



Townsville Community
LEGAL SERVICE INC

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Thursday, 7 August 2008

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
P O Box 1199
DICKSON ACT 2602

By Email Transmission – adjudication@accc.gov.au

Dear Manager,

Authorisation A91086

We write collectively as the principal legal officers of three community based legal centres located in Townsville, Mackay and Rockhampton.

We have very recently become aware of this issue and wanted to ensure that the Commission was advised of our position.

All three centres have assisted individuals with insurance issues related to major flood events, including events in Townsville (1998, 2008), Mackay (2008) and Rockhampton (2008).

We have not had time to collectively respond to the issues raised by the applicant in any detail and are grateful that our colleagues at the Consumer Action Law Centre have prepared a comprehensive response.

We endorse that response and share their concerns:

- The proposed common definition may not serve the public interest
- There has been little or no consumer consultation in respect of a major insurance policy issue
- The use of the common definition may be to exclude rather than inform

The loss of personal property through flooding is a deeply traumatic event for those concerned. The trauma is clearly heightened when insurance coverage is in contention as can be the case in flood policies.

While we agree that there is general misunderstanding in the community about the nature of insurance cover for storm and flood damage, the adoption of a common definition that may well represent the lowest common denominator is not an appropriate solution.

If this common definition does in fact broaden the ability of insurers to exclude damage from certain flood events, then it only acts in the interests of the industry and operates in stark contrast to the public interest.

In any event, any changes that might lead to greater exclusions across the industry without appropriate consultation would be gravely concerning for us.

Please contact Bill Mitchell on (07) 4721 5511 to discuss this matter.

Yours faithfully

BILL MITCHELL
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Townsville Community Legal Service Inc.

AARON FINN
Principal Solicitor
Mackay Regional Community Legal Centre

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Principal Solicitor
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