant information.

Enclosed is a brochure that will provide you with further information about the dispute resolution process. Please do not hesitate to contact me on [REDACTED] if you wish to discuss this matter or require any further information.

Yours Sincerely,

[REDACTED]
Team Manager
CGU Claims

Annexure 6



CGU Insurance

GPO Box 9902
BRISBANE QLD 4001

ABN 2704 478 371

Tel: (13) 0088 2788
Fax: (07) 3135 1413

13th May 2011

MR [REDACTED] & MRS L DOYLE
[REDACTED]
BURPENGARY 4505

Dear Sir/ Madam,

Your Claim Number: [REDACTED]
Your Policy Number: [REDACTED]

I am writing to confirm that your claim has been referred to the CGU Dispute Resolution team.

The Review Officer will be in contact with you shortly and may seek further information from you and from other parties involved. Once all necessary information has been received, the review of your claim will be completed within 15 business days.

The following information is provided to assist you in contacting the CGU Dispute Resolution team if you wish to:

CGU Dispute Resolution
GPO Box 390D
Melbourne 3001

Tel: 1300 651 227
Fax: 1300 760 683
Email: cgu.idr@cgu.com.au

Yours sincerely

[REDACTED]
Team Manager
CGU Claims

Annexure 7



From: Jackie Briggs
Sent: Friday, 4 March 2011 11:58 AM
To: [REDACTED]
Subject: Report on claim [REDACTED]

Hi [REDACTED]

Could you please contact oi to arrange appointment for hydrologist report on claims

[REDACTED], our insured name Mr [REDACTED] & Mrs L Doyle @ [REDACTED]
[REDACTED] Burpengary contact numbers [REDACTED].

Please could you determine cause of damage from storm/flood,

For claims where our customer maintains initial water inundation of their premises has been caused by water discharging from storm water drains, please ensure the follow points are requested to be addressed by WP:

1.1 No decisions on water damage/flood damage are to be made without understanding the facts for each case presented to us.

1.2. For us to determine any one case, it must be clear that damage is not a direct consequence of water escaping or mixing from the river (which can be identified from flood maps)

1.3. For these cases where there may be some potential for we must establish:-

- (a) timing of - (i) when & where did the water enter the premises
(ii) over what period did it rain & the relevance of rain

ceasing to water entering the premises

- (iii) when the river overflowed relevant to the premises

occupied by the Insured

- (b) where the river has overflowed relevant to the Insured's premises

(c) is it likely High Water had any bearing on the water entering the Insured's premises or building

- (d) what was the colour of the water which entered the premises

Thanks

Jackie Briggs

claims consultant, FI & A Claims
CGU Insurance

T
E

www.cgu.com.au We put the You in CGU.

Please consider the environment
before printing this email.

Annexure 8



Property Assessment Notification

Provider: Cunningham Lindsey Australia (CU7)

ATTN:
Email: claims@cl-au.com

Contact No.: 1800 811 285
(Customer Service Centre)
Fax No.: 1300 793 790 (Customer
Service Centre)
State : QLD

Insured Details:

Claim No: [REDACTED] Home No: [REDACTED]
Insured: Mr [REDACTED] & Mrs L Doyle Business No: [REDACTED]
Address: [REDACTED] BURPENGARY Mobile No: [REDACTED]
4505 Fax No: [REDACTED]

Insured's Special Arrangements:
Job Type: Assess Without Prejudice

Loss Details:

Date of Loss: 11/01/2011 Date of Loss Advice: 11/01/2011
Type of Loss: Storm Rainwater or Wind
Address of Loss: [REDACTED] BURPENGARY QLD 4505
Loss Description: FLOOD WATERS HAVE ENTERED INSURED'S HOME, DAMAGE TO
CARPET. □MAY BE OTHER DAMAGES.

Policy Details:

Policy No: [REDACTED] Policy Start Date: 04/03/2010
Policy Type: Listed Events Policy Expiry Date: 04/03/2011
Excess Applicable: Yes Amount: \$ 100
Claim Form Req'd: No Fin Inst/Broker: [REDACTED]

Information / Instructions:

Please assess and report on extent of damage.

COVER	SUM INSURED	EST of LOSS
Listed Events - Building	\$ 422,100.00	\$ 10000
Listed Events - Contents	\$ 70,400.00	\$ 5000
	\$	\$
	\$	\$
	\$	\$

Your Contact:

Claims Consultant: [REDACTED] Claims Contact No: [REDACTED]
Claims Unit: QLD FI&A Domestic Claims Claims Unit Phone No: [REDACTED]
Claims Unit Fax No: [REDACTED] Claims Unit Email: qldclaims@cgu.com.au
Claims Unit Address: GPO Box 1162 Date of Instructions: 28/01/2011
Brisbane QLD 4001

Annexure 9



n) Was the water inundating the property 'clean' or 'dirty'?

o) " Was there any and if so what damage caused by rainwater through the roof or by overflowing gutters ? ".

k) At its peak, how deep was the water inside the house, garage, shed, etc?

l) At its peak, how deep was the water in the yard?

m) Which direction did the water come into the property?

h) What time did the inundation of the property (yard) commence?

i) What time did water come into the house, garage, shed, etc?

j) What date and time did the water level in the property peak?

e) What date and time was the rain heaviest?

f) What time did the heavy rain stop?

g) When did the property get inundated (date)?

b) Is the house on stumps or slab-on-ground?

c) Approximately how high is the habitable floor level above surrounding ground level?

d) Is the ground level at the house higher than the street level?

The assessor to ask the insured the questions as those below , but in addition **MUST** do the following;

Check list/Tick off

- 1) Take photographs of the property , buildings , home etc , particularly those that show maximum level of water inundation.
- 2) Photos that identify any nearby watercourse and that indicate directional flow of floodwater
- 3) Check with insured as to whether there was any and what damage caused by water through the roof or by overflowing gutters and that date and time of that event .

a) **What type of house is on the property – low set, highset, double storey, split level, etc?**

--

**Insert comment*

DISCUSSIONS:

(What was discussed with the insured in point form. Question set to be noted later in the report, this section for general discussion)

OTHER NOTES:

SCOPE OF WORK:

(Building damage)

STATEMENT OF LOSS:

(Contents items)

CLAIM NUMBER:
CUSTOMER NAME:
PROPERTY ADDRESS:
ASSESSORS NAME:
DATE:

CLAIM:
EXCESS:
PHOTOS TAKEN:

MAKE-SAFE REQUIRED:
(If so give details)

EXPERT REPORT REQUIRED:
(Identify report required and reason)

ANY ADDITIONAL ASSESSMENT REQUIRED:
(Contents/Building)

OBSERVATIONS:
Describe the damage- (the area affected and what damage sustained as a result of the listed event and any other damage that exists due to other non insured factors. Flood observations to be noted later in report.)

Annexure 10



Cunningham Lindsey Australia Pty Ltd

Chartered Loss Adjusters

ABN:49 003 437 161

PO Box 392

FORTITUDE VALLEY QLD 4006

Telephone 07 3121 6800

Facsimile 07 3121 6811

Email qld@cl-au.com



Tuesday, 22 February 2011

CGU Insurance Limited

Direct Claims

GPO Box 1162

Brisbane QLD 4000



Property Claim – First & Final Report

Insured:	[Redacted] L Doyle
Claim Reference:	[Redacted]
Policy No:	[Redacted]

CL Adjuster:	[Redacted] /Maree Pares
E-mail:	[Redacted]
Mobile:	[Redacted]
CL Reference:	[Redacted]

Reserve:	Building	\$ 6,000 incl GST
	Contents	\$39,200 incl GST

Date of Loss: 11 January 2011

Place of Loss: [Redacted], Burpengary, QLD, 4505

Policy: Listed Events Home [Redacted] 6 due 4/03/2011
Building \$422,100
Contents \$70,400

Excess: \$100.00

GST:

Not Registered

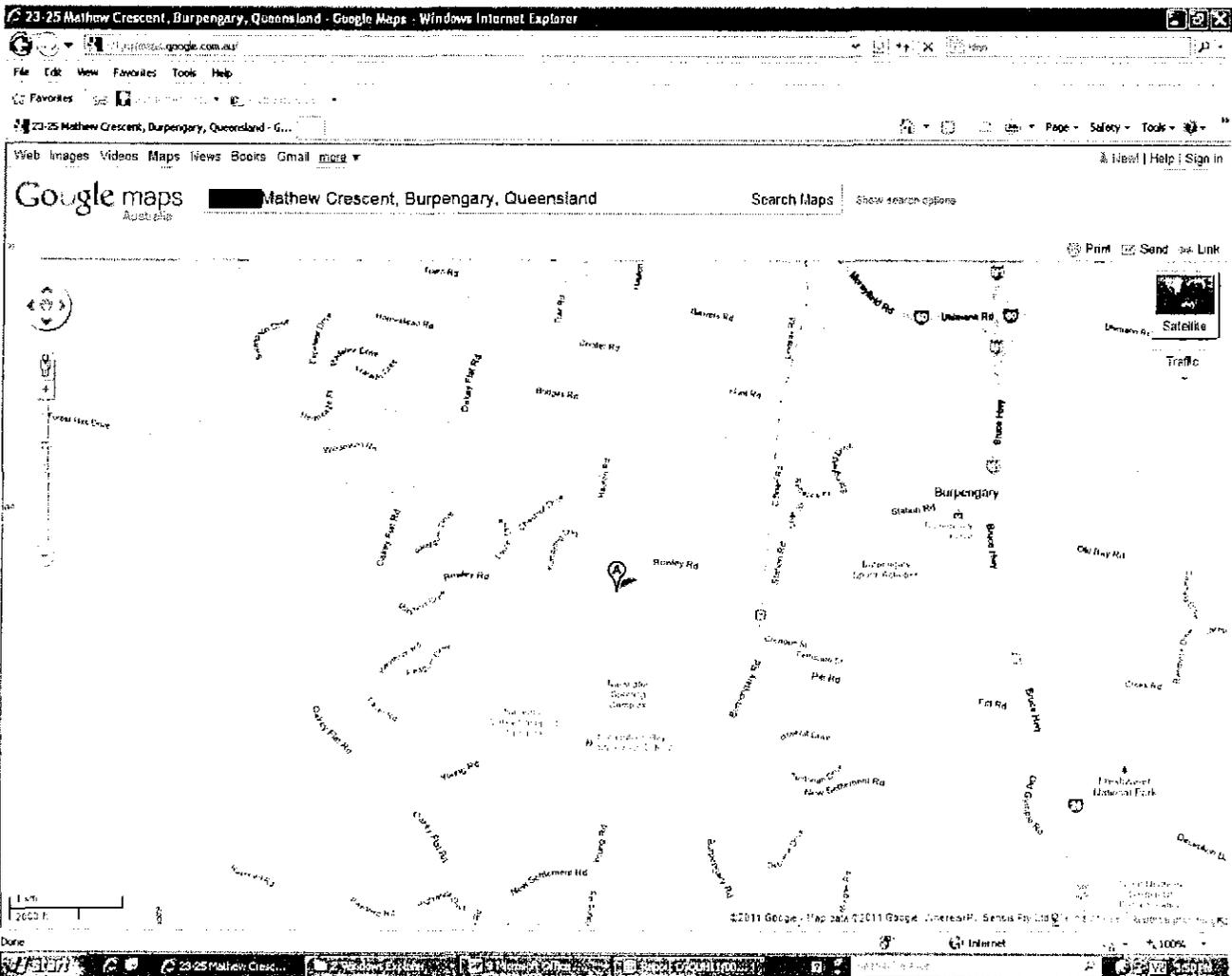
ITCE: Nil%

Introduction:

- We contacted your Customer on 10/02/2011
- Our inspection was carried out on 17/02/2011

Description of Premises:

Single storey home, externally rendered brick, measuring approx 350m²



Cause:

Torrential rainfall of more than 160mm in the upper reaches of the Brisbane River catchment area from 9th January 2011 combined with massive releases of water from the Wivenhoe Dam caused river levels to rise rapidly over the period from the 10th to the 13th of January 2011. The river peaked at a near record height of 4.6m on the afternoon of Thursday 13th January 2011. The Bremer River in Ipswich also rose to near record levels peaking at 19.4m.

Rising water caused severe inundation in the Brisbane CBD and more than 55 suburbs. Ipswich was similarly affected. More than 20, 000 homes were evacuated with about 500 properties flooded above floor level.

In the Insurer's case, their property is located 200m from Berbings Creek, The Insured advised that the cause of loss was not from the overflow of the creek but due to heavy rain that built up over a 24 hour period. The property was inundated to the height of 2 inches in home and 1 metre in the yard. We consider floodwaters to be the cause of the inundation.

Loss/Damage:

Building: ICA Category A/B/C/D

- Main floor/bedrooms/playroom/pool area/driveway
- Also advised that cracks in the foundation in pool area and driveway was made of road base, also washed away - erosion

Contents:

A lot of the Insured contents sustained damage. The Insured will forward photographs of damaged contents. All of the damaged contents are in the garage.

Loss is estimated at \$16000. Please refer to the Schedule of Loss for further information.

Temporary Accommodation:

The Insured was evacuated for one week and is now living at home.

Policy Liability:

Based on the evidence available at the time of our inspection, it appears flood waters is the principle cause of loss. We note that your policy excludes damage caused by flood.

Adequacy of Insurance:

Adequate.

Conclusion:

As it appears this claim will not fall under the terms of your policy, we will finalise our involvement in this matter. Our fee note will be submitted in due course.

Should this matter need any further attention on our behalf, please contact our office.

Cunningham Lindsey

To speak to Maree Pares please phone: 07 [REDACTED] or mobile:

E-mail address: [REDACTED]

Encl.
Flood Checklist
Building Damage Repair Assessment
Content Schedule of Loss
Schedule of Photographs



Photo 1.
A general view of the risk address



Photo 2.
Floor coverings stripped due to water damage



Photo 3.
Damaged goods



Photo 4.
Floor coverings stripped due to water damage



Photo 5.



Photo 6.
Some of the outside tools affected/inundated by water

CUNNINGHAM LINDSEY FLOOD QUESTIONNAIRE

The adjuster to ask the insured the questions as those below, but in addition MUST do the following:

	Check
1. Take photographs of the property, building, home etc... particularly those that show maximum level of water inundation	Yes
2. Attach a Google Map showing relative position of property to a watercourse	Yes
3. Photos that identify any nearby watercourse and that indicate directional flow of floodwater	Yes
4. Check with insured as to whether there was any and what damage caused by water through the roof or by overflowing gutters and the date and time of that event.	None
5. What type of house is on the property – low set, high set, double storey, split level, etc? Low set, single storey, exterior brick, 350m ²	Lowset, single storey
6. Is the house on stumps or slab-on-ground? Slab on ground	Slab
7. Approximately how high is the habitable floor level above surrounding ground level?	Same
8. Is the ground level at the house higher than the street level? Same level	Same
9. What date and time was the rain heaviest?	11/01/2011 4am – 10am
10. What time did the heavy rain stop? January 11, 2011 12pm	11/01/2011 12pm
11. When did the property get inundated (date)? January 11, 2011	11/01/2011
12. What time did the inundation of the property (yard) commence? January 11, 2011 10am	11/01/2011 10am
13. What time did water come into the house, garage, shed, etc?	Unknown
14. What date and time did the water level in the property peak?	January 11, 2011
15. At its peak, how deep was the water inside the house, garage, shed, etc? 2 inches, above skirting board	4cm above the skirting board
16. At its peak, how deep was the water in the yard?	1m
17. Which direction did the water come into the property?	West
18. Was the water inundating the property 'clean' or 'dirty'?	Dirty
19. Was there any and if so what damage caused by rainwater through the roof or by overflowing gutters?	No

DAMAGE REPAIR ASSESSMENT

AGREED WITH CUSTOMER: YES No

Page 1 of

DAMAGED AREA (INCL. ROOM & DIMENSIONS)	WORK REQUIRED (DETAIL LIST OF ITEMS FOR CONTRACTORS TO QUOTE ON)	COST ESTIMATE
Master bedroom 5x4x3	R & R Skirting	
	Paint Skirting	
Bedroom 2 4x4x3	R & R Skirting	
	Paint	
Playroom 5x5x3	R & R Skirting	
	Paint	
Bedroom 3 3x3x3	R & R Skirting	
	Paint	
Bedroom 4 3x3x3	R & R Skirting	
	Paint	
	Total	
	Debris removal	
	Total	
	Builders margin	
	loading	
	GST	
	Provisional Reserve:	\$6,000

Annexure 11





WorleyParsons

resources & energy

Infrastructure and Environment

Level 12, 141 Walker Street
North Sydney NSW 2060 Australia
Telephone: +61 2 8923 6866
Facsimile: +61 2 8923 6877
WorleyParsons Services Pty Ltd
ABN 61 001 279 812

Disclaimer:

This report has been prepared on behalf of and for the exclusive use of CGU and is subject to and issued in accordance with the agreement between CGU and WorleyParsons Services Pty Ltd. WorleyParsons Services Pty Ltd accepts no liability or responsibility whatsoever for it in respect of any use of or reliance upon this report by any third party.

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Re [redacted]-oam-REP-BA[redacted] Burpengary_RevD.docx

HYDROLOGY REPORT RELATING TO THE JANUARY 2011 STORM

Prepared by : [redacted], ENVIRONMENTAL SCIENTIST, WORLEYPARSONS
 Prepared for : CGU
 Claimant : [redacted] MRS L DOYLE
 Property : [redacted], BURPENGARY, QLD
 Reference : [redacted]

PROJECT 301015-02484.01 BA8

REV	DESCRIPTION	ORIG	REVIEW	WORLEY-PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
D	FINAL	[redacted] OAM	[redacted] DMC	[redacted]	[redacted]	[redacted]	[redacted]
						N/A	



EVENT OVERVIEW

On the 7th of January 2011, a low pressure cell derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8th of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9th of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9th of January, this trough rotated towards south-east Queensland and formed large volumes of rain as warm moist air was forced upwards over the region from a high pressure cell located near New Zealand.

This process continued throughout the 9th of January, with the trough reducing in span and generally remaining stationary off the coast.

The intensification of the coastal low pressure system on the 9th of January led to the generation of sustained rainfall across coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments. Rainfall generally progressed from the north to the south with the start of the storm occurring from 04:00 (*recorded at Beerburrum*) and leading to rainfall across areas of the lower Caboolture River Catchment. In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 (*recorded at Brisbane, Redcliffe and Archerfield*). The accumulation of rainfall generally followed a similar pattern, with areas of the lower Caboolture River Catchment recording up to 155 mm until midday on the 10th of January 2011, while areas of the Brisbane River Catchment recorded between 75 and 130 mm.

Over the following 12 hours the low pressure system moved north and rainfall accumulations decreased markedly. However, as the low pressure centre merged with the descending monsoonal trough, significant rainfall was generated over the region. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment, indicating that the focus of the system was on the Caboolture River Catchment in these coastal regions.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain centred on the coastal region south of the centre of the low pressure cell.

In the most upper sections of these catchments, rainfall was less intense prior to the amalgamation of the low pressure centre and the monsoonal trough. Rainfall began from 13:00 on the 9th of January 2011, with accumulations of between 60 and 100 mm recorded until midday on the 10th of January. The northward movement of the low pressure cell and the alignment of the high pressure cell feeding the region, led to the temporary cessation of rainfall in the upper catchment.

To the east, in more central regions of the Brisbane River Catchment and the upper Caboolture River Catchment, the onset of the storm generally began with moderate intensity rainfall from 10:00 on the 9th of January 2011. However, rainfall accumulations were generally lower than



those in the lower catchment, with generally no more than 75 mm recorded until midday on the 10th of January 2011 (*recorded at Amberley*).

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over the upper regions of these catchments. Intense rainfall began to occur from about midday on the 10th of January in the upper Brisbane Catchment (*recorded at Toowoomba*). Over the following 36 hours an accumulation of up to 150 mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulation occurring over a period of only hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

As the focus of the system moved to the south-east, a sharp rise in rainfall intensity was recorded, beginning in the early morning of the 11th of January. The intense rainfall fell across the eastern portion of the Lockyer catchment, the adjacent Brisbane River catchment and the Bremer River catchment. This rainfall period lasted for about 10 hours with accumulations varying from 70mm to 350mm, but more typically 120mm to 200mm.

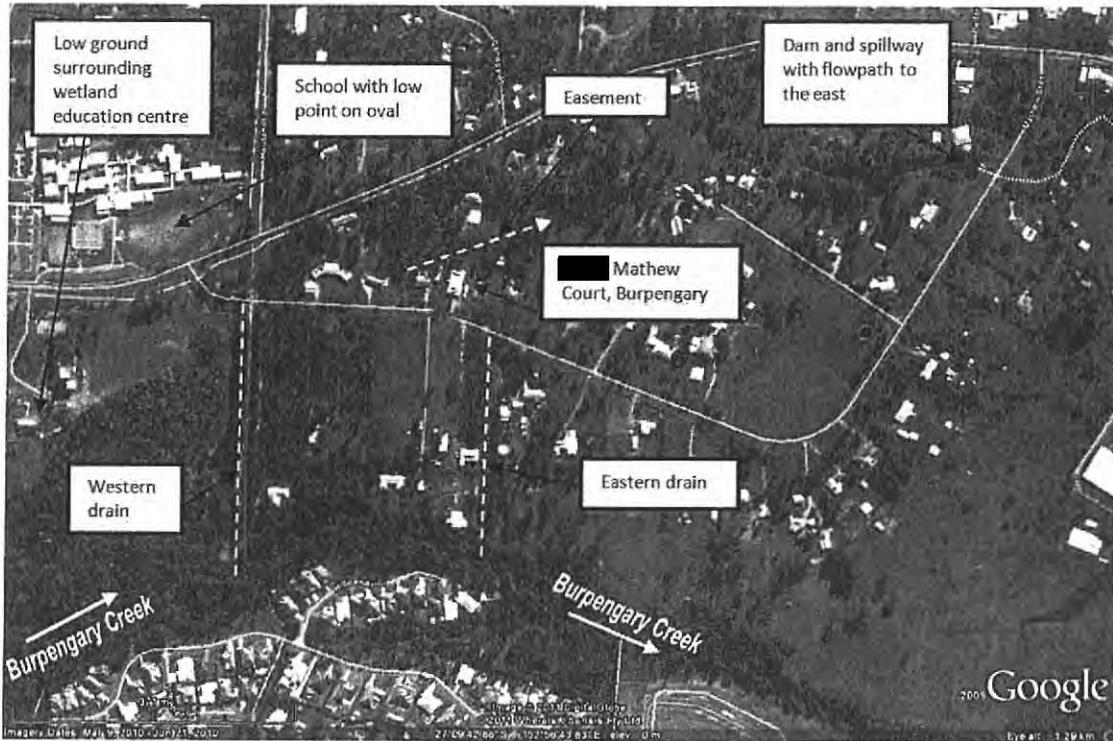
A total accumulation of 200 to 450 mm was recorded within the upper Brisbane Catchment between the 9th and 12th of January, 2011.

The insured property is located at [REDACTED], Burpengary as shown in **Figure 1**. The property is a one storey dwelling located on a flat gradient. A shed, concrete deck, swimming pool and septic system have also been developed on the property. An easement for overland flow runs through the back yard in a north easterly direction.

According to published topographic maps, the ground elevations of the property are approximately 17 to 18 mAHD.

The nearest defined water course, Burpengary Creek, is located approximately 310m to the south of the property. Two drains also run north/ south from Mathew Court to Burpengary Creek, the head of the nearest being 50m to the east of the property (i.e. "eastern" drain) and the other, 280m to the west of the property (i.e. "western" drain") (refer **Figure 1**).

The property is located entirely within the "areas of potential inundation during a 1 in 100 year flood" according to maps of the same name published by Moreton Bay Regional Council in February 2011. The maps indicate that the property is located in an area which would potentially be inundated from 0.5 to 1.5m in such a flood.



Source: Google Maps Pro (2011)

Figure 1: Location of Property at Mathew Court, Burpengary, QLD

River level information was obtained from the Burpengary Creek (Rowley Rd) Alert (540245) located approximately 1.7km downstream of the property. The river gauge information indicates that a short peak of 14.35 mAHD occurred at approximately 5pm on the 9th of January 2010 however the gauge was not operational from 3pm on the 10th. River gauge information was also obtained from the Burpengary Creek (Dale St) gauge (142813) located approximately 3.7km downstream of the property (or a further 2km downstream of the Rowley Road alert). The river gauge information indicates that a minor peak of approximately 9 mAHD occurred at approximately 7pm on the 10th January and a major peak of approximately 11.2 mAHD was recorded at midday on 11th January. Therefore, it is likely that a major peak in river levels adjacent to the property occurred sometime in the midmorning of 11th January and this peak would likely have been greater than the 14.35 mAHD peak recorded at Rowley Road the evening prior.

It should be noted that “gauge zero” for both the Burpengary creek (Rowley Rd) Alert and the Dale Street gauge have an elevation of 0 mAHD, as indicated by information provided by the Bureau of Meteorology.

THE INSURED'S RECOLLECTIONS

WorleyParsons spoke to the claimant, Mr Doyle on 16th March 2011. Mr Doyle provided the following account of the events and the damage that was incurred at the property:

- Heavy rain reportedly occurred for a week in May 2009. Flooding occurred at the easement on the northern side of the property at this time although no flooding occurred at the house.



- On 11th January 2011, the storm woke the residents at approximately 4:30am. The storm continued until lunchtime.
- According to the claimant, Council reported that approximately 426mm of rain fell in the local area at the time.
- The flood waters reportedly came down Mathew Court from a culvert near the school to the west of the property and flowed along the road and into the property.
- Mrs Doyle was at the property when it began to flood with waters rising at 10:30am on 11th January. Mrs Doyle evacuated prior to the peak.
- The neighbours recorded video footage of the event showing flood waters flowing from the west along the road and through the property in a northwest direction.
- The claimant reported that there was no flooding to properties on the southern side of Mathew Court.
- The claimant reported that the school grounds flood regularly. A Council meeting was to be held by a Council Officer on 17th March with regards to drainage issues at the school. The claimant indicated that there had been funding available to improve the drainage issue but that no work had been undertaken.
- The claimant reported that flood waters reached a height approximately 0.3m above ground level and just lapped at the front door of the property. The water depth was at approximately knee level on the road outside the property at approximately 1pm, after the peak.
- The flooding caused the western portion of the concrete slab at the back of the property (adjacent to the pool) to lift and crack (refer **Figures 2a** and **2b**). Prior to flooding, the slab sat flush with the adjacent edge of the pool but now sits an inch or so higher in places. The pool fence and pool itself remain intact but the resident claims he has spent hundreds of dollars on pool chemicals following the event to make the pool usable.
- There are no marks on the internal plasterboard of the house but several of the doors no longer close and the skirting boards bulge in places.

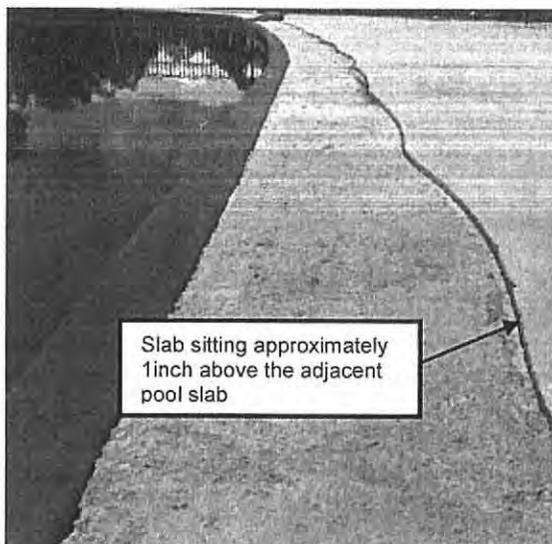


Figure 2a: Lifted concrete slab adjacent to pool

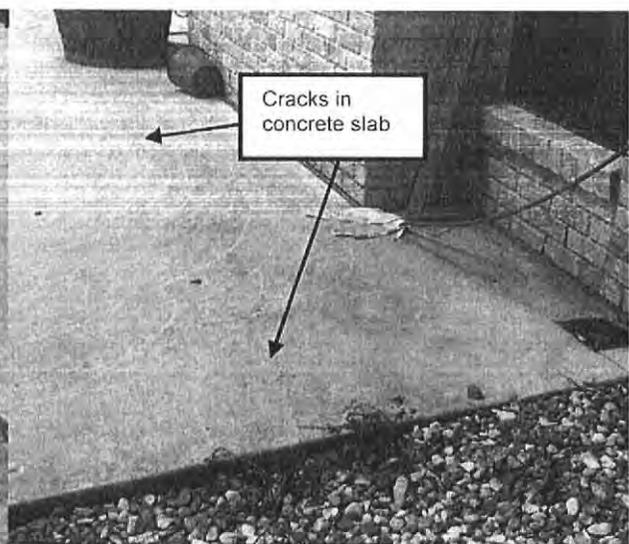


Figure 2b: Lifted concrete slab adjacent to pool



WORLEYPARSONS' OBSERVATIONS

A site inspection of the property and surrounds was undertaken on Wednesday 16th March, 2011. During the site inspection, it was observed that:

- The land along Mathew Court is quite flat, with a gentle west to east down slope.
- There is an easement running west to east at the northern side of the property (refer **Figure 3**) in the direction of a small dam and spillway located further east along Mathew Court. The spillway is slightly lower than road level and allows flows from the dam to drain through a culvert under Mathew Court, along a creek approximately parallel to Rowley Road, to join with Burpengary Creek.
- Debris levels in the fence which runs across the easement on the eastern boundary of the property were approximately 0.5m above ground level. This is consistent with water marks inside the shed (eastern side of the property) and on the hot water tank (western side of the property). The marks were also consistent with an inundation over floor of approximately 50mm. These equate to a peak flood level of approximately 17.5 to 17.8 mAHD.
- Debris lines on the western fence and a lean in the eastern fence indicated that flow was coming from the western side of the property (refer **Figure 4**).



Figure 3: Direction of flow in easement running from west to northeast through the back of the property

- There was significant debris attached to a fence across the *eastern drain* on Mathew Court (refer **Figure 5a**) which indicates flows originated from the southern side of the fence (refer **Figure 5b**). Indicative levels of this debris area of the order of 0.6m above road level, i.e. 17.2 mAHD.



- Viewing of the neighbour's video footage indicated that the flow came from the west. Heavy rainfall was observed throughout the video footage. The video showed water velocities estimated to be approximately 0.5m/s.
- The oval at the school near the western end of Mathew Court is approximately 0.5m lower than surrounding land.
- Debris within and adjacent to the western drainage line indicated a northward flow from Burpengary Creek towards Mathew Court (refer **Figure 6**). The debris was approximately 0.1 to 0.2m in height above the adjacent footpath indicating a water level at 18.7 mAHD, which is sufficient to break the banks of the western drain.
- In Burpengary Creek, debris lines indicated peak water levels above the base of the bridge near the confluence with the western drain (refer **Figure 7**).

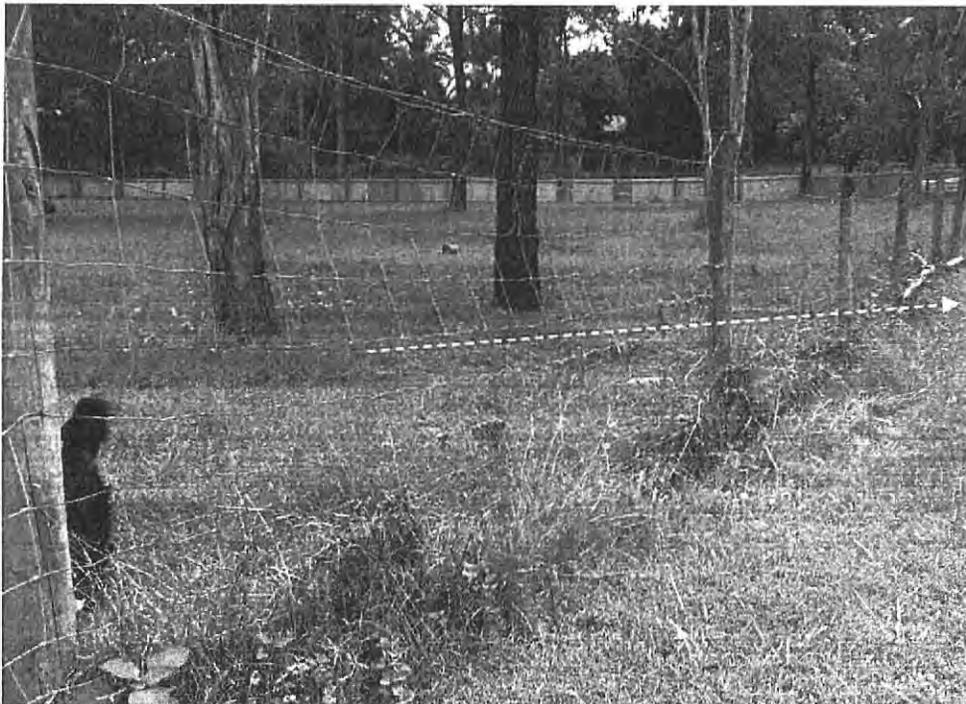


Figure 4: Debris in western fence of property indicating flood level and flow direction

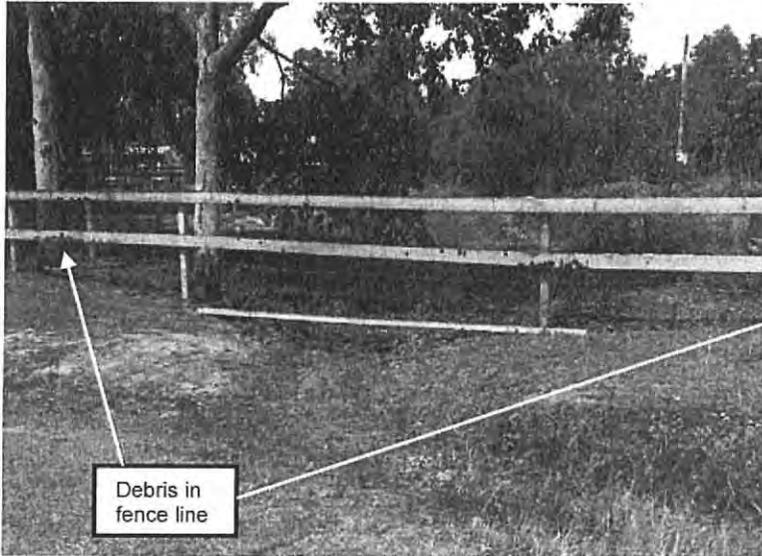


Figure 5a: Drainage channel approximately 60m to SE of property with debris indicating flows from the direction of Burpengary Creek

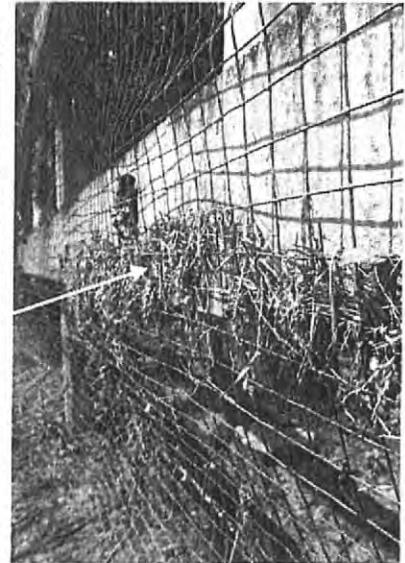


Figure 5b: Debris indicating flows from the direction of Burpengary Creek

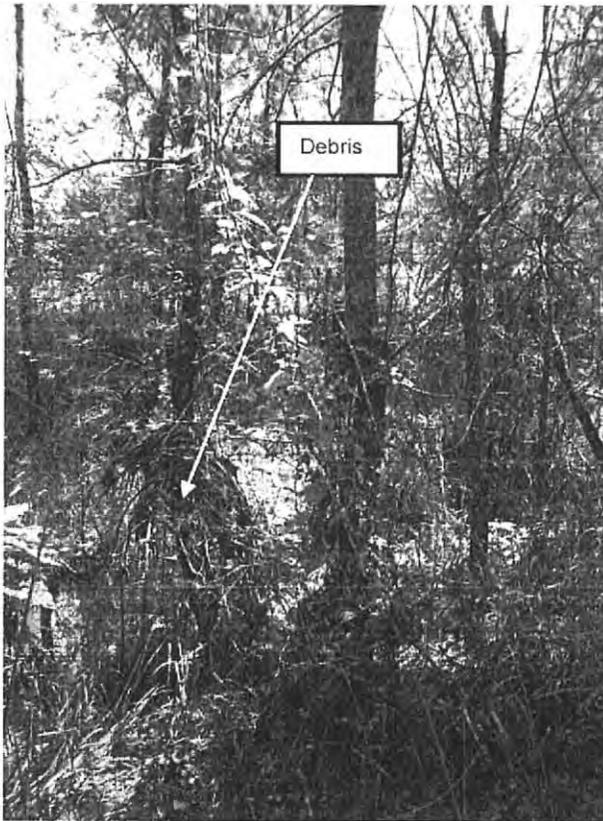


Figure 6: Drainage line located approximately 280m west of property. Debris against south side of tree indicating direction of flow from Burpengary Creek towards Mathew Court



Figure 7: Debris beneath bridge over Burpengary Creek indicating high levels of flow



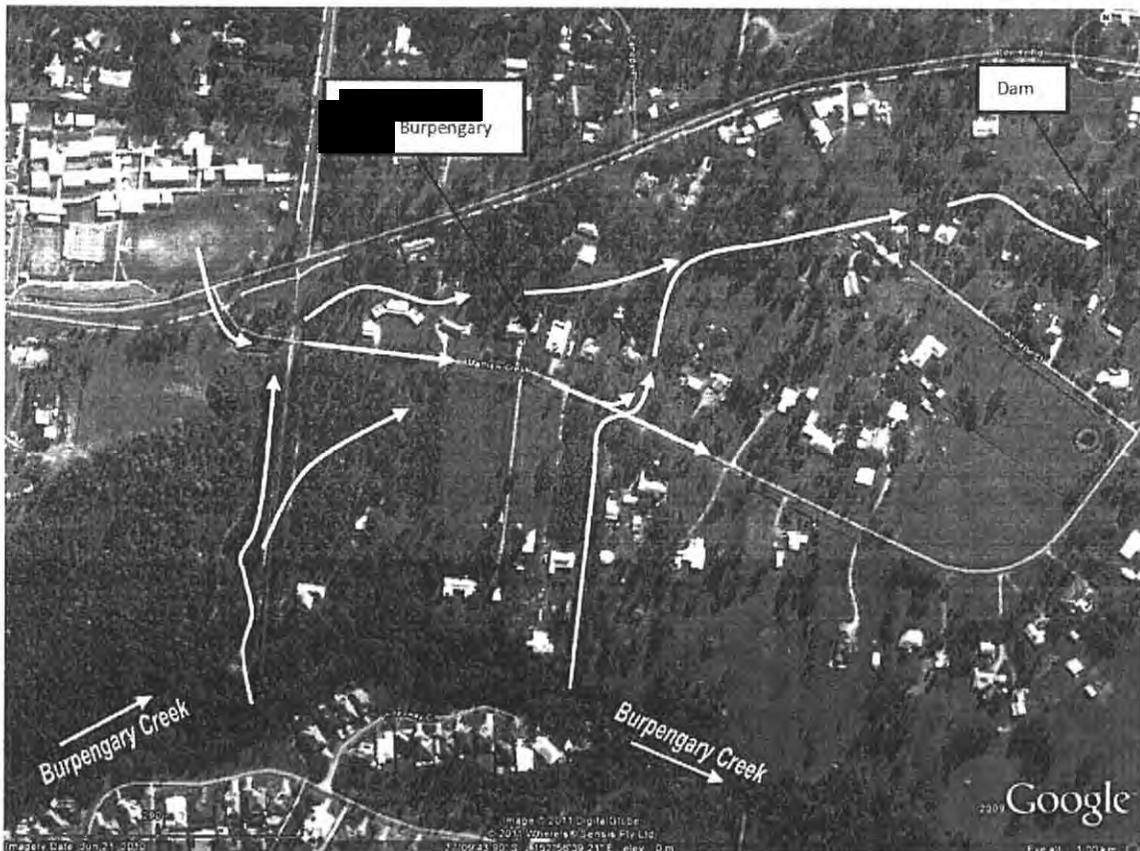
Cause of Inundation

Data from rainfall gauges at Beerburrum and Redcliffe indicates that significant rainfall fell across the Caboolture area from early to midmorning on the 11th January 2011. Similarly, river level information obtained from the two Burpengary Creek alerts downstream of the property indicate that a major flood peak occurred before or around midday on the 11th January.

Due to the limited extent of river gauge data available, it is not possible to interpolate the level of Burpengary Creek from *recorded gauge data* in the vicinity of the property. However, this can be inferred from debris lines which indicate that water flowed from Burpengary Creek to Mathew Court along the western drain. Here, it is likely to have been joined by local overland flows from the vicinity of the school and split eastward down Mathew Court and the drainage easement behind the properties on the northern side of Mathew Court.

This flow would then have been met by flows from Burpengary Creek flowing up the eastern drain. The combined flows would then have moved northwards to join flows at the rear of the northern Mathew Court properties, heading towards the dam. Some flows may have continued along Mathew Court. Indicative likely flow paths are shown on **Figure 8**.

The approximate measured levels at the property of 17.6 mAHD are consistent with the hydraulic grade in Burpengary Creek and levels the eastern/ western drains.



Source: Google Maps Pro (2011)

Figure 8: Flow patterns at the peak of the flood



Comparison of the available data in regard to timing of inundation provided in the claimant's recollections indicates that the flooding of the claimant's property occurred within a period of high rainfall across the area as well as a period where the nearby Burpengary Creek experienced major flooding. This concurrent rainfall was likely to have also contributed to flooding of the property. However, given the limited size of the catchment, this could not be the sole cause of flooding.

CONCLUSION

In our opinion, the damage to the property at [REDACTED], Burpengary was caused by waters exceeding the normal confines of Burpengary Creek backing up through drainage lines and flowing through the property.

Annexure 12

[redacted] & Lynn Doyle
[redacted]
BURPENGARY Q 4503

3 May 2011

[redacted]
Team Manager
CGU Claims
GPO Box 9902
BRISBANE Q 4001

QLD FI & A CLAIMS
10 MAY 2011
RECEIVED

*color paper
photos
Rec'd flood
ins mah*

Claim # [redacted]

Claim # [redacted]

Dear Lauren

We [redacted] and Lynn Doyle of property [redacted] Burpengary Q 4503 would like to dispute the recent decision by CGU to decline our claim for damages.

Although we live close to the Burpengary Creek, the source of flooding to our property on the 11 January 2011 did not come from the creek but from storm water.

Please see attached report, photographs and appendix to support our claim.

[redacted]

[redacted] t Doyle

[redacted]

Lynn Doyle

ISSUE:

Claim number [REDACTED] which was situated at dwelling [REDACTED] Burpengary, Queensland.

BACKGROUND:

On Tuesday, 11th of January 2011 the above mentioned premises sustained various levels of water damage as a result of a previously documented rain cell (see attached hydrologist report).

On the 5th of April 2011 upon receipt of a letter that can only be described as a letter of decline from CGU in reference to policy number [REDACTED] I wish for this to be reviewed by the complaints branch of CGU. I base this on the following details.

COMMENT:

'The cause of Inundation' as documented on page 9 of the hydrologist report outlines that 'due to the limited extent of river gauge data available, it's not possible to interpolate the level of Burpengary Creek from recorded gauge data in the vicinity of the property'. Despite this statement the report then elaborates that the only way this could be inferred is via physical signs such as debris levels on fences etc.

I would like to bring appendix 1, which is a photograph on the mentioned day. This is a photograph of the road which is known as Mathew Crescent, which has been taken from the Northern side of the mentioned road. Burpengary Creek is situated about 310 meters behind the premises on the southe side. As it is clearly outlined in this photograph there is water over the road, (which we claim is storm water), as if the Burpengary Creek had broken its banks water would be running down the driveway of the premises which is situated on the Southern side of the photograph (which it is clearly not).

In addition I would like to bring you to the letter that is dated the 5th of April 2011, on page two paragraph two. In this letter it outlines the definition of FLOOD, as documented in your PDS. When we made an informed decision in taking out insurance with your organisation I read and made this informed decision based off your PDS, as documented in this letter. However in paragraph three, you make the following statement; Flood water that mixes with storm water runoff that inundates your property is viewed as damage from floodwater'.

This additional statement is the first time I have read, or discussed this as an independent issue. Would your organisation be able to bring us to the part of the PDS that this statement is documented? As had this been the case it would have completely changed our view on taking out insurance with your organisation, due to the obvious complex nature of the two issues.

I believe that this is completely different as the definition of Flood water is "the covering of normally dry land by water escaping from the normal confines of a watercourse or lake, flood also includes water escaping from the confines of any reservoir, channel, canal or dam and the definition of Storm water is not defined in your PDS but the general view taken by the general insurance industry is that flooding of a property by rain water would normally be regarded as storm damage. As a result I would like an explanation by CGU in relation to how they can deem these separate legal definitions and incorporate it into one. Deeming that if the two mixes it's deemed to be flood water, my submission is that if you deem it to be flood water why couldn't it be deemed as storm water?

Why is your hydrologist bench marking the Brisbane River and Bremer River throughout the report when these two river systems do not impact in any way on the flood affectation in the Moreton Bay Shire?

Neighbouring hydrologist reports are in conflict with CGU hydrology report. Eleven properties were affected on the 11 January 2011 and all properties have been approved for flash flooding due to storm water by various insurance companies. Please refer to Appendix 3. CGU's hydrologist report is the only one that said the source of flooding is from Burpengary Creek.

COMMENT:

Forwarded for submission and review.

[REDACTED]

Lynn [REDACTED] Doyle

Appendices:

Appendix 1

Photographs taken of Mathew Crescent at the time of flooding on Tuesday, 11 January 2011.

Appendix 2

Photographs taken of inside our home and they clearly show that it was inundated with clean storm water and not muddy creek water.

Appendix 3

List of properties that were inundated with storm water, insurance companies and their individual decisions.

Appendix 4

Map of street show all properties that were inundated with storm water on Tuesday, 11 January 2011.

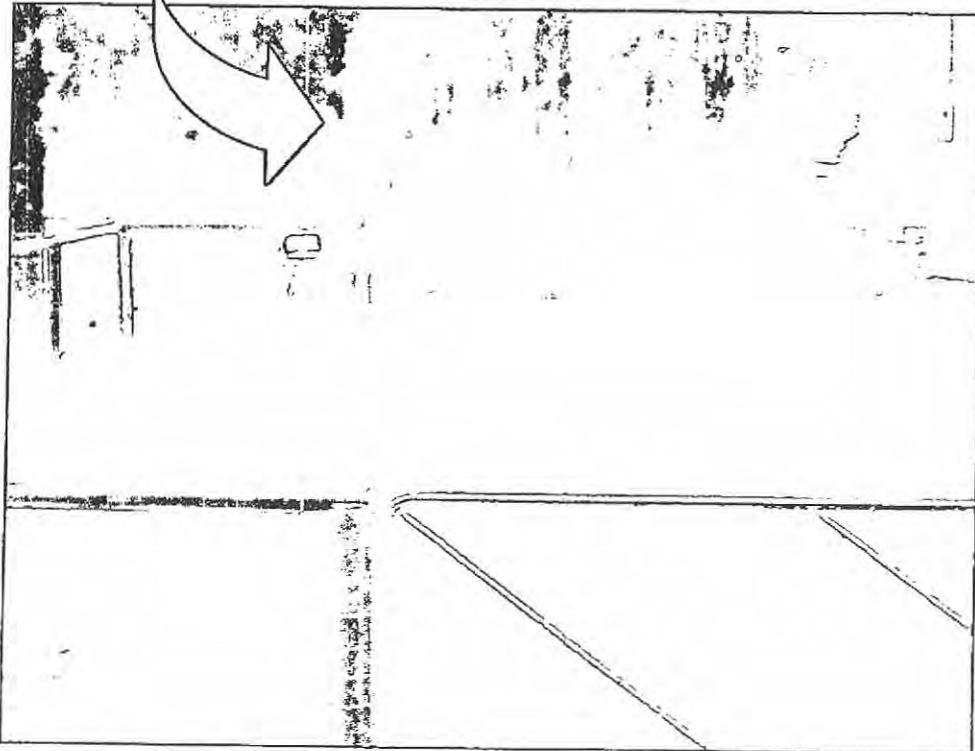
Appendix 5

Council flood map indicating our property is above the "1 in 100 year" flood level.

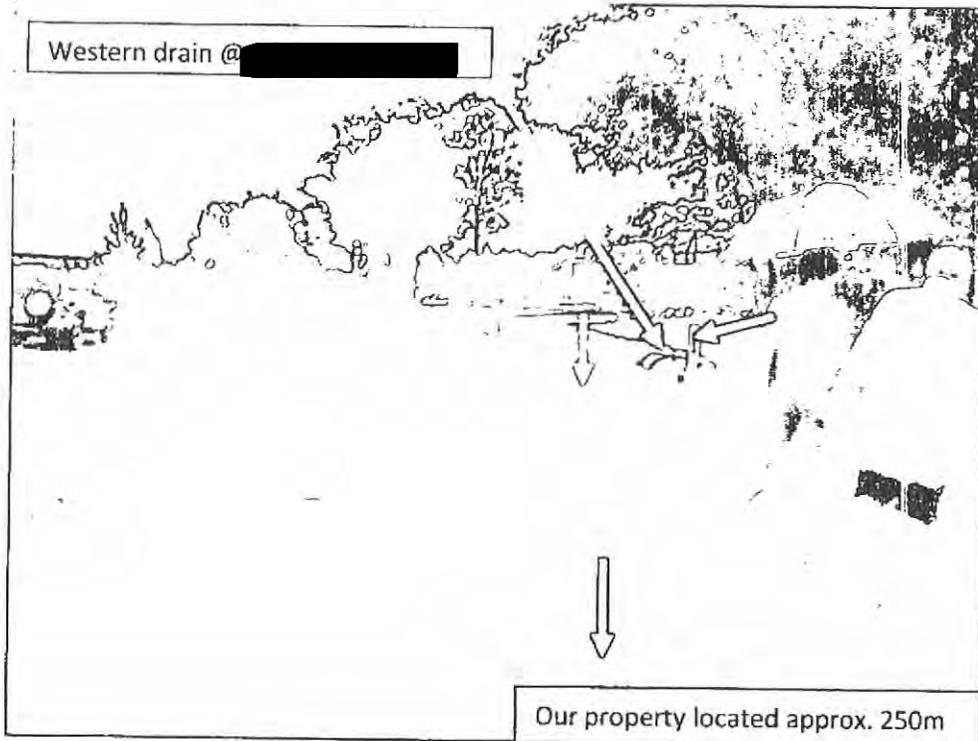
Appendix 1:

██████████ t, Burpengary on 11 January 2011

Burpengary Creek is situated about 310m behind these properties and as you can see by this photo water did not come from the creek. All properties backing onto the creek did not flood.



Western drain @ ██████████

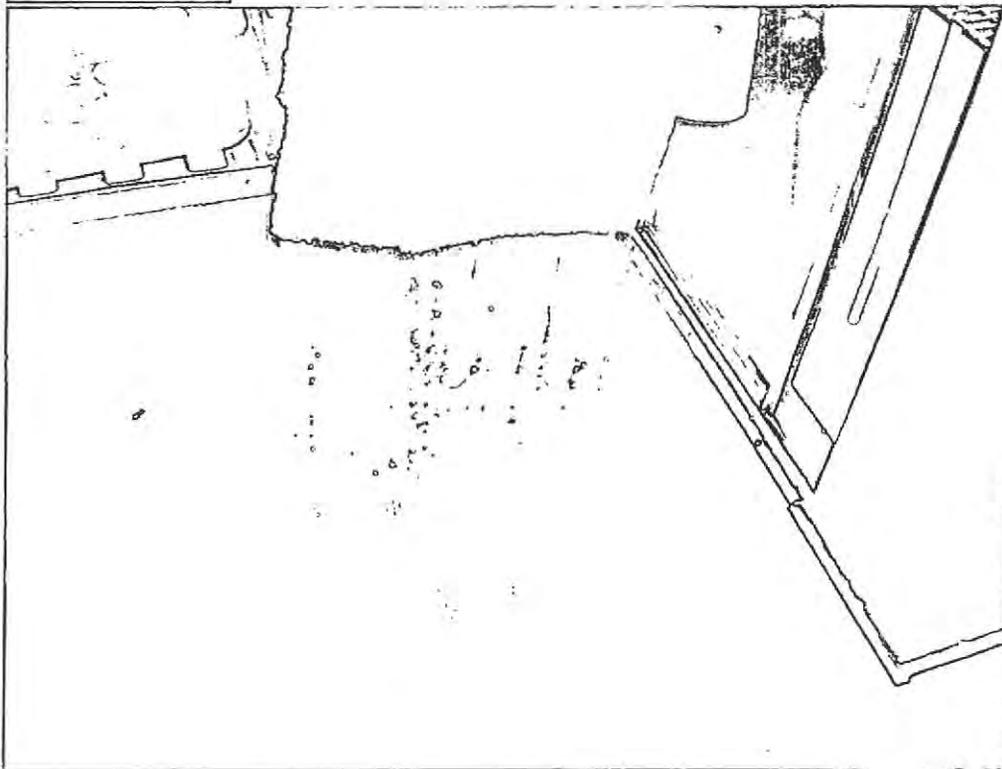


Our property located approx. 250m

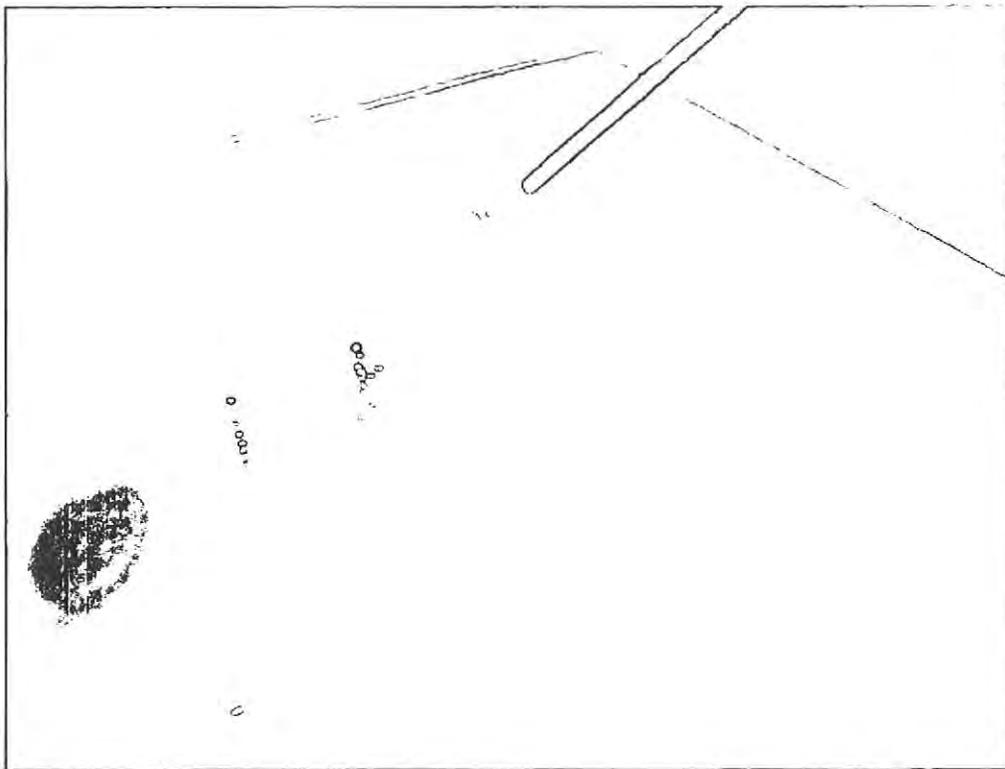
Arrows indicating direction of the flow of storm water

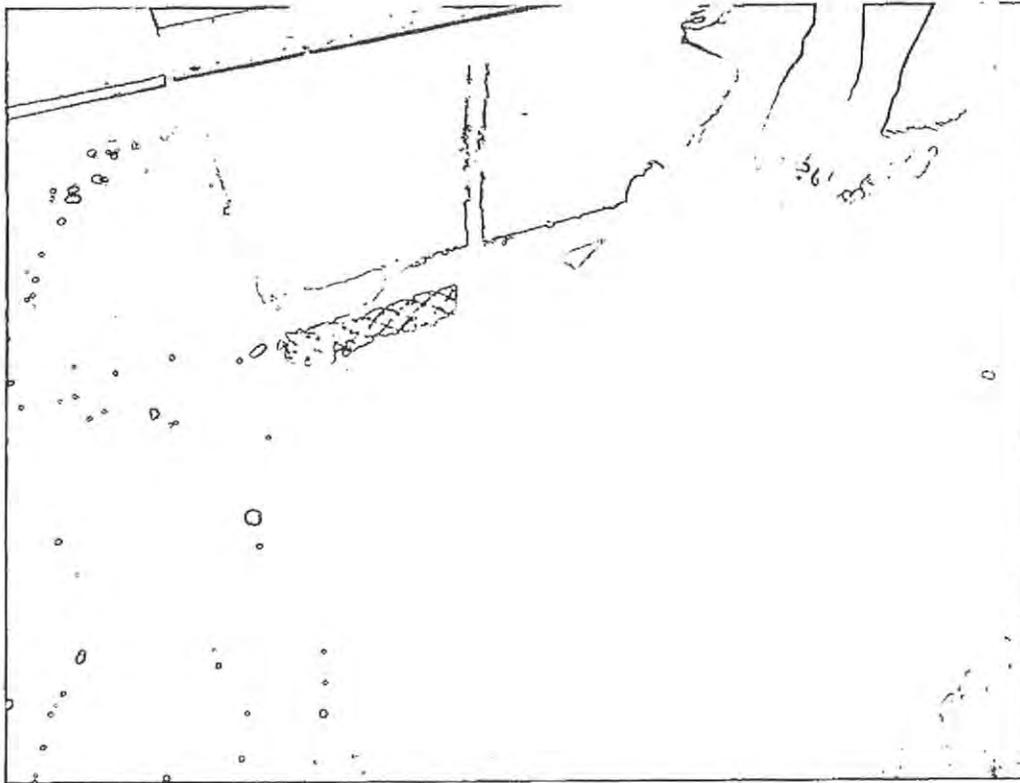


Appendix 2:



These 2 photo's shows that the water that entered our home on the 11 January 2011 was clean storm water and not muddy creek water from Burpengary Creek.





More photos of inside our home showing that clean storm water entered our property and not muddy creek water.

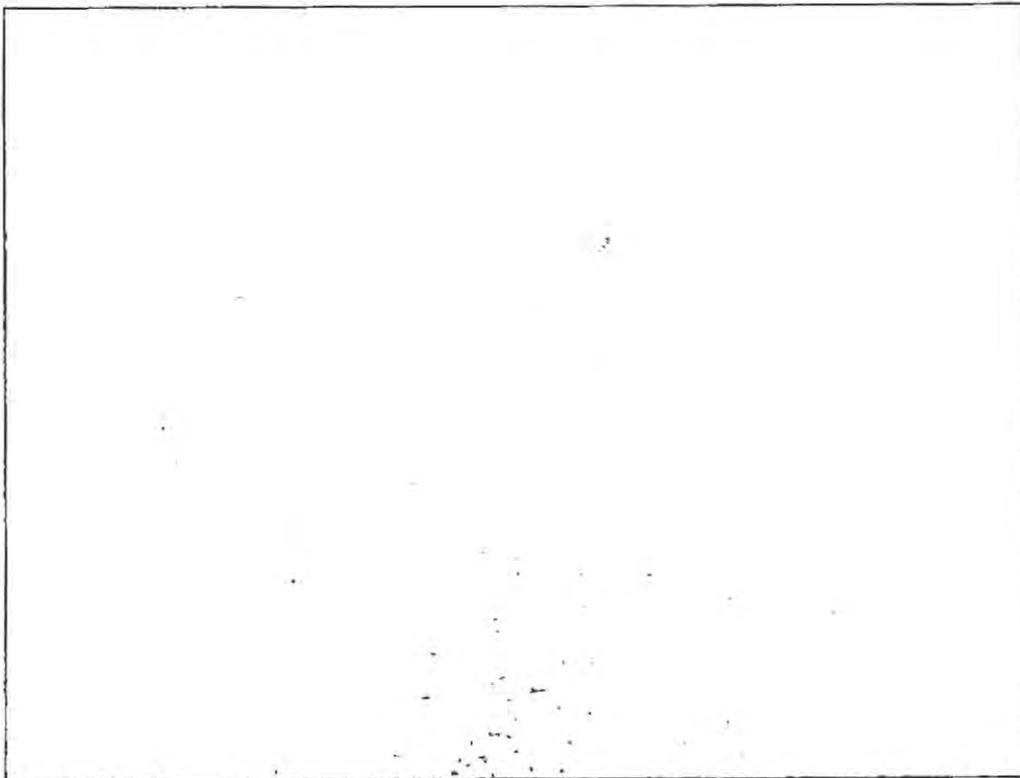


Photo of wet carpet.

Appendix 3:

**Properties Flooded on Tuesday, 11 January 2011
Mathew Crescent & Annette Court
Burpengary Q 4505**

These properties listed below were all inundated with storm water on Tuesday, 11 January 2011. Some of these properties that were not with Suncorp required hydrologist reports and they have all come back flash flooding caused by storm water. Why is CGU's hydrologist report different to these?

Property	Insurance Company	Insurance Decision
Mathew Crescent	AAMI	Approved – Storm Water
Mathew Crescent	CGU	Declined – Burpengary Creek
Mathew Crescent	NRMA	Approved – Storm Water
Mathew Crescent	NRMA	Approved – Storm Water
Mathew Crescent	Vacant rental unable to contact owners	
Mathew Crescent	RACQ	Approved – Storm Water
Mathew Crescent	Suncorp	Approved – Storm Water
Mathew Crescent	HBA	Approved – Storm Water
Mathew Crescent	Suncorp	Approved – Storm Water
Annette Court	Suncorp	Approved – Storm Water
Annette Court	NRMA	Approved – Storm Water
Annette Court	Suncorp	Approved – Storm Water



CGU Insurance

GPO Box 9902
BRISBANE QLD 4001

ABN 2704 476 371

Tel: 1300 882 788
Fax: 07 3136 1413

5th April 2011

MR & MRS DOYLE
[REDACTED]
BURPENGARY QLD 4505

Dear Mr and Mrs Doyle,

Your Claim Number: [REDACTED]
Your Policy Number: [REDACTED]
Situation Address: [REDACTED] BURPENGARY QLD

I am writing to you in relation to a claim you made for damage to your property on or about the 11th January 2011.

As requested I have reviewed your claim and after careful consideration of the information provided, I concur with the original decision to decline the claim for the following reasons:

Summary of the decision

The circumstances of the claim

We received an email of correspondence on the 4th April 2011 requesting reconsideration of your claim.

Your policy coverage relating to the claim

Your CGU policy covers inundation by storm water but does not provide insurance coverage for losses caused by flood. Flood is clearly defined in your policy, for details you can refer to the glossary of your CGU home policy.

The information we have considered in making this decision

CGU reviews each claim on its individual merits and we do not deny claims lightly. We have carefully reviewed your claim; water has escaped from Burpengary Creek via storm drains. Where water has escaped a water course By backing up through storm water drains to find an equal level to the river, this is also considered to fall within the definition of Flood under the CGU Policy.

Furthermore, rising storm waters that can not drain into a watercourse because the watercourse is already in flood is also considered flood water



The source of the inundation is from the Burpengary Creek. I refer to your definition of flood under your CGU policy:

Flood:

The covering of normal dry land by water escaping or released from the confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

Flood water that mixes with storm water run off that inundates your property is viewed as damage from floodwater.

Based on your advice and information available to us, we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim.

If you disagree with this decision, please contact me and I will refer your claim to the CGU Dispute Resolution team. The Dispute Resolution team will independently review your claim and provide a decision within 15 business days of receiving your request and all relevant information.

Enclosed is a brochure that will provide you with further information about the dispute resolution process. Please do not hesitate to contact me on [REDACTED] if you wish to discuss this matter or require any further information.

Yours Sincerely,

[REDACTED]

Team Manager
CGU Claims



EVENT OVERVIEW

On the 7th of January 2011, a low pressure cell derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8th of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9th of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9th of January, this trough rotated towards south-east Queensland and formed large volumes of rain as warm moist air was forced upwards over the region from a high pressure cell located near New Zealand.

This process continued throughout the 9th of January, with the trough reducing in span and generally remaining stationary off the coast.

The intensification of the coastal low pressure system on the 9th of January led to the generation of sustained rainfall across coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments. Rainfall generally progressed from the north to the south with the start of the storm occurring from 04:00 (*recorded at Beerburrum*) and leading to rainfall across areas of the lower Caboolture River Catchment. In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 (*recorded at Brisbane, Redcliffe and Archerfield*). The accumulation of rainfall generally followed a similar pattern, with areas of the lower Caboolture River Catchment recording up to 155 mm until midday on the 10th of January 2011, while areas of the Brisbane River Catchment recorded between 75 and 130 mm.

Over the following 12 hours the low pressure system moved north and rainfall accumulations decreased markedly. However, as the low pressure centre merged with the descending monsoonal trough, significant rainfall was generated over the region. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment, indicating that the focus of the system was on the Caboolture River Catchment in these coastal regions.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain centred on the coastal region south of the centre of the low pressure cell.

In the most upper sections of these catchments, rainfall was less intense prior to the amalgamation of the low pressure centre and the monsoonal trough. Rainfall began from 13:00 on the 9th of January 2011, with accumulations of between 60 and 100 mm recorded until midday on the 10th of January. The northward movement of the low pressure cell and the alignment of the high pressure cell feeding the region, led to the temporary cessation of rainfall in the upper catchment.

To the east, in more central regions of the Brisbane River Catchment and the upper Caboolture River Catchment, the onset of the storm generally began with moderate intensity rainfall from 10:00 on the 9th of January 2011. However, rainfall accumulations were generally lower than



those in the lower catchment, with generally no more than 75 mm recorded until midday on the 10th of January 2011 (*recorded at Amberley*).

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over the upper regions of these catchments. Intense rainfall began to occur from about midday on the 10th of January in the upper Brisbane Catchment (*recorded at Toowoomba*). Over the following 36 hours an accumulation of up to 150 mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulation occurring over a period of only hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

As the focus of the system moved to the south-east, a sharp rise in rainfall intensity was recorded, beginning in the early morning of the 11th of January. The intense rainfall fell across the eastern portion of the Lockyer catchment, the adjacent Brisbane River catchment and the Bremer River catchment. This rainfall period lasted for about 10 hours with accumulations varying from 70mm to 350mm, but more typically 120mm to 200mm.

A total accumulation of 200 to 450 mm was recorded within the upper Brisbane Catchment between the 9th and 12th of January, 2011.

The insured property is located at 23-25 Mathew Court, Burpengary as shown in **Figure 1**. The property is a one storey dwelling located on a flat gradient. A shed, concrete deck, swimming pool and septic system have also been developed on the property. An easement for overland flow runs through the back yard in a north easterly direction.

According to published topographic maps, the ground elevations of the property are approximately 17 to 18 mAHD.

The nearest defined water course, Burpengary Creek, is located approximately 310m to the south of the property. Two drains also run north/ south from Mathew Court to Burpengary Creek, the head of the nearest being 50m to the east of the property (i.e. "eastern" drain) and the other, 280m to the west of the property (i.e. "western" drain") (refer **Figure 1**).

The property is located entirely within the "areas of potential inundation during a 1 in 100 year flood" according to maps of the same name published by Moreton Bay Regional Council in February 2011. The maps indicate that the property is located in an area which would potentially be inundated from 0.5 to 1.5m in such a flood.



- On 11th January 2011, the storm woke the residents at approximately 4:30am. The storm continued until lunchtime.
- According to the claimant, Council reported that approximately 426mm of rain fell in the local area at the time.
- The flood waters reportedly came down [REDACTED] from a culvert near the school to the west of the property and flowed along the road and into the property.
- Mrs Doyle was at the property when it began to flood with waters rising at 10:30am on 11th January. Mrs Doyle evacuated prior to the peak.
- The neighbours recorded video footage of the event showing flood waters flowing from the west along the road and through the property in a northwest direction.
- The claimant reported that there was no flooding to properties on the southern side of Mathew Court.
- The claimant reported that the school grounds flood regularly. A Council meeting was to be held by a Council Officer on 17th March with regards to drainage issues at the school. The claimant indicated that there had been funding available to improve the drainage issue but that no work had been undertaken.
- The claimant reported that flood waters reached a height approximately 0.3m above ground level and just lapped at the front door of the property. The water depth was at approximately knee level on the road outside the property at approximately 1pm, after the peak.
- The flooding caused the western portion of the concrete slab at the back of the property (adjacent to the pool) to lift and crack (refer **Figures 2a** and **2b**). Prior to flooding, the slab sat flush with the adjacent edge of the pool but now sits an inch or so higher in places. The pool fence and pool itself remain intact but the resident claims he has spent hundreds of dollars on pool chemicals following the event to make the pool usable.
- There are no marks on the internal plasterboard of the house but several of the doors no longer close and the skirting boards bulge in places.

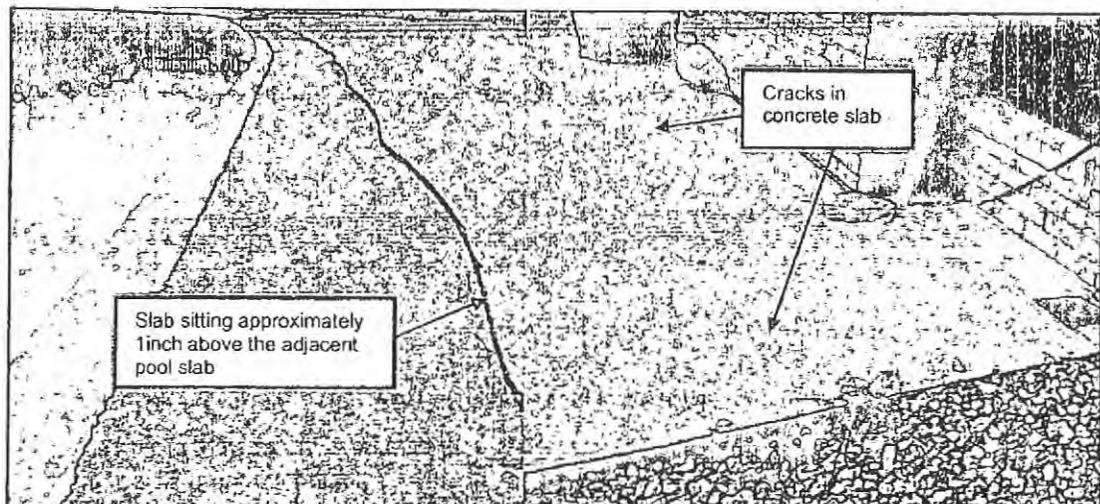


Figure 2a: Lifted concrete slab adjacent to pool

Figure 2b: Lifted concrete slab adjacent to pool



WORLEYPARSONS' OBSERVATIONS

A site inspection of the property and surrounds was undertaken on Wednesday 16th March, 2011. During the site inspection, it was observed that:

- The land along [REDACTED] is quite flat, with a gentle west to east down slope.
- There is an easement running west to east at the northern side of the property (refer **Figure 3**) in the direction of a small dam and spillway located further east along [REDACTED]. The spillway is slightly lower than road level and allows flows from the dam to drain through a culvert under [REDACTED], along a creek approximately parallel to Rowley Road, to join with Burpengary Creek.
- Debris levels in the fence which runs across the easement on the eastern boundary of the property were approximately 0.5m above ground level. This is consistent with water marks inside the shed (eastern side of the property) and on the hot water tank (western side of the property). The marks were also consistent with an inundation over floor of approximately 50mm. These equate to a peak flood level of approximately 17.5 to 17.8 mAHD.
- Debris lines on the western fence and a lean in the eastern fence indicated that flow was coming from the western side of the property (refer **Figure 4**).

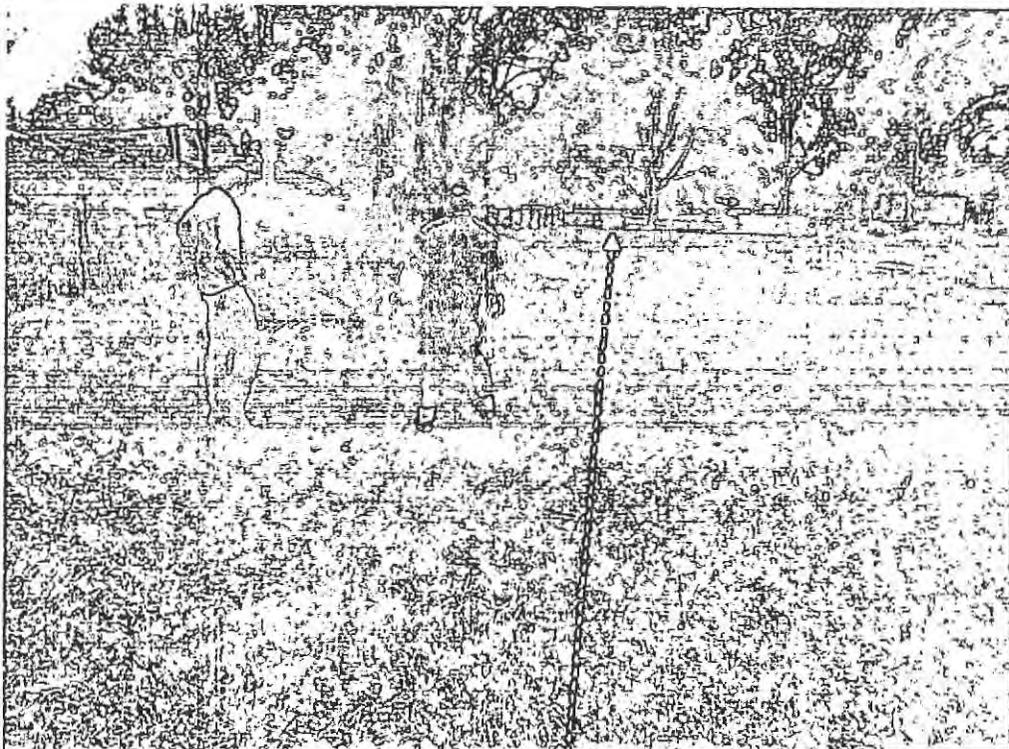


Figure 3: Direction of flow in easement running from west to northeast through the back of the property

- There was significant debris attached to a fence across the *eastern drain* on Mathew Court (refer **Figure 5a**) which indicates flows originated from the southern side of the fence (refer **Figure 5b**). Indicative levels of this debris area of the order of 0.6m above road level, i.e. 17.2 mAHD.



- Viewing of the neighbour's video footage indicated that the flow came from the west. Heavy rainfall was observed throughout the video footage. The video showed water velocities estimated to be approximately 0.5m/s.
- The oval at the school near the western end of [REDACTED] is approximately 0.5m lower than surrounding land.
- Debris within and adjacent to the western drainage line indicated a northward flow from Burpengary Creek towards [REDACTED] (refer **Figure 6**). The debris was approximately 0.1 to 0.2m in height above the adjacent footpath indicating a water level at 18.7 mAHD, which is sufficient to break the banks of the western drain.
- In Burpengary Creek, debris lines indicated peak water levels above the base of the bridge near the confluence with the western drain (refer **Figure 7**).

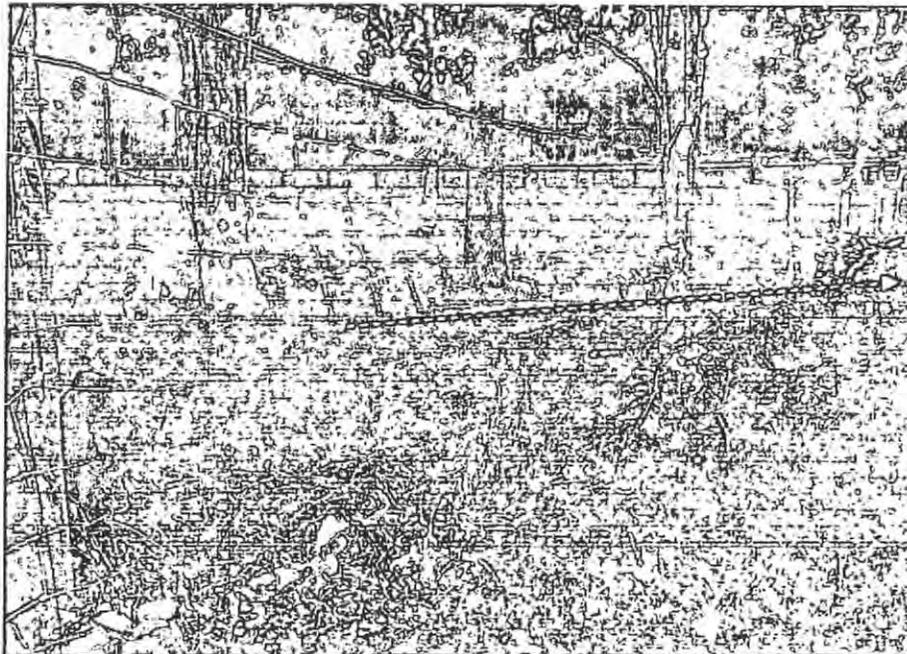


Figure 4: Debris in western fence of property indicating flood level and flow direction

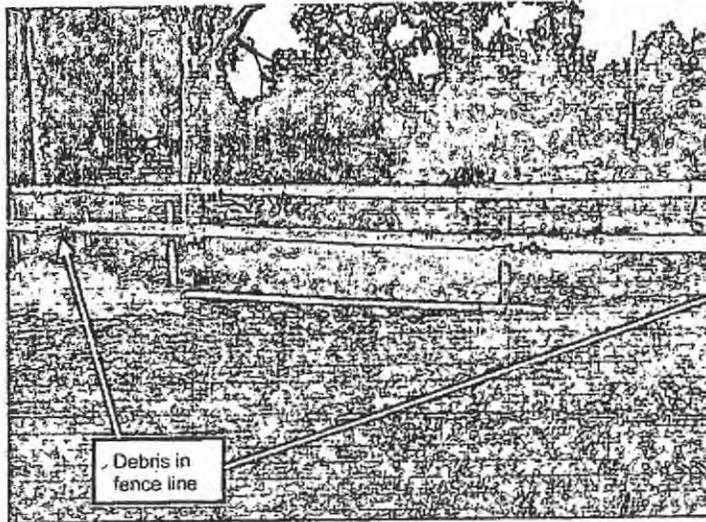


Figure 5a: Drainage channel approximately 60m to SE of property with debris indicating flows from the direction of Burpengary Creek

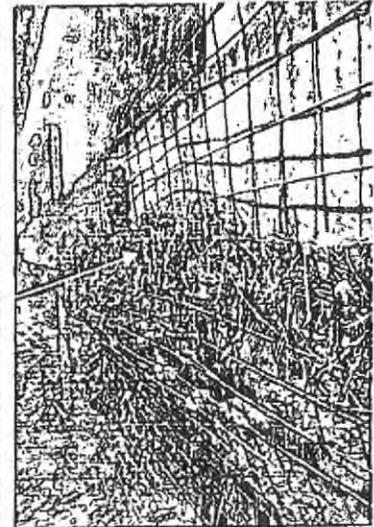


Figure 5b: Debris indicating flows from the direction of Burpengary Creek



Figure 6: Drainage line located approximately 280m west of property. Debris against south side of tree indicating direction of flow from Burpengary Creek toward [REDACTED]

Figure 7: Debris beneath bridge over Burpengary Creek indicating high levels of flow



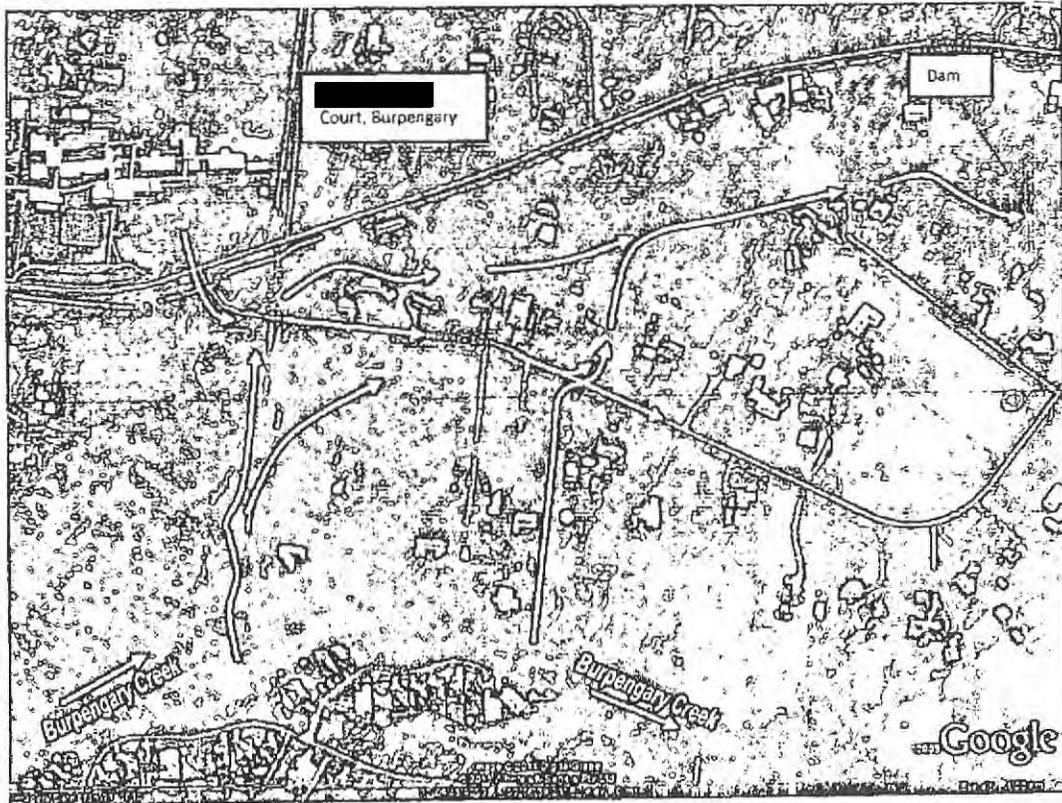
Cause of Inundation

Data from rainfall gauges at Beerburrum and Redcliffe indicates that significant rainfall fell across the Caboolture area from early to midmorning on the 11th January 2011. Similarly, river level information obtained from the two Burpengary Creek alerts downstream of the property indicate that a major flood peak occurred before or around midday on the 11th January.

Due to the limited extent of river gauge data available, it is not possible to interpolate the level of Burpengary Creek from recorded gauge data in the vicinity of the property. However, this can be inferred from debris lines which indicate that water flowed from Burpengary Creek to [redacted] along the western drain. Here, it is likely to have been joined by local overland flows from the vicinity of the school and split eastward down [redacted] and the drainage easement behind the properties on the northern side of [redacted].

This flow would then have been met by flows from Burpengary Creek flowing up the eastern drain. The combined flows would then have moved northwards to join flows at the rear of the northern [redacted] properties, heading towards the dam. Some flows may have continued along [redacted]. Indicative likely flow paths are shown on Figure 8.

The approximate measured levels at the property of 17.6 mAHD are consistent with the hydraulic grade in Burpengary Creek and levels the eastern/ western drains.



Source: Google Maps Pro (2011)

Figure 8: Flow patterns at the peak of the flood



WorleyParsons

resources & energy

EcoNomics

Comparison of the available data in regard to timing of inundation provided in the claimant's recollections indicates that the flooding of the claimant's property occurred within a period of high rainfall across the area as well as a period where the nearby Burpengary Creek experienced major flooding. This concurrent rainfall was likely to have also contributed to flooding of the property. However, given the limited size of the catchment, this could not be the sole cause of flooding.

CONCLUSION

In our opinion, the damage to the property at [REDACTED], Burpengary was caused by waters exceeding the normal confines of Burpengary Creek backing up through drainage lines and flowing through the property.

PHOTOS and/or

P.O.L.

Sent to

Claims officer

to action

Annexure 13



Active (Active or Filed) status of document
17/05/2011 Date document was received
17/05/2011 Date document was completed
Has document been processed yet?

	Status: Completed
	Claim No: 'DOYLE / LEGAL AID

For: [REDACTED]
C/No [REDACTED] / DOYLE / LEGAL AID Claim Consultant: [REDACTED]
mailed in by: Signing Authority on 17-May-11
Original Author: [REDACTED]

To Whom It May Concern,

Please find attached a letter concerning [REDACTED] Lynn Doyle - Policy No [REDACTED].

<<2011051711303790.PDF>>

Regards,

[REDACTED]
Consumer Protection Unit
Legal Aid Queensland | p [REDACTED] | [REDACTED]

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the authenticity of an email purportedly sent by us, please contact us immediately. 2011051711303790.PDF
24-Jun-11 Date last modified (@now when it was saved)
17/05/2011Emails Received

Our Ref: MAF(flood):1197907
Date: Tuesday, 17 May 2011

Contact: [REDACTED]
Telephone: [REDACTED]
E-mail: cpuadvice@legalaid.qld.gov.au

CGU IDR
CGU Insurance Limited
PO Box 390D
MELBOURNE VIC 3001

Email: cgu.idr@cgu.com.au

Dear Colleague

[REDACTED] Lynn Doyle – [REDACTED] [REDACTED]

The Civil Justice (consumer protection) unit at Legal Aid Queensland acts for the abovenamed 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 ensure that all further correspondence on the reconsideration of the refusal is directed to our unit.

Our client formally now requests that the decision to refuse insurance be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request within the next three weeks.

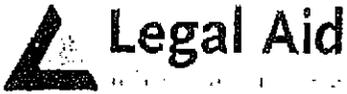
In the meantime, would you be so kind as to provide copies of any evidence, hydrology and client information that you have used to determine this claim. Please find enclosed our client's Authority.

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.

Yours sincerely,

[REDACTED]
[REDACTED]
[REDACTED]
Legal Aid Queensland

Senior Solicitor/Consumer Advocate
Civil Justice Services (consumer protection)



AUTHORITY TO RELEASE

TO WHOM IT MAY CONCERN
(AS ADVISED BY LEGAL AID QUEENSLAND)

I, [REDACTED] of

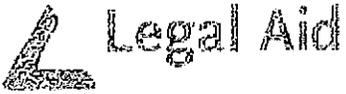
Address: [REDACTED]
BURBENBARY Q 4505

Date of Birth [REDACTED]

Hereby authorize you to provide Legal Aid Queensland with a copy of my Insurance Policy and PDS that was in effect on 11 January 2011.

Signed: [REDACTED]

Dated: 16-05-11



AUTHORITY TO RELEASE

TO WHOM IT MAY CONCERN
(AS ADVISED BY LEGAL AID QUEENSLAND)

[Redacted]

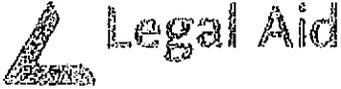
Hereby authorize you to provide my solicitors as nominated by Legal Aid Queensland with any documents or information in your possession as specified by Legal Aid Queensland.

[Redacted]

Signed:

Dated:

16-05-11



AUTHORITY TO RELEASE

TO WHOM IT MAY CONCERN
(AS ADVISED BY LEGAL AID QUEENSLAND)

I, LYNN RACHEL DOYLE.....

Hereby authorize you to provide my solicitors as nominated by Legal Aid Queensland with any documents or information in your possession as specified by Legal Aid Queensland.

Signed:

A large black rectangular redaction box covering the signature of the authorizing person.

Dated:

16-05-11.....

0 2 2011

AUTHORITY TO RELEASE

TO WHOM IT MAY CONCERN
(AS ADVISED BY LEGAL AID QUEENSLAND)

I, LYNN RACHEL DOYLE....., of

Address: [REDACTED] [REDACTED]
BURPENGARY & 4505

Date of Birth [REDACTED] [REDACTED] [REDACTED]

Hereby authorize you to provide Legal Aid Queensland with a copy of my Insurance
Policy and PDS that was in effect on 11 January 2011.

Signed: [REDACTED].....

Dated: 16-05-11.....

Annexure 14



[REDACTED]

From: [REDACTED]
Sent: Monday, 6 June 2011 3:37 PM
To: [REDACTED]
Subject: FW: File details for [REDACTED] / Doyle

FYI

[REDACTED]
Team Manager
CGU Insurance

[REDACTED]

www.cgu.com.au **We put the you in CGU**

 Please consider the environment
before printing this email.

From: [REDACTED] (Sydney) [mailto:[REDACTED]]
Sent: Thursday, 26 May 2011 9:25 AM
To: [REDACTED]
Subject: RE: File details for [REDACTED] | Doyle

[REDACTED]

The photos in the letter attached to your e-mail below are not legible and therefore we cannot comment on this at this time.

With respect to the list of properties where insurance claims have been accepted, it is noted that they are for different insurance companies, which apply different criteria when assessing the claims. It is possible that claims would be accepted by these companies even though the cause of the flooding was due to flows exceeding the normal confines of a defined watercourse.

Are you able to forward better copies of the photos?

Regards

[REDACTED]
Principal Consultant
WorleyParsons

Tel: [REDACTED]
Mob: [REDACTED]
e-mail: [REDACTED]

Level 15, 141 Walker St, North Sydney, NSW, 2060
PO Box 1812, North Sydney, NSW 2059

6/06/2011

WorleyParsons | www.worleyparsons.com

From: [REDACTED]
Sent: Thursday, 19 May 2011 10:23 AM
To: Roberts, Marc (Sydney)
Cc: Colin Brett
Subject: FW: File details for [REDACTED] / Doyle

Note: This e-mail is subject to the disclaimer contained at the bottom of this message.

Hi [REDACTED]

Please refer to the attached letter from Insd, who has advised of properties in his street that were accepted as storm water. Are you able to comment on this.

Thanks

[REDACTED]
Team Manager
CGU Insurance

T
F
E

www.cgu.com.au We put the you in CGU

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6/06/2011

Annexure 15



Our Ref: MAF(flood):1197907
Date: Friday, 3 June 2011

Contact: [REDACTED]

The Manager
Internal Dispute Resolution
CGU Insurance
Fax: 07 3135 1413

Dear Colleague

Lynn [REDACTED] Doyle Policy Number [REDACTED]

Request to review decision as quickly as possible following refusal of claim dated: 5 April 2011

The Civil Justice (consumer protection) unit at Legal Aid Queensland acts for the abovenamed for the purpose of this request to review your company'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 our unit, attention the author, [REDACTED] at [REDACTED]

Our client formally now requests that the decision to refuse insurance be reviewed.

In support of the request for review, we ask that you take the following into consideration:

Exclusion relied upon by you (definition)

CGU's refusal letter dated 5 April 2011 indicates that our clients' claim for his property has been rejected on the basis that the damage to their property was caused by Flood water and this is not covered by CGU's Policy. Flood is defined by Page 62 of their Home and Contents Insurance Policy.

On Page 62 of the First Choice Home Insurance Product Disclosure Statement and Policy Flood is defined as "the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam."

We note that Page 36 of 67 the 13th of 50 Listed Exclusions is flood.

3 June 2011

However, at the same time we note that the Policy does provide insurance coverage for Storm, Rainwater and Wind on page 16. This Policy does not appear to define what CGU says is meant by storm or rainwater.

In our view "flood" is covered by the policy, unless it is shown that there is an exclusion which has been clearly communicated to the insured. This is not the case for our client.

In our view as "flood" is a prescribed event for the purposes of section 35 of the Insurance Contracts Act 1984 as defined in regulation 14, you had a duty to clearly inform client that "flood" was excluded under the policy. The Corporations Act 2001 also requires "clear, concise and effective" disclosure.

The reason for this is that when the definition of flood is read together with the inclusion of storm and rainwater 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, rainwater and storm appear to be contradictory and confusing from a consumer's perspective.

A reasonable person could form the view that it is rainwater or the run-off following a storm that causes water to escape or be released from the normal confines of a watercourse because it is the flow of water into watercourses from rainwater and storms that causes the watercourses to rise. There is also uncertainty from the fact it is unclear from the Policy what a storm is and if, when the runoff from a storm causes a watercourse to rise and have water escape whether that is covered or excluded from CGU's Policy or if rainwater run-off causes the same thing to happen.

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 you ought not to rely on the exclusion and payout our client's claim.

Storm Damage

In the alternative, the damage caused to our client's property was caused as a result of run-off from a storm and/or rainwater.

This view is supported by A severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology shortly before 9am as reproduced below and it our view that all of the evidence points to storm cells with torrential downpours which hit the western suburbs of Brisbane on that morning:-

Tuesday, January 11, 2011 8:49 AM

Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding

- 3 -

3 June 2011



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 Goondwindi.

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.

We also note the view that a number of storms affected the Brisbane and Ipswich area is also supported by The Special Climate Statement released by BoM which is quoted in the Insurance Council of Australia Hydrology report for the Brisbane Local Government Area. Relevantly it says:

"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 (Figure 1e). 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

3 June 2011

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." (emphasis added)

The Radar Images in Appendix A of the Report and referred to on Pages 24 and 25 of the ICA Hydrology report are also relevant. We have attached a copy of the relevant radar images. These images support the view of many of our clients that Brisbane and its surrounds experienced a storm on the morning of 11 January 2011 which resulted in heavy rain that in turn caused flash flooding that falls within the definition of storm in our client's CGU's Policy.

Our client is aware that local catchments and ground soils were saturated as a result of prolonged rain over this period, exacerbated by heavy rains and thunderstorms which affected parts of Brisbane and Ipswich on Monday 10th January and on Tuesday 11th January 2011.

According to the Bureau of Meteorology (BoM) daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area over the period 9th to the 12th January, inclusive, as shown at <http://www.bom.gov.au/climate/dwo/IDCJDW0400.shtml>

For the period Monday 9am to Tuesday 9am just 15.4mm rainfall was recorded and massive 40mm was recorded for the period from 9am Tuesday to 9am Wednesday . This accords with our clients' recollection that another storm occurred Tuesday morning with rain continuing throughout the day, and it was only as a result of this storm that flash flooding occurred in the local area.

Legal Aid Queensland now has many clients, living in Brisbane and its Northern Suburbs recalling a severe thunderstorm on Tuesday 11th January in the morning. Specifically we are taking statements confirming that lightning was observed, residents heard thunder and experienced extremely heavy rain squalls in their local area.

Windspeeds recorded by the BoM and reported show that winds were gusting at up to 41kms per hour on the Monday and at 33 kms on the Tuesday. These speeds were elevated from the previous week and support our client's claim that a storm had passed over their property on Tuesday morning resulting in high winds and heavy rain.

In addition, we note that there were 2455 recorded lightning strikes between 11pm on 10th January to 11pm on 11th January 2011 in the Brisbane Area. (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

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

There is little doubt that storms occurred across the Northern Suburbs of Brisbane on Tuesday morning, 11 January 2011.

- 5 -

3 June 2011

This view that the damage to our clients' property was caused by runoff from a Storm and rainwater is supported by the recollection of our clients. They recall the events of that week in the following way:

"The house is in between 2 drains that lead to the creek. The Rowley Road/Mathew Crescent drain is about 280m away and the other drain is about 80m when standing outside to the left. The Burpengary Creek is approximately 310 metres behind our property.

We had rain for 3 days straight. We had lightening and thunder for hours on the 11th Jan. There was a really bad storm. I was at home until about 9am and I noticed the roads were starting to fill with water I took my youngest son to a swimming lesson and went to the bridge on Rowley Road to see if the water had come up. The water was still flowing under the bridge. I drove home after the swimming lesson at about 10:15am and I couldn't get through our street. I couldn't even get through the back streets. I just rang my husband and panicked. I waited at my parents house for my husband to come home (in Kallangur).

At about 2pm we went around the back way to the other side of the creek. My husband walked through where there is a foot bridge to our property. He said by then the water was knee deep at the property. At about 3pm that afternoon we went back to the property in the 4 wheel drive.

We panicked because we were told the water was still to come. And the rivers were all peaking on Wed and Thurs. We managed to take some clothes for the kids and valuables, and photos. We then went back to my parents house.

The water didn't enter the property again. The water which affected the property was clear.

From what we can tell the water came to about the height of the skirting boards and did not go any higher."

Burpengary Creek is not affected by either the Bremer or Brisbane River. We note that Mathew Crescent is on the Northern Side of the Property, while Burpengary Creek is about 300 metres to the South of the Property. Our clients have previously forwarded you a number of photographs which amongst other things show:

- (a) water on Mathew Crescent running towards Burpengary Creek, the opposite direction to which would be required for your argument that the damage was caused by Burpengary Creek breaking its Banks to be hold true;
- (b) the lack of water running down the drive way of the property which is on the Southern Side of the Property. If Burpengary Creek had broken its banks water would have entered the property from this direction.

What is clear from the evidence is that our clients' property was damaged by excessive storm and rainwater run-off following a storm which occurred in the area on Tuesday Morning 11 January 2011. This event falls within the coverage of the CGU Policy held by our clients on any reasonable interpretation of the CGU Policy. We also note that

- 6 -

3 June 2011

CGU is the only insurer we are aware of in this area of streets who has not acknowledged the weight of evidence showing that the damage in the area was caused by storm and its run-off

As a consequence, as the event which caused damage to our client's property is an insured event under the Policy, CGU is required to pay out all of our client's claims. We look forward to your confirmation that this claim will be paid.

Hydrology

We note that in CGU's refusal letter of 5 April 2011 you have drawn the conclusion that the damage to our client's property was caused by flood.

We note that the Worley Parsons Report provided is at best general and contains phrases like "the gauge was not operation from 3pm on the 10th," and refers to a peak being likely greater than the last measurement some 3.7 kms downstream of the property. It also acknowledges that "it is not possible to interpolate the level of Burpengary Creek from recorded gauge data in the vicinity of the property," and then makes a supposition that unknown levels of the Burpengary Creek would have caused a back up in stormwater drains.

We also note the following further inconsistencies with the Worley Parsons Hydrology report. On page 6 it states that "debris lines on the western fence and a lean in the eastern fence indicated that flow was coming from the western side of the property but then at page 6 it says it came from the Creek at the South of the Policy. On page 8 Figure 5a and 5b shows debris is on the road side of the fence, however if the water came from the creek the debris should be on the other side of the fence.

On the whole the report is very general and lacks the data to make specific conclusions that are relevant to [REDACTED] where our clients' property is situated. The far stronger evidence is the evidence of our clients and their neighbours that the water was flowing towards the Burpengary Creek and not away from it.

The hydrology that you have relied on is wholly inadequate for the purpose that you have used it for.

Request for information you relied upon to make your decision

If, upon consideration of the matters raised in this letter you reaffirm the original refusal, would you be so kind as to provide copies of any evidence, hydrology and client information that you have used to determine this claim and/or in reconsideration of this claim within 7 days of your review.

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.

Response and urgency for our client

- 7 -

3 June 2011

Our client prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve his rights to revise his claim if necessary.

Yours sincerely,

per [REDACTED]

Legal Aid Queensland

[REDACTED]
Senior Solicitor/Consumer Advocate
Civil Justice Services (consumer protection)

Flooding in the Brisbane River Catchment, January 2011
 20 February 2011

ICA Hydrology Panel

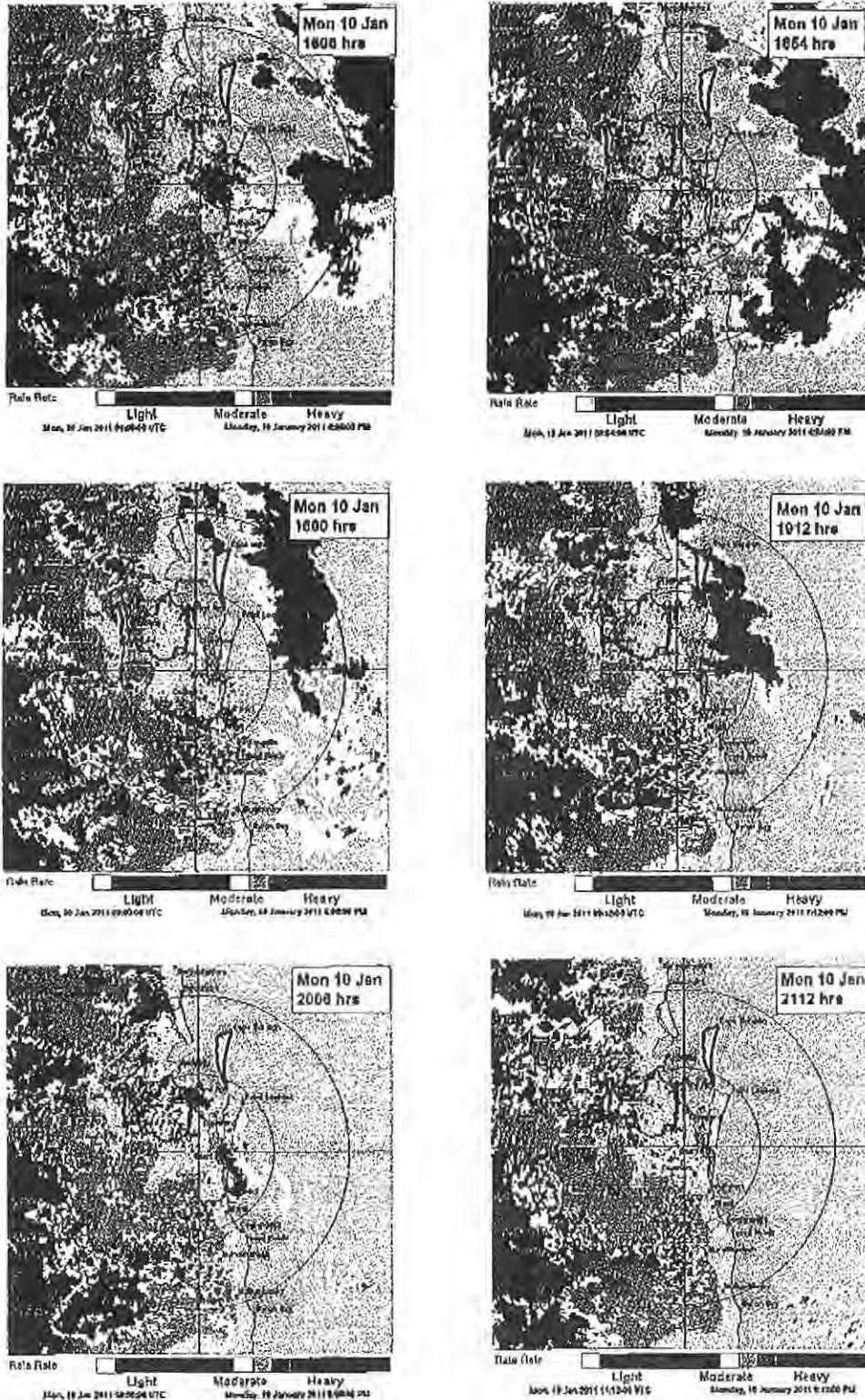


Figure A8 Radar Images, 1606 Hours to 2112 Hours Monday 10 January 2011

Flooding in the Brisbane River Catchment, January 2011
 20 February 2011

ICA Hydrology Panel

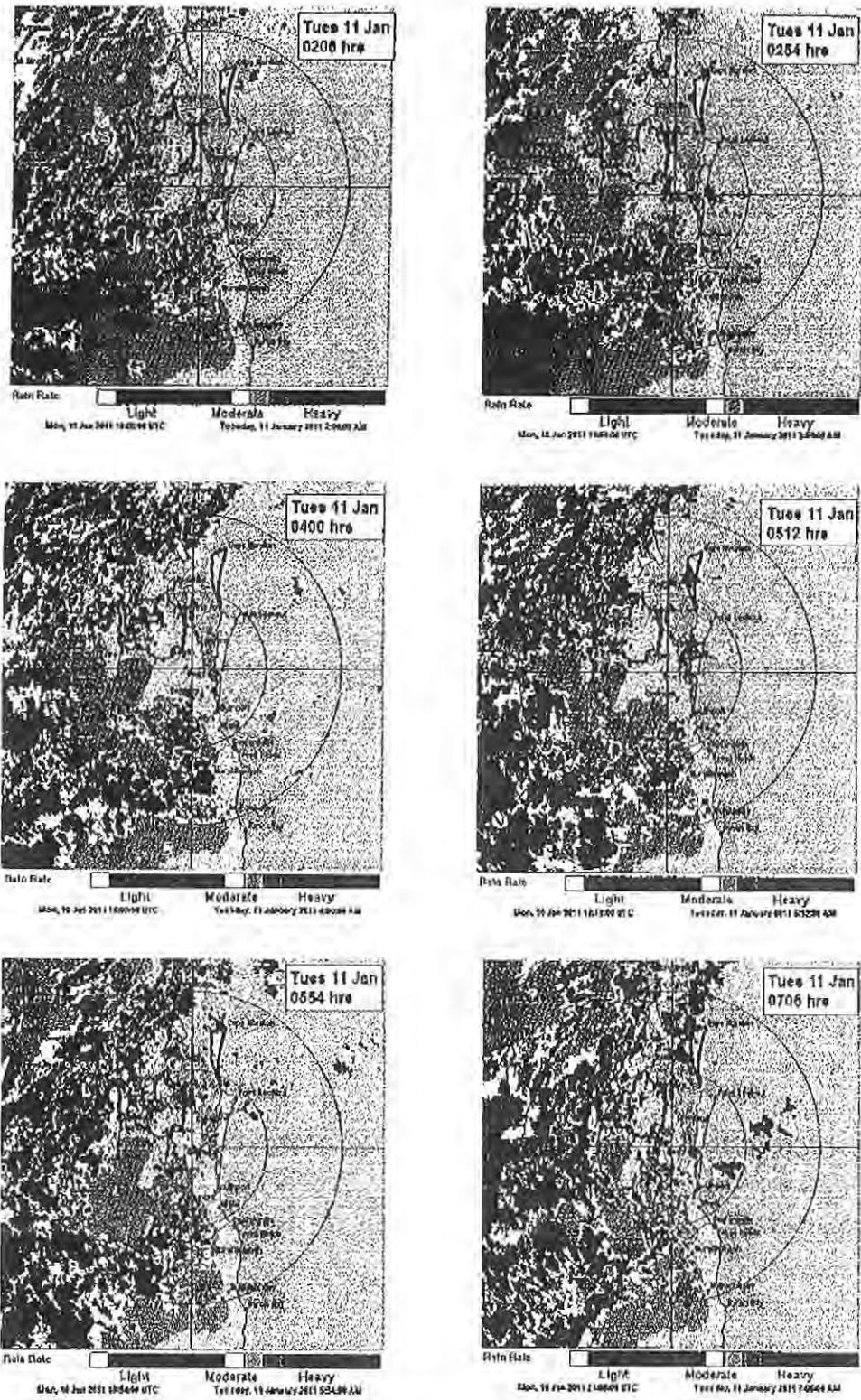


Figure A9 Radar Images, 0206 Hours to 0706 Hours Tuesday 11 January 2011

Flooding in the Brisbane River Catchment, January 2011
20 February 2011

ICA Hydrology Panel

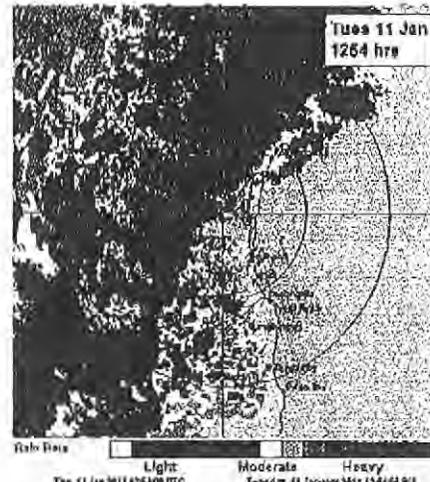
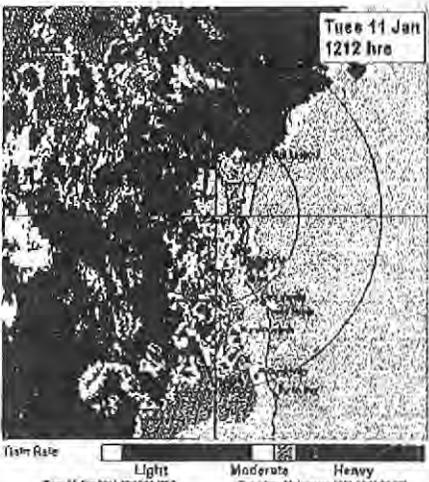
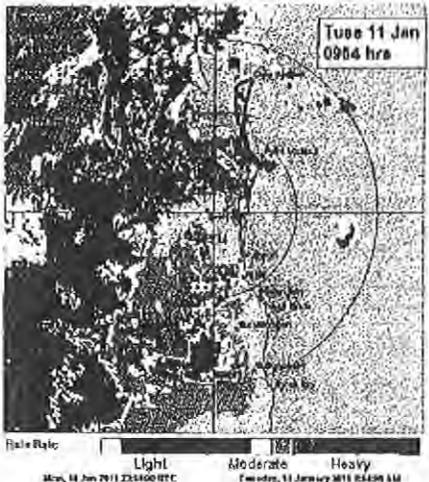
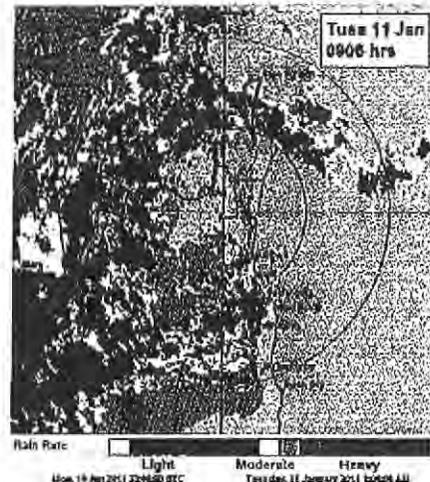
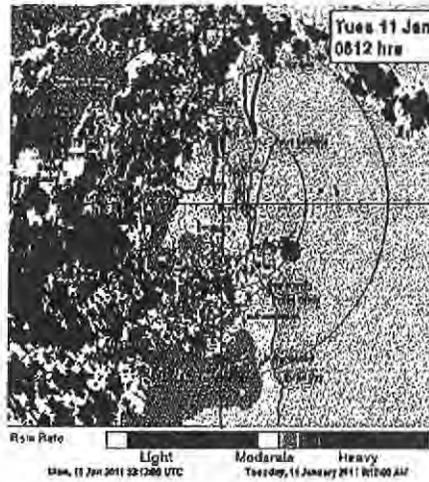


Figure A10 Radar Images, 0812 Hours to 1254 Hours Tuesday 11 January 2011.

Flooding in the Brisbane River Catchment, January 2011
 20 February 2011

ICA Hydrology Panel

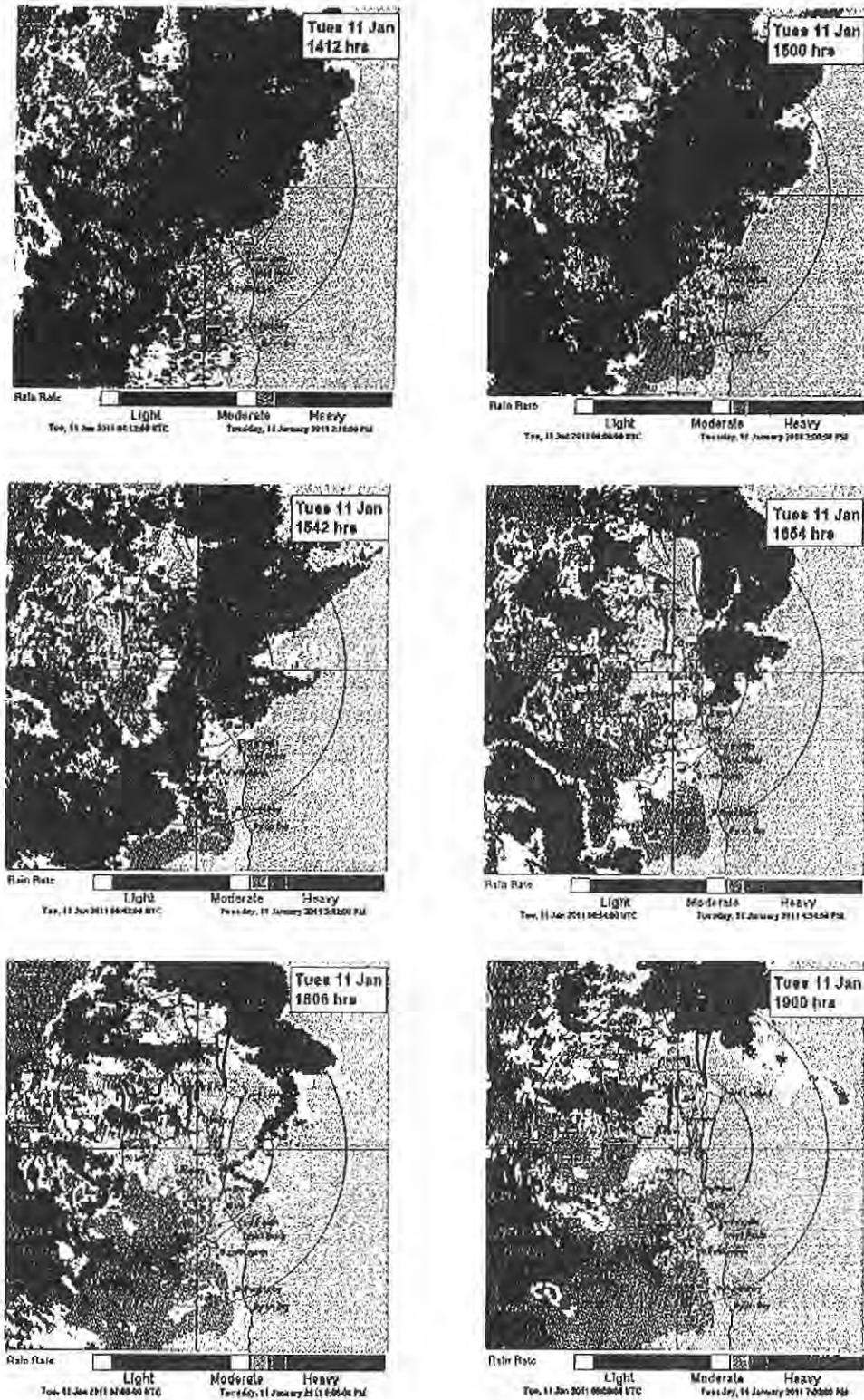


Figure A11 Radar Images, 1412 Hours to 1900 Hours Tuesday 11 January 2011

Flooding in the Brisbane River Catchment, January 2011
20 February 2011

ICA Hydrology Panel

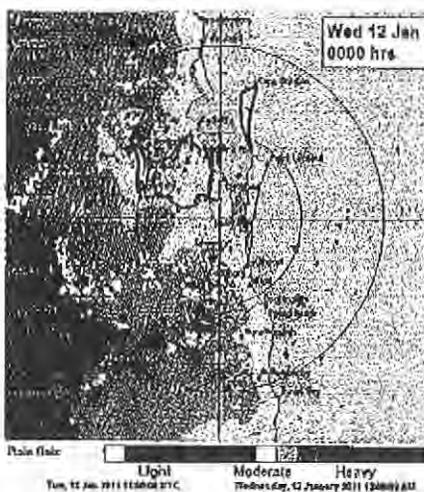
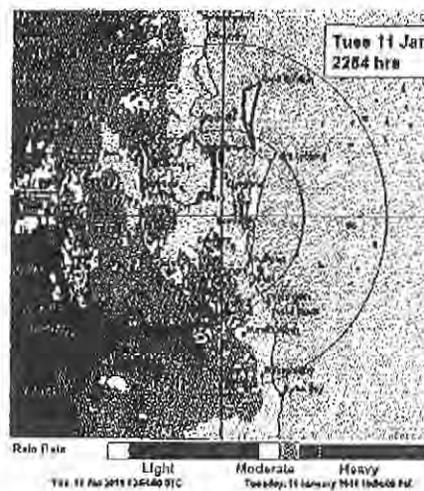
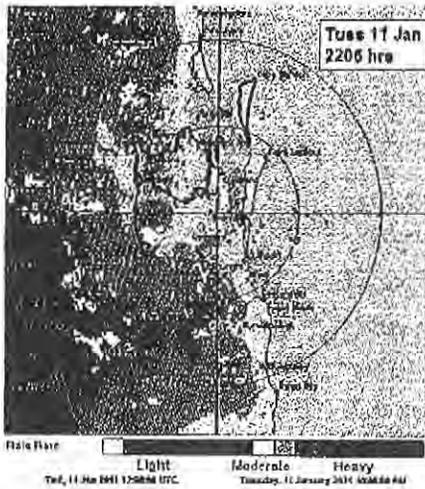
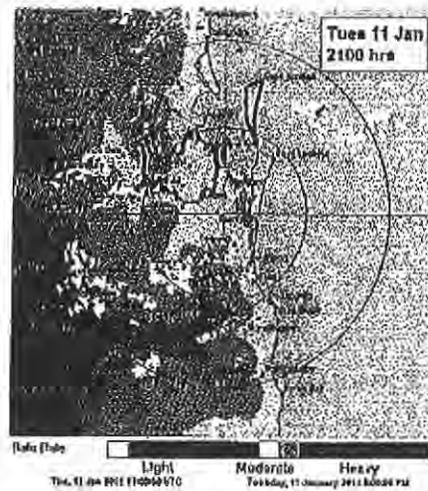
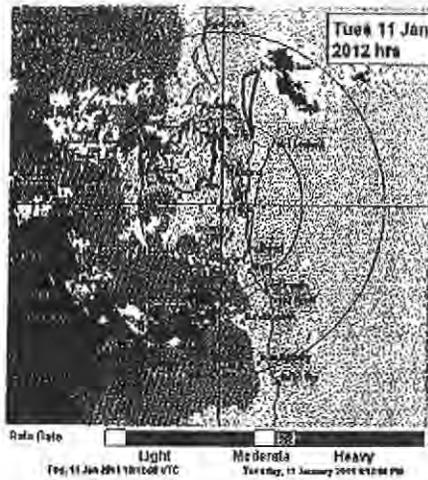


Figure A12 Radar Images, 2012 Hours on Tuesday 11 January to 0000 Hours Wednesday 12 January 2011

Annexure 16



Active (Active or Filed) status of document
24/06/2011 Date document was received
24/06/2011 Date document was completed
Has document been processed yet?

Status: Completed
Claim No: - Mailed/Pasted In -

For: Colin Brett

FOS dispute awaiting allocation for review: Mrs Doyle

mailed in by: Signing Authority on 24-Jun-11
Original Author: FOS Disputes

This is a system generated e-mail. Please do not reply to this e-mail address.

Applicant: Mrs Doyle
Case Number: [REDACTED]

We have received a dispute in the name of Mrs Lynn Doyle concerning CGU Insurance Limited . The case number is provided above. This dispute may be a new dispute or it may have been previously registered with us and the applicant has advised that the matter remains unresolved.

Acceptance process

The next step is to assess if the dispute falls within our Terms of Reference. We do not require a response or any information from you at this stage. The purpose of this notice is simply to notify you that we have received the dispute.

Collection activity or recovery action

Financial services providers are generally prevented from taking further debt recovery action in relation to a debt which is the subject of a dispute with FOS.

Accordingly, we expect any recovery action to cease now that you are aware that a dispute has been lodged.

Dispute information

To assist you to identify the applicant, we provide the following information:

- Applicant name(s): Mrs Lynn Doyle
- Applicant 1 date of birth: [REDACTED]
- Applicant 2 date of birth: [REDACTED]
- Applicant company name:
- Applicant address: [REDACTED] Burpengary, QLD, Australia 4505
- Representative name: Mr [REDACTED], Legal Aid Queensland
- Representative address: Consumer Protection Unit, GPO Box 2449, Brisbane, QLD, Australia 4001
- Phone no: [REDACTED]
- Email: [REDACTED]
- Reference type: Claim no.
- Reference: [REDACTED]
- Dispute summary: Queensland Flood Claim: The applicants' lodged the claim over the phone with FSP on 11 January 2011. The applicants' claim was initially refused by the FSP on 5 April 2011. Legal Aid Queensland prepared an Internal Dispute Resolution submission, sent on 3 June 2011. FSP still has not responded to the IDR submission. LAQ feel this delay is excessive. Please find attached the following documents: 1. initial refusal letter from FSP to applicants dated DD MM 2011 2. LAQ IDR submission dated DD MM 2011
- Outcome requested: For the refusal to be overturned and the applicants' claim to be paid.

Further Action

We will contact you again once we have assessed our jurisdiction to consider the dispute. If you are yet to review this dispute in accordance with your internal dispute resolution procedures, we would encourage you to do so.

If you have any questions in relation to this e-mail, you can contact us on 1300 56 55 62 or by e-mail at info@fos.org.au.

Yours sincerely

Acceptance Team Financial Ombudsman Service

IMPORTANT

The contents of this email (including any attachments) are confidential contain privileged information. Any unauthorised use of the contents is expressly prohibited. If you have received this email in error, please us immediately by Telephone: 1300 78 08 08 (local call) or by email info@fos.org.au destroy the email and any attachments or documents. Our privacy policy available on our website.

27-Jun-11 Date last modified (@now when it was saved)
24/06/2011Emails Received

Annexure 17

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

4 July 2011

Received 6/7

Mr [REDACTED]
National Manager, Dispute Resolution
CGU Insurance Limited
GPO Box 390D
Melbourne VIC 3001

[REDACTED], please update
FOS case Ref
Date Referral Notice received
[REDACTED], please update
Date of L2 FD; FD (when known)
Amounts
any others as applicable

Dear Mr [REDACTED]

Dispute lodged by: Mrs Lynn Doyle
Case number: [REDACTED]

[REDACTED] 6/7

Please find enclosed details of Mrs Doyle's dispute with CGU Insurance Limited.

What you need to do

We encourage you to contact Mrs Doyle 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 CGU Insurance Limited's position and copies of all relevant information and supporting documents, including a copy of any response to Mrs Doyle. This should be provided to the Financial Ombudsman Service (FOS), with a copy provided to Mrs Doyle.

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 **25 July 2011**.

Once we receive your response we will review the dispute and decide the appropriate next step for resolving this matter.

WED
→

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 Mrs Doyle. 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]
[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:	24 June 2011
Applicant Name:	Mrs Lynn Doyle
Applicant's Business Name (if applicable):	
Applicant Address & Contact Details:	[REDACTED], Burpengary, QLD, Australia 4505 Ph: [REDACTED] Email:
Representative Name (if applicable):	[REDACTED] [REDACTED]
Representative Address Details (if applicable):	Consumer Protection Unit, GPO Box 2449, Brisbane, QLD, Australia 4001
Account/Policy/ Claim Reference Number:	Claim no. [REDACTED]
Financial Services Provider Name:	CGU Insurance Limited

Summary of Dispute:

Queensland Flood Claim: The applicants' lodged the claim over the phone with FSP on 11 January 2011. The applicants' claim was initially refused by the FSP on 5 April 2011. Legal Aid Queensland prepared an Internal Dispute Resolution submission, sent on 3 June 2011. FSP still has not responded to the IDR submission. LAQ feel this delay is excessive.

Please find attached the following documents:

1. Initial refusal letter from FSP to applicants dated DD MM 2011
2. LAQ IDR submission dated DD MM 2011

Outcome Sought:

For the refusal to be overturned and the applicants' claim to be paid.

Desmond Buckley

NOTE

From: [REDACTED]
Sent: Tuesday, 28 June 2011 2:41 PM
To: [REDACTED]
Subject: RE: Lynn Doyle - [REDACTED] Burpengary Qld 4505 Our Ref [REDACTED]

Hi [REDACTED]

Our clients sent a letter dated 3 May 2011 to [REDACTED] Team Manager of CGU Claims. I have no information of when that letter arrived.

Cheers

Paul

[REDACTED]
Senior Solicitor/Consumer Advocate
Consumer Protection Unit
Legal Aid Queensland
44 Herschel Street
Brisbane QLD 4000
Ph: [REDACTED]
[REDACTED]

From: [REDACTED]
Sent: Tuesday, June 28, 2011 2:16 PM
To: [REDACTED]
Subject: Lynn Doyle - [REDACTED] Burpengary Qld 4505 Our Ref 247156

Hi [REDACTED]

The on line dispute form states that the Applicant first lodged the complaint with the FSP on 17 May 2011. In order to move the dispute forward at this time, we require the Applicant to advise the name of the person or department that she complained to on that date.

Can you ask the Applicant to supply us with this information.

Regards

[REDACTED] | Dispute Officer

Financial Ombudsman Service Limited

T: [REDACTED] | [REDACTED] | Local call: 1300 78 08 08 | Email [REDACTED]

Please consider the environment before printing this email

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FOSSIC Case Action Report

Reference Id [REDACTED]
Status Acceptance
Team ERT GI Acceptance
Case Owner

Applicant Name Doyle, Mrs Lynn R
Home Phone
Business Phone 07 [REDACTED] Mobile Phone
Email Fax

Interpreter
Referred By Legal Aid/Free Legal Service
Received Via Web
FSP Name CGU Insurance Limited
Contact Name

Case Action

Action Description	Email Out	Code
Action Date	28-Jun-2011 by [REDACTED]	EO
Contact	Doyle, Lynn	
Comment	Hi Paul	

The on line dispute form states that the Applicant first lodged the complaint with the FSP on 17 May 2011. In order to move the dispute forward at this time, we require the Applicant to advise the name of the person or department that she complained to on that date.

Can you ask the Applicant to supply us with this information.

Regards

*** End of Report ***



CGU Insurance

GPO Box 9902
BRISBANE QLD 4001

ABN 2704 478 371

Tel: 1300 882 788
Fax: 07 3136 1413

5th April 2011

MR & MRS DOYLE

[REDACTED]
BURPENGARY QLD 4505

Dear Mr and Mrs Doyle,

Your Claim Number: [REDACTED]
Your Policy Number: [REDACTED]
Situation Address: [REDACTED] BURPENGARY QLD

I am writing to you in relation to a claim you made for damage to your property on or about the 11th January 2011.

As requested I have reviewed your claim and after careful consideration of the information provided, I concur with the original decision to decline the claim for the following reasons;

Summary of the decision

The circumstances of the claim

We received an email of correspondence on the 4th April 2011 requesting reconsideration of your claim.

Your policy coverage relating to the claim

Your CGU policy covers inundation by storm water but does not provide insurance coverage for losses caused by flood. Flood is clearly defined in your policy, for details you can refer to the glossary of your CGU home policy.

The information we have considered in making this decision

CGU reviews each claim on its individual merits and we do not deny claims lightly. We have carefully reviewed your claim; water has escaped from Burpengary Creek via storm drains. Where water has escaped a water course By backing up through storm water drains to find an equal level to the river, this is also considered to fall within the definition of Flood under the CGU Policy.

Furthermore, rising storm waters that can not drain into a watercourse because the watercourse is already in flood is also considered flood water



The source of the inundation is from the Burpengary Creek. I refer to your definition of flood under your CGU policy:

Flood:

The covering of normal dry land by water escaping or released from the confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

Flood water that mixes with storm water run off that inundates your property is viewed as damage from floodwater.

Based on your advice and information available to us, we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim.

If you disagree with this decision, please contact me and I will refer your claim to the CGU Dispute Resolution team. The Dispute Resolution team will independently review your claim and provide a decision within 15 business days of receiving your request and all relevant information.

Enclosed is a brochure that will provide you with further information about the dispute resolution process. Please do not hesitate to contact me on [REDACTED] [REDACTED] if you wish to discuss this matter or require any further information.

Yours Sincerely,

[REDACTED]

[REDACTED]
Team Manager
CGU Claims

Our Ref: MAF(flood):1197907
Date: Friday, 3 June 2011

Contact: [REDACTED]

The Manager
Internal Dispute Resolution
CGU Insurance
Fax: 07 3135 1413

Dear Colleague

Lynn and Brett Doyle Policy Number [REDACTED] Claim Number [REDACTED]

Request to review decision as quickly as possible following refusal of claim dated: 5 April 2011

The Civil Justice (consumer protection) unit at Legal Aid Queensland acts for the abovenamed for the purpose of this request to review your company'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 our unit, attention the author, Paul Holmes at [REDACTED].

Our client formally now requests that the decision to refuse insurance be reviewed.

In support of the request for review, we ask that you take the following into consideration:

Exclusion relied upon by you (definition)

CGU's refusal letter dated 5 April 2011 indicates that our clients' claim for his property has been rejected on the basis that the damage to their property was caused by Flood water and this is not covered by CGU's Policy. Flood is defined by Page 62 of their Home and Contents Insurance Policy.

On Page 62 of the First Choice Home Insurance Product Disclosure Statement and Policy Flood is defined as

"the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam."

We note that Page 36 of 67 the 13th of 50 Listed Exclusions is flood.

3 June 2011

However, at the same time we note that the Policy does provide insurance coverage for Storm, Rainwater and Wind on page 16. This Policy does not appear to define what CGU says is meant by storm or rainwater.

In our view "flood" is covered by the policy, unless it is shown that there is an exclusion which has been clearly communicated to the insured. This is not the case for our client.

In our view as "flood" is a prescribed event for the purposes of section 35 of the Insurance Contracts Act 1984 as defined in regulation 14, you had a duty to clearly inform client that "flood" was excluded under the policy. The Corporations Act 2001 also requires "clear, concise and effective" disclosure.

The reason for this is that when the definition of flood is read together with the inclusion of storm and rainwater 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, rainwater and storm appear to be contradictory and confusing from a consumer's perspective.

A reasonable person could form the view that it is rainwater or the run-off following a storm that causes water to escape or be released from the normal confines of a watercourse because it is the flow of water into watercourses from rainwater and storms that causes the watercourses to rise. There is also uncertainty from the fact it is unclear from the Policy what a storm is and if, when the runoff from a storm causes a watercourse to rise and have water escape whether that is covered or excluded from CGU's Policy or if rainwater run-off causes the same thing to happen.

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 you ought not to rely on the exclusion and payout our client's claim.

Storm Damage

In the alternative, the damage caused to our client's property was caused as a result of run-off from a storm and/or rainwater.

This view is supported by A severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology shortly before 9am as reproduced below and it our view that all of the evidence points to storm cells with torrential downpours which hit the western suburbs of Brisbane on that morning:-

Tuesday, January 11, 2011 8:49 AM

Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding

3 June 2011



**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.

We also note the view that a number of storms affected the Brisbane and Ipswich area is also supported by The Special Climate Statement released by BoM which is quoted in the Insurance Council of Australia Hydrology report for the Brisbane Local Government Area. Relevantly it says:

"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 (Figure 1e). 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

3 June 2011

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.*" (emphasis added)

The Radar Images in Appendix A of the Report and referred to on Pages 24 and 25 of the ICA Hydrology report are also relevant. We have attached a copy of the relevant radar images. These images support the view of many of our clients that Brisbane and its surrounds experienced a storm on the morning of 11 January 2011 which resulted in heavy rain that in turn caused flash flooding that falls within the definition of storm in our client's CGU's Policy.

Our client is aware that local catchments and ground soils were saturated as a result of prolonged rain over this period, exacerbated by heavy rains and thunderstorms which affected parts of Brisbane and Ipswich on Monday 10th January and on Tuesday 11th January 2011.

According to the Bureau of Meteorology (BoM) daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area over the period 9th to the 12th January, inclusive, as shown at <http://www.bom.gov.au/climate/dwo/IDCJDW0400.shtml>

For the period Monday 9am to Tuesday 9am just 15.4mm rainfall was recorded and massive 40mm was recorded for the period from 9am Tuesday to 9am Wednesday . This accords with our clients' recollection that another storm occurred Tuesday morning with rain continuing throughout the day, and it was only as a result of this storm that flash flooding occurred in the local area.

Legal Aid Queensland now has many clients, living in Brisbane and its Northern Suburbs recalling a severe thunderstorm on Tuesday 11th January in the morning. Specifically we are taking statements confirming that lightning was observed, residents heard thunder and experienced extremely heavy rain squalls in their local area.

Windspeeds recorded by the BoM and reported show that winds were gusting at up to 41kms per hour on the Monday and at 33 kms on the Tuesday. These speeds were elevated from the previous week and support our client's claim that a storm had passed over their property on Tuesday morning resulting in high winds and heavy rain.

In addition, we note that there were 2455 recorded lightning strikes between 11pm on 10th January to 11pm on 11th January 2011 in the Brisbane Area. (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

Total Strikes	Date and Time
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There is little doubt that storms occurred across the Northern Suburbs of Brisbane on Tuesday morning, 11 January 2011.

3 June 2011

This view that the damage to our clients' property was caused by runoff from a Storm and rainwater is supported by the recollection of our clients. They recall the events of that week in the following way:

"The house is in between 2 drains that lead to the creek. The Rowley Road/Mathew Crescent drain is about 280m away and the other drain is about 80m when standing outside to the left. The Burpengary Creek is approximately 310 metres behind our property.

We had rain for 3 days straight. We had lightening and thunder for hours on the 11th Jan. There was a really bad storm. I was at home until about 9am and I noticed the roads were starting to fill with water I took my youngest son to a swimming lesson and went to the bridge on Rowley Road to see if the water had come up. The water was still flowing under the bridge. I drove home after the swimming lesson at about 10:15am and I couldn't get through our street. I couldn't even get through the back streets. I just rang my husband and panicked. I waited at my parents house for my husband to come home (in Kallangur).

At about 2pm we went around the back way to the other side of the creek. My husband walked through where there is a foot bridge to our property. He said by then the water was knee deep at the property. At about 3pm that afternoon we went back to the property in the 4 wheel drive.

We panicked because we were told the water was still to come. And the rivers were all peaking on Wed and Thurs. We managed to take some clothes for the kids and valuables, and photos. We then went back to my parents house.

The water didn't enter the property again. The water which affected the property was clear.

From what we can tell the water came to about the height of the skirting boards and did not go any higher."

Burpengary Creek is not affected by either the Bremer or Brisbane River. We note that Mathew Crescent is on the Northern Side of the Property, while Burpengary Creek is about 300 metres to the South of the Property. Our clients have previously forwarded you a number of photographs which amongst other things show:

- (a) water on [REDACTED] running towards Burpengary Creek, the opposite direction to which would be required for your argument that the damage was caused by Burpengary Creek breaking its Banks to be hold true;
- (b) the lack of water running down the drive way of the property which is on the Southern Side of the Property. If Burpengary Creek had broken its banks water would have entered the property from this direction.

What is clear from the evidence is that our clients' property was damaged by excessive storm and rainwater run-off following a storm which occurred in the area on Tuesday Morning 11 January 2011. This event falls within the coverage of the CGU Policy held by our clients on any reasonable interpretation of the CGU Policy. We also note that

3 June 2011

CGU is the only insurer we are aware of in this area of streets who has not acknowledged the weight of evidence showing that the damage in the area was caused by storm and its run-off

As a consequence, as the event which caused damage to our client's property is an insured event under the Policy, CGU is required to pay out all of our client's claims. We look forward to your confirmation that this claim will be paid.

Hydrology

We note that in CGU's refusal letter of 5 April 2011 you have drawn the conclusion that the damage to our client's property was caused by flood.

We note that the Worley Parsons Report provided is at best general and contains phrases like "the gauge was not operation from 3pm on the 10th," and refers to a peak being likely greater than the last measurement some 3.7 kms downstream of the property. It also acknowledges that "it is not possible to interpolate the level of Burpengary Creek from recorded gauge data in the vicinity of the property," and then makes a supposition that unknown levels of the Burpengary Creek would have caused a back up in stormwater drains.

We also note the following further inconsistencies with the Worley Parsons Hydrology report. On page 6 it states that "debris lines on the western fence and a lean in the eastern fence indicated that flow was coming from the western side of the property but then at page 6 it says it came from the Creek at the South of the Policy. On page 8 Figure 5a and 5b shows debris is on the road side of the fence, however if the water came from the creek the debris should be on the other side of the fence.

On the whole the report is very general and lacks the data to make specific conclusions that are relevant to [REDACTED] where our clients' property is situated. The far stronger evidence is the evidence of our clients and their neighbours that the water was flowing towards the Burpengary Creek and not away from it.

The hydrology that you have relied on is wholly inadequate for the purpose that you have used it for.

Request for information you relied upon to make your decision

If, upon consideration of the matters raised in this letter you reaffirm the original refusal, would you be so kind as to provide copies of any evidence, hydrology and client information that you have used to determine this claim and/or in reconsideration of this claim within 7 days of your review.

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.

Response and urgency for our client

3 June 2011

Our client prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve his rights to revise his claim if necessary.

Yours sincerely,

per [REDACTED]

Legal Aid Queensland

[REDACTED]
Senior Solicitor/Consumer Advocate
Civil Justice Services (consumer protection)

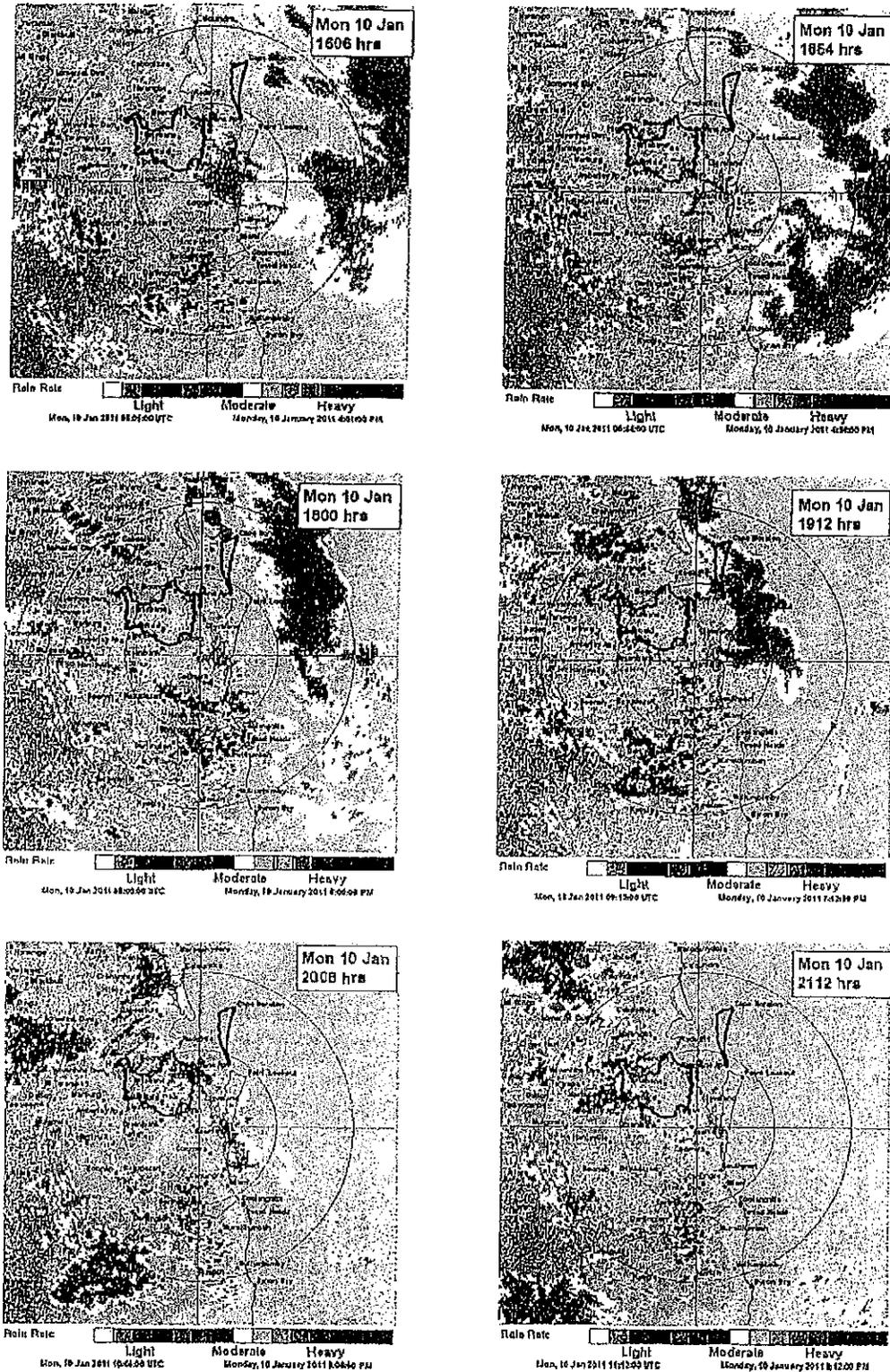


Figure A8 Radar Images, 1606 Hours to 2112 Hours Monday 10 January 2011

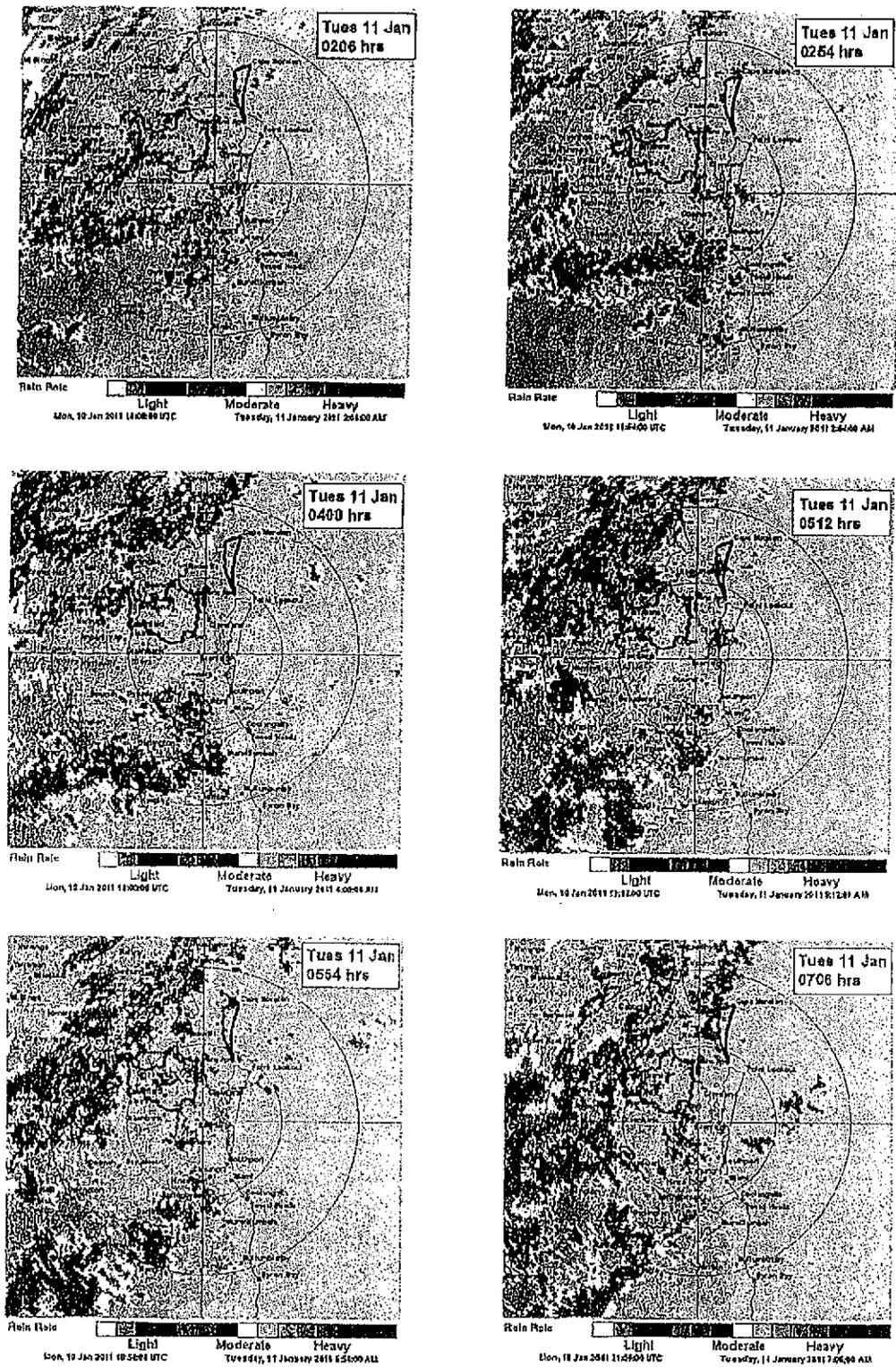


Figure A9 Radar Images, 0206 Hours to 0706 Hours Tuesday 11 January 2011

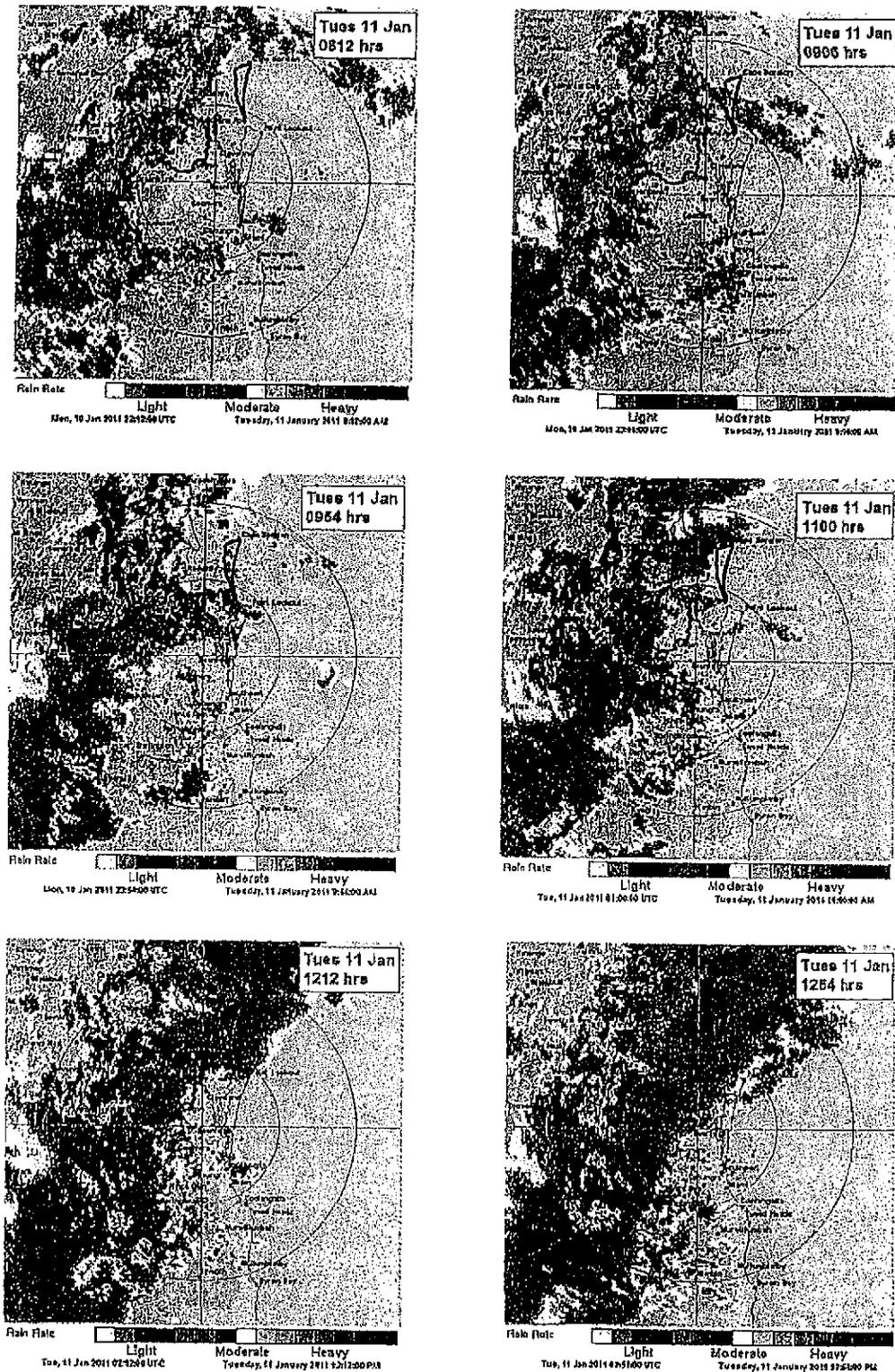


Figure A10 Radar Images, 0812 Hours to 1254 Hours Tuesday 11 January 2011

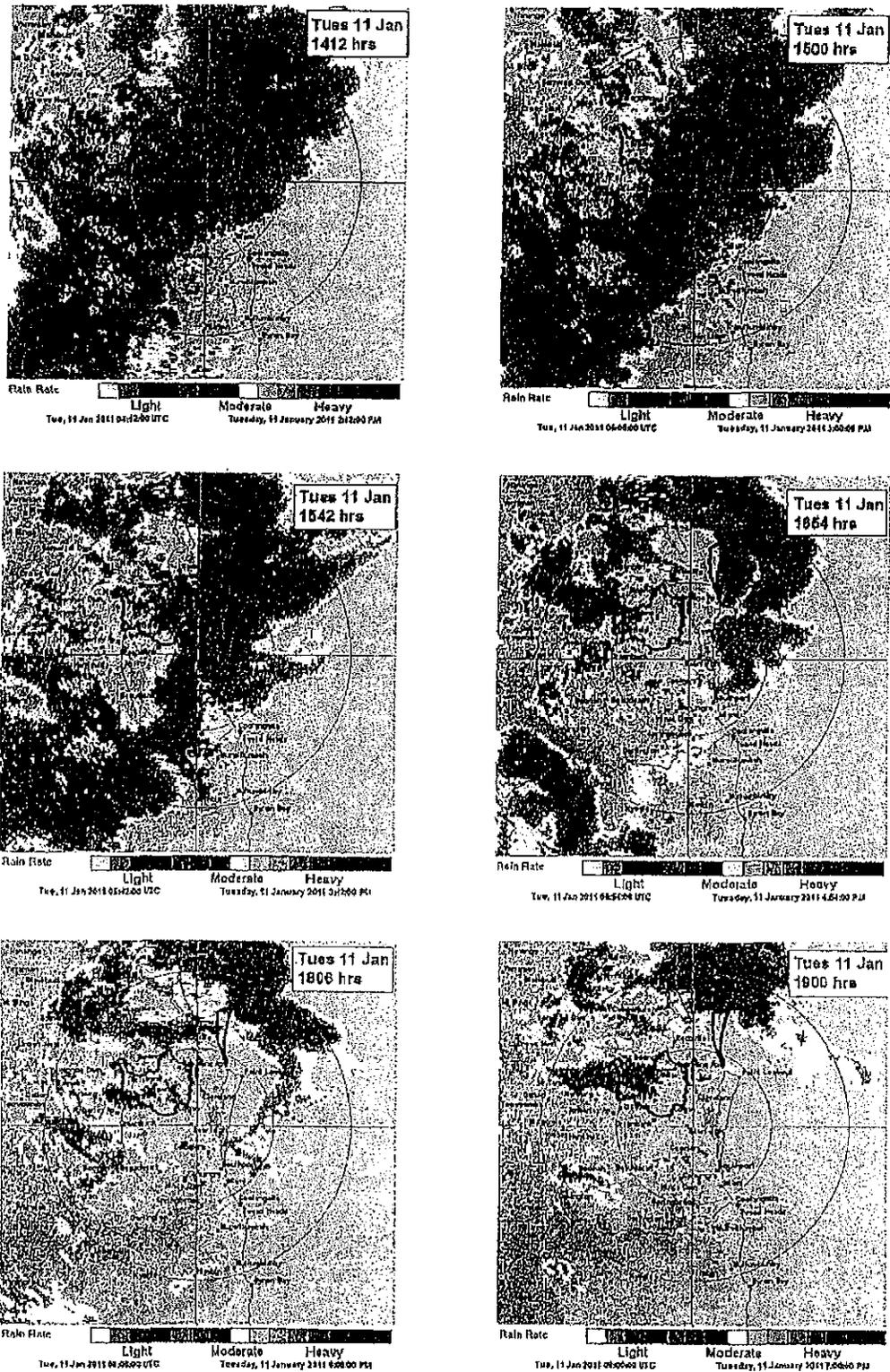


Figure A11 Radar Images, 1412 Hours to 1900 Hours Tuesday 11 January 2011

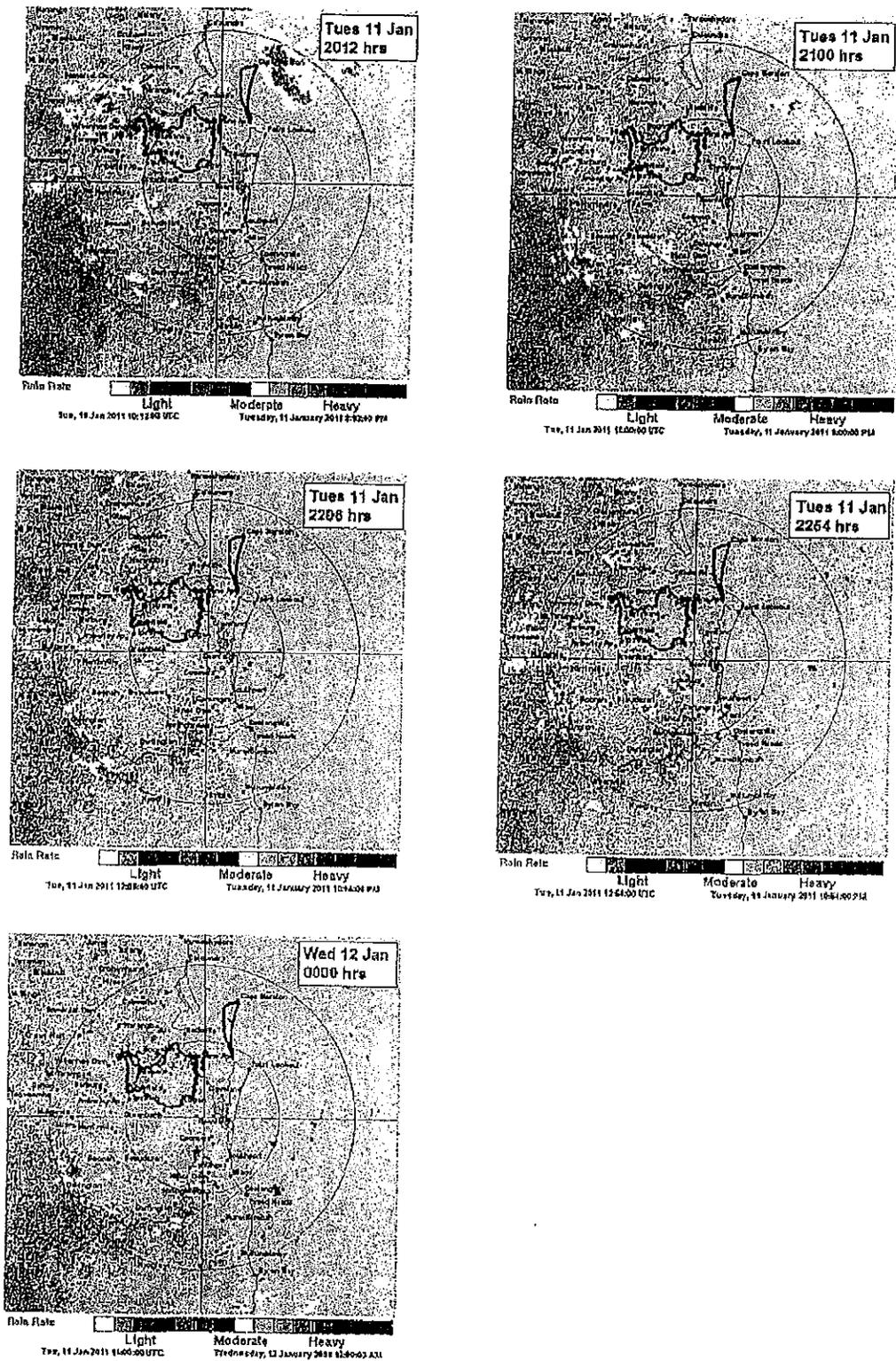


Figure A12 Radar Images, 2012 Hours on Tuesday 11 January to 0000 Hours Wednesday 12 January 2011

3 June 2011



**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.

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- 6 -

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Response and urgency for our client

- 7 -

3 June 2011

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Yours sincerely,

per [REDACTED]

Legal Aid Queensland

[REDACTED]
Senior Solicitor/Consumer Advocate
Civil Justice Services (consumer protection)

Flooding in the Brisbane River Catchment, January 2011
20 February 2011

ICA Hydrology Panel

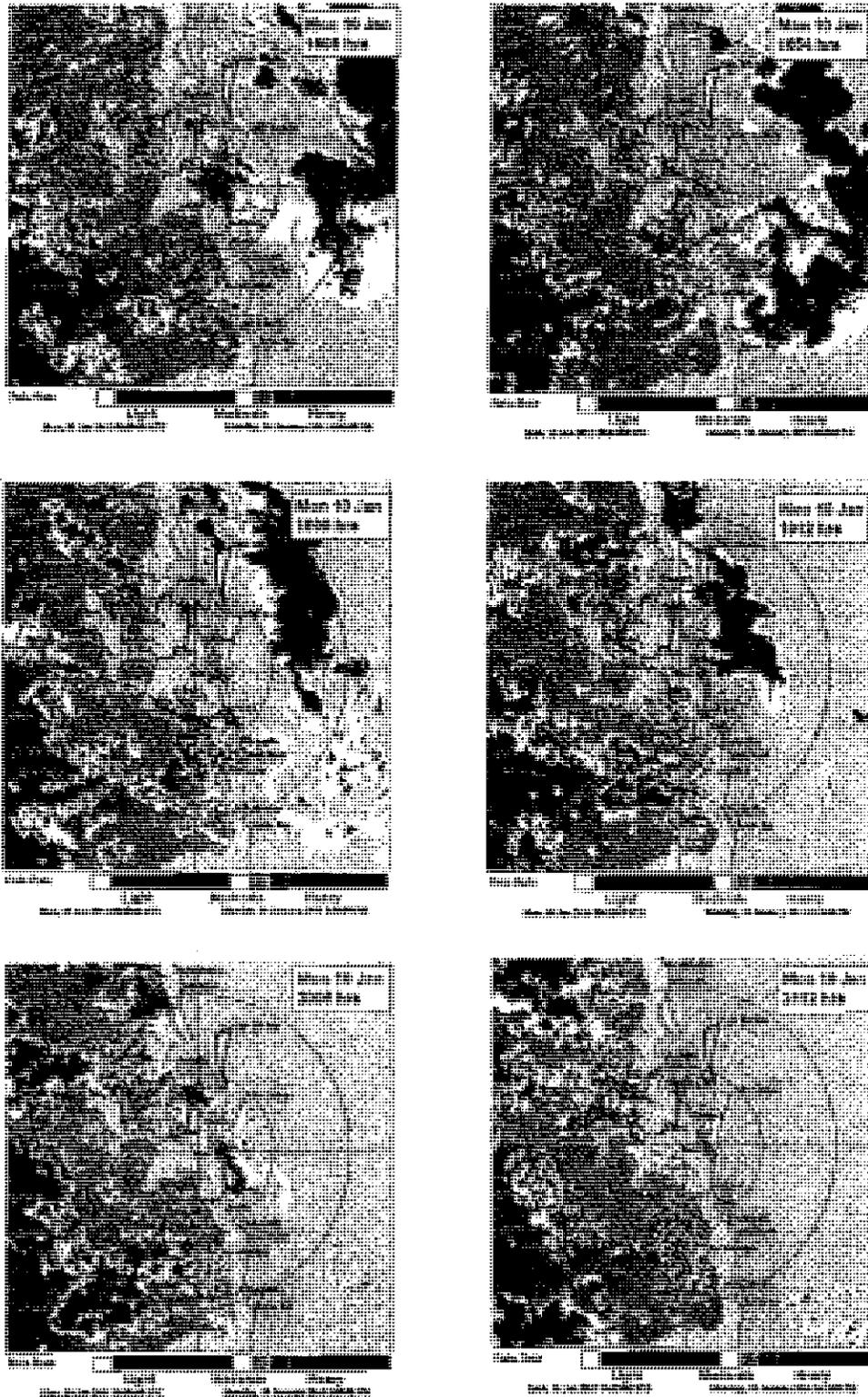


Figure A8 Radar Images, 1606 Hours to 2112 Hours Monday 10 January 2011

Flooding in the Brisbane River Catchment, January 2011
20 February 2011

ICA Hydrology Panel

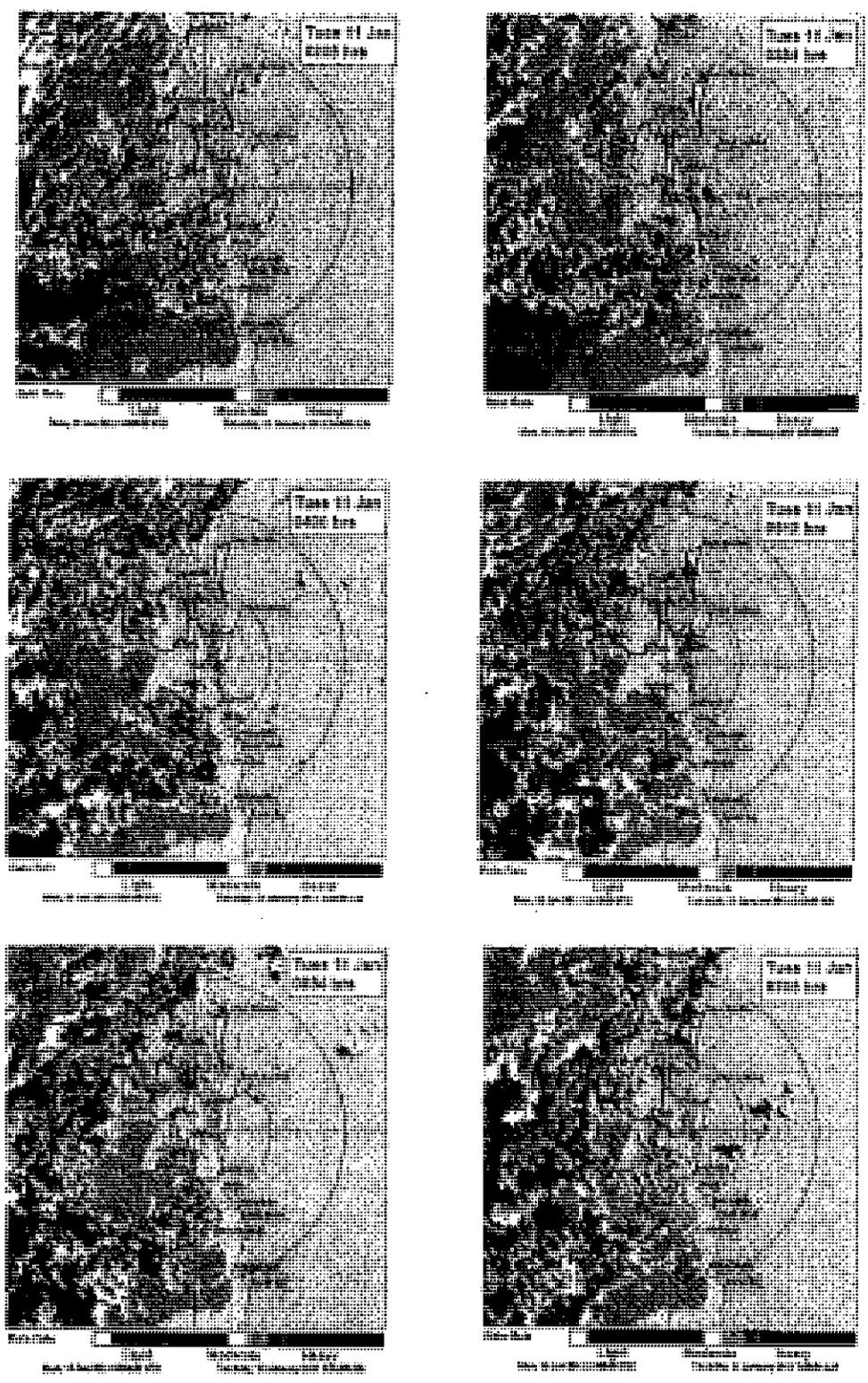


Figure A9 Radar Images, 0206 Hours to 0706 Hours Tuesday 11 January 2011

Flooding in the Brisbane River Catchment, January 2011
 20 February 2011

ICA Hydrology Panel

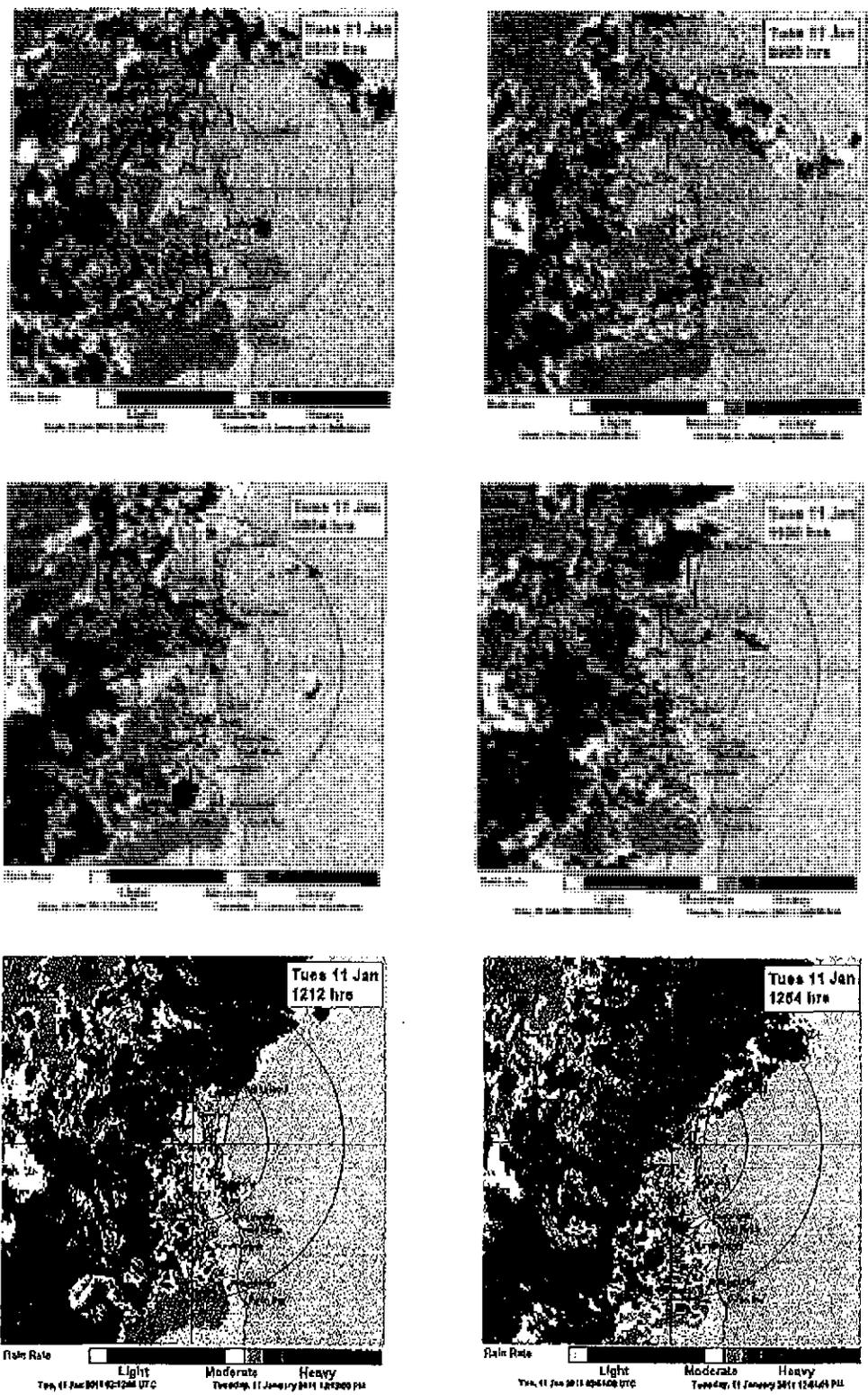


Figure A10 Radar Images, 0812 Hours to 1254 Hours Tuesday 11 January 2011

Flooding in the Brisbane River Catchment, January 2011
 20 February 2011

ICA Hydrology Panel

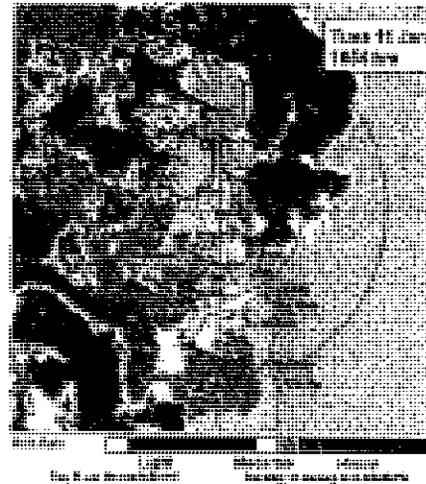
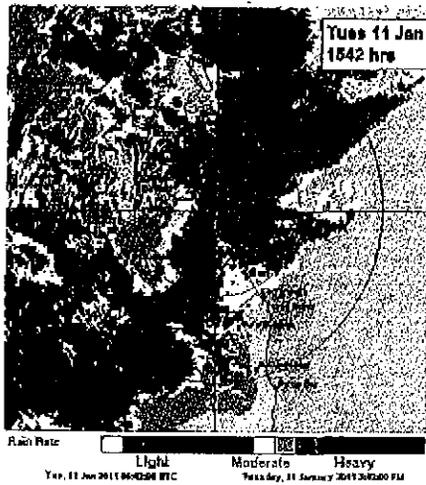
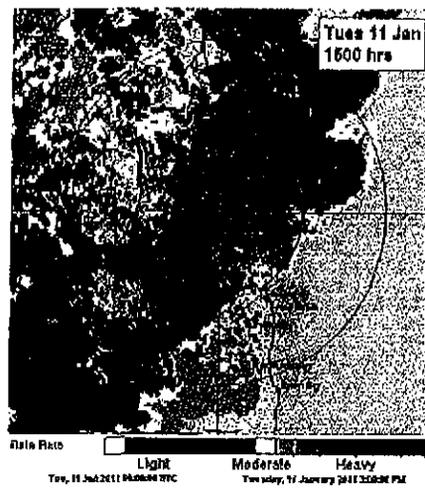
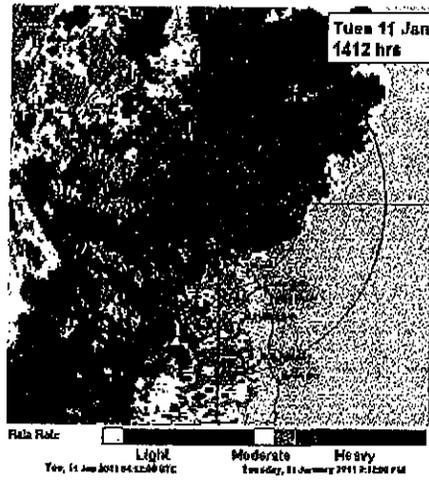


Figure A11 Radar Images, 1412 Hours to 1900 Hours Tuesday 11 January 2011

Flooding in the Brisbane River Catchment, January 2011
20 February 2011

ICA Hydrology Panel

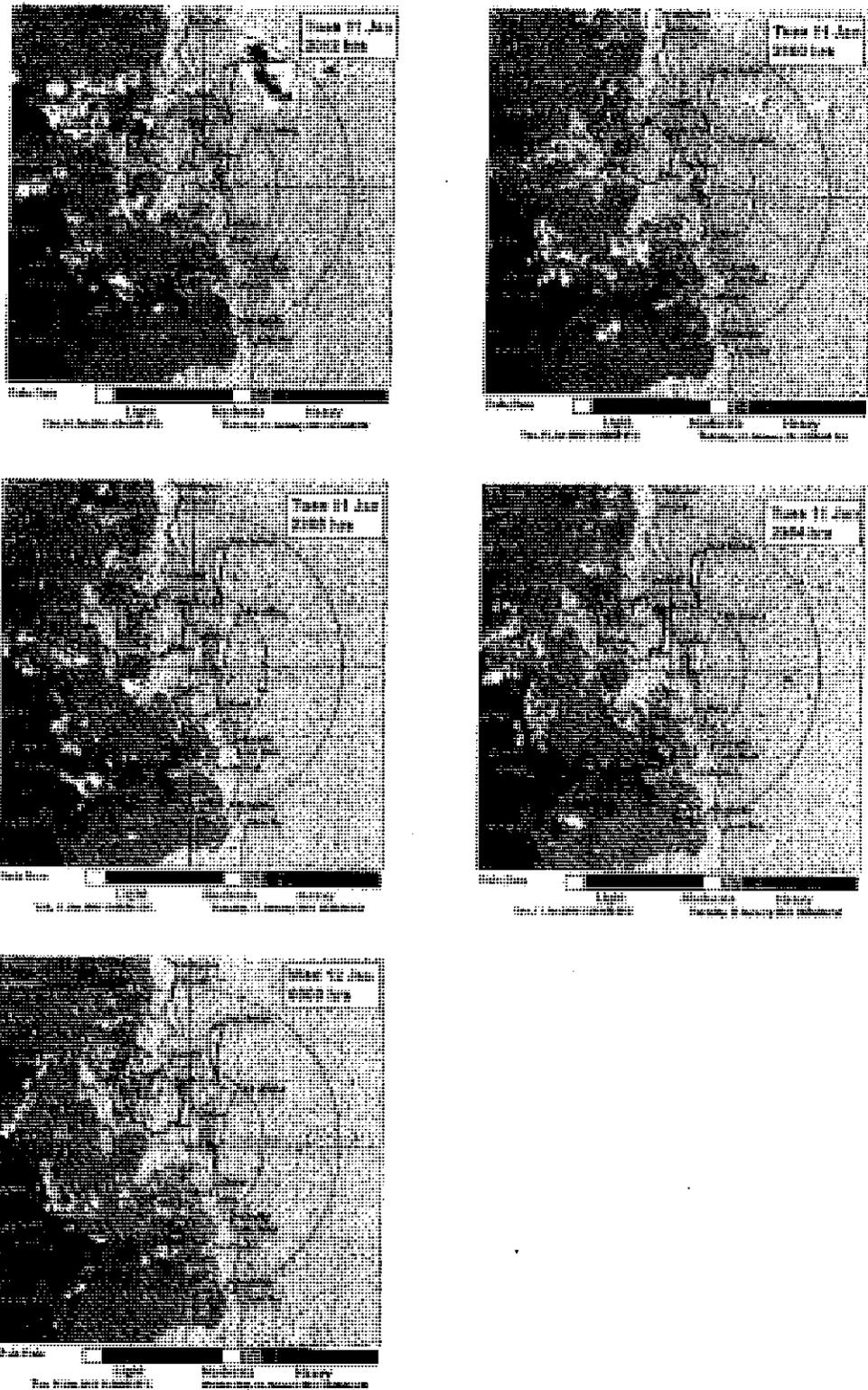


Figure A12 Radar Images, 2012 Hours on Tuesday 11 January to 0000 Hours Wednesday 12 January 2011

Annexure 18



MEMORANDUM

DATE 25 July 2011

TO [REDACTED] (CGU Insurance)

FROM [REDACTED]

COPY [REDACTED] (CGU Insurance)

PROJECT [REDACTED]

SUBJECT [REDACTED], Burpengary

[REDACTED]

Further to correspondence received from CGU regarding [REDACTED] Mathew Crescent, Burpengary (*the property*) dated 27th June 2011, the following memo outlines a response to comments received on the hydrology report prepared for the property in a letter from the claimants, Mr and Mrs Doyle, dated 3rd May 2011.

The data gap in the Burpengary (*Rowley Rd*) gauge from 15:15 on Monday 10th January 2011 to 18:15 on Friday 14th January prevents a water level interpolation for the period of inundation at the property. The reason for the gap is unknown with no indication from the owners of the gauge (*BoM and/or Moreton Bay Regional Council, MBRC*). In the absence of gauge level records the field inspection provided the indicative depth of inundation (*approx. 500mm over ground, as measured from debris in nearby fences*)

The hydrology report summarises the regional rainfall by analysing available data at several gauges. The Redcliffe gauge records hourly rainfall, while the Burpengary Rowley Rd Alert records daily rainfall. Both gauges recorded rainfall in the 24 hours to 09:00 on the 10th and 11th January 2011. The daily rainfall gauge at Rowley Road shows a total accumulation of 68mm for the 24 hours to 9am on 10th January 2011 and 11mm for the 24 hours to 9am on 11th January 2011.

Further analysis of gauge readings has been undertaken for the pluvio gauge at Rowley Road (540245). Cumulative rainfall at this gauge between 6th January and 16th January 2011 is presented in **Figure 1**. The most intense rainfall recorded during this period occurred between approximately 12:15 and 19:30 on Sunday 9th January 2011 where 53mm fell. This rainfall burst was equivalent to less than a 1 year ARI rainfall event.

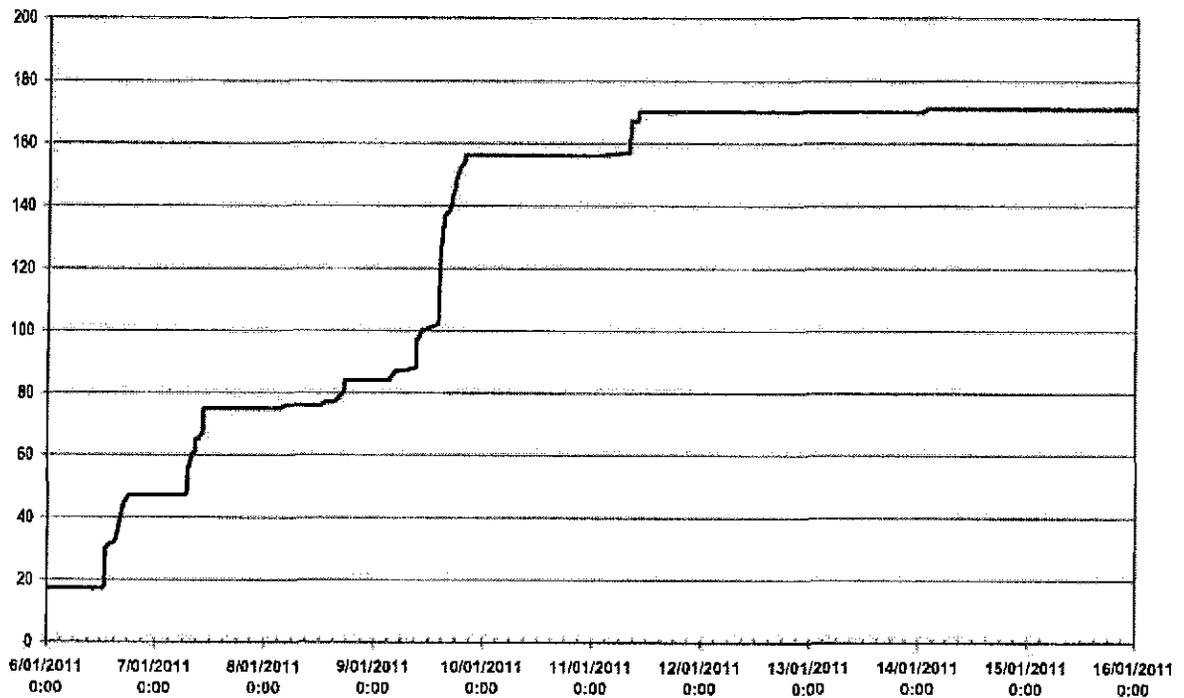


Figure 1 Cumulative rainfall at Burpengary (Rowley Rd) gauge

The area of the catchment upstream of the property is approximately 19 hectares. Applying the highest hourly rainfall intensity from the morning of 11th January (*at the time of inundation at the property*) of 5.8mm/hr the approximate depth of flow due to runoff (*assuming normal depth estimations*) across a 50m fence at the property would be less than 30mm. As a sensitivity check, using the peak rainfall intensity from the previous day (17.8mm/hr) would yield a depth of flow less than 60mm. These depth approximations due solely to runoff from the upstream catchment would be insufficient to inundate the property to the levels as evidenced during the field investigation.

Reference to the MBRC *Areas of Potential Inundation During a '1 in 100 Year' Flood* mapping indicates that the property at [REDACTED] lies in an overland flow path that is susceptible to flows escaping Burpengary Creek via the Western and Eastern Drains.

Available topographic mapping in the vicinity of the property shows a ridge between the Western Drain and the Eastern Drain that runs parallel to Burpengary Creek and [REDACTED]. This would suggest that the rising water level in Burpengary Creek would have backed up the Western Drain towards [REDACTED]. This was indicated by debris lines in the vicinity of the creek that were observed by WorleyParsons on 16th March 2011. Water that backed up the Western Drain would have overtopped the drain at some point along [REDACTED] and then flowed in an easterly direction towards the property. This is substantiated by the photograph provided by the Insured showing the direction of flow down [REDACTED] on 11th January 2011.

Further to other comments from the Insured in their letter dated 3 May 2011, responses are provided below.



"On Page 6 it states that "debris lines on the western fence and a lean in the eastern fence (at the rear of the property) indicated that flow was coming from the western side of the property but then at page 6 it says it came from the Creek at the South of the Policy"

The second sentence in the hydrology report refers to debris on the fence oriented east-west across the Eastern Drain, which is perpendicular to the Eastern Drain. This indicates that flow progressed south-to-north from the drain and contributed to flow moving from west to east (*from the Western Drain*) in the overland flowpath.

Prepared by

[REDACTED]

[REDACTED]

Engineer

Environment and Water Resources

Reviewed by

[REDACTED]

Principal Consultant

Advanced Analysis

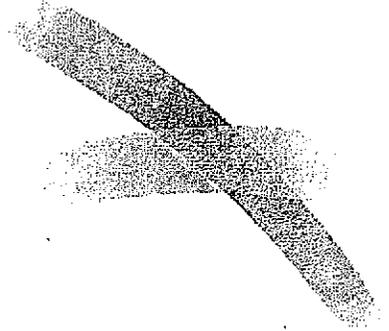


Annexure 19





CGU Insurance
181 William Street, Melbourne VIC 3000
t (03) 9601 8222 f (03) 9601 8439



11 August 2011

Mr & Mrs Doyle
[REDACTED]
BURPENGARY QLD 4505

Dear Mr & Mrs Doyle

Thank you for your recent letter in relation to your claim (policy number [REDACTED]). I am responding on behalf of those who received a copy of your letter.

I've looked closely into the circumstances of your claim, which was rejected on the basis that damage to the property was caused by flood, which is not covered by your policy.

CGU considers each claim in detail and does not take the denial of claims lightly. As you would appreciate, we can't pay claims that are not covered by a policy and for which no premium has been collected.

We don't deny claims unless there is very significant evidence to demonstrate that a claim is not covered. A hydrology report was undertaken at your property. The report concludes that the damage was caused by the Burpengary Creek overflowing during the heavy rains experienced at the time.

I requested a follow up report on hearing that other insurers had paid claims in the area, and asked our internal Flood Panel to review the claim in detail. The conclusion of both of these reviews supported the initial decision.

All insurance policies are different and each insurer will assess whether a claim is valid under its own particular policy.

As you are aware, your case is now with our Internal Dispute Resolution (IDR) team and has also gone to the Financial Ombudsman Service, who will separately provide an independent assessment of the claim.

I understand you have spoken to [REDACTED] from our IDR team this week and received an update on your claim. I encourage you to call [REDACTED] on [REDACTED] if you have any further questions or comments in relation to your claim.

Yours sincerely

[REDACTED]

[REDACTED]
General Manager - Claims

Annexure 20



23 August 2011

FOS LTD
GPO Box 3
MELBOURNE VIC 3001

NOTICE OF RESPONSE

RE: Dispute with [REDACTED] L Doyle
Claim Numbers: [REDACTED]
Applicant's Name: [REDACTED] Doyle / Legal Aid Queensland
FOS Ref: [REDACTED]

The matters that we wish to have the Ombudsman take into consideration in determining this dispute are set out in the attached documents.

SUMMARY OF POLICY & CLAIM DETAILS

Insurer: CGU Insurance
Insured: [REDACTED] L Doyle
Policy Numbers: [REDACTED]
Types of Cover: CGU – "Membersafe – First Choice Home Insurance Product Disclosure Statement and Policy / Listed Events option
Periods of Cover: 4 March 2010 – 4 March 2011
Type of Claim: Flood
Date of Loss: 11 January 2011
Disputed amount: \$50,000.00 (Estimate)

SUMMARY OF FACTS:

The events leading to the Applicants disputed claim have been detailed in the Insurance Council of Australia's independent hydrology reports:

FLOODING IN THE BRISBANE RIVER CATCHMENT JANUARY 2011

VOLUME 1 - An Overview

VOLUME 2 - FLOODING IN BRISBANE CITY LGA

VOLUME 3 - FLOODING IN IPSWICH CITY LGA

ICA HYDROLOGY PANEL

20 FEBRUARY 2011

These have been compiled from representatives from WRM Water & Environment, Water Matters International and Worley Parsons Resources and Energy. These reports are available in full from the ICA website: <http://www.insurancecouncil.com.au/>.

CGU Insurance submits that the authors of this report are experts in their field.

The Applicants' home insurance policy provides cover against "*Listed Events*" to their "*Building*" and "*Contents*" caused by storm, rainwater and liquid escaping from a fixed pipe and drains but specifically excludes damage caused by "*Flood*". The term "*Flood*" is defined as "*the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam*".

The Applicant's loss has resulted solely from the actions of a "*flood*" and CGU Insurance has relied on the information obtained from the Applicants, the homes location, the ICA reports, our Assessors report, our site specific Hydrology reports, legal precedent and other information contained on our files to deny the Applicants any entitlement under the terms of their policy with CGU Insurance.

The Applicants, now represented by Legal Aid Queensland, did not accept the decision and referred their dispute to the Financial Ombudsman Service (FOS) for assistance.

CGU Insurance submits that our policy wording is clear and unambiguous in its meaning and that the Applicants are not entitled to receive settlement for the damage which has arisen from the excluded peril of flood.

ISSUES IN DISPUTE:

- Whether the Applicants are entitled to the cost of repairs and replacement for damages occasioned to their Building and Contents, caused by flood water.

INSURERS' POSITION:

The Applicants policy [REDACTED], is our "First Choice - Home Insurance Product Disclosure Statement and Policy (Listed Events) wording, written through our agency with Credit Union Australia and incepted on 4 March 2004. During the policy period 4 March 2010 – 4 March 2011, we agreed to insure their home at [REDACTED], Burpengary QLD for a "Buildings" sum insured of \$402,000.00 and a "Contents" sum insured of \$67,000.00. All property claims accepted under the policy are subject to the basic excess of \$100.00. Our policy wording/s, new business and renewal schedules have been sent to the Applicant at their postal address, detailing the cover which applies.

On the 11 January 2011, our Claims Department received notification of damage arising from flood water entering her home. Claim number [REDACTED] was assigned to their "Contents" claim and [REDACTED] was assigned to the "Building" claim.

On 13 January 2011 the Applicants advised our Claims Consultant that their carpet had now been removed outside, the pool was full of mud and debris, the septic tank has "gone under", they couldn't live there and the water had now receded. Burpengary Creek was identified as being nearby but the Applicant advised it was "storm water". The Applicant was advised that CGU's policy did not cover against the risk of "Flood", with the claim lodged for the "consideration" of the Claims Department. It was explained the possible processes for the determination of flood, being the appointment of our Adjusters and Hydrologists.

On 14 January 2011 our Claims Consultant spoke to the Applicants, who wanted to know when her property will be assessed. She was advised at this stage "all claims are being reviewed" and assessors will be allocated as soon as possible. Approximately 1,600 domestic claims were reported to our offices as a result of the January flood event. Due to the extensive disruption, our own local office was closed until 21 January 2011 and available resources were limited. The Applicants advised their "septic tanks weren't working; their neighbours have had assessors out who have determined it is not flood, and they had video footage of the build up of water from the downpour. They advised there is a creek behind a neighbour's property which did not flood". The Applicants were advised to start the cleanup process, keep appropriate records of their loss and to provide any other information they might have that would assist in reviewing their claim.

On 27 January 2011 our Flood Claims Consultant has contacted the Applicant to discuss the circumstances. The Applicant advised "the water reached knee height in backyard and ankle deep in property; the colour of the water was Clear; and they believed the water has come from rain water run-off from heavy storms". She advised neighbouring properties were affected by this water. Our Flood Consultant noted Burpengary Creek is about 500 metres away and asked if that flooded. The Applicant "advised no - her neighbour across the road, their property backs onto creek and was not flooded".

Our Flood Team Claims Consultant advised we would appoint an Adjuster to attend on site to determine the cause of water inundation. The Applicants were advised that if it is determined as flood, this is excluded from policy and would not be covered, for which they understood Cunningham Lindsey Loss Adjusters were subsequently appointed.

Our Adjuster attended the Applicants property on 17 February 2011. In their report 22 February 2011 they stated "...*The Insured advised that the cause of loss was not from the overflow of the creek but due to heavy rain that built up over a 24 hour period. The property was inundated to the height of 2 inches in the home and 1 metre in the yard. We consider floodwaters to be the cause of the inundation*". Damage to the "Building" claimed was to the "Main floor/bedrooms/playroom/pool area/driveway" and "Contents", being "a lot of the Insured contents sustained damage. The Insured will forward photographs of damaged contents. All the damaged contents are in the garage".

WorleyParsons were subsequently appointed to inspect a site specific hydrology report, to determine the cause of the damage claimed and their report was received on 4 April 2011.

HYDROLOGY REPORT RELATING TO THE JANUARY 2011 STORM

Prepared by : [REDACTED], ENVIRONMENTAL SCIENTIST, WORLEYPARSONS

Prepared for : CGU

Claimant : [REDACTED] MRS L DOYLE

Property : [REDACTED], BURPENGARY, QLD

Reference : [REDACTED]

EVENT OVERVIEW

On the 7th of January 2011, a low pressure cell derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8th of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9th of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9th of January, this trough rotated towards south-east Queensland and formed large volumes of rain as warm moist air was forced upwards over the region from a high pressure cell located near New Zealand. This process continued throughout the 9th of January, with the trough reducing in span and generally remaining stationary off the coast.

The intensification of the coastal low pressure system on the 9th of January led to the generation of sustained rainfall across coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments. Rainfall generally progressed from the north to the south with the start of the storm occurring from 04:00 (*recorded at Beerburrum*) and leading to rainfall across areas of the lower Caboolture River Catchment. In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 (*recorded at Brisbane, Redcliffe and Archerfield*). The accumulation of rainfall generally followed a similar pattern, with areas of the lower Caboolture River Catchment recording up to 155 mm until midday on the 10th of January 2011, while areas of the Brisbane River Catchment recorded between 75 and 130 mm.

Over the following 12 hours the low pressure system moved north and rainfall accumulations decreased markedly. However, as the low pressure centre merged with the descending monsoonal trough, significant rainfall was generated over the region. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment, indicating that the focus of the system was on the Caboolture River Catchment in these coastal regions.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain centred on the coastal region south of the centre of the low pressure cell.

In the most upper sections of these catchments, rainfall was less intense prior to the amalgamation of the low pressure centre and the monsoonal trough. Rainfall began from 13:00 on the 9th of January 2011, with accumulations of between 60 and 100 mm recorded until midday on the 10th of January. The northward movement of the low pressure cell and the alignment of the high pressure cell feeding the region, led to the temporary cessation of rainfall in the upper catchment.

To the east, in more central regions of the Brisbane River Catchment and the upper Caboolture River Catchment, the onset of the storm generally began with moderate intensity rainfall from 10:00 on the 9th of January 2011. However, rainfall accumulations were generally lower than those in the lower catchment, with generally no more than 75 mm recorded until midday on the 10th of January 2011 (recorded at Amberley).

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over the upper regions of these catchments. Intense rainfall began to occur from about midday on the 10th of January in the upper Brisbane Catchment (recorded at Toowoomba).

Over the following 36 hours an accumulation of up to 150mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulation occurring over a period of only hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

As the focus of the system moved to the south-east, a sharp rise in rainfall intensity was recorded, beginning in the early morning of the 11th of January. The intense rainfall fell across the eastern portion of the Lockyer catchment, the adjacent Brisbane River catchment and the Bremer River catchment. This rainfall period lasted for about 10 hours with accumulations varying from 70mm to 350mm, but more typically 120mm to 200mm.

A total accumulation of 200 to 450 mm was recorded within the upper Brisbane Catchment between the 9th and 12th of January, 2011.

The insured property is located at [REDACTED] Burpengary as shown in Figure 1. The property is a one storey dwelling located on a flat gradient. A shed, concrete deck, swimming pool and septic system have also been developed on the property. An easement for overland flow runs through the back yard in a north easterly direction.

According to published topographic maps, the ground elevations of the property are approximately 17 to 18 mAHD.

The nearest defined water course, Burpengary Creek, is located approximately 310m to the south of the property. Two drains also run north/south from [REDACTED] to Burpengary Creek, the head of the nearest being 50m to the east of the property (i.e. "eastern" drain) and the other, 280m to the west of the property (i.e. "western" drain") (refer Figure 1).

The property is located entirely within the "areas of potential inundation during a 1 in 100 year flood" according to maps of the same name published by Moreton Bay Regional Council in February 2011. The maps indicate that the property is located in an area which would potentially be inundated from 0.5 to 1.5m in such a flood.

Figure 1: Location of Property at [REDACTED] Burpengary, QLD

River level information was obtained from the Burpengary Creek (Rowley Rd) Alert (540245) located approximately 1.7km downstream of the property. The river gauge information indicates that a short peak of 14.35 mAHD occurred at approximately 5pm on the 9th of January 2010 however the gauge was not operational from 3pm on the 10th. River gauge information was also obtained from the Burpengary Creek (Dale St) gauge (142813) located approximately 3.7km downstream of the property (or a further 2km downstream of the Rowley Road alert). The river gauge information indicates that a minor peak of approximately 9 mAHD occurred at approximately 7pm on the 10th January and a major peak of approximately 11.2 mAHD was recorded at midday on 11th January. Therefore, it is likely that a major peak in river levels adjacent to the property occurred sometime in the midmorning of 11th January and this peak would likely have been greater than the 14.35 mAHD peak recorded at Rowley Road the evening prior.

It should be noted that "gauge zero" for both the Burpengary creek (Rowley Rd) Alert and the Dale Street gauge have an elevation of 0 mAHD, as indicated by information provided by the Bureau of Meteorology.

THE INSURED'S RECOLLECTIONS

WorleyParsons spoke to the claimant, Mr Doyle on 16th March 2011. Mr Doyle provided the following account of the events and the damage that was incurred at the property:

- Heavy rain reportedly occurred for a week in May 2009. Flooding occurred at the easement on the northern side of the property at this time although no flooding occurred at the house.
- On 11th January 2011, the storm woke the residents at approximately 4:30am. The storm continued until lunchtime.
- According to the claimant, Council reported that approximately 426mm of rain fell in the local area at the time.
- The flood waters reportedly came down Mathew Court from a culvert near the school to the west of the property and flowed along the road and into the property.
- Mrs Doyle was at the property when it began to flood with waters rising at 10:30am on 11th January. Mrs Doyle evacuated prior to the peak.
- The neighbours recorded video footage of the event showing flood waters flowing from the west along the road and through the property in a northwest direction.
- The claimant reported that there was no flooding to properties on the southern side of Mathew Court.
- The claimant reported that the school grounds flood regularly. A Council meeting was to be held by a Council Officer on 17th March with regards to drainage issues at the school. The claimant indicated that there had been funding available to improve the drainage issue but that no work had been undertaken.
- The claimant reported that flood waters reached a height approximately 0.3m above ground level and just lapped at the front door of the property. The water depth was at approximately knee level on the road outside the property at approximately 1pm, after the peak.
- The flooding caused the western portion of the concrete slab at the back of the property (adjacent to the pool) to lift and crack (refer Figures 2a and 2b). Prior to flooding, the slab sat flush with the adjacent edge of the pool but now sits an inch or so higher in places. The pool fence and pool itself remain intact but the resident claims he has spent hundreds of dollars on pool chemicals following the event to make the pool usable.
- There are no marks on the internal plasterboard of the house but several of the doors no longer close and the skirting boards bulge in places.

WORLEYPARSONS' OBSERVATIONS

A site inspection of the property and surrounds was undertaken on Wednesday 16th March, 2011. During the site inspection, it was observed that:

- The land along [REDACTED] is quite flat, with a gentle west to east down slope.
- There is an easement running west to east at the northern side of the property (refer Figure 3) in the direction of a small dam and spillway located further east along [REDACTED]. The spillway is slightly lower than road level and allows flows from the dam to drain through a culvert under [REDACTED] along a creek approximately parallel to Rowley Road, to join with Burpengary Creek.
- Debris levels in the fence which runs across the easement on the eastern boundary of the property were approximately 0.5m above ground level. This is consistent with water marks inside the shed (eastern side of the property) and on the hot water tank (western side of the property). The marks were also consistent with an inundation over floor of approximately 50mm. These equate to a peak flood level of approximately 17.5 to 17.8 mAHD.
- Debris lines on the western fence and a lean in the eastern fence indicated that flow was coming from the western side of the property (refer Figure 4).
- There was significant debris attached to a fence across the eastern drain on [REDACTED] (refer Figure 5a) which indicates flows originated from the southern side of the fence (refer Figure 5b). Indicative levels of this debris area of the order of 0.6m above road level, i.e. 17.2 mAHD.

- Viewing of the neighbour's video footage indicated that the flow came from the west. Heavy rainfall was observed throughout the video footage. The video showed water velocities estimated to be approximately 0.5m/s.
- The oval at the school near the western end of [REDACTED] is approximately 0.5m lower than surrounding land.
- Debris within and adjacent to the western drainage line indicated a northward flow from Burpengary Creek towards [REDACTED] (refer Figure 6). The debris was approximately 0.1 to 0.2m in height above the adjacent footpath indicating a water level at 18.7 mAHD, which is sufficient to break the banks of the western drain.
- In Burpengary Creek, debris lines indicated peak water levels above the base of the bridge near the confluence with the western drain (refer Figure 7).

Cause of Inundation

Data from rainfall gauges at Beerburrum and Redcliffe indicates that significant rainfall fell across the Caboolture area from early to midmorning on the 11th January 2011. Similarly, river level information obtained from the two Burpengary Creek alerts downstream of the property indicate that a major flood peak occurred before or around midday on the 11th January.

Due to the limited extent of river gauge data available, it is not possible to interpolate the level of Burpengary Creek from recorded gauge data in the vicinity of the property. However, this can be inferred from debris lines which indicate that water flowed from Burpengary Creek to [REDACTED] along the western drain. Here, it is likely to have been joined by local overland flows from the vicinity of the school and split eastward down [REDACTED] and the drainage easement behind the properties on the northern side [REDACTED]. This flow would then have been met by flows from Burpengary Creek flowing up the eastern drain.

The combined flows would then have moved northwards to join flows at the rear of the northern [REDACTED] properties, heading towards the dam. Some flows may have continued along [REDACTED]. Indicative likely flow paths are shown on Figure 8.

The approximate measured levels at the property of 17.6 mAHD are consistent with the hydraulic grade in Burpengary Creek and levels the eastern/ western drains.

Comparison of the available data in regard to timing of inundation provided in the claimant's recollections indicates that the flooding of the claimant's property occurred within a period of high rainfall across the area as well as a period where the nearby Burpengary Creek experienced major flooding. This concurrent rainfall was likely to have also contributed to flooding of the property. However, given the limited size of the catchment, this could not be the sole cause of flooding.

CONCLUSION

In our opinion, the damage to the property at [REDACTED] [REDACTED] Burpengary was caused by waters exceeding the normal confines of Burpengary Creek backing up through drainage lines and flowing through the property.

On 6 April 2011 our Technical Manager, reviewed the hydrology report and verbally confirmed that their reference to "May 2009" in their report was correct, as the Applicant was recollecting a previous incident to them on site. Our Flood Claims Consultant then contacted the Applicant and advised the damage to their property "was caused by waters exceeding the normal confines of Burpengary Creek backing up through drainage lines and flowing through the property". They confirmed this damage has been caused by flood and CGU's policy excludes flood damage. The Applicant advised they would contact Legal Aid. Our Claims Consultant advised the report from hydrologist, decline letter & dispute booklet will be sent to them, outlining the process if they did not accept our decision on this claim. The Applicant sought escalation to our Team Manager.

On 7 April 2011 our Team Manager contacted the Applicant and "advised based on the site specific hydrology and assessment report I concur with the original decision. Advised OI (Our Insured) the inundation was as a result of flood and the claim was not for acceptance. Advised I would send decline with hydrology report".

Our Team Manager wrote that *".....your CGU policy covers inundation by storm water but does not provide insurance coverage for losses caused by flood. Flood is clearly defined in your policy..."*; and *"water has escaped from Burpengary Creek via storm drains. Where water has escaped a water course by backing up through storm water drains to find an equal level to the river, this is considered to fall within the definition of flood under the CGU policy"*; *"...rising storm waters that can not drain into a watercourse because the watercourse is already in flood, is also considered flood water"*; she has maintained the denial of the claim *"based on your advice and information available to us, we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim"*. Reference was made to CGU's dispute resolution process. A copy of the site specific Worley Parsons report was enclosed with her letter.

The Applicants letter of 3 May 2011 outlined the following issues for our consideration:

1. Although we live close to the Burpengary Creek, the source of the flooding to our property on 11 January 2011 did not come from the creek but from storm water.
2. ...As it is clearly outlined in this photograph there is water over the road, (which we claim is storm water), as if the Burpengary Creek had broken its banks water would be running down the driveway of the premises which is situated on the Southern side of the photograph (which it clearly is not).
3.the definition of FLOOD, as documented in your PDS. When we make an informed decision in taking out insurance with your organisation I read and made this informed decision based off your PDS, as documented in this letter. However in paragraph three, you make the following statement; 'Flood water that mixed with storm water runoff that inundates your property is viewed as damage from floodwater'.
4. This additional statement is the first time I have read, or discussed this as an independent issue. Would your organisation be able to bring us to the part of the PDS that this statement is documented?
5. As had this been the case it would have completely changed our view in taking out insurance with your organisation, due to the obvious complex nature of the two issues.
6.I would like an explanation by CGU in relation to how they can deem these separate legal definitions and incorporate it into one. Deeming that if the two mixes it's deemed to be flood water, my submission is that if you deem it to be flood water, why couldn't it be deemed as storm water?
7. Why is your hydrologist benchmarking the Brisbane and Bremer River throughout the report when these two systems do not impact in any way on the flood affection in the Moreton Bay Shire?
8. Neighbouring hydrologist reports are in conflict with the CGU Hydrology report. Eleven properties were affected....and all have been approved for flash flooding due to storm water by various insurance companies.CGU's hydrologist report is the only one that said the source of flooding is from Burpengary Creek".

On 17 May 2011, Legal Aid Queensland (LAQ) wrote the IDR Department advising they were now acting for the Applicant and would supply additional information.

On 18 May 2011 the IDR Case Manager spoke to the Applicants who advised they had appointed LAQ. The IDR Case Manager advised that their letter regarding the *"inconsistencies"* had been sent to Worley Parsons for an appropriate response. They provided an email which *"advised of properties in his street that were accepted as storm water"*.

On 26 May 2011 Mr [REDACTED] of WorleyParsons advised "with respect to the list of properties where insurance claims have been accepted, it is noted that they are for different insurance companies, which apply different criteria when assessing the claims. It is possible that claims would be accepted by these companies even though the cause of the flooding was due to flows exceeding the normal confines of a defined water course...".

On 3 June 2011 Mr [REDACTED] of Legal Aid Queensland provided additional information via fax. Their letter was sent to our Hydrologists for a written response. Due to an overwhelming number of requests for their assistance, this was not received until 27 July 2011.

Worley Parsons further report of 25 July 2011 to our Technical Manager advised: "Further to correspondence received from CGU regarding [REDACTED], Burpengary (the property) dated 27th June 2011, the following memo outlines a response to comments received on the hydrology report prepared for the property in a letter from the claimants, Mr & Mrs Doyle, dated 3rd May 2011.

The data gap in the Burpengary (Rowley Rd) gauge from 15.15 on Monday 10th January 2011 to 18.15 on Friday 14th January prevents a water level interpolation for the period of inundation at the property. The reasons for the gap is unknown with no indication from the owners of the gauge (BoM and/or Moreton Bay Regional Council, MRBC). In the absence of gauge level records the field inspection provided the indicative depth of inundation (approx 500mm over ground, as measured from debris in nearby fences).

The hydrology report summarises the regional rainfall by analysing available data at several gauges. The Redcliffe gauge records hourly rainfall, while the Burpengary Rowley Rd Alert records daily rainfall. Both gauges recorded rainfall in the 24 hours to 09:00 on the 10th and 11th January 2011. The daily rainfall gauge at Rowley Road shows a total accumulation of 68mm for the 24 hours to 9am on 10th January 2011 and 11mm for the 24 hours to 9am on 11th January 2011.

Further analysis of gauge readings has been undertaken for the pluvio gauge at Rowley Road (540245). Cumulative rainfall at the gauge between 6th January and 16th January 2011 is presented in Figure 1. The most intense rainfall recorded during this period occurred between approximately 12:15 and 19:30 on Sunday 9th January 2011 where 53mm fell. This rainfall burst was equivalent to less than a 1 year ARI rainfall event.

The area of catchment upstream of the property is approximately 19 hectares. Applying the highest hourly rainfall intensity from the morning of 11th January (at the time of inundation at the property) of 5.8mm/hr the approximate depth of flow due to runoff (assuming normal depth estimations) across a 50m fence at the property would be less than 30mm. As a sensitivity check, using the peak rainfall intensity from the previous day (17.8mm/hr) would yield a depth of flow less than 60mm. These depth approximations due solely to runoff from the upstream catchment would be insufficient to inundate the property to the levels as evidenced during the field investigation.

Reference to the MBRC *Areas of Potential Inundation During a '1 in 100 Year' Flood* mapping indicates that the property at [REDACTED] lies in an overland flow path that is susceptible to flows escaping Burpengary Creek via the Western and Eastern Drains.

Available topographic mapping in the vicinity of the property shows a ridge between the Western Drain and the Eastern Drain that runs parallel to Burpengary Creek and [REDACTED]. This would suggest that the rising water level in Burpengary Creek would have backed up the Western Drain towards [REDACTED]. This was indicated by debris lines in the vicinity of the creek that were observed by WorleyParsons on 17th March 2011.

Water that backed up the Western Drain would have overtopped the drain at some point along [REDACTED] and then flowed in an easterly direction towards the property. This is substantiated by the photograph provided by the insured showing the direction of flow down [REDACTED] on 11th January 2011.

Further to other comments from the Insured in their letter dated 3 May 2011, response are provided below.

"On page 6 it states that "debris lines on the western fence and a lean in the eastern fence (at the rear of the property) indicated that flow was coming from the western side of the property but then at page 6 it says it came from the Creek at the South of the Policy"

The second sentence in the hydrology report refers to debris on the fence oriented east-west across the Eastern Drain, which is perpendicular to the Eastern Drain. This indicates that flow progressed south-to-north from the drain and contributed to flow moving from west to east (from the Western Drain) in the overland flowpath".

The IDR Case Manager reviewed the Applicants policy wording and how it has been applied to their claim.

Their policy provides cover against "Listed Events" to their "Building" and "Contents" caused by storm, rainwater and liquid escaping from a fixed pipe and drains but specifically excludes damage caused by "Flood". The term "Flood" is defined as *"the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam"*.

Our Adjuster reported *"...the Insured advised the cause of the loss was not from the overflow of this creek but due to heavy rain that built up over a 24 hour period. The property was inundated to the height of 2 inches in home and 1 metre in the yard. We consider floodwaters to be the cause of the inundation"*. Damage to the "Building" claimed was to the "Main floor/bedrooms/playroom/pool area/driveway" and "Contents", being *"a lot of the Insured contents sustained damage"* in the garage. There has been no suggestion that any damage has been caused through the escape of water from overflowing gutters, or through the roof area.

Our Hydrologist has reported that based on the "available data in regard to timing of inundation provided in the claimant's recollections indicates that the flooding of the claimant's property occurred within a period of high rainfall across the area as well as a period where the nearby Burpengary Creek experienced major flooding". He concludes "the damage to the property at [REDACTED] Burpengary was caused by waters exceeding the normal confines of Burpengary Creek backing up through drainage lines and flowing through the property."

Our Hydrologist also considered whether any of this loss could be attributed to "storm water runoff", occurring prior to the inundation, stating "This concurrent rainfall was likely to have also contributed to flooding of the property. However, given the limited size of the catchment, this could not be the sole cause of flooding". He has reinforced this in his later report "The area of catchment upstream of the property is approximately 19 hectares. Applying the highest hourly rainfall intensity from the morning of 11th January (at the time of inundation at the property) of 5.8mm/hr the approximate depth of flow due to runoff (assuming normal depth estimations) across a 50m fence at the property would be less than 30mm. As a sensitivity check, using the peak rainfall intensity from the previous day (17.8mm/hr) would yield a depth of flow less than 60mm. These depth approximations due solely to runoff from the upstream catchment would be insufficient to inundate the property to the levels as evidenced during the field investigation".

The Applicants home was affected by the flooding of the Burpengary River. If storm water/rain water is the sole source of inundation, the damage occurs around the same time as the peak rainfall falls. The water rises quickly and drains away quickly once the rainfall slows or stops. "However, given the limited size of the catchment, this could not be the sole cause of flooding".

Our hydrologist considered this was caused through the failure of the drains. This would be attributable to the water being unable to drain into the river system either because it was already in flood or the river level had risen above the exit point of the storm water drain.

The Applicants asserted "The flood waters reportedly came down [redacted] from a culvert near the school to the west of the property and flowed along the road and into the property", and it is clear from the hydrological evidence that the storm water drains exit into the river/creek system. In such a situation the storm water drain exit point in the creek/ river system is at a point above the normal river height. However if the river level rises above the storm water outlet a backflow occurs in which the river water flows back up the storm water drainage system and discharges onto property.

This water is either river water or a mixture of storm water and river water and this is the source of inundation and is addressed in detail in the combined hydrology report prepared by WRM, Water Matters International and Worley Parsons in Volume 1 of the report dated 20 February 2011. It is also highlighted in figure 2.1 on page 5 of the report and embraced by the explanatory notes on page 5 and 6 of that report.

In this case it is clear that these are the "flood" waters as defined by the policy of insurance and as a result of the application of current Australian law, (see in particular, K Sika Plastics v Cornhill Insurance, Peterson v Union Des Assurances De Paris (ARD) and Wayne Tank and Pump Co Limited v Employers Liability Assurance Corp Limited. See also Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd and Mitor Investments Pty Ltd v General Accident Fire and Life Assurance Corporation Ltd.) These legal cases form the basis of the precedents that the proximate cause of the damage claimed to be "storm water", is in fact "flood" and that CGU has complied with our policy and legal obligations to the Applicant.

It is only when storm water, independent of any flood water, inundates a premises that we are able to accept the damage as being caused by storm water and not flood. When storm water inundates a premises along with flood waters this is defined as damage by flood.

Accordingly, CGU considers it has sufficient evidence to prove on the balance of probabilities that the Applicants home was damaged by Flood on 11 January 2011 which is in accordance with the water coming from the Burpengary Creek, as detailed by our Hydrology report.

The Applicant has sought the assistance of the Ombudsman.

CGU submits the damage sustained to their property, when it was inundated by floodwaters to a height of 2 inches is not covered by their insurance policy.

APPLICANTS' POSITION:

The Applicant is now represented by Legal Aid Queensland, who have provided a detailed letter dated 3 June 2011, containing information to which we respond:

- **Exclusion relied upon you (definition) ... In our view as "flood" is a prescribed event for the purposes of section 35 of the Insurance Contracts Act 1984 as defined in regulation 14, you had a duty to clearly inform client that "flood" was excluded under the policy. The Corporations Act 2001 also requires 'clear, concise and effective' disclosure".**

We consider that the provision of the PDS with the definition of "Flood" in clear and plain language satisfies the requirements of Section 13 of the Insurance Contracts Act (1984). With respect we believe that the documentation also satisfies the requirements for derogation of cover as required by Section 35 of the Insurance Contracts Act (1984). In this regard we respectfully direct your attention to the NSW Supreme Court decision in Hams v CGU Insurance Limited (202) 12 ANZ Ins Cases 61-525, Marsh v CGU Insurance Limited (2004) 13 ANZ Ins Cases 61-594 and Gray v Mercantile Mutual Insurance (Aust) Ltd (1995) & ANZ Ins Cases 61-241 and also State Government Insurance Commission v Sharp (1995) ANZ Ins Cases 61-243. These cases all involved an exhaustive consideration of the insurer's obligations in respect of "clearly inform" and the drawing of notice under Section 35.

- **...The definitions of flood, rainwater and storm appear to be contradictory and confusing from a consumers perspective. A Reasonable person could form the view that it is rainwater or the run-off following a storm that causes water to escape or be released from the normal confines of a watercourse because it is the flow of water into watercourses from rainwater and storms that causes watercourses to rise. There is also uncertainty from the fact it is unclear from the Policy what storm is and if, when the runoff from a storm causes a watercourse to rise and have water escape whether that is covered or excluded from CGU's Policy or if rainwater run-off causes the same thing to happen".**

In the Applicants circumstance it is clear that this is "flood" water as defined by the policy of insurance and as a result of the application of current Australian law, (see in particular, K Sika Plastics v Cornhill Insurance, Peterson v Union Des Assurances De Paris IARD and Wayne Tank and Pump Co Limited v Employers Liability Assurance Corp Limited. See also Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd and Mitor Investments Pty Ltd v General Accident Fire and Life Assurance Corporation Ltd.) These cases confirm that the proximate cause of the damage claimed to be "storm water", is in fact "flood" and that CGU has complied with our policy and legal obligations to the Applicant.

- **Storm Damage – In the alternative, the damage caused to our clients property was caused as a result of run-off from a storm and/or rainwater..... Weather Alert – QLD Severe Weather warning: Heavy Rainfall and Flash Flooding”.....These images support the view of many of our clients that Brisbane and its surrounds experienced a storm on the morning of 11 January 2011 which resulted in heavy rain that in turn caused flash flooding that falls within the definition of storm in our Clients CGU policy. Our client is aware that local catchments and ground soils were saturated as a result of prolonged rain over this period, exacerbated by heavy rains and thunderstorms which affected parts of Brisbane and Ipswich on Monday 10th January and on Tuesday 11th January 2011.....massive 40mm was recorded for the period from 9am Tuesday to 9am Wednesday. This accords with our clients recollection that another storm occurred Tuesday morning with rain continuing throughout the day, and it was only as a result of this storm that flash flooding occurred in the local area”.**

Our Hydrologist has fully investigated whether in the Applicants case, any damage could be attributed to “run off” from the storm: “Cumulative rainfall at the gauge between 6th January and 16th January 2011 is presented in Figure 1. The most intense rainfall recorded during this period occurred between approximately 12:15 and 19:30 on Sunday 9th January 2011 where 53mm fell. This rainfall burst was equivalent to less than a 1 year ARI rainfall event.

The area of catchment upstream of the property is approximately 19 hectares. Applying the highest hourly rainfall intensity from the morning of 11th January (at the time of inundation at the property) of 5.8mm/hr the approximate depth of flow due to runoff (assuming normal depth estimations) across a 50m fence at the property would be less than 30mm. As a sensitivity check, using the peak rainfall intensity from the previous day (17.8mm/hr) would yield a depth of flow less than 60mm. These depth approximations due solely to runoff from the upstream catchment would be insufficient to inundate the property to the levels as evidenced during the field investigation”.

- **This view that the damage to our clients property was caused by runoff from a storm and rainwater is supported by the recollection of our clients. They recall the events of that week in the following way; “the house is between 2 drains that lead to the creek. The Rowley Rd/ [REDACTED] drain is about 280m away and the other drain is about 80m...to the left...Burpengary creek is....310m behind our property. We had rain 3 days straight. We had lightning and thunder for hours on the 11th Jan. There was a really bad storm. I was at home until 9am and I noticed the roads filling up with water. Iwent to the bridge on Rowley Rd to see the water had come up. The water was still flowing under the bridge.....at about 10.15am I couldn’t get into our street..... At about 2pm we went around the back way to the other side of the creek. My husband walked through where there is a footbridge to our property. He said by then there the water was knee deep at the property. At about 3pmwe went back to the property in a 4WD.....we were told the water was still to come. And the rivers were all peaking on Wed and Thurs.....The water didnt enter the property again. The water which affected the property was clear. From what we can tell the water came to about the height of the skirting boards and did not go any higher”.**

The Applicants in their statement have not identified any incident of “storm water” runoff, prior to their property being inundated by the floodwaters. Our Hydrologist considered “the upstream catchment would be insufficient to inundate the property to the levels as evidenced during the field investigation”.

- [REDACTED] is on the Northern side of the property, while Burpengary Creek is about 300metres to the South of the property.photographs ...show:
 - (a) water on [REDACTED] running towards Burpengary Creek, the opposite direction to which would be required for your argument that the damage was caused by Burpengary Creek breaking its banks to hold true;
 - (b) the lack of water running down the drive way of the property which is on the Southern side of the property. If Burpengary Creek had broken its banks, water would have entered the property from this direction. What is clearis that our clients property was damaged by excessive storm and rainwater run-off following a storm which occurred in the area on Tuesday 11 January 2011. This event falls within the coverage
-further inconsistencies with the Worley Parsons Hydrology report.....

Our Hydrologist has responded "the following memo outlines a response to comments received on the hydrology report prepared for the property in a letter from the claimants, Mr & Mrs Doyle, dated 3rd May 2011.

The data gap in the Burpengary (Rowley Rd) gauge from 15.15 on Monday 10th January 2011 to 18.15 on Friday 14th January prevents a water level interpolation for the period of inundation at the property. The reasons for the gap is unknown with no indication from the owners of the gauge (BoM and /or Moreton Bay Regional Council, MRBC). In the absence of gauge level records the field inspection provided the indicative depth of inundation (approx 500mm over ground, as measured from debris in nearby fences).

The hydrology report summarises the regional rainfall by analysing available data at several gauges. The Redcliffe gauge records hourly rainfall, while the Burpengary Rowley Rd Alert records daily rainfall. Both gauges recorded rainfall in the 24 hours to 09:00 on the 10th and 11th January 2011. The daily rainfall gauge at Rowley Road shows a total accumulation of 68mm for the 24 hours to 9am on 10th January 2011 and 11mm for the 24 hours to 9am on 11th January 2011.

Further analysis of gauge readings has been undertaken for the pluviometer gauge at Rowley Road (540245). Cumulative rainfall at the gauge between 6th January and 16th January 2011 is presented in Figure 1. The most intense rainfall recorded during this period occurred between approximately 12:15 and 19:30 on Sunday 9th January 2011 where 53mm fell. This rainfall burst was equivalent to less than a 1 year ARI rainfall event.

The area of catchment upstream of the property is approximately 19 hectares. Applying the highest hourly rainfall intensity from the morning of 11th January (at the time of inundation at the property) of 5.8mm/hr the approximate depth of flow due to runoff (assuming normal depth estimations) across a 50m fence at the property would be less than 30mm. As a sensitivity check, using the peak rainfall intensity from the previous day (17.8mm/hr) would yield a depth of flow less than 60mm. These depth approximations due solely to runoff from the upstream catchment would be insufficient to inundate the property to the levels as evidenced during the field investigation.

Reference to the MBRC *Areas of Potential Inundation During a '1 in 100 Year' Flood* mapping indicates that the property at [REDACTED] lies in an overland flow path that is susceptible to flows escaping Burpengary Creek via the Western and Eastern Drains.

Available topographic mapping in the vicinity of the property shows a ridge between the Western Drain and the Eastern Drain that runs parallel to Burpengary Creek and [REDACTED]. This would suggest that the rising water level in Burpengary Creek would have backed up the Western Drain towards [REDACTED]. This was indicated by debris lines in the vicinity of the creek that were observed by WorleyParsons on 17th March 2011.

Water that backed up the Western Drain would have overtopped the drain at some point along Matthew Crescent and then flowed in an easterly direction towards the property. This is substantiated by the photograph provided by the insured showing the direction of flow down [REDACTED] on 11th January 2011.

Further to other comments from the Insured in their letter dated 3 May 2011, response are provided below.

"On page 6 it states that "debris lines on the western fence and a lean in the eastern fence (at the rear of the property) indicated that flow was coming from the western side of the property but then at page 6 it says it came from the Creek at the South of the Policy"

The second sentence in the hydrology report refers to debris on the fence oriented east-west across the Eastern Drain, which is perpendicular to the Eastern Drain. This indicates that flow progressed south-to-north from the drain and contributed to flow moving from west to east (from the Western Drain) in the overland flowpath".

- **We also note that CGU is the only insurer we are aware of in this area of streets who has not acknowledged the weight of evidence showing that the damage in the area was caused by storm and its runoff.**

CGU has considered whether the Applicants have an entitlement under the terms and conditions of its own policy wording and with the cause being identified as "flood" by our expert site specific hydrology report, must maintain that the Applicants do not have an entitlement.

- **Request for information you relied upon to make your decision.**

Attached to our submission are copies of the evidence required to prove the Applicant has no entitlement.

RELEVANT POLICY WORDING:

first choice home insurance product disclosure statement and policy [REDACTED]

P3

First Choice Home Insurance

First Choice Home Insurance allows you to choose from two types of insurance cover: Listed Events or Accidental Damage.

- Listed Events provides cover for loss or damage to your buildings or contents as a result of the incidents listed on pages 12 to 17.
- Accidental Damage provides even greater cover than Listed Events. It also covers accidental loss or damage, plus a range of incidents listed on pages 17 to 20 under specific conditions.

The type of insurance cover you have chosen will be listed on your current schedule.

First Choice Home Insurance also provides a range of additional covers and cover for your legal liability.

You can choose to take out a buildings policy, a contents policy, or a combined buildings and contents policy.

You can also add options to your policy for domestic workers' compensation, strata title mortgagee protection, or to extend your valuables cover.

Your buildings or contents will be covered up to the sum insured, as listed on your current schedule.

To find out what this policy covers, see next page □

For exclusions to this cover, see page 35 □

P6

Listed Events

P6

Buildings we will cover

We will cover residential buildings, their fixtures and fittings and any structural improvements at your home.

Your buildings include

Contents we will cover

We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.

Your contents include

P12

Listed Events cover

If you have chosen Listed Events Home Insurance, **we will cover your buildings or contents for loss or damage as a result of the incidents listed on the following pages.**

If you make a claim, you will need to pay any excesses that apply – you will only need to pay this amount once.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35

P15

Storm, rainwater or wind

Buildings / Contents

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

We will not cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, unless

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

Continued next page ▢

P16

We will not cover

- swimming pool covers, including
 - solar covers and plastic liners
- water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, unless
 - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber and are more than 15 years old.

P17

Water or liquid damage

Buildings / contents

Under Listed Events, we will cover your buildings or contents for loss or damage caused by water or liquid. We will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.

We will only cover loss or damage as a result of water or liquid escaping from

- **a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain**
- a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
- a washing machine or dishwasher
- an aquarium
- a waterbed.

We will not cover the cost of repairing the item that caused the escape of water or liquid escaped from.

P36

Exclusions to your cover

Any cover we provide is subject to the following exclusions.

Listed Events, Accidental Damage, Additional cover and Strata Title Mortgagee Protection exclusions

We will not cover any loss or damage as a result of, or caused by

- settling, shrinkage or any movement of earth
- erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
- rats, mice or insects
- roots from trees, plants, shrubs or grass
- any process of cleaning involving the use of chemicals other than domestic household chemicals
- a defect in an item, structural defects, or faulty workmanship or design
- breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand

- malicious damage or vandalism by a tenant
- deliberate or intentional acts by a tenant
- theft by a tenant
- theft from any part of the buildings which you share with another person who is not insured under this policy
- mechanical or electrical breakdown other than an electric motor burning out, unless
 - the breakdown results in loss or damage to your buildings or contents
- **flood**
- landslide or subsidence, unless
 - we agree to cover the incident as described under 'Landslide or subsidence'
- water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

P39

General exclusions

We will not cover any loss or damage, or liability as a result of, or arising from

- any incident that does not occur within your period of insurance
- landslide or subsidence, unless
 - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, however
 - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, however
 - we will pay for any loss or damage as a result of damage to a heating element.
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any date, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date, unless
 - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software

P40

continued...

General exclusions

We will not cover any loss or damage, or liability as a result of, or arising from

- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- **flood** or storm surge
- erosion, the action of the sea, tidal wave or high water, unless
 - the loss or damage is the result of a tsunami.

P62

glossary of words with a special meaning

flood

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

LAW:**FLOOD LAW**

Where the contract requires the establishment of proximate cause, the onus is on the Insured to prove, on the balance of probabilities, the loss was proximately caused by an insured peril. Where the contract excludes liability for losses caused by certain perils, the onus is on the Insurer to prove on the balance of probabilities, that the excluded peril was the cause of the loss. Where there is an exception to the exclusion, the onus of proof is on the Insured to show that the loss was proximately caused by one of the perils falling within the exception to the exclusion. (See *Peterson v Union des Assurances de Paris IARD* (1995) 8 ANZ Insurance Cases 61-244).

The CGU exclusion effectively mirrors the accepted law in its definition of flood. A "flood" is defined as:

"The inundation of normally dry land by water overflowing or escaping or released from the normal confines of any natural watercourse or lake whether or not altered or modified, or of any reservoir, canal or dam".

(See *Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd* (1991) 6 ANZ Ins Cas 61-066.

The onus is on the Applicant to establish that the loss was due to a peril insured against, and it is for CGU to prove that in the circumstances an exclusion is applicable. If the Applicant seeks to defeat the exclusion clause on the basis that a proviso operates, so that the clause is inapplicable in the particular case, they must establish that fact. See *Peterson v Union des Assurances de Paris IARD* (1995) 8 ANZ Ins Cas 61-244.

There has been no evidence from the Applicant that their loss has been caused by any other factor than the inundation of "flood" water, as defined. In the case of *Peterson v Union des Assurances de Paris IARD* the policy insured against loss or damage caused by water but excluded flooding (as defined) ... "other than from water mains, pipes, gutters, drains, water tanks or apparatus". Those premises were flooded after water rose from the storm water drains prior to the river bank breaking. The Insurer was held to be entitled to deny liability, since the Insured was unable to prove that the exception to the exclusion applied, that is, that all the water came from the drains and not partly from other sources. There was a concurrence of insured and excepted perils and the Insurer was not liable. See judgment at pages 75, 747 & 75, 761.

This decision is the legal principal for the notion that storm water that mixes with floodwater causing concurrent inundation is deemed to be an excluded peril.

Many properties in Queensland have storm water drains that exit into a creek/river system. As the creek/river rose, these waters surcharged up the stormwater drains and entered many properties. These issues were addressed in detail in the reports prepared for ICA (and made available on the ICA website) by WRM Water and Environment, Water Matters International and Worley Parsons Resources Energy (Flooding in the Brisbane River Catchment January 2011 Volume 1, 2 & 3) and apply specifically to the Applicants loss.

CGU's policy provides indemnity for losses resulting from "water escaping from interalia, a fixed pipe." Clearly a stormwater drain is a fixed pipe and accordingly prima facie, it "could" seem that if stormwater drains discharge causing inundation, the loss is covered.

However, in the Applicants case that isn't how the policy responds and how, as a matter of law, the loss is construed. On application of the Wayne Tank principle (Wayne Tank and Pump Co Limited v Employees Liability Assurance Corp Limited (1973) 3 All ER 825) this arguably produces an uninsured loss. In essence, the principle is that if two perils operate contemporaneously to produce a loss, one of which is insured but the other is not, the uninsured peril prevails to override or knock out the insured peril. Applying this principle to the discharging of the stormwater pipes produces the following outcomes: The river water discharging from the river back up the stormwater pipes (as the water level rises) above the river outlet, it is arguably, flood water as defined. It is water escaping from / released from / overflowing from the normal confines of the water course.

Thus you have two perils operating contemporaneously to produce a loss, in which case, applying the Wayne Tank Principle, the loss caused by the flood water prevails to exclude coverage for the damage.

Whichever way the Wayne Tank Principle is to be applied, it seems to produce the same outcome. If the water discharging from the river up through the storm water drains, exits and mixes with ponded or accumulated stormwater causing property inundation, this is arguably an excluded peril in the way it has been consistently applied by the courts in a number of cases. The result would occur if the river water from the drains, alone inundated the property, see (Eastern Suburbs Leagues Club Ltd v Royal & Sun Alliance Insurance Australia Ltd (2004) 13 ANZ Insurance Cases 61-599, Prosser v AMP General Insurance Ltd (2003) NTSC80, Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd (1991) 6 ANZ Insurance Cases 61-366).

In terms of the policy definition of flood, there is nothing unusual in the manner in which flood is defined. As the policy was provided to the Applicant, (refer statutory declarations) there is no responsibility on the Insurer to provide an explanation of the Wayne Tank principle as it applies to excluded and included perils. The essential features of this definition have been subject to detailed judicial scrutiny in the cases of Hams and Anor v CGU Insurance Ltd (2002) 12 ANZ Ins Cas 61-525 and Marsh v CGU Insurance Ltd t/as Commercial Union Insurance (2004) 13 ANZ Ins Cas 61-594.

In the former case CGU was held to have satisfied the requirements of Section 35(1) of the Insurance Contracts Act, to "*clearly inform*" the Insured of the effect of the flood exclusion by the provision of a policy containing clear and unambiguous language. In the former case, His Honour Justice Einfeld stated:

*"I certainly do not accept that as a general rule it would be incumbent upon an insurer to provide along with a document containing the provisions, either a text on insurance law or an annotated Policy identifying and explaining either the general principles of insurance law or the principles dealing with the proper approach to the construction of policy provisions. The fact is that the principles which underpin the law of insurance are often complex in the extreme and it could not be the case as it seems to me, that a condition precedent to an insurer establishing that it had **clearly informed them** in writing of the relevant limitation required the insurer to annotate the Policy by reference to the principles of insurance law". (See page 76,200).*

This principle was then reinforced by the Northern Territory Court of Appeal in Marsh v CGU Insurance Ltd (see prior reference) when Their Honours said:

"Whether the policy wording 'clearly informed' the Insured that there was no cover for flood, was a question of fact to be determined by an examination of the document. It was not necessary for the relevant exclusion to be prominently displayed in bold letters over the front cover in order for the Insurer to succeed on this question.

"There were a large number of 'prescribed events' such as flood which were required to be excluded by clearly informing the Insured that they were not covered risks, and it would have been impractical to require them all to be so displayed. Furthermore, the language of Sec 35(2) of the Act suggested that the Insured could have been clearly informed by providing a copy of the policy which showed the exclusion in clear unambiguous terms.

"Even though Section 35 of the Act was plainly beneficial language, a fair reading of Sec 35(2) did not warrant the conclusion that the result needed to go further than providing for the relevant exclusion in the policy wording in clear unambiguous language and in a manner in which a person of average intelligence and education was likely to have little difficulty in finding and understanding if that person read the policy in question". (77-055).

"There's no lack of clarity in the wording of the policy. It is quite clear from the definition, for example, that when water overflows from a river onto normally dry land that is a flood". (77-054) (per Mildren J. - Bailey J. concurring).

The thrust of this argument is that, whilst the property was inundated by water, it was flood water arising as a consequence of a storm. All floods are inarguably caused by a storm of one form or another. The volume of water that falls in an area and in particular the catchment area impacts the likelihood of flooding.

It is our submission that if it was flood water alone then the loss is clearly excluded. If it was a combination of both storm and flood water similarly it is excluded on the basis of both the Wayne Tank decision and the Peterson case in the event that storm and flood water mixed or storm and flood water inundated the premises contemporaneously.

Finally, and in the alternative, if there was inundation by storm water, that was unable to drain into the creek because it was also in flood, that water is defined as flood on the basis of the decision in K Sika Plastics v Cornhill Insurance (1982) 2NZLR 50(CA).

The circumstances of K Sika Plastics were as follows:

Sika Plastics had insurance policies with Cornhill covering, inter alia, water damage. The policies indemnified the in respect of "destruction or damage to the property directly due to - Water not being water which through flood has overflowed beyond the normal boundaries of river, watercourse, lake or sea". The plaintiff's factory was situated in a gorge and its east wall was beside the right bank of a stream. After extremely heavy rainfall flooding damaged the Plaintiff's premises and equipment. Water had come down the gorge in a torrent. The cumulative rainfall had been so heavy that the normal banks of the stream could not accommodate all the water that would otherwise have entered them either directly from rainfall or run-off. In the High Court the Judge held that the Insurer was not liable. The Insured appealed.

Per Cole, McMullin and Somers, JJ:

Held: The Insurer was not liable under the policies. In ordinary and natural language a watercourse overflowed its normal banks when all the water that would otherwise drain or fall into it could not be contained in it because it was full. All the surplus water was then overflow, no matter whether or not some of it had at one time been within the banks and then forced out (see p 53 line 3, p 53 line 28, p 53 line 32). It is notable that the Court emphasised that it was not just rainfall, but also surface runoff, that was unable to enter the stream due to its swollen or flooded state.

His Honour Justice Cooke stated at page 3 of the judgment:

"The extremely heavy rainstorm that occurred over the Korokoro Stream catchment on 20th December 1976 gave rise to flood waters in the natural stream channel 3 to 4 times normal winter flood peaks and flood flows in the order of twice the capacity of the stream channel immediately adjacent to and downstream of the building occupied by K Sika Plastics. The frequency of this flood has been established at 150 years return ... The water in the flood plain could not enter the stream, partly because the stream was full, and partly because of the magnitude and velocity of the flood flow. It ran down hill with gravity ... The flood plain then reached a constriction, in the form of the upraised tip. ... [Counsel for the plaintiff] argued it was not a situation where water was overflowing beyond normal boundaries of a stream but a situation where capacity of a stream had been overwhelmingly exceeded and surface water which could not get into the stream because it was full flowed down the valley in large quantities. The essence of that argument I think is this: because there is a very great flood, there is no flood at all. That does not make sense to me on the facts of this case. ...

..... In ordinary and natural language, I think that a watercourse is said to overflow its normal banks when all the water that would otherwise drain or fall into it cannot be contained in it because it is full. All the surplus water is then overflow, no matter whether or not some of it has at one time been within the banks and then forced out".

In the absence of any hydrological or independent observer evidence to contradict the findings of our site specific hydrologist it is CGU's submission that the proximate or effective cause of the loss was damage by floodwaters as defined by the policy.

If the water that initially entered the premises was flood water then, as a matter of law the loss is excluded. Similarly if it is a mixture of storm and flood water, the loss is excluded or indeed a concurrent inundation of storm and flood water it is excluded. In essence it is CGU's submission that the hydrological evidence is such that the only source of water that inundated the subject property was flood water or a combination (mixture) of storm water and flood water and accordingly, applying the law as it currently stands in Australia, all loss sustained is excluded from cover .

CONCLUSION:

The Applicants policy provides cover against "*Listed Events*" to their "*Building*" and "*Contents*" caused by storm, rainwater and liquid escaping from a fixed pipe and drains but specifically excludes damage caused by "*Flood*". The term "*Flood*" is defined as "*the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam*".

Our Adjuster and Hydrologist have determined the Applicants loss has occurred through the escape of water from drains, with no damage caused by overflowing gutters, roof or storm water run off.

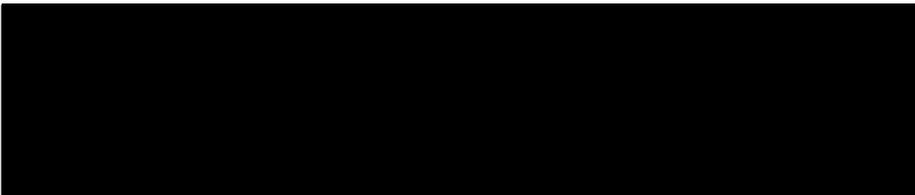
In the Applicants circumstance it is clear the damage has occurred through the "*flood*" water as defined by the policy of insurance and as a result of the application of current Australian law, (see in particular, *K Sika Plastics v Cornhill Insurance*, *Peterson v Union Des Assurances De Paris IARD* and *Wayne Tank and Pump Co Limited v Employers Liability Assurance Corp Limited*. See also *Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd* and *Mitor Investments Pty Ltd v General Accident Fire and Life Assurance Corporation Ltd.*). These cases confirm that the proximate cause of the damage claimed to be "*storm water*", is in fact "*flood*" and that CGU has complied with our policy and legal obligations to the Applicant.

If the water that initially entered the premises was flood water then, as a matter of law the loss is excluded. Similarly if it is a mixture of storm and flood water, the loss is excluded or indeed a concurrent inundation of storm and flood water it is excluded. In essence it is CGU's submission that the hydrological evidence is such that the only source of water that inundated the subject property was flood water or a combination (mixture) of storm water and flood water and accordingly, applying the law as it currently stands in Australia, all loss sustained is excluded from cover .

The Applicant received our policy wording and CGU submits that we have complied with our obligations to the Applicant under section 35 of the Insurance Contracts Act.

CGU considers it has provided sufficient evidence to prove on the balance of probabilities that the loss has resulted solely from the actions of a "*flood*"; based on the evidence obtained from the Applicants, its location, the hydrology reports, our Assessors report, legal precedent and other information contained on our files to confirm that fact.

CGU Insurance submits that as the applicable policy wording is clear and unambiguous and from the information provided in our Notice of Response, the Applicant has no entitlement in regards to this disputed claim.




 Senior Case Manager
 Decision Review Department
 CGU Insurance
 Phone: 1300 651 227

Annexure 21



Colin Brett

From: [REDACTED]
Sent: Monday, 29 August 2011 4:54 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Notice of Response: [REDACTED]

Mr & Mrs Doyle.
As requested, I attach a copy of our submission to FOS.

[REDACTED] (ANZIIF – Snr Assoc, CIP)
Senior Case Manager, Dispute Resolution
Decision Review Office
CGU Insurance, SGIC

T
F
M
E

www.cgu.com.au **We put the You in CGU.**

Please consider the environment
before printing this email.

From: [REDACTED]
Sent: Wednesday, 24 August 2011 1:57 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Notice of Response: [REDACTED]

Good afternoon [REDACTED]

Please find attached CGU's Notice of Response with regards to this disputed matter.
Supporting information will leave my office for yours and the Applicant / LAQ, tomorrow.
Thanks.



NOR-247156.D
Doyle.23.8.11.pdf

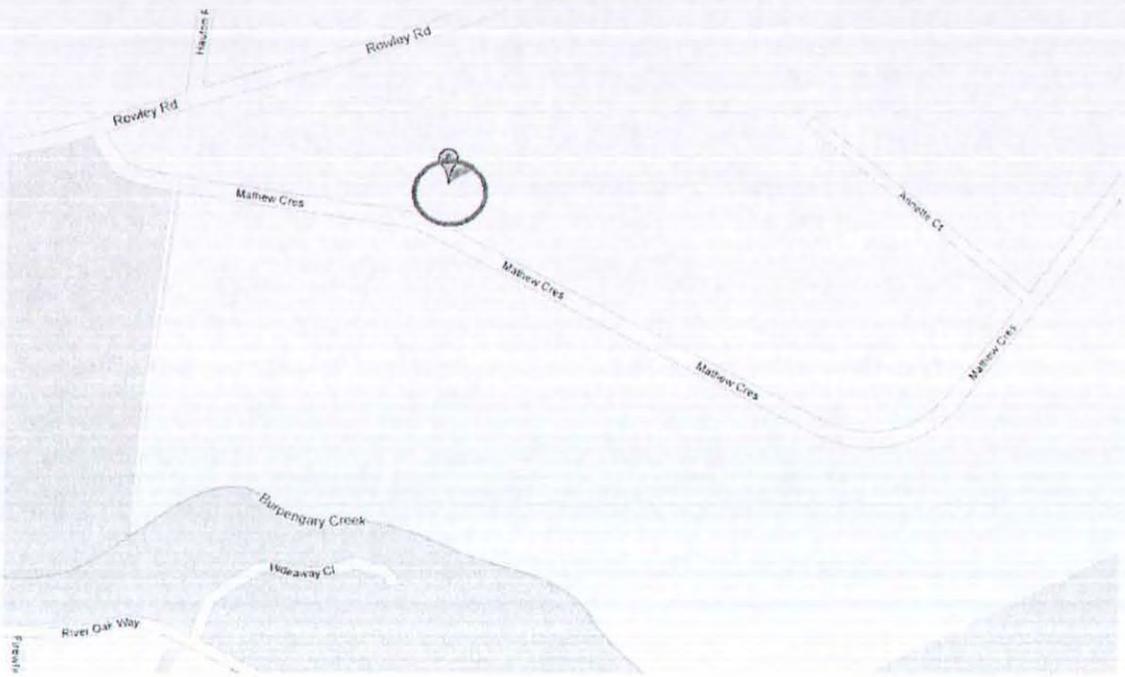
[REDACTED] (ANZIIF – Snr Assoc, CIP)
Senior Case Manager, Dispute Resolution
Decision Review Office
CGU Insurance, SGIC

T
F
M
E

www.cgu.com.au **We put the You in CGU.**

Annexure 22





Annexure 23

Annexure 24



RENEWAL SCHEDULE AND PREMIUM INSTALMENT ADVICE

Membersafe

CGU Centre 181 William Street
Melbourne VIC 3000
www.cgu.com.au

General Enquiries or Change of Details: 1800 079 908

24 Hour Claims: 1300 306 497



036

Page 1 of 6

[REDACTED]
L DOYLE

Date of this notice: 24/01/10

[REDACTED]
BURPENGARY QLD QLD 4505

Policy Number: [REDACTED]

Intermediary

First instalment due: 01/04/10

Instalment Amount: \$92.12

This renewal expires at 4.00 p.m. on 04/03/11



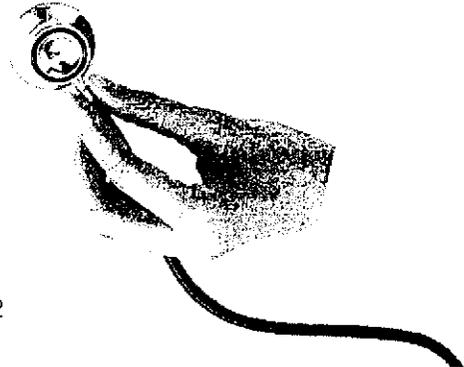
Keeping your insurance healthy - could you be ready for a check-up?

Once in a while we all need a check-up - even for our insurance policy.

Now that your insurance is due for renewal, it's important to check that it does cover all your essential needs. Is it still healthy? Are you accessing all the policy benefits and discounts offered? Or perhaps you would just like us to look at your other insurance needs?

Have a talk to one of our friendly staff who will help you choose the best 'preventative medicine' to keep your policy healthy and vital.

Call into your local CUA branch or give CUA Insurance Services a call on 133 282 for an obligation free quote.



Credit Union Australia ABN 44 087 650 959 AFSL No 238291 acts under its own Australian Financial Services Licence and under an agreement with the insurer, CGU Insurance Limited ABN 27 004 478 371 (CGU). This is general advice only and does not take into account your individual objectives, financial situation or needs ('your personal circumstances'). Before using this advice to decide whether to purchase this insurance policy, you should consider the appropriateness of it having regard to your personal circumstances, plus obtain and consider the current Product Disclosure Statement for the insurance policy.

IXX INSURED COPY 09

Insurer: CGU Insurance Limited ABN 27 004 478 371 AFS Licence No. 238291.

WFS4918

You have chosen to pay by instalment and unless you tell us otherwise we will continue to debit your nominated account.

Details of your instalments are shown overleaf.

Policy Number:

Intermediary Details:

CREDIT UNION AUST-GENERAL
1312053

Total Amount Payable:

\$1,105.44

What You Need To Tell Us

Please note that a renewal of insurance is a new insurance contract. You are required to disclose any matters that could affect your insurance cover.

If you answer 'Yes' to any of the following questions, contact our Customer Enquiries Centre 1800 079 908.

1. Has any insurer refused or cancelled cover on any of your policies or required special terms to insure you?
2. Have you or any other person who receive insurance protection under the proposed policy been charged or convicted of any criminal offence in the past 12 months?
3. Are there any other material facts which should be disclosed? (Refer to What You Need To Tell Us in the policy booklet).

THE SUMMARY BELOW SHOWS THE INSTALMENT DETAILS FOR YOUR CONTRACT.

FIRST INSTALMENT	LAST INSTALMENT	NO. OF INSTALMENTS	INSTALMENT AMOUNT	TOTAL
1/04/10	1/03/11	12	\$92.12	\$1,105.44

If you have replaced, upgraded or recently renewed your credit card please advise us of the details.



Details of your policy cover

This Schedule must be attached to and read as part of the Company's policy.

Policy Number:	[REDACTED]	Intermediary	
Insured:	[REDACTED] L DOYLE [REDACTED] BURPENGARY QLD	CREDIT UNION AUST-GENERAL	
	4505	GPO BOX 100 BRISBANE	4001
Policy Type:	Membersafe	Intermediary Number:	1312053
Period of Insurance:	From 04/03/10 To 04/03/11	Intermediary Phone:	133 282
Situation of Property Insured		Mortgagee/Interested Party	
[REDACTED]	BURPENGARY 4505	CUA	



INTEREST/PROPERTY INSURED	SUM INSURED	PREMIUM
*** SEE IMPORTANT CHANGES ON THIS DOCUMENT ***		
LISTED EVENTS		
BUILDINGS	\$402000	\$606.78
INCLUDING REPLACEMENT BENEFIT		
MORTGAGEE AS ABOVE		
SITUATION AS ABOVE		
CONTENTS		
OTHER CONTENTS	\$67000	
SPECIAL CONTENTS	\$NIL	
TOTAL SUM INSURED FOR ALL CONTENTS	\$67000	\$328.06
EXCESS APPLICABLE TO ALL ABOVE	\$100	
LIABILITY LIMIT - \$20000000		
"OTHER CONTENTS" INCLUDES "VALUABLE ITEMS" TO A TOTAL OF \$5000 OR 20% OF CONTENTS SUM INSURED (WHICHEVER IS THE GREATEST) WITH AN ITEM LIMIT OF \$2500		
VALUABLE ITEMS		
OTHER VALUABLES ITEMS - ITEM LIMIT \$2500	\$NIL	
SPECIAL VALUABLE ITEMS	\$NIL	
TOTAL SUM INSURED FOR ALL VALUABLES	\$NIL	

TOTAL BASIC PREMIUM	\$934.84
GOODS AND SERVICES TAX	\$93.49
STAMP DUTY	\$77.12
TOTAL	\$1105.45

THE PREMIUM INCLUDES A DISCOUNT FOR :
* HAVING AN APPROVED SECURITY SYSTEM

WHAT YOU NEED TO TELL US

IF YOU ACCEPT OUR INVITATION, A NEW INSURANCE CONTRACT IS CREATED AND YOU ARE REQUIRED TO TELL US ANYTHING THAT YOU KNOW OR SHOULD KNOW COULD AFFECT OUR DECISION TO INSURE YOU.

IF YOU DO NOT TELL US THIS INFORMATION, WE CAN REDUCE THE AMOUNT OF A CLAIM, OR WE CAN CANCEL YOUR POLICY. IF YOUR FAILURE TO TELL US IS FRAUDULENT, WE CAN TREAT YOUR POLICY AS IF IT NEVER EXISTED.

IF YOU ANSWER "YES" TO ANY OF THE FOLLOWING QUESTIONS YOU MUST ADVISE US IN WRITING, PROVIDING FULL DETAILS.

Continued on following page

Document re-created on 16/05/2011

IN THE LAST 12 MONTHS:

- (1) HAS ANY INSURER REFUSED, CANCELLED, OR IMPOSED AN EXCESS ON ANY OF YOUR POLICIES OR REQUIRED SPECIAL TERMS TO INSURE YOU?
- (2) HAVE YOU OR ANY OTHER PERSON WHO WOULD RECEIVE INSURANCE PROTECTION UNDER THE PROPOSED POLICY BEEN CHARGED OR CONVICTED OF ANY CRIMINAL OFFENCE?
- (3) HAVE THERE BEEN ANY CHANGES TO THE INSURED PROPERTY WHICH MIGHT INCREASE THE RISK OF LOSS OR DAMAGE?
- (4) ARE THERE ANY OTHER MATERIAL FACTS WHICH SHOULD BE DISCLOSED? (PLEASE REFER TO THE DUTY OF DISCLOSURE SECTION IN YOUR POLICY BOOKLET.)

Do you authorise us to send you marketing material such as special offers and discounts?

Please call us at the telephone number on the front page of the schedule if you do not want to receive this material.

IMPORTANT NOTICE - POLICY EXCESS

For each separate identifiable incident for which your policy provides cover any applicable excess will apply for each incident giving rise to a claim.

AS THIS IS A CONTRACT WHEREBY THE PREMIUM IS PAID BY INSTALMENTS YOUR ATTENTION IS DRAWN TO "YOUR PREMIUM" IN THE POLICY BOOKLET.

TO PROVIDE SOME PROTECTION AGAINST INCREASED COSTS, THE SUM INSURED ON BUILDINGS &/OR CONTENTS HAS BEEN INCREASED BY 5.0%.
YOU MAY SELECT DIFFERENT SUMS INSURED IF YOU WISH.

Cooling - Off Period

If you decide that you do not wish to continue with this policy, you have twenty-one days after the commencement of this insurance to request cancellation. We will provide you with a full refund of premium paid, provided you have not made a claim under the policy.

Your Renewal

In line with modern business practice, we do not automatically provide receipts for payment of renewals. If you require confirmation of your renewal, or you require a tax invoice, you can contact us.

Under the requirements of the Financial Services Reform Act 2001, we have prepared a Product Disclosure Statement (PDS) for this insurance. This PDS has been prepared to assist you in understanding the insurance policy and making an informed choice about your insurance requirements. If you would like a copy of the PDS, please contact us.

You can contact us:

By phoning the telephone number on the front page of the schedule, or

By writing to CGU Insurance Limited

GPO Box 4962 Melbourne 3001, or

By completing our e-Form or e-Mail at www.cgu.com.au

*If you have chosen to pay by direct debit or by credit card,
please keep this information for your records.*

Direct Debit Agreement

By Authorising the Direct Debit Request, you agree that we may arrange for Instalments in respect of the Policy to be paid from your nominated account or credit card under the terms of the Direct Debit Request and this Agreement. This Agreement is to be read in conjunction with the Policy and the Direct Debit Request.

1. WORDS THAT HAVE A SPECIAL MEANING IN THIS AGREEMENT

- 1.1 **'Account'** means the Financial Institution account or credit card account (as applicable) nominated by you in your Direct Debit Request.
- 1.2 **'Authorisation'** and **'Authorising'** means your binding authorisation and includes your signature, your request by telephone or your request by any written or electronic method.
- 1.3 **'Direct Debit Request'** means the authority and request given by you to us to debit Instalments to your Account.
- 1.4 **'Financial Institution'** means the bank or financial institution or credit card issuer nominated by you in your Direct Debit Request.
- 1.5 **'Instalment'** means each premium instalment payable to us under the terms of the Policy on the dates identified in the Premium Instalment Advice.
- 1.6 **'Intermediary Fees'** means the fees payable by the insured to an insurance intermediary in respect of effecting the Policy or amending the Policy, as notified by the insurance intermediary to CGU.
- 1.7 **'Policy'** means the contract of insurance effected with us by you or any other person as nominated by you in the Direct Debit Request in respect of which CGU permits payment by direct debit or credit card and any renewal of that contract of insurance. It includes the Premium Instalment Advice in respect of each such contract.
- 1.8 **'Premium Instalment Advice'** means the most recent premium instalment advice(s) provided or to be provided by us to the insured under the Policy, which sets out details of the Instalments and Instalment due dates.
- 1.9 **'you/your'** means the person or persons making the direct debit request or credit card authorisation (as applicable) in the Direct Debit Request.
- 1.10 **'we/us'** means CGU Insurance Limited ABN 27 004 478 371.

2. OUR OBLIGATIONS TO YOU AND OUR RIGHTS:

- 2.1 We will send you a written or electronic copy of the Direct Debit Request arrangements (amount; frequency; commencement date) and obtain your Authorisation to the Direct Debit Request at least 7 calendar days prior to debiting any amount in accordance with the Direct Debit Request.
- 2.2 Subject to the terms of this Agreement, we will debit to the Account:
- Intermediary Fees (if applicable), on behalf of the licensee or authorised representative that you have arranged your insurance through, on or about the first Instalment date set out in the Premium Instalment Advice;
 - the first Instalment on or about the first Instalment date set out in the Premium Instalment Advice
 - any subsequent Instalments on or about the Instalment date identified in the Premium Instalment Advice.
- Subject to clause 2.4, we will not change the amount or frequency of Instalments for the Policy without your prior approval.
- 2.3 Where the due date for any Instalment falls on a non-business day, we will debit the Instalment on or about the next business day. If you are uncertain about when the Instalment will be debited to your Account, contact your Financial Institution.
- 2.4 Where any Instalment is dishonoured, or an additional amount is due as a result of an amendment to a Policy, you authorise us to debit to the Account:
- any outstanding amounts and the next Instalment on or about the next Instalment due date; or
 - any outstanding amounts at any time.
- 2.5 We reserve the right to terminate this Agreement and the Direct Debit Request without notice to you if more than one Instalment is dishonoured. This means you must ensure premium payments are made by an alternative payment method offered by us. We may also be able to cancel the Policy.
- 2.6 If any Instalment is dishonoured, you authorise us to obtain reimbursement from you of any fees we incur by debiting these fees to your Account if and when they accrue.
- 2.7 If we are obliged to refund any amounts debited to the Account under the Direct Debit Request in respect of the Policy, we will (at our option) either:
- arrange for a refund to be payable to you within 31 days of the refund becoming payable; or
 - reduce the amount of the next Instalment(s) by the amount of the refund (this reduction will continue until the amount is refunded in full).

- 2.8 We collect personal information from you for the purpose of providing you with direct debit or credit card payment facilities and related services. You can choose not to provide this information, however, we may not be able to debit the Account under your Direct Debit Request. We will keep all information you give to us relating to your Account private and confidential except to the extent we need to disclose it to relevant banks and financial institutions to debit your Account or in connection with a claim made against our bank relating to an alleged incorrect or wrongful debit. If you wish to update or access the information that we hold about you, contact us.
- 2.9 If you request a change to the Policy which affects the amount or frequency of the Instalments, we will provide you with 7 days written notice before the amount or frequency of the Instalments is varied.
- 2.10 Otherwise, we will provide you with 14 days written notice if any term of this Agreement varies during the term of the Direct Debit Request and will provide you with an updated version of this Agreement.

3. YOUR OBLIGATIONS TO US AND YOUR RIGHTS:

- 3.1 You must check your Account details against a recent statement from your Financial Institution. Direct debiting is not available on all accounts. If you are uncertain about your Account details or whether direct debiting is available from your account, check with your Financial Institution before selecting the option to pay by direct debit in the Direct Debit Request
- 3.2 By Authorising the Direct Debit Request, you agree to be bound by the terms of this Agreement and the Direct Debit Request.
- 3.3 You must ensure that immediately before any Instalment or other amount is due to be debited you have sufficient funds or credit available in respect of your Account to meet your Instalment obligations under this Agreement and any other amounts on the due date.
- 3.4 If your Account has more than one signatory, you must ensure that all necessary signatories Authorise the Direct Debit Request. It is your responsibility to ensure that the authorisation given to debit the nominated Account is identical to the Account signing instruction held by the Financial Institution where the Account is based.
- 3.5 You must advise us if your Account is transferred, closed, cancelled or expires.
- 3.6 You may alter the debiting of an Instalment, stop payment of an Instalment or terminate the Direct Debit Request at any time by giving written notice to us at least 14 days prior to the due date of the next Instalment or by contacting your Financial Institution. It is your responsibility to arrange with us a suitable alternate payment method if you wish to cancel the Direct Debit Request. If we agree to vary the frequency of the Instalments, we will issue you with an updated Premium Instalment Advice. If alternative payment arrangements are not made with us, we can cancel a Policy without notice to you.

4. INQUIRIES AND DISPUTES

If you have any concerns or queries regarding the timing of credit card payments, a proposed variation to the amount or frequency of Instalments or any amount debited, you should contact us on 13 15 32. If you have a query about the timing of other payments or wish to dispute a debit, contact your Financial Institution.

CGU Insurance Limited ABN 27 004 478 371. An IAG Company

Annexure 25

Help Claims CUAU CUIA Errors Rating CPAY EndorseQ

DISPO2#####59 PROD

CLIENT DETAIL - SUMMARY Policy Prem: 543.85 Policy: [REDACTED]

Membersafe Net Premium: 450.45 Period: [REDACTED]

INCEPTO

Status: Replaced Credit Terms: N/A Branch: 49 Cln Chq: Ins

Agent: [REDACTED] Profit Centre: 18 CUIA: Y

Renewal: Prev Pol: Insp: 080 Divn: F RCUA: Y

INSURED NAME AND ADDRESS LOCATION ADDRESS

[REDACTED] BURPENGARY QLD

BURPENGARY QLD 4505 4505

UNDERWRITER COMMENT

More AA Comments!
Press PF5 to view.

GENERAL COMMENTS

HP 01 POLICY RESTORED FROM PURGE HISTORY FILE

Cmd==>

PF Key 1 Help 2 EPF Del 3 Exit 4 Basic 5 Use Dsc 6 Cover 9 Comments 10 Payments
PF Key 11 Tot 12 CCS 13 RI 14 Alt Date 15 Agent 16 Pol Search 17 Sch 23 Add Cov

Help Claims CUAU CUIA Errors Rating CPAY EndorseQ

DISP02*****59 PROD

CLIENT DETAIL - SUMMARY Policy Prem: 1211.62 Policy [REDACTED]

Membersafe Net Premium: 1006.54 Period: [REDACTED]

CLAIM PERIOD

Status: Replaced Credit Terms: N/A Branch: 49 Clm Chq: Ins

Agent: [REDACTED] Profit Centre: 18 CUIA: Y

Renewal: [REDACTED] Prev Pol [REDACTED] Insp: 080 Divn: F RCUA: Y

INSURED NAME AND ADDRESS LOCATION ADDRESS

[REDACTED]
L DOYLE

[REDACTED] BURPENGARY 4505 BURPENGARY 4505

UNDERWRITER COMMENT

UPPER LIMIT CAP IMPACT 3.08%

More AA Comments!

442 Press PF5 to view.

GENERAL COMMENTS

MC -PRI 00 ADDED [REDACTED] EP\$106.17 -GET 150910

Cmd==>

PF Key 1 Help 2 EPF Del 3 Exit 4 Basic 5 Use Dsc 6 Cover 9 Comments 10 Payments

PF Key 11 Tot 12 CCS 13 RI 14 Alt Date 15 Agent 16 Pol Search 17 Sch 23 Add Cov

AGENTHLP AGENCY INFORMATION

Sort: CRED

Name1: [REDACTED]

Name2:

Address: GPO BOX 100

BRISBANE

Pcode: 4001

Telephone No: - 13-3282

Commission Schedule: [REDACTED] Spec Use: [REDACTED]

Source of Business: GENERAL AGENTS - OTHER.

SCHEDULE DESPATCH

New Business: INSURED

Renewals: INSURED

Other: INSURED

Underwriter Grade: CODE NOT FOUND

Billing Address: [REDACTED]

Activity List: THE ACTIVITY LIST AND THE AGEN
S COPY OF SCHEDULE WILL NOT PR

Lapse Timing: 90 DAYS AFTER DUE DATE.

View Commission: N (Y/N)

Exit: PF3

ISS EFF RSN
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TYPE LOB DOCUMENT TEST001 EDITION 0000 STATU
OWNER NEXT DOC. OLD OR NEW O.

ENDORSEMENT SCHEDULE ISSUED 15/09/10
INSURED L DOYLE
SITUATION BURPENGARY

LISTED EVENTS

BUILDINGS \$402000

INCLUDING REPLACEMENT BENEFIT

MORTGAGEE AS ABOVE

SITUATION AS ABOVE

CONTENTS

OTHER CONTENTS \$67000

SPECIAL CONTENTS \$NIL

TOTAL SUM INSURED FOR ALL CONTENTS \$67000

EXCESS APPLICABLE TO ALL ABOVE \$100

LIABILITY LIMIT - \$20000000

"OTHER CONTENTS" INCLUDES "VALUABLE ITEMS" TO
A TOTAL OF \$5000 OR 20% OF CONTENTS SUM INSURED

[REDACTED]

OWNER NEXT DOC. OLD OR NEW O
(WHICHEVER IS THE GREATEST) WITH AN ITEM LIMIT
OF \$2500

VALUABLE ITEMS
OTHER VALUABLE ITEMS - ITEM LIMIT \$2500 \$NIL
SPECIAL VALUABLE ITEMS \$NIL
TOTAL SUM INSURED FOR ALL VALUABLES \$NIL

[REDACTED] [REDACTED] \$9000 \$89.73

REGISTRATION NO. [REDACTED]
[REDACTED]

ISS EFF RSN
SORT DOYL SCREEN # 04 O-OLD OR N-NEW O CARRY ON PIF Y PRINT N
OWNER NEXT DOC. OLD OR NEW O

COMMENCEMENT DATE 14/09/10
THE ANNEXE \$1000
CONSTRUCTION : CANVAS
YEAR OF MANUFACTURE 2003

COMMENCEMENT DATE 14/09/10
TOTAL SUM INSURED PART A \$10000
STANDARD EXCESS APPLICABLE TO PART A \$50
NO CLAIMS BONUS NIL

PART B
LIABILITY - (AMOUNT OF COVER \$30000000)

TOTAL BASIC PREMIUM	\$89.73
GOODS AND SERVICES TAX	\$8.97
STAMP DUTY	\$7.47
TOTAL	\$106.17

2 \$ F I
OR N-NEW O CARRY ON PIF Y PRINT N
OWNER NEXT DOC. OLD OR NEW O

THE PREMIUM INCLUDES A DISCOUNT FOR :
* HAVING AN APPROVED SECURITY SYSTEM

YOUR POLICY HAS BEEN ALTERED AND THIS SCHEDULE REPLACES ANY PREVIOUS
SCHEDULE FOR THE ABOVE PERIOD OF INSURANCE AS FROM 14/09/10.

IMPORTANT NOTICE - POLICY EXCESS

For each separate identifiable incident for which your policy provides cover
any applicable excess will apply for each incident giving rise to a claim.

ISS EFF RSN
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TYPE LOB DOCUMENT TEST001 EDITION 0000 SEQ 001 ISSUE 040310 STATUS T
OWNER NEXT DOC. OLD OR NEW O

"OTHER CONTENTS" INCLUDES "VALUABLE ITEMS" TO
A TOTAL OF \$5000 OR 20% OF CONTENTS SUM INSURED
(WHICHEVER IS THE GREATEST) WITH AN ITEM LIMIT
OF \$2500

VALUABLE ITEMS
OTHER VALUABLES ITEMS - ITEM LIMIT \$2500 \$NIL
SPECIAL VALUABLE ITEMS \$NIL
TOTAL SUM INSURED FOR ALL VALUABLES \$NIL

TOTAL BASIC PREMIUM	\$934.84
GOODS AND SERVICES TAX	\$93.49
STAMP DUTY	\$77.12

[REDACTED]	ISS EFF	RSN	[REDACTED]
SORT DOYL	OR N-NEW O	CARRY ON PIF Y	PRINT N
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
OWNER	NEXT DOC.	OLD OR NEW O	
	TOTAL	\$1105.45	

THE PREMIUM INCLUDES A DISCOUNT FOR :
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WHAT YOU NEED TO TELL US

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IF YOU ANSWER "YES" TO ANY OF THE FOLLOWING QUESTIONS YOU MUST ADVISE US IN WRITING, PROVIDING FULL DETAILS.

[REDACTED]

IN THE LAST 12 MONTHS:

- (1) HAS ANY INSURER REFUSED, CANCELLED, OR IMPOSED AN EXCESS ON ANY OF YOUR POLICIES OR REQUIRED SPECIAL TERMS TO INSURE YOU?
- (2) HAVE YOU OR ANY OTHER PERSON WHO WOULD RECEIVE INSURANCE PROTECTION UNDER THE PROPOSED POLICY BEEN CHARGED OR CONVICTED OF ANY CRIMINAL OFFENCE?
- (3) HAVE THERE BEEN ANY CHANGES TO THE INSURED PROPERTY WHICH MIGHT INCREASE THE RISK OF LOSS OR DAMAGE?
- (4) ARE THERE ANY OTHER MATERIAL FACTS WHICH SHOULD BE DISCLOSED? (PLEASE REFER TO THE DUTY OF DISCLOSURE SECTION IN YOUR POLICY BOOKLET.)

Do you authorise us to send you marketing material such as special offers and discounts?

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[REDACTED] do not want to receive this material.

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TO PROVIDE SOME PROTECTION AGAINST INCREASED COSTS, THE SUM INSURED ON BUILDINGS &/OR CONTENTS HAS BEEN INCREASED BY 5.0%.

● YOU MAY SELECT DIFFERENT SUMS INSURED IF YOU WISH.

[REDACTED] 2 [REDACTED] S F [REDACTED] N
[REDACTED] [REDACTED] I [REDACTED] D [REDACTED] N [REDACTED] S
[REDACTED] [REDACTED] I [REDACTED] D [REDACTED] I [REDACTED] D [REDACTED] S
[REDACTED] [REDACTED] [REDACTED] D [REDACTED] [REDACTED]

Cooling - Off Period

If you decide that you do not wish to continue with this policy, you have twenty-one days after the commencement of this insurance to request cancellation. We will provide you with a full refund of premium paid, provided you have not made a claim under the policy.

Your Renewal

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[REDACTED]

renewal, or you require a tax invoice, you can contact us.

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You can contact us:

By phoning the telephone number on the front page of the schedule, or

By writing to CGU Insurance Limited

GPO Box 4962 Melbourne 3001, or

By completing our e-Form or e-Mail at www.cgu.com.au

Help CUAU CUIA Locality

DISP12 Descriptions Membersafe

[REDACTED]

[REDACTED]

L DOYLE

Effective Date: [REDACTED]
Schedule Request: [REDACTED]
To View Use Code: [REDACTED]
Or View Location: [REDACTED]

BLIRPENGARY 4505

A.A. Underwriters Comm [REDACTED]
[REDACTED]

Sort: EDI
Pcde:

A.A. Underwriters Comment.
000 QUICKINSURE SPECIAL QUOTE

Sequence: 1
Sort: EDI
Pcde:

AB CUIA Group and Client Number [REDACTED]
[REDACTED]

Sort: EDI
Pcde:

Enter Process PF1 Help PF2 EPF Del PF3 Exit PF4 Basic PF5 Credit Card
PF6 Covers PF7 Back PF8 FWD PF9 Comments PF17 Schedule PF24 All Descriptions

Help CUAU CUIA Locality

DISP12 Descriptions Membersafe Policy No: [REDACTED]

[REDACTED] Effective Date: [REDACTED]

[REDACTED] Schedule Request: (Refer to [REDACTED])
[REDACTED] To View Use Code: ([REDACTED])
BURPENGARY 4505 Or View Location: ([REDACTED])

CC Call Centre Comment - for this mod only Sequence: 0

[REDACTED] Pcde:

CC Call Centre Comment - for this mod only Sequence: 1

[REDACTED], RATING: 6, EFF 1 40910 EP: \$106.17 EP PER MONTH Sort:
: \$8.84 11:39 Pcde:

HO Occupancy Type
100 XX

Sequence: 0
Sort:
Pcde:

Enter Process PF1 Help PF2 EPF Del PF3 Exit PF4 Basic PF5 Credit Card
PF6 Covers PF7 Back PF8 FWD PF9 Comments PF17 Schedule PF24 All Descriptions

Help CUAU CUIA Locality

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DISP12 Descriptions Membersafe Policy No: [REDACTED]
INSURED NAME AND ADDRESS Period: [REDACTED]

[REDACTED] Effective Date:
L DOYLE Schedule Request: (Refer to [REDACTED])
[REDACTED] To View Use Code: [REDACTED]
BURPENGARY 4505 Or View Location: (P [REDACTED])

HR Oldest Policy Owner Date Of Birth Sequence: 0
[REDACTED] Sort:
Pcde:

LA Location of Risk Sequence: 0
100 [REDACTED] Sort:
BURPENGARY Pcde: 4505

MT First Mortgagee Sequence: 0
[REDACTED] A Sort: C [REDACTED]
Pcde: 4505

Enter Process PF1 Help PF2 EPF Del PF3 Exit PF4 Basic PF5 Credit Card
PF6 Covers PF7 Back PF8 FWD PF9 Comments PF17 Schedule PF24 All Descriptions

Help CUAU CUIA Locality

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DISP12 Descriptions Membersafe Policy No: [REDACTED]
INSURED NAME AND ADDRESS Period: [REDACTED]

[REDACTED] Effective Date: [REDACTED]
[REDACTED] Schedule Request: (Refer to [REDACTED])
[REDACTED]

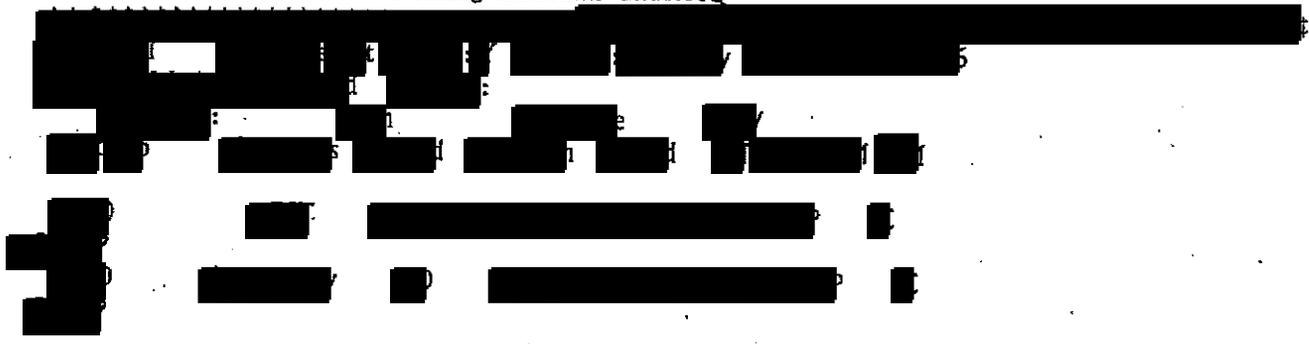
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PV Privacy Indicator Sequence: 0
[REDACTED] Sort:
[REDACTED] Pcde:

[REDACTED]

Enter Process PF1 Help PF2 EPF Del PF3 Exit PF4 Basic PF5 Credit Card
PF6 Covers PF7 Back PF8 FWD PF9 Comments PF17 Schedule PF24 All Descriptions

Help Claims Errors OLM Rating Discounts EndorseQ

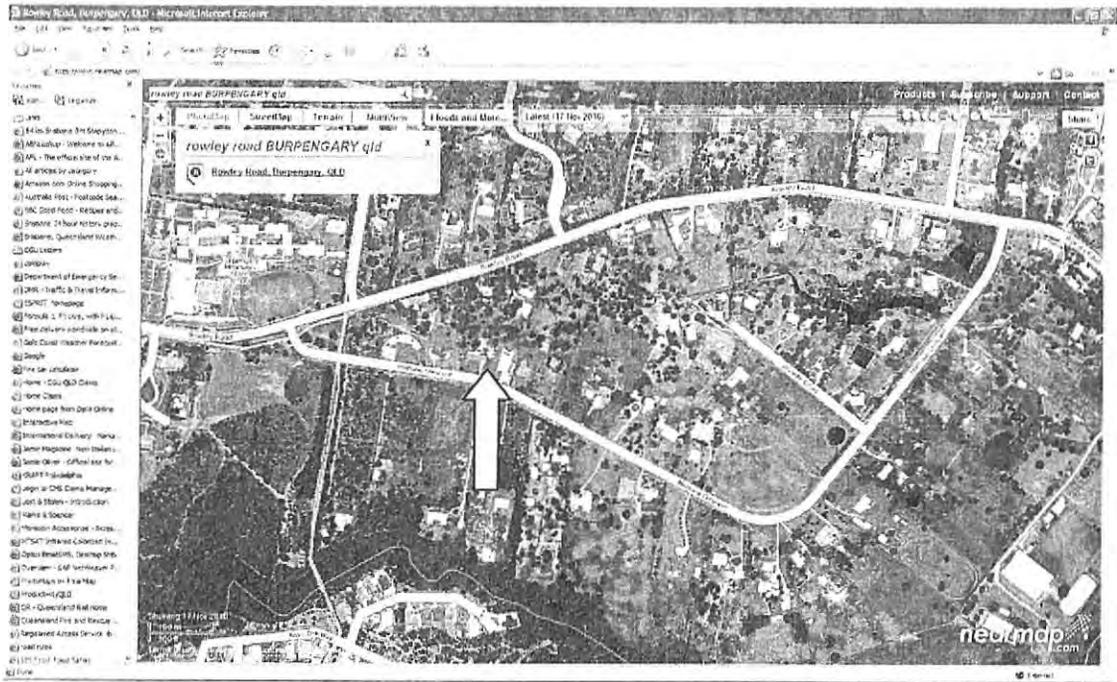


Enter- Process. PF 2 EPF Del 3 Exit 4 Basic 5 Use Desc 7 Back 8 Fwd 10 Payments
PF 11 Total 12 CCS 13 R/I 17 Schedule 21 Renew 22 History 23 Add Cover 24 Stats



Annexure 26





Annexure 27

first choice
home insurance product
disclosure statement and policy

first choice home



Preparation date: 01/08/2006

Insurer: **CGU Insurance Limited**
ABN 27 004 478 371
AFS Licence No. 238291

contents

This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.

Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.

When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.

If you need more information about this PDS, please contact us or your insurance adviser.

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First Choice Home Insurance

First Choice Home Insurance allows you to choose from two types of insurance cover: Listed Events or Accidental Damage.

- Listed Events provides cover for loss or damage to your buildings or contents as a result of the incidents listed on pages 12 to 17.
- Accidental Damage provides even greater cover than Listed Events. It also covers accidental loss or damage, plus a range of incidents listed on pages 17 to 20 under specific conditions.

The type of insurance cover you have chosen will be listed on your current schedule.

First Choice Home Insurance also provides a range of additional covers and cover for your legal liability.

You can choose to take out a buildings policy, a contents policy, or a combined buildings and contents policy.

You can also add options to your policy for domestic workers' compensation, strata title mortgagee protection, or to extend your valuables cover.

Your buildings or contents will be covered up to the sum insured, as listed on your current schedule.

To find out what this policy covers, see next page ►

For exclusions to this cover, see page 35 ►

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Buildings we will cover

We will cover residential buildings, their fixtures and fittings and any structural improvements at your home.

Your buildings include

- residential buildings that you live in, including any professional offices or surgeries in those buildings
- domestic outbuildings
- fixed coverings to walls, floors and ceilings
 - these do NOT include fixed carpets, curtains or internal blinds
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- anything permanently built, constructed or installed on your property for domestic purposes.

Your buildings do NOT include

- buildings that a tenant is liable for under the terms of a rental agreement
- plants, shrubs, trees or grass, **unless**
 - we are covering these under 'Trees, plants and shrubs replacement'.

For Trees, plants and shrubs replacement, see page 28 ►

What we will pay for buildings

We will cover your buildings up to the sum insured, as listed on your schedule.

Contents we will cover

We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.

Your contents include

- accessories and spare parts for motor vehicles, motorcycles, mini bikes, caravans, trailers and watercraft, that are not in, or on them
- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- film, slides and prints, **however**
 - we will only pay the value of these items as unprocessed material, and the cost of processing them
 - if you purchased them already processed we will only pay their replacement value
 - we will not pay the costs of recreating any event
- tapes, cassettes, cartridges and discs, **however**
 - we will only pay the value of these items when blank unless they were pre-recorded when you purchased them
- computer software
- media purchased online, e.g. music, software, and videos
- landlords' fixtures and fittings that you are liable for under the terms of a rental agreement, **unless**
 - the body corporate or similar body has insured them
- fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit, **unless**
 - the body corporate or similar body has insured them
- goods you use to earn an income at your home, **however**
 - goods do NOT include office and surgery equipment
- office and surgery equipment that you use to earn an income at your home
- unregistered motorised golf buggies, ride-on mowers and wheelchairs
- unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless**
 - they are being used for racing or pacemaking
- money and negotiable documents
- watercraft less than four metres long that is not powered by a motor, or is powered by a motor less than 10 hp
- valuable items as listed below
 - jewellery and watches
 - items that contain gold or silver (this does not include items thinly covered with gold or silver)
 - furs
 - collections of stamps, money or medals

Continued next page ►

continued... Contents we will cover

- battery-powered items as listed below
- audio visual equipment
- camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
- electronic diaries
- GPS
- mobile or portable phones
- portable computers
- sporting equipment, unless it is being used.

You can increase the level of cover for valuable items by choosing the Other Valuables or Special Valuables option.

For a description of the *Other Valuables* and *Special Valuables* options, see pages 32-34 ►

Your contents do NOT include

- unset precious/semi-precious stones
- plants and trees growing outdoors, **unless** - they are growing in pots or tubs
- animals, including birds and fish
- pedal cycles while they are used for racing or pacemaking
- motor vehicles, caravans, trailers or aircraft other than model or toy aircraft
- registered motorcycles or mini-bikes
- unregistered motorcycles or mini-bikes over 125cc
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp
- jet skis.

What we will pay for contents

There are set maximum amounts that we will pay when you make a claim. These amounts are listed on the following table and are included in your contents sum insured.

Continued next page ►

	THE MOST WE WILL PAY
CONTENTS	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system
office and surgery equipment - includes all battery-powered items, <i>see below</i> ▼	\$10,000 (inclusive of GST) in total
goods you use for earning your income in your buildings	\$5,000 (inclusive of GST) in total
money and negotiable documents	
under Listed Events	\$750 (inclusive of GST) in total
under Accidental Damage	\$1,250 (inclusive of GST) in total
watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10 HP	\$5,000 (inclusive of GST) in total
accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft	\$750 (inclusive of GST) in total
VALUABLE ITEMS INCLUDED IN CONTENTS	
under Listed Events	up to 20% of the contents sum insured as listed on your schedule, or up to \$5,000 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
under Accidental Damage	up to 20% of the contents sum insured as listed on your schedule, or up to \$7,500 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

continued... What we will pay for contents

Nominating the amount we will pay for contents

When you take out a contents policy, you must nominate the replacement value of your contents at today's prices. This is called your 'sum insured' and is listed on your schedule.

Increasing the amount we will pay for contents excluding valuable items

You can increase the maximum amount we will pay for any content item, pair, set, collection or system by nominating an amount that is higher than \$20,000. Your contents will be listed on your schedule as 'special contents'.

Increasing the amount we will pay for valuables

You can increase the total amount we will pay for your valuables by adding the Other Valuables option to your policy. This amount is in addition to your contents sum insured.

You can increase the maximum amount we will pay for an individual valuable item by adding the Special Valuables option to your policy. This amount is in addition to your contents sum insured.

For a description of the *Other Valuables* and *Special Valuables* options, see page 37 ►

Where your contents are covered

Your contents are covered at your home.
Your contents are also covered away from your home, anywhere in Australia.

Contents – at your home – at your home in the open air

We will cover your contents at your home for loss or damage as a result of an incident we have agreed to cover.

Under Listed Events, if your contents are at your home in the open air (not in a building that is fully enclosed) and they suffer loss or damage as a result of

- storm, rainwater or wind, or
- theft or attempted theft

the most we will pay is up to \$2,000 (inclusive of GST) in total. This limit does not apply to swimming pools, saunas or spas, or their accessories.

Contents – away from your home

We will cover your contents away from your home, for loss or damage as a result of an incident we have agreed to cover. Under Listed Events, we will cover your contents anywhere in Australia. Under Accidental Damage, we will cover your contents anywhere in Australia and New Zealand.

We will NOT cover

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft
- goods you use for earning an income
- office and surgery equipment you use for earning your income while they are away from your home.

We will NOT cover your contents if they

- have been away from your home for more than 90 consecutive days, **unless** – the contents are sporting equipment stored within a club room
- have been removed permanently from your home by you, **unless** – we have agreed to cover them
- are on the way to, or from, or are in a commercial storage facility, or in transit during a permanent removal, **unless** – we have agreed to cover them under 'Contents in transit' or 'Contents in a commercial storage facility'.

Under Listed Events, we will ONLY cover your contents for loss or damage as a result of storm, rainwater, wind or impact by a vehicle if they are

- in a residential building, boarding house, motel, hotel, club, nursing home, or hospital where you are staying, or
- sporting equipment stored within a club room.

Under Listed Events we will NOT cover

- your contents for theft while they are away from your home, **unless** – they are sporting equipment locked in a clubroom.
- your contents for loss or damage as a result of storm, rainwater, wind, or impact by a vehicle if they are in a tent, vehicle, caravan, trailer, aircraft, or watercraft.

Listed Events cover

If you have chosen Listed Events Home Insurance, we will cover your buildings or contents for loss or damage as a result of the incidents listed on pages 12 to 17.

If you make a claim, you will need to pay any excesses that apply – you will only need to pay this amount once. Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

Accidental breakage

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage when an item is chipped or fractured through its entire thickness.

If you have insured your buildings, we will cover any

- fixed glass in your buildings, including
 - any window tinting or shatter proofing material attached to the glass
- fixed shower bases, basins, sinks, spas, baths and toilets.

If you have insured your contents, we will cover any

- mirrors, glassware, crystal, crockery, unless
 - they are damaged while being used, cleaned or carried by hand
- glass in furniture, however
 - we will not cover glass that is part of a television, or a computer screen or monitor.

If you have insured your contents and live in a rental building, we will cover accidental breakage of fixed shower bases, basins, sinks, spas, baths and toilets, **however**

- this only applies when your rental agreement makes you responsible for these items.

Burglary or break-in

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a burglary or break-in, or an attempted burglary or break-in.

We will **NOT** cover loss or damage as a result of a burglary or break-in by a tenant.

The burglary or break-in, or attempted burglary or break-in, must be reported to the Police.

Burning out of an electric motor

BUILDINGS
CONTENTS

Under Listed Events, we will cover the cost to repair or replace your electric motor if it burns out or fuses.

We will **ONLY** do this if your electric motor is 15 years old or less.

Deliberate or intentional acts

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a deliberate and intentional act.

We will **NOT** cover loss or damage as result of a deliberate or intentional act by a tenant.

Earthquake or tsunami

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of an earthquake or tsunami.

You must pay an additional excess of \$250.

We will only cover loss or damage as a result of an earthquake if the loss or damage occurs within 72 hours of the earthquake.

continued... incidents covered under Listed Events

Fire or explosion

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

We will NOT cover loss or damage caused by a bushfire or grassfire within 48 hours of the start date of your policy, **unless**

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

Impact damage

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of an impact.

We will ONLY cover loss or damage caused by the impact of

- an aircraft, spacecraft or satellite, or - anything dropped from them
- a falling television or radio antenna mast or dish
- vehicles or watercraft
- an animal or bird that is not kept at your home, **unless**
 - the loss or damage is caused by any animal or bird eating, chewing, clawing or pecking
- a falling tree or part of a tree, **unless**
 - the damage is caused when you, or someone else acting on your behalf, cuts down or removes branches from a tree.

We also pay the cost of removing and disposing of the fallen tree or parts.

Landslide or subsidence

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

We will ONLY do this if the loss or damage occurs within 72 hours of

- an earthquake or explosion
- a storm, including rainwater or wind, or
- liquid escaping from a fixed pipe, or an object attached to a pipe, fixed gutter, fixed tank or a drain.

Lightning or thunderbolt

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a lightning or thunderbolt.

Riots or civil commotion

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of riots, civil commotion, or industrial or political disturbances.

Storm, rainwater or wind

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

We will NOT cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, **unless**

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

Continued next page ►

continued... incidents covered under Listed Events

continued...
Storm,
rainwater
or wind

We will NOT cover

- swimming pool covers, including
 - solar covers and plastic liners
- water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, unless
 - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber and are more than 15 years old.

Theft or attempted theft

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will ONLY cover theft of money or negotiable documents when force is used by someone to enter your buildings.

We will NOT cover your buildings or contents for loss or damage as a result of

- theft from any part of the buildings which you share with another person who is not insured under this policy
- theft by a tenant.

The theft or attempted theft must be reported to the Police.

Vandalism or a malicious act

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of vandalism or a malicious act.

We will NOT cover loss or damage as a result of vandalism or a malicious act by a tenant.

Water or liquid damage

BUILDINGS
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage caused by water or liquid. We will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.

We will ONLY cover loss or damage caused by water or liquid escaping from

- a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain
- a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
- a washing machine or dishwasher
- an aquarium
- a waterbed.

We will NOT cover the cost of repairing the item that caused the escape of water or liquid.

Accidental Damage cover

If you have chosen Accidental Damage Home Insurance, we will cover your buildings or contents for any accidental loss or damage.

There are also a number of incidents we will cover under specific conditions. These are listed on pages 17 to 20.

If you make a claim, you must pay any excesses that apply – you will only need to pay this amount once.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

Incident cover provided under specific conditions

Burning out of an electric motor

BUILDINGS
CONTENTS

Under Accidental Damage, we will cover the cost to repair or replace your electric motor if it burns out or fuses.

We will ONLY do this if your electric motor is 15 years old or less.

continued... incidents covered under Accidental Damage with specific conditions

Fire or explosion

BUILDINGS
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

We will NOT cover loss or damage caused by a bushfire or grassfire within 48 hours of the start date of your policy, **unless**

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

Landslide or subsidence

BUILDINGS
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

We will **ONLY** do this if the loss or damage occurs within 72 hours of

- an earthquake or explosion
- a storm, including rainwater or wind, or
- liquid escaping from a fixed pipe, or an object attached to a pipe, fixed gutter, fixed tank or a drain.

Storm, rainwater or wind

BUILDINGS
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

We will NOT cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, **unless**

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover.

Continued ►

continued... Storm, rainwater or wind

- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

We will NOT cover

- swimming pool covers, **including**
 - solar covers and plastic liners
- water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, **unless**
 - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber and are more than 15 years old.

Theft or attempted theft

BUILDINGS
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will NOT cover your buildings or contents for loss or damage as a result of

- theft from any part of the buildings which you share with another person who is not insured under this policy
- theft by a tenant.

The theft or attempted theft must be reported to the Police.

continued... incidents covered under Accidental Damage with specific conditions

Water or liquid damage

BUILDINGS
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage caused by water or liquid. We will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.

We will NOT cover your buildings or contents for loss or damage caused by

- flood
- landslide or subsidence, **unless**
 - we agree to cover the incident as described under 'Landslide or subsidence'
- water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

We will NOT cover the cost of repairing the item that caused the escape of water or liquid.

The amount we will pay for these covers is in addition to the sum insured, as listed on your schedule.

If you make a claim for an additional cover, you will not need to pay an excess.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

Accounting fees for a tax audit

BUILDINGS
CONTENTS

If your personal financial affairs are audited by the Federal Commissioner of Taxation, we will cover any accountant's fees that you must pay as a result, up to \$5,000 (inclusive of GST) during your period of insurance.

You must advise us of any such audit.

We will NOT cover claims for

- any audit that relates to a criminal prosecution
- fees where the final assessment of your taxable income for the period being audited is 20 per cent higher than your original declaration
- fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation
- any fines, penalties or adjustments of taxation.

Additional cover included under Listed Events and Accidental Damage

Accidental Damage Home Insurance and Listed Events Home Insurance include a range of covers we refer to as 'additional cover'. These covers are listed on the following pages. The additional cover we provide depends on whether you have a buildings policy, contents policy or a combined buildings and contents policy.

Continued ►

Alternative accommodation

BUILDINGS
CONTENTS

If your buildings or contents suffer loss or damage and you are unable to live in your home as a result, we will cover the costs of alternative accommodation for up to 12 months.

The loss or damage must occur as a result of an incident we have agreed to cover.

If you have buildings insurance we will

- pay an amount that is equal to the weekly rental value of your buildings before the incident occurred
 - pay the reasonable costs of alternative accommodation for your pets
- up to 10 per cent of the buildings sum insured, as listed on your schedule.

Continued next page ►

continued... Additional cover included in this insurance

continued...
Alternative
accommodation

We will NOT cover this, or we will reduce the amount we pay if

- you receive any payment for rent from another source
- you do not need to pay for alternative accommodation.

If you have contents insurance, we will pay the reasonable costs of alternative accommodation, up to 10 per cent of the contents sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay if

- we have paid you for rent following loss or damage to your buildings
- you receive any payment for rent or accommodation from another source
- you do not need to pay for alternative accommodation.

Contents
in a
commercial
storage
facility

CONTENTS

We will cover your contents for loss or damage whilst they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule.

You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them.

If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule.

We will ONLY cover your contents if the loss or damage occurs as a result of an incident we have agreed to cover.

We will NOT cover jewellery, money or negotiable documents.

Contents
in transit

CONTENTS

We will cover your contents for loss or damage whilst they are being transported by a vehicle to your home, or to a commercial storage facility within Australia, up to \$10,000 (inclusive of GST) during your period of insurance.

We will ONLY cover your contents if there is a theft following violent or forceable entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents.

We will NOT cover loss or damage

- to glassware, crystal, crockery, mirrors or china, or
- caused by denting, scratching, chipping or bruising.

Credit card
and
transaction
card
misuse

CONTENTS

If your credit cards or financial transaction cards are

- misused after they are stolen, or
 - fraudulently used on the internet
- we will pay the financial institutions that issued them, up to \$5,000 (inclusive of GST).

We will ONLY cover this if you have complied with the terms on which the credit cards or financial transaction cards were issued.

Under Accidental Damage, we will also pay if your credit cards or financial transaction cards are lost.

Debris
removal
and
demolishing

BUILDINGS
CONTENTS

We will cover the reasonable costs to demolish and remove any debris that results from loss or damage to your buildings or contents, up to 10 per cent of your buildings or contents sum insured.

The debris must occur as a result of an incident we have agreed to cover.

continued... Additional cover included in this insurance

Document damage

CONTENTS

If documents kept in your home or in a bank vault suffer loss or damage, we will cover the costs to reproduce or restore them, up to \$1,000 (inclusive of GST).

This includes the costs to reproduce or restore the information contained on the documents.

Employees' belongings

CONTENTS

If your employees' belongings suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

We will **ONLY** cover your employees' belongings if the loss or damage occurs

- as a result of an incident we have agreed to cover
- while your employees are working at your home, and
- while your employees are doing domestic work for you.

We will **NOT** cover contents that are already insured under another policy by someone other than you.

Frozen food

CONTENTS

Under Listed Events, we will cover the cost to replace the loss of any frozen food, up to \$500 (inclusive of GST), if your freezer breaks down.

We will **ONLY** do this if your freezer breaks down as a result of an incident we have agreed to cover.

Under Accidental Damage, we will cover the cost to replace the loss of any frozen food.

Funeral expenses

CONTENTS

If you, or any member of your family dies, we will cover the funeral costs, up to \$10,000 (inclusive of GST).

Continued ►

continued...

Funeral expenses

The death must occur

- as a result of an incident we have agreed to cover
- within 12 months of the incident, and
- as a result of an incident that occurred at your home.

Guests' or visitors' belongings

CONTENTS

If contents belonging to your guests or visitors suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

The loss or damage must occur as a result of an incident we have agreed to cover.

We will **NOT** cover contents that are already insured under another policy by someone other than you.

Legal costs in Australia

CONTENTS

We will cover any legal costs you are liable to pay following legal proceedings brought by you or against you, up to \$5,000 (inclusive of GST).

We will **ONLY** cover legal costs and expenses that

- occur during your current period of insurance
- you tell us about during your current period of insurance, and
- we have agreed to cover.

We will **ONLY** pay this once during your period of insurance.

We will **NOT** cover legal costs and expenses relating to

- spouse or partner disputes including, but not limited to, divorce, custody, child maintenance, or property disputes
- claims for death, bodily injury to, or disease of, any person
- claims where cover is available by a standard form of motor vehicle, home owners or householders, motorcycle, caravan or boat insurance

Continued next page ►

continued... Additional cover included in this insurance

continued... Legal costs in Australia

- We will NOT cover legal costs and expenses relating to
- any criminal charge or prosecution brought against you
 - any road traffic offence or boating offence committed by you
 - any matter arising out of your business or profession
 - any matter arising out of any insurance cover required by legislation
 - any award of damages against you
 - any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

Modifi- cations to your buildings

BUILDINGS

If you are injured as a result of loss or damage to your buildings, and the injuries lead to permanent paraplegia or quadriplegia, we will cover the cost of modifications to your buildings so you can live in them, up to \$10,000 (inclusive of GST).

The injury must occur as a result of an incident we have agreed to cover.

Mortgagee discharge costs

BUILDINGS

If you make a claim for the total loss of your buildings, we will cover any legal costs associated with the discharge of any mortgage you have left owing.

The total loss must occur as a result of an incident we have agreed to cover.

Rebuilding fees

BUILDINGS

If your buildings suffer loss or damage, and need to be rebuilt as a result, we will cover the costs of employing an architect or surveyor, and also pay any legal fees that arise from the rebuilding, up to 10 per cent of your buildings sum insured.

The rebuilding must occur as a result of an incident we have agreed to cover.

Replacing keys and repairs to, and re-coding of locks and barrels

BUILDINGS
CONTENTS

Under Listed Events, if a key to an external door or window lock of your buildings is stolen, we will cover the reasonable costs to replace your keys and repair and re-code your locks and barrels, up to \$1,000 (inclusive of GST).

Under Accidental Damage, if a key to an external door or window lock of your buildings is stolen or lost, we will cover any reasonable costs to replace your keys and repair and re-code your locks and barrels.

The theft or loss of the keys must occur as a result of an incident we have agreed to cover.

The theft must be reported to the Police.

Sale of your home

BUILDINGS

If you have entered into a contract to sell your home, we will extend your buildings cover to the purchaser until

- the contract settlement date
 - the purchaser insures the home, or
 - the purchaser becomes liable for damage to the home
- whichever happens first.

This cover will stop immediately if

- the sale contract is terminated, or
- your buildings insurance comes to an end.

Security firm to monitor your home

CONTENTS

If your monitored burglar alarm system is set off as a result of a theft or an attempted theft, we will cover the costs of a security firm to attend your home, up to \$1,000 (inclusive of GST).

We must agree to cover the theft or attempted theft.

We will NOT cover this when there is

- a false alarm, or
- no evidence of an attempted burglary.

continued... Additional cover included in this insurance

Storage costs

CONTENTS

If buildings you live in suffer loss or damage and you are unable to live in them as a result, we will cover the reasonable costs to remove your contents and store them for up to 12 months.

The loss or damage must occur as a result of an incident we have agreed to cover.

We will also cover your contents while they are in storage.

Sum insured

BUILDINGS
CONTENTS

If we agree to pay you for a loss to your buildings or contents we will increase your sum insured for buildings or contents by the amount the Consumer Price Index (all groups) has increased since you took out your policy.

However, we will NOT increase your sum insured for special contents.

You will be fully insured again for your buildings or contents for the amounts shown on your schedule, **unless**

- your claim is for a total loss and we pay you the sum insured, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

Trees, plants and shrubs replacement

BUILDINGS

We will cover the cost to replace any trees, plants or shrubs that are stolen, burnt, maliciously damaged, or damaged by a vehicle.

We will not cover loss or damage to a lawn.

Under Listed Events, we will pay up to \$750 (inclusive of GST) during your period of insurance.

Under Accidental Damage, we will pay up to \$1,500 (inclusive of GST) during your period of insurance.

Veterinary expenses

CONTENTS

If your pet is injured as a result of a road accident, we will cover the veterinary expenses, up to \$500 (inclusive of GST).

Liability cover included in this insurance

We will cover your legal liability as a result of an incident that causes loss or damage to someone else's property, or death or bodily injury to other people, during your period of insurance. We will also cover claims in connection with your position as a committee member during your period of insurance.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

Liability cover – general

BUILDINGS
CONTENTS

We will cover liability claims up to \$20,000,000 (including GST) for any incident listed below.

This amount includes any legal costs that must be paid to defend the claim and any costs awarded against you.

If you have insured your buildings, including strata title or a similar scheme, we will cover you for the amount you have to pay as owner or occupier of the buildings.

If you have insured your contents and live in a rental building, we will cover you for the amount you have to pay as owner of your contents, or occupier of the building.

If you have insured your contents and you own part of the building that has been subdivided, we will cover you for the amount you have to pay as owner of your contents, or occupier of your part of the building.

Continued next page ►

continued... Additional cover included in this insurance

continued...
Liability cover
- general

BUILDINGS
CONTENTS

If you have insured your contents, other valuables or special valuables, we will cover you for the amount you have to pay for any incident that happens

- anywhere in Australia
- anywhere in Australia in connection with your position as a committee member of a sporting or social club, **however**
 - we will NOT pay if you receive more than \$1,000 per year for holding that position
- anywhere in the world for 90 consecutive days, starting from the time you leave Australia.

We will NOT cover you for any amount you have to pay as owner or occupier of your buildings.

If you have insured your contents, we will cover you for any amounts you have to pay for any incident that happens anywhere in Australia arising out of the use of

- a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp, **unless**
 - the watercraft is a jet ski
- unregistered motorcycles or mini-bikes up to 125cc, which do not require registration by law, **unless**
 - they are being used for racing or pacemaking.

If your buildings are a total loss, we will continue liability cover for any amount you have to pay as owner or occupier of the buildings for up to six months from the date your buildings were destroyed.

This cover will stop immediately if

- construction commences at the home
- you sell the land, or
- you take out a new buildings insurance policy for the home.

Continued ►

Liability
cover –
when your
buildings
are a total
loss

BUILDINGS

Liability
cover – for
committee
members

CONTENTS

We will pay for claims made against you for an alleged or actual act or omission during any one period of insurance.

We will **ONLY** pay for your liability in connection with your position as a committee member of a sporting or social club. The most we will pay, including legal costs, is \$10,000 (inclusive of GST) during any one period of insurance.

We will not cover you if you receive more than \$1,000 per year for holding this position.

This cover does not apply to liability claims for loss or damage to someone else's property, or death or bodily injury to other people.

Optional cover you can add to your policy

You can broaden the scope of your cover by adding any of the following options. You will need to apply for this cover and pay an additional premium. Any options that we agree to add to your policy will be listed on your current schedule.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

Domestic Workers' Compensation

If you employ a person to do work around your home such as cleaning or gardening, you can add cover for the amount you are liable for if they are injured while working for you, subject to the relevant legislation in your State or Territory.

Continued next page ►

continued... Optional cover that can be added to your policy

**continued...
Domestic
Workers'
Compensation**

If you choose this option, it will be listed on your schedule as 'Domestic Workers' Compensation'.
You will need to check with your local Workers' Compensation Authority as this cover may be compulsory.
The cover only applies to employees doing domestic work for your household and will not cover any person that is working for you in your business, profession, trade or occupation, or if you are a landlord.
An excess may apply to this option.

To find out who the insurer is for this option, see inside back cover ►

**Other
Valuables**

With this option you can nominate an overall amount we will pay for accidental loss or damage to your valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia without listing them individually.

Valuable items we will cover are listed below

- jewellery and watches
- items that contain gold or silver (this does not include items thinly covered with gold or silver)
- furs
- collections of stamps, money or medals
- battery-powered items, as listed below
 - audio visual equipment
 - camera equipment, including accessories and unprocessed film, unless they are being used underwater, or to earn your income
 - electronic diaries
 - GPS
 - mobile or portable phones
 - portable computers

Continued ►

**continued...
Other
valuables**

- sporting equipment, unless - it is being used.

Your valuable items do NOT include

- unset precious/semi-precious stones
- items thinly covered with gold or silver
- motor vehicles, motorcycles, mini-bikes, caravans, trailers or aircraft or accessories, or spare parts of any of these items
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp.

The most we will pay for this option is the amount you nominate, as listed on your schedule under 'Other Valuables'.

There are also set maximum amounts that we will pay when you make a claim.

VALUABLES	THE MOST WE WILL PAY
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

**Special
Valuables**

With this option you can nominate an individual amount we will pay for accidental loss or damage to any one item, pair, set, collection or system of valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia.

Continued next page ►

continued... Optional cover that can be added to your policy

continued...
Special
valuables

The most we will pay for this option is the individual amount you nominate, as listed on your schedule under 'Special Valuables'.

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

For a list of valuable items we cover, and a list of items we do not include as valuables, see *Other Valuables*, page 32 ◀

Strata Title
Mortgagee
Protection

With this option we will cover the amount you must pay to settle your mortgage following loss or damage to buildings that you own under a strata title or similar plan.

If you choose this option the individual amount you nominate and any excesses that apply will be listed on your schedule under 'Strata Title Mortgagee Protection'.

We will pay up to the amount you owe on your mortgage, but no more than the sum insured, as listed on your schedule.

We will pay this amount to your mortgagee when you are required to pay your mortgagee in full, however

- the loss or damage must occur as a result of an incident we have agreed to cover.

We will ONLY pay this when the body corporate

- has not insured the buildings, or
- has not insured the buildings for loss or damage you can claim for under this policy.

This option is available

- for contents policies, or
- as a stand alone policy.

An excess may apply to this option.

Listed Events, Accidental Damage, Additional cover and Strata Title Mortgagee Protection exclusions	36
Other Valuables and Special Valuables cover exclusions	37
Liability cover exclusions	37-38
General exclusions	39-40

Exclusions to your cover

Any cover we provide is subject to the following exclusions.

Listed Events, Accidental Damage, Additional cover and Strata Title Mortgagee Protection exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- settling, shrinkage or any movement of earth
 - erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
 - rats, mice or insects
 - roots from trees, plants, shrubs or grass
 - any process of cleaning involving the use of chemicals other than domestic household chemicals
 - a defect in an item, structural defects, or faulty workmanship or design
 - breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
 - malicious damage or vandalism by a tenant
 - deliberate or intentional acts by a tenant
 - theft by a tenant
 - theft from any part of the buildings which you share with another person who is not insured under this policy
 - mechanical or electrical breakdown other than an electric motor burning out, **unless**
 - the breakdown results in damage to your buildings or contents
 - flood
 - landslide or subsidence, **unless**
 - we agree to cover the incident as described under 'Landslide or subsidence'
 - water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

Other Valuables and Special Valuables cover exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- rust, corrosion, gradual deterioration, depreciation, wear or tear
 - a defect in an item
 - rats, mice or insects
 - any process or cleaning involving the use of chemicals other than domestic household chemicals
 - mechanical or electrical breakdown other than an electric motor burning out, **unless**
 - the breakdown results in loss or damage to your buildings or contents.

Liability cover exclusions

- We will NOT cover any
- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
 - personal injury to any person you employ where that injury arises from their employment with you
 - loss or damage to property that belongs to you, or is under your control, or any member of your family who normally lives with you, or anyone else that normally lives with you
 - loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
 - penalties, fines or awards of aggravated, exemplary or punitive damages made against you
 - loss that can be reimbursed by your sporting or social club.

We will NOT cover any liability as a result of, or arising from

- any alterations, repairs, renovations or additions to your buildings that cost more than \$75,000 (inclusive of GST)
- any personal profit or advantage that is illegal.

Continued next page ►

continued... Exclusions to your cover

continued...
Liability cover
exclusions

- We will NOT cover any liability as a result of, or arising from
- any disease that is transmitted by you, or any member of your family who normally lives with you
 - any business, profession, trade or occupation carried out by you, **unless**
 - the liability is as a result of, or arising from, you acting as a committee member of a sporting or social club and you receive no more than \$1,000 per year for holding this position
 - any agreement or contract you enter into, **however**
 - if you would have been liable without the agreement or contract, we will pay for that liability
 - the use, removal of, or exposure to any asbestos product or products containing asbestos
 - a conflict of duty or interest
 - any act or omission that is dishonest, fraudulent, criminal, wilful or malicious
 - any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy
 - the use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle
 - the use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, however we will cover liability that arises from
 - unregistered motorised golf buggies, ride-on mowers and wheelchairs.
 - model or toy aircraft
 - surfboard, sail board or surf skis
 - a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp
 - unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless** they are being used for racing or pacemaking.

General exclusions

We will NOT cover any loss or damage, or liability as a result of, or arising from

- any incident that does not occur within your period of insurance
- landslide or subsidence, **unless**
 - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, **however**
 - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, **however**
 - we will pay for any loss or damage as a result of damage to a heating element
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any date, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date, **unless**
 - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software.

Continued next page ►

continued... Exclusions to your cover

continued...
General
exclusions

We will NOT cover any loss or damage, or liability as a result of, or arising from

- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- flood or storm surge
- erosion, the action of the sea, tidal wave or high water, **unless** - the loss or damage is the result of a tsunami.

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Your responsibilities when you are insured with us	43-44
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If you do not meet your responsibilities	44

Your duty of disclosure

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

What you must tell us when you apply to take out this policy

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

Who you are answering the questions for

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

If you do not answer our questions in this way

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

Renewal, variation, reinstatement or extension of your policy

When your policy is renewed, varied, reinstated or extended you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you

- know, or
 - could reasonably be expected to know, and is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.
- Your duty does not require disclosure of anything that
- diminishes the risk to be undertaken by us
 - is of common knowledge
 - we know or, in the ordinary course of business, ought to know, or
 - is a matter that we indicate your duty has been waived by us.

If you do not comply with your duty of disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy, or do both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Your responsibilities when you are insured with us

In addition to your duty of disclosure, there are other responsibilities that you must meet when you are insured with us.

You must tell us if

- your buildings will be unoccupied for a continuous period of 60 days or more
- any changes have been made to
 - the address or location where your buildings or contents are insured
 - the use of your buildings
 - your buildings due to renovation, extensions or demolition
 - the people who are insured under this policy
 - the sums insured to your buildings or contents
- any people who are insured under the policy have
 - been convicted of any criminal offence
 - made a claim that is not true under this policy or another insurance policy
- there are any changes in circumstances during the period of insurance.

If you tell us about any of these things, we may charge an additional premium, change the cover of your policy, impose special conditions, or cancel your policy.

In addition, you must also

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- obey all laws and make sure anyone acting on your behalf obeys all laws
- follow the conditions of this policy

Continued next page ►

continued... Your responsibilities when you are insured

- not make a fraudulent claim under this insurance policy or any other policy.
-

Your responsibilities when you are making a claim

When you make a claim you must meet a number of responsibilities.

You must

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them if required
- give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim
- not repair or replace any damaged buildings or contents without our consent.

In addition, you also give us your rights to claim from anyone else

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – *you must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.*
-

If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. If we cancel your policy we will advise you in writing.

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How we handle your personal information	47-48

The General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The objectives of the Code are

- to promote better, more informed relations between insurers and their customers
- to improve consumer confidence in the general insurance industry
- to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- to commit insurers and the professionals they rely upon to higher standards of customer service.

Our commitment to you

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code.

See back cover for contact details ►

Our Guarantee

Our Guarantee assures you of quality insurance and service at all times.

Fair Dealing Guarantee

We will meet any claims covered by your policy fairly and promptly.

Money Back Guarantee

If you change your mind, we provide a cooling-off period which lets you cancel your policy within 21 days with a full refund of your premium. However, your cooling-off period no longer applies if you make a claim within this time.

Service Guarantee

We will provide you with the highest standard of service.

How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers, and/or the agent of any of these.

*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

Continued next page ►

continued... How we handle your personal information

When you provide personal information to us about another person

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

Privacy of your personal information - for marketing purposes

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided us to offer you other products and services, which may be of benefit to you.

When you provide your personal information to us - for marketing purposes

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone, or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's products and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to
- you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

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How to apply for insurance

- ① If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply on line at www.cgu.com.au. You can also send correspondence to GPO Box 9902, in your capital city
If we agree to insure you, we will send you a schedule setting out the details of your policy.
- ② Pay your premium

See *Your premium*, page 52 ►

See *Your responsibilities when you are insured with us*, page 43 ◀

How to renew your insurance

- ① If you already have a policy with us, we may send you an offer to renew your insurance before your current policy expires
We will send you an updated schedule and quote a premium based on the information contained in your current policy.
If you have any questions, contact us or your insurance adviser
- ② Review the proposed policy and premium we offer
If you paid your last premium by instalments, we will continue to deduct payments from your nominated account. If you paid your last premium in one lump sum, we must receive your payment by the due date, otherwise your buildings or contents will not be insured.
- ③ Pay your premium

See *Your premium*, page 52 ►

How to cancel your policy

- ① If you want to cancel your policy, contact us or your insurance adviser
We may need your request in writing. If you cancel your policy before it ends, we will refund an amount for the unused premium.

How to change your policy

- ① Contact us or your insurance adviser to change or vary your policy
You will be sent an endorsement schedule that includes any changes or variations you have requested and we have agreed to, and any special conditions we may have applied to that agreement.
- ② Check the changes
- ③ Pay your premium if it has increased
We will tell you if your premium has increased. If you pay your premium by instalments, we will adjust your instalments and continue to deduct the new amount from your nominated account. If you pay your premium in one lump sum, we must receive your additional payment within one month.

If you move to a new home

- ① If you have buildings insurance and you move permanently to a new home within Australia
The cover for your original home will end and we will refund any unused premium to you. We will provide you with temporary cover for 14 days at your new home.
If you would like to continue to insure your buildings with us, contact us or your insurance adviser as soon as possible.
We will advise you if there are any changes to your premium or the terms of your insurance.
- ② If you have contents insurance and you move permanently to a new home within Australia
We will cover your contents at both your original home and your new home for 14 days, starting from the date you start moving your contents to your new home.
You must tell us that you are permanently moving your contents to a new home within 14 days from the day you first start to move.
We will advise you if there are any changes to your premium or the terms of your insurance.

Your premium

① How we calculate your premium

We will base your premium on the type of cover you have chosen, including any options that you have added, your sum insured, the excess, the type, location, construction and age of your buildings or contents, the level of security you have, your previous insurance and claims history, and any special conditions that we have applied.

Premiums are also subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty.

Your premium, including any taxes and charges, will be listed on your schedule.

② How to pay your premium

You can pay your premium in one lump sum, or by instalments.

If you pay your premium in one lump sum, you can pay by cash, cheque or credit card.

If you pay your premium by instalments, you can pay by credit card or by direct debit from a financial institution.

We may cancel your policy if

- you do not pay your premium
- your cheque or credit card is dishonoured by your financial institution, or
- you pay your premium by instalments and you are more than one month behind.

We may refuse to pay a claim if

- you pay by instalments and at least one instalment of the premium has remained unpaid for a period of at least 14 days.

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How to make a claim

- ① Make sure you have all the information you need to support your claim

We will need

- contact details of any other people involved in the incident, including their name, current residential address and who they are insured with
- any letters, notices or court documents about the incident within 72 hours of receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act
 - the Police will provide you with this number when you report the incident to them.

- ② Contact us or your insurance adviser to make a claim

You need to make your claim as soon as possible. Any delays may

- reduce the amount that we pay, or
- prevent us from paying a claim.

We will give you immediate advice and assistance with your claim, 24 hours a day, 7 days a week.

We will ask you a range of questions to help us assess your claim. We may

- ask you to provide us with proof of ownership
- need to inspect your buildings or contents
- need quotations from a repairer.

- ③ If you need emergency repairs

If you need to make emergency repairs, we will arrange assistance through our preferred repairers and suppliers.

To find out how we settle a claim, see next page ►

How we settle a buildings claim

- ① We will decide how we will settle your claim

If your buildings suffer loss or damage, we will decide whether to

- repair
- rebuild, or
- pay you the cost to repair or rebuild that part of your buildings that suffered loss or damage.

If we do, we will

- pay you up to the buildings sum insured, as listed on your schedule
- only repair, rebuild or pay you for the part or parts of the building that actually sustained loss or damage, including damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred
- try to match any material used to repair your buildings with the original materials or nearest equivalent available to the original materials
- repair or pay you the costs to repair your buildings if the loss or damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, **however**
 - we will NOT pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

When we settle your claim, the law that will apply is the law of the State or Territory where the loss, damage or liability occurred.

- ② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

If you are claiming for any loss or damage that occurs as a result of an earthquake or tsunami, you will need to pay an additional excess of \$250.

This loss or damage must occur within 72 hours of the earthquake.

For the excess that may apply, see your current schedule ►

Continued next page ►

continued... How we settle a buildings claim

You must pay any excess to us, or to the builder – we will tell you who to pay the excess to.

If we choose to pay you, we may deduct the amount of excess from the amount we settle your claim for.

③ If we decide to repair or rebuild your buildings and your current schedule shows 'including replacement benefit'

We will repair or rebuild the part of your buildings that suffered the loss or damage to a condition as close as possible to when new, but not better.

If we rebuild your buildings, we will also pay the amount that you need to pay to ensure your buildings comply with government legislation and local authority bylaws, **unless**

- you were required to pay these amounts before the loss or damage occurred, and you did not do so.

You can choose your own repairer or tradesman or we can help you find one.

If we authorise repairs, we will deal directly with the repairer or tradesman about payment.

④ If we decide to repair or rebuild your buildings and your current schedule does not show 'including replacement benefit'

We will

- repair your buildings to the condition they were in just before the loss or damage occurred
- pay you the cost of repairing your buildings to the condition they were in just before the loss or damage occurred, or
- pay you what the value of the land and your buildings was just before the loss or damage occurred, after deducting the amount we estimate as the value of your land and buildings after the loss or damage occurred.

Continued next page ►

⑤ After we agree to settle a claim

The repair or rebuilding work on your buildings must start within six months of the loss or damage occurring, otherwise you will have to pay any increase in costs caused by the delay.

If the work does NOT commence in this period, we will do one of the following

- repair your buildings to the condition they were in just before the loss or damage occurred
- pay you the cost of repairing your buildings to the condition they were in just before the loss or damage occurred, or
- pay you what the value of the land and your buildings was just before the loss or damage occurred, after deducting the amount we estimate as the value of your land and buildings after the loss or damage occurred.

⑥ If your building is a total loss

We will pay you the sum insured for your buildings, as listed on your schedule, after deducting

- any excess,
- any unpaid premium, **and**
- any input tax credit you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 if you had paid to repair or rebuild your buildings.

If we pay you the sum insured, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

See also *Liability cover – when your buildings are a total loss*, page 32 ◀

How we settle a contents or valuable items claim

① We will decide how we will settle your claim

If your contents or valuable items suffer loss or damage, we will decide whether to

- repair an item
- replace an item, or
- pay you the cost to repair or replace the item.

If we do, we will pay up to

- the contents or valuables sum insured in total, as listed on your schedule, and
- the maximum amount per item, set, pair, collection or system.

If the item is part of a pair, set, collection or system, we will only cover the value of the item itself, **however**

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

To find out what we will pay, see page 9 ◀

② You must pay an excess that applies

If you make a claim, you will need to pay any excesses that apply.

If you are claiming for any loss or damage that occurs as a result of an earthquake or tsunami, you will need to pay an additional excess of \$250.

This loss or damage must occur within 72 hours of the earthquake.

You must pay any excess to us, or to the supplier or repairer – we will tell you who to pay the excess to.

If we choose to pay you, we may deduct the amount of excess from the amount we settle your claim for.

For the excess that may apply, see your current schedule ▶

Continued ▶

③ If we decide to repair your contents or valuable items

We will repair the damaged item to the condition it was when new.

If the item we are repairing is part of a pair, set, collection or system, we will only cover the part of the pair, set, collection or system that was damaged.

④ If we decide to replace your contents or valuable items

We will replace the item with the nearest equivalent new item.

We will **ONLY** replace wall, floor and ceiling coverings, including carpets, internal blinds and curtains, in the room, hall or passage where the loss or damage occurred.

We will **NOT** pay to re-carpet adjoining rooms, or your entire home.

Any salvage becomes our property.

⑤ If we decide to pay you the cost to repair or replace your contents or valuable items

We will pay you the fair and reasonable costs to repair or replace your contents or valuable items as described in Steps 1, 3 and 4, after deducting

- any excess, and
- any input tax credit you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 if you had paid to repair or replace your contents or valuable items.

We will **ONLY** pay the cost of replacing an item that is part of a pair, set, collection or system, even though the pair, set, collection or system to which it belongs is less valuable because it is incomplete.

Any salvage becomes our property.

⑥ If we decide to settle a claim

We will reduce any payment for damage to, or loss of, an Other Valuables or Special Valuables item by the amount we pay you for the same item under contents cover.

How to resolve a complaint or dispute

① Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to a staff member in the area concerned. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

See back cover for contact details ►

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. If you are not satisfied with the decision, you can go to step 2.

② Seek a review

If the matter is still not resolved, the manager will refer you or your insurance adviser to the relevant internal dispute resolution area who will conduct a review of your dispute.

If you are still not satisfied with the decision, you can go to step 3.

③ Seek an external review

You are entitled to seek an external review of the decision. The dispute resolution area will provide you or your insurance adviser with information about the options available to you, such as referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service (FOS).

Further information about the complaint or dispute resolution procedures is available by contacting us.

See back cover for contact details ►

accidental loss or damage

damage to, loss or destruction of the buildings that make up your home, or your contents and valuable items, when it is caused by an unintentional act, or an unforeseen and uncontrollable incident.

endorsement schedule

a document that includes any information from the existing schedule that has not changed or varied, and confirms any alteration to the coverage, terms and conditions of your policy.

excess

the amount you pay when you make a claim on your policy. The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

fixtures and fittings

any household items or household equipment that are permanently attached to your buildings.

flood

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

goods you use for earning your income

stock and tools of trade. You would normally receive a tax deduction for these items. They do not include office and surgery equipment.

incident

a single occurrence or a series of occurrences, including an accident or series of accidents, arising out of one event.

malicious act

an act done with intent and without your consent.

office and surgery equipment

items that are normally needed in an office or surgery that you use for earning your income in your own business. You would normally receive a tax deduction for these items. They do not include tools of trade.

period of insurance

the length of time between the start date and end date of your policy, as listed on your current schedule.

pet

a domestic animal that you keep in your home or at your home.

premium

the total amount you pay for your insurance that includes applicable government taxes such as GST, and any duties or charges payable by you. It is shown on your current schedule. You can pay your premium annually in one lump sum, or by instalments.

schedule

your current schedule is a document outlining the details of your insurance cover. Your schedule may be called a policy, renewal or endorsement schedule.

special conditions

exclusions, restrictions or extensions to cover that are imposed on specific matters or people.

sporting equipment

equipment designed to be used in a leisure activity that involves some element of physical activity or competition, excluding pedal cycles.

strata title

title under a strata title or similar community title scheme where separate parts of the scheme building(s) have a separate legal title. Strata title usually applies to high rise apartments, townhouses, villas or duplexes.

sum insured

your nominated replacement value at today's prices for your buildings or contents. This will be listed on your schedule.

Supplementary Product Disclosure Statement (SPDS)

a separate document that updates, corrects or adds to the information contained in this PDS.

terrorism

any act which may involve the use of, or threat of, force, violence or biological or chemical warfare, or nuclear pollution or contamination or explosion where the purpose of the act is to further a political, religious, ideological aim, or to intimidate or influence a government or any section of the public.

total loss

when we decide that it is uneconomical to repair or rebuild your buildings or contents.

unoccupied home

a home that no-one has lived in for 60 consecutive days or more.

us, we and our

refers to:
CGU Insurance Limited
ABN 27 004 478 371.

you and your

the person or people named as the insured on your current schedule.

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all.

If you are making a claim, 'you' also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

your buildings

buildings that you own or are legally responsible for.

your contents

contents that you own or are legally responsible for.

your contents at your home in the open air

contents at your home that are not in a fully enclosed building (e.g. carport).

your home

where your buildings or contents are located. This includes any land or other area that touches your home and for which any statutory authority has made you responsible, but it does not include the nature strip outside your home. Your home is located at the situation shown on your current schedule.

your policy

the contract between you and us which provides you with insurance cover in exchange for a premium. Your policy is made up of two documents

- this Product Disclosure Statement and policy booklet (PDS) and any supplementary PDS, plus
- your current schedule.



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The insurer – Domestic Workers' Compensation

If your home is in Western Australia, Tasmania or the Northern Territory, the insurer providing the Domestic Workers' Compensation optional cover is Insurance Australia Limited trading as CGU Workers Compensation, ABN 11 000 016 722.

This booklet contains information about CGU's insurance products and services. The information was current at the date of preparation. More information about CGU's products and services, and up-to-date information may be available by calling 13 15 32 or visiting cgu.com.au. We will also give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PDS. © 2006

GPO Box 9902
in your capital city

Enquiries tel: 131 532
Website: www.cgu.com.au



Insurer
CGU Insurance Limited
ABN 27 004 478 371
AFS Licence No. 238291

Annexure 28

ENDORSEMENT SCHEDULE AND PREMIUM INSTALMENT ADVICE (ENDORSEMENT)

Membersafe

CGU Centre 181 William Street
Melbourne VIC 3000
www.cgu.com.au

General Enquiries or Change of Details: 1800 079 908

24 Hour Claims: 1300 306 497



R04

Page 1 of 6

[REDACTED]
L DOYLE

Date of this notice:

15/09/10

[REDACTED]
BURPENGARY QLD 4505

Policy Number:

[REDACTED]

Intermediary



The attached schedule shows the details of your insurance. Please check the information to be sure that you have the cover you required and keep these documents with your policy.



IXX INSURED COPY 14

Insurer: CGU Insurance Limited ABN 27 004 478 371 AFS Licence No. 238291.

PRI

Policy Number:

Intermediary Details:

CREDIT UNION AUST-GENERAL
1312053

You have chosen to pay by instalment and unless you tell us otherwise we will continue to debit your nominated account.

Details of your instalments are shown overleaf.

Document re-created on 13/05/2011

NOVUS-7009904-14-Psm1-ASA001-000584

What You Need To Tell Us

Please note that a renewal of insurance is a new insurance contract. You are required to disclose any matters that could affect your insurance cover.

If you answer 'Yes' to any of the following questions, contact our Customer Enquiries Centre 1800 079 908.

1. Has any insurer refused or cancelled cover on any of your policies or required special terms to insure you?
2. Have you or any other person who receive insurance protection under the proposed policy been charged or convicted of any criminal offence in the past 12 months?
3. Are there any other material facts which should be disclosed? (Refer to What You Need To Tell Us in the policy booklet).

THE SUMMARY BELOW SHOWS THE AMOUNT BY WHICH YOUR EXISTING DEDUCTION HAS BEEN AMENDED.

FIRST INSTALMENT	LAST INSTALMENT	NO. OF INSTALMENTS	INSTALMENT CHANGE	NEW INSTALMENT AMOUNT	TOTAL
1/10/10	1/03/11	6	\$17.69	\$109.81	\$106.14



Details of your policy cover

This Schedule must be attached to and read as part of the Company's policy.

Policy Number	DEC 201118718	Intermediary
Source	[REDACTED]	CREDIT UNION/ALIST/GENERAL
	LEOYLE	
	[REDACTED]	CREDIT UNION
	BLP/PERMANENT	PREMIUM
Policy Type	Homeowner	Intermediary NUMBER [REDACTED]
Period of Insurance	From 01/01/11 to 12/31/11	Intermediary Phone [REDACTED]
Number of Property Insured	1	Number of Insured Party [REDACTED]
	BLP/PERMANENT	CLASS [REDACTED]



INTEREST/PROPERTY INSURED	SUM INSURED	PREMIUM
LISTED EVENTS		
BUILDINGS	\$402000	
INCLUDING REPLACEMENT BENEFIT		
MORTGAGEE AS ABOVE		
SITUATION AS ABOVE		
CONTENTS		
OTHER CONTENTS \$67000		
SPECIAL CONTENTS \$NIL		
TOTAL SUM INSURED FOR ALL CONTENTS	\$67000	
EXCESS APPLICABLE TO ALL ABOVE \$100		
LIABILITY LIMIT - \$2000000		
"OTHER CONTENTS" INCLUDES "VALUABLE ITEMS" TO A TOTAL OF \$5000 OR 20% OF CONTENTS SUM INSURED (WHICHEVER IS THE GREATEST) WITH AN ITEM LIMIT OF \$2500		
VALUABLE ITEMS		
OTHER VALUABLE ITEMS - ITEM LIMIT \$2500 \$NIL		
SPECIAL VALUABLE ITEMS \$NIL		
TOTAL SUM INSURED FOR ALL VALUABLES	\$NIL	
[REDACTED]	\$9000	\$89.73
[REDACTED]	\$1000	
[REDACTED]	\$10000	
[REDACTED]	\$3000000)	
TOTAL BASIC PREMIUM		\$89.73
GOODS AND SERVICES TAX		\$8.97
STAMP DUTY		\$7.47

Continued on following page

Document re-created on 13/05/2011

TOTAL

\$106.17

THE PREMIUM INCLUDES A DISCOUNT FOR :

* HAVING AN APPROVED SECURITY SYSTEM

YOUR POLICY HAS BEEN ALTERED AND THIS SCHEDULE REPLACES ANY PREVIOUS
SCHEDULE FOR THE ABOVE PERIOD OF INSURANCE AS FROM 14/09/10.

IMPORTANT NOTICE - POLICY EXCESS

For each separate identifiable incident for which your policy provides cover
any applicable excess will apply for each incident giving rise to a claim.



Supplementary Product Disclosure Statement - Motor Vehicle Insurance

This Supplementary Product Disclosure Statement (Supplementary PDS) is dated 15 July 2008 and will apply to policies with a commencement date or a renewal effective date, on or after 19/04/2009.

This Supplementary PDS updates, and should be read with, the Motor Vehicle Insurance Product Disclosure Statement, Preparation Date 12 April 2007 (PDS), and any other applicable Supplementary PDS.

Changes to your Product Disclosure Statement

Liability cover (page 20)

We have made a change to the amount we will pay for liability claims. The maximum amount we will cover for any liability claims when you make a claim has increased from \$20,000,000 (inclusive of GST) to \$30,000,000 (inclusive of GST).

Please note: "inclusive of GST" means that the amount we pay you will include any GST but only up to the maximum amount which is now \$30,000,000.

Please read the PDS for full terms and conditions.

If you have any questions, or would like another copy of the PDS, please contact your insurance advisor or call us on the contact telephone number on the PDS.

Insurer:
CGU Insurance Limited
ABN 27 004 478 371
AFS Licence No 238291