

# Earthquake Update

## Our progress

In our February edition, we announced our repair and rebuild programme targets.

**Our target\* since February 1 has been to:**

- begin building 85 new homes per month
- complete 47 major repairs per month (repairs over \$100,000)
- complete 420 non-EQC repairs (paths, driveways, swimming pools, patios etc) per month.

The table below shows what we achieved in February and March.

|                  | Rebuild | Repair | Driveways, paths etc |
|------------------|---------|--------|----------------------|
| Pre-construction | 121     | 124    | 623                  |
| Construction     | 58      | 21     | 442                  |
| Complete         | 4       | 10     | 851                  |

**Note:** Pre-construction refers to the time where Hawkins and homeowners plan the work together, and all necessary resource consents are obtained.

## A word from Bart

**Welcome to the April earthquake update. It gives me great pleasure to report our repair and rebuild stats, which illustrates that our work programme is tracking well. Each month the number of completed repairs will increase as we get more certainty on land conditions and repair methodologies among other things. We will keep you updated on progress each month.**

Inside this edition, you will find an update on all land zones, with a particular focus on TC3. This is timely given the Department of Building and Housing is due to release the TC3 foundation guidelines on 27 April. The guidelines will contain foundation and land treatment options that will enable us to make progress on TC3 claims.

We receive a lot of questions about the earthquake claims process. To help us answer these questions, and simplify the process for you, we've developed two flowcharts. The first illustrates the process for earthquake repairs and rebuilds. The second, the process for non-EQC claims i.e. damage not covered by the EQC but covered under your policy with us, such as damage to driveways, paths, fences or swimming pools. Visit the Canterbury Earthquake Information section on [www.lanterninsurance.co.nz](http://www.lanterninsurance.co.nz) to download a copy.

We remain focused on playing our part in Canterbury's recovery by processing claims and getting repairs and rebuilds underway as quickly as we possibly can.

As always, if you have any questions about your claim, please contact us.



**Bart Taylor**  
Head of Lantern

\*The target number is the combined target for all IAG brands: NZI, Lantern Insurance, State and IAG Corporate Partnerships, which underwrites policies offered by ASB, BNZ and The Co-operative Bank.



## Inside this issue:

- In the zones
- Help us to help you
- Repair or rebuild?
- Alternative accommodation benefit
- Moving out during EQC repairs

# In the zones

## Red zone

We have assessed all of our customers' properties that were zoned red in the 23 March land announcement, and are currently finalising offers of settlement to these customers.

We are aware that for some red zone customers the decision deadline is looming. We are working hard to action reviews and queries, and make sure these customers have all the information they need to make a decision in the timeframe available.

## The Port Hills white zone

This area remains white zoned while the Port Hills Geotechnical Group completes its site-specific assessments of rock fall hazards.

The Christchurch City Council is managing the assessments and you can find out more at <http://www.ccc.govt.nz/homeliving/civildefence/chcheearthquake/hillsidecrackrepairs.aspx>

## The Southshore orange zone

On Friday 23 March, Earthquake Recovery minister Gerry Brownlee announced that 401 properties remain in the Southshore orange zone.

Mr Brownlee announced that until further investigations are completed and all options evaluated, a decision about the viability of repairing or rebuilding on this land cannot be made.

Unfortunately, Lantern is unable to work on any orange zone claims until the land zone is confirmed.

## TC1 and TC2 update

With more understanding of the land issues in TC1 and TC2, we are now making good progress on the rebuild and repair of houses in these areas. At the time of printing, we have given the maximum target numbers of TC1 and TC2 rebuilds and repairs to our project manager Hawkins. As these repairs and rebuilds move through each stage, we will send through more claims, with a focus on the worst affected customers first.

## TC3 & EQC

The EQC started preliminary geotechnical assessments at the end of last month.

It is estimated there are around 20,000 houses in TC3 areas that do not have foundation damage, but before we can start work on these properties, we need to know whether they have any land damage. We are awaiting this information from EQC. Until this is known, we are unable to commence work in TC3 areas.

## TC3 foundation guidelines

The Department of Building and Housing has advised that it expects to release the TC3 foundation guidelines on 27 April. The guidelines will contain both foundation and land treatment options.

Until the guidelines are released and geotechnical assessments are completed, we cannot begin work on any claims for houses in TC3 areas with foundation damage.

## Help us to help you

We want to help you move forward as quickly as we can. There are a few things you can do to help us achieve this. Firstly, remember to update us when your contact details change. It's helpful if we have a mobile number on file. If it's difficult for you to talk at work, and you would prefer we email you, just make sure we have your current email address.

It's also a good idea to let us know when Fletcher EQR has finished repair work at your property, particularly if you have non-EQC damage (e.g. driveways, paths, fences etc.) covered by your policy with us. That way we can discuss with you the next steps in getting any outstanding repairs started.

Call your claims case manager or email [claims@lanterninsurance.co.nz](mailto:claims@lanterninsurance.co.nz)

## Green-zoned hill properties

If you live on the hills and your property has been given a "n/a" technical category by CERA, you might be wondering what this means. As outlined in the CERA booklet *Port Hills White Zone: Information for property owners in the Port Hills white zone*, any properties in the Port Hills are labelled 'Technical category not applicable'. This means the land is not susceptible to liquefaction (the basis of the technical category classification) and normal consent procedures for hill properties will apply. In most cases, a

geotechnical report will still be required for any development or rebuild. At the time of writing, Lantern is preparing its work programme for green-zoned hill properties and will contact customers when this programme becomes active.

**Lantern is preparing its work programme for green-zoned hill properties.**





## *Repair or rebuild?*

### Factors affecting whether your home can be repaired or needs replacing.

We use the guidelines issued by the Department of Building and Housing (DBH) in its November 2011 document, 'Revised guidance on repairing and rebuilding houses affected by the Canterbury earthquake sequence'.

This document includes guidance for assessing the damage caused to a house, (based on floor levels within the house), to assist the overall decision-making process of whether a house can be repaired or needs to be rebuilt.

The guidelines have been endorsed by the Christchurch City Council, Selwyn District Council and the Waimakariri District Council.

Between December 2010 and November 2011, we used the then-current DBH guidelines 'Guidance on repairing and rebuilding houses affected by the Canterbury earthquake sequence', which had different floor level criteria.

Under the original guidelines, a house with only relatively minor level differences

(greater than 50mm overall) could have fallen into the foundation rebuild category.

The changes in the guidelines mean that a decision to rebuild a house based on an assessment done before November 2011 could change because the revised guidelines now enables it to be repaired.

A full copy of our repair or rebuild factsheet will be available soon at [www.lanterninsurance.co.nz](http://www.lanterninsurance.co.nz).

## *Alternative accommodation benefit*

### The alternative accommodation benefit in our policies is triggered when your home is deemed uninhabitable due to physical damage to it or it suffers a physical loss.

**We are aware that some of our customers are unable to live in their homes as the Christchurch City Council (CCC) has prohibited entry due to the potential risk of injury from rock fall.**

Unfortunately in these cases the alternative accommodation benefit is not triggered because the home itself is either undamaged or only minimally damaged due to the earthquakes, and the home would still be able to be lived in if it were not for the risk of rock fall.

Homeowners in this situation may be eligible for financial assistance from the Canterbury Earthquake Temporary Accommodation Service (CETAS) set up by the Government.

Go to [www.quakeaccommodation.govt.nz](http://www.quakeaccommodation.govt.nz) to find out more, or call **0800 673 227** (Monday to Friday, between 8am and 5pm) and speak to an earthquake support coordinator.

### **Moving out during EQC repairs**

The alternative accommodation benefit in our policies covers the cost of alternative accommodation and storage when your home is being repaired, including repairs being undertaken by Fletcher EQR for the EQC. Call us to check your eligibility and the level of allowance available.

If you have any questions, please contact  
your claims case manager or call:

**0800 800 800**