

Earthquake Update

February 2012

Looking forward to 2012

Happy New Year! After all the activity of last year, I hope you found a chance during summer to relax with family and friends and enjoy the warm weather.

Like everyone in Canterbury, we're excited about a New Year and are looking forward to the rebuild really ramping up.

With the aftershocks moving offshore and most of the land zone decisions made, we're ready to accelerate our rebuild and repair programme for 2012.

From 1 February, Lantern will be working in:

- areas of Christchurch classified TC1
- north-west Canterbury,
- green-zoned Port Hills areas (where there is no damage to the land or retaining walls), and
- Banks Peninsula.

Lantern chose these areas as this is where we have the most certainty around land condition, and believe there are a lower risk of any repairs or rebuilds being substantially damaged in any future earthquakes.

Work is underway in TC1 areas and some TC2 properties with no land damage. Once the TC1 properties have been assessed and their work is underway, the intention is to move onto the remaining TC2 properties.

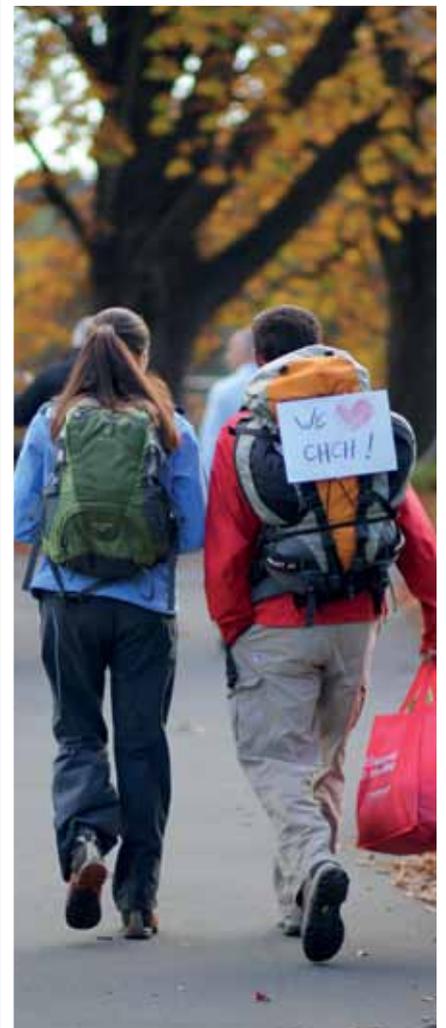
For those of you with TC3 properties, Lantern is waiting for land remediation plans before any detailed work programmes can be developed.

As we expand our work zone further we will keep you informed on where we will be working.

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We're ready to accelerate our repair and rebuild programme for 2012.

We'll be working in areas with the most certainty around land condition.



Damage caused by the December 23 aftershocks?

The recent aftershocks have caught us all by surprise. If your property has sustained new or further damage from the recent aftershocks, please lodge a new claim with EQC and/or us.

Just call us on **0800 800 800** and one of our friendly team will be able to help.

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From 1 February, the target* is to:

- begin building 85 new homes per month
- complete 47 major repairs per month (repairs over \$100,000)
- complete 470 non-EQC repairs (paths, driveways, swimming pools, patios etc) per month

For homes being rebuilt and having major repairs, we will contact you to arrange an advanced assessment if this has not already been done.

Then, when the scope of work has been agreed and approval given for the work to begin, we will write and ask you to pay any EQC payments you've received and any excess(es) payable towards the repairs or rebuild. When this is finalised you will be contacted by Hawkins, our project management office, to organise for the work to commence.

For repairs to paths, driveways and swimming pools, we will contact you when repairs can begin. We'll ask you to pay your excess to kick off the assessment process, and once it's paid Hawkins will

arrange to visit your property with a contractor to assess the earthquake damage and scope the job ready for the repairs to begin.

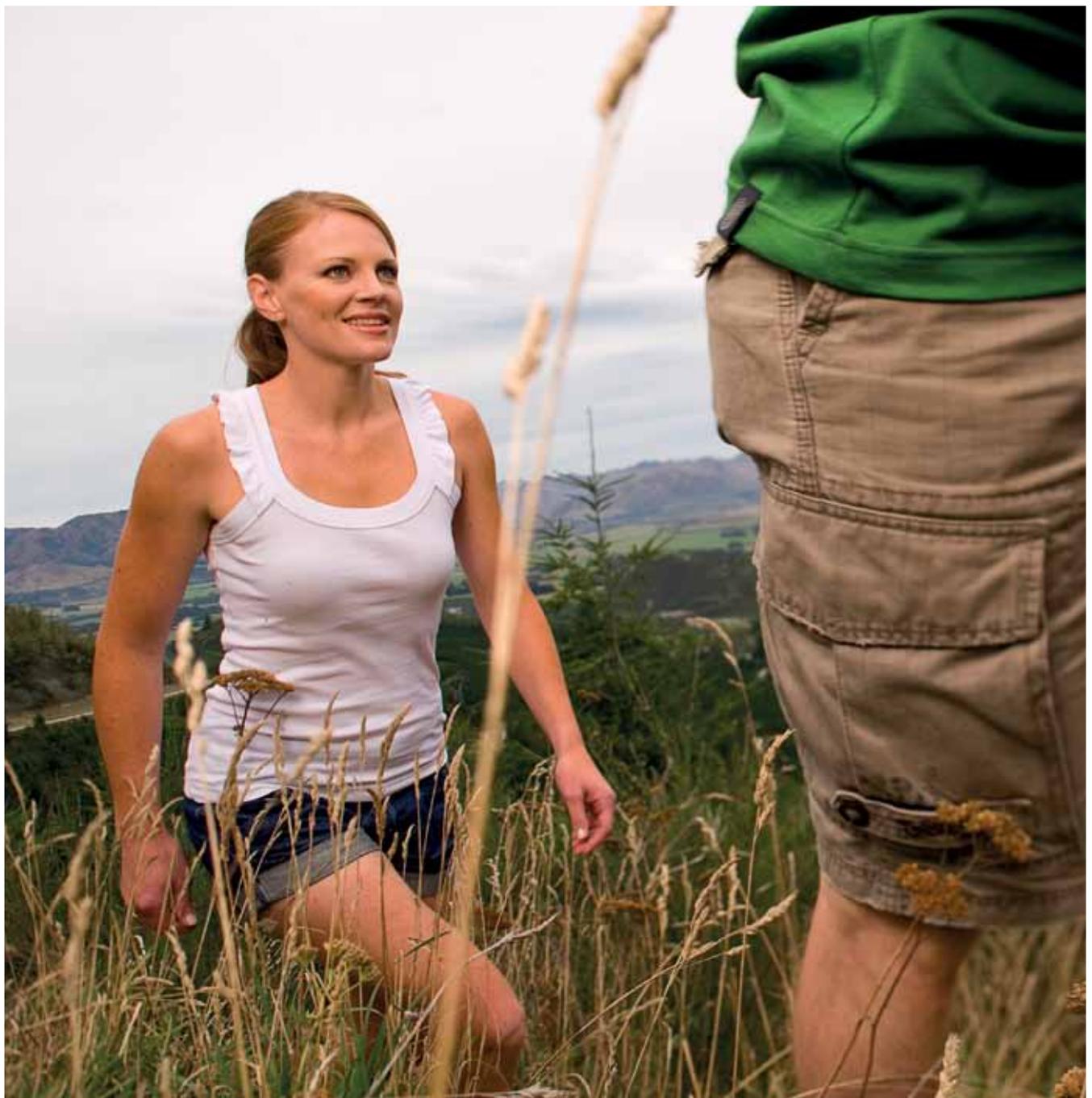
In the meantime, if you have any questions about your claim, please contact us.

Regards,



Bart Taylor
Head of Lantern

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



Alternative accommodation

As you know, some policies provide an alternative accommodation entitlement for customers whose homes are uninhabitable.

We define uninhabitable as:

- structural damage to the house that makes it physically unsafe to stay in
- no functioning sewerage system on site, of any kind
- presenting a physical danger to an individual's circumstances, eg: needing electricity for medical equipment

If you have been out of your home for an extended period of time and using this

entitlement, these payments may soon be coming to an end.

If your payment limit will be reached soon, your claims case manager will write and let you know before it is finished.

If you still need accommodation assistance after your policy cover is finished, the Temporary Accommodation Service may be able to help. Just go to www.quakeaccommodation.govt.nz or call **0800 673 227** for details.

The value of independent advice

Here at Lantern we know a lot about insurance, but when it comes to finances and signing contracts, we recommend that you get independent advice from a financial adviser, accountant or lawyer.

They'll help you decide what is best for you and your family, and make sure that any agreements you sign are fair.

You can also use the accommodation entitlement when repairs being done to your home require you to move into temporary accommodation. It can be used to pay for moving and storage costs, rent and pet boarding.

For more information about alternative accommodation entitlements, please read your policy, or contact your claims case manager.



Urban myths debunked

We keep hearing a persistent rumour that our reinsurers have paid us out in full, and we're avoiding paying claims so we can earn interest on this money.

The truth is we want the rebuild to get underway as much as anyone! In fact, we

do not receive reinsurance money until after we have paid out on a claim, and we are definitely not holding back huge sums of money to earn interest.

Since September 2010 IAG has paid out over \$900 million to its State, NZI,

Lantern Insurance and Corporate Partnerships customers.

That's more than \$1.7 million per day in earthquake claims and we will continue to authorise and pay out on claims as they are finalised.



LANTERN
insurance

underwritten by **NZ**

Have you any questions?

Call 0800 800 800 | www.lanterninsurance.co.nz