

# Earthquake Update

October 2012

## *New insurance support another step forward for Canterbury*

From 1 October 2012, IAG insurance brands (State, AMI, NZI, Lantern) and business partners BNZ, ASB and The Co-operative Bank have made more options available for existing customers and new customers in Canterbury.

The announcement was made in late September as a result of an increased level of confidence following a period of less seismic activity.

IAG's Executive General Manager Canterbury Recovery, Dean MacGregor,

said the easing of underwriting criteria marked another step in IAG's ongoing commitment to Canterbury and support for the rebuild. IAG employs over 1000 permanent and temporary staff in Canterbury.

"Our focus remains very clearly on helping those of our customers with current claims. At the same time we know that some existing and potentially new customers are keen to move forward with rebuilds and other initiatives that require additional insurance support," Mr MacGregor said.

As the largest general insurer in the region we are delighted to be able to help open the market up to wider discussions on insurance needs.

### **From 1 October 2012, IAG insurance brands will consider offering cover on a case by case basis for:**

	For existing IAG customers	For new IAG customers
<b>Newly built homes</b> in Green Zone TC1, TC2, Rural and Unmapped and Port Hills/Banks Peninsula – where the home received consent after January 2012.	Yes – will consider	Yes – will consider
<b>Existing homes</b> in Green Zone TC1 and Rural and Unmapped – where the home: <ul style="list-style-type: none"> <li>• was built after 1935, and</li> <li>• has no structural damage, and</li> <li>• has no over-cap claim.</li> </ul>	Yes – will consider	Not at this time
<b>Contents</b> – in Green Zone.	Yes – will consider	Yes – will consider



### *Inside this issue:*

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## Our rebuild and repair programme

We continue to make good progress towards our target to ensure all our customers with over-cap claims have certainty around whether their property is economic to repair or not, and what their settlement options are, by the end of this year.

As at mid October, we had over 1,100 significant repairs and rebuilds underway across the region. These ranged from working with customers at the pre-construction and planning stage, right through to handing over the keys to their brand new homes.

As at 16 October we had completed the following:

1 Feb–16 Oct 2012	Rebuild	Repair	Driveways, paths etc
Pre-construction	355	488	1,093
Construction	187	75	788
Complete	45	32	2,116

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

The numbers quoted are for IAG brands: NZI, Lantern Insurance, State and IAG Financial Institutions, which is the division responsible for general insurance policies offered through ASB, BNZ and The Co-operative Bank.

## Alternative accommodation options

**With the increasing volume of repair and rebuilding activity underway, at some stage you may need to move out while work on your house is being carried out.**

If this is the case for your claim, you may be eligible for an alternative accommodation benefit under your Lantern policy.

**Alternative accommodation benefits in our policies can include:**

- accommodation for you and your family
- the cost of accommodating your domestic pets
- the cost of shifting and storing your contents

To understand what is available to you under your policy, please contact your Claims Case Manager.

**Update: Government extends its accommodation service**

On 27 September 2012, Canterbury Earthquake Recovery Minister Gerry Brownlee announced an extension of the Government's Temporary Accommodation Assistance (TAA).

This service was originally set up in February 2011 for two years. It has now been extended a further two years until 1 March 2015.

Generally to be eligible for the TAA, you need to have used all your insurance

coverage for temporary alternative accommodation costs. Once you have exhausted your accommodation allowance with us, we can assist with your application for the TAA.

For further details, visit:

**[www.quakeaccommodation.govt.nz](http://www.quakeaccommodation.govt.nz)**



## *An update on where we are working*

### **For customers in the green zone**

We continue to work in all technical categories of the green zone to provide options for settlement and progress claims. If you have damage to the land on your property, please refer to the article at the bottom of this page for further information on EQC land claim settlements.

We are also progressing significant repair and rebuild claims for customers with TC3 properties. If you have significant damage to your house's foundation, please read the article on the back page for further information about our TC3 geotechnical programme.

### **For customers in the red zone**

We continue to prioritise assessments and provide settlement options for our customers in residential red zones to ensure you have all the information you need when considering your offer from the Crown.

### **Note on white zone**

At time of writing, the last remaining white zone (eight properties in Lucas Lane) was yet to be rezoned by CERA. Claims from our customers in this zone will be progressed based on their new zone (see above), once announced.

If you have any questions about your claim, please contact your Claims Case Manager.

### **Important note about apportionment for all customers:**

If you have damage from more than one earthquake, EQC needs to firstly 'apportion' your damage across the different earthquakes.

This is to determine what portion of the total damage has been caused by each earthquake and therefore whether your claim is 'under-cap' and will be managed by EQC, or is 'over-cap' and will be managed by Lantern.

We only become involved in managing the claim for earthquake damage to your house and outbuildings if EQC determines your claim is 'over-cap'.

## *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.

Contact your Claims Case Manager if:

- your contact details change,
- you would like to have your mobile number added to your files as an alternative contact number,
- you would prefer us to email you if it is difficult for you to talk at work during the day (make sure we have your most current email address).

## *Receiving an EQC settlement for land damage?*

**If you have a claim with EQC for land on your property which has earthquake damage, EQC can choose to return the land to its pre-earthquake state or provide you with a cash settlement.**

If EQC provides you with a cash settlement for your land, we will discuss with you the contribution of that settlement to reinstating the land in line with any

building work we will be undertaking on your property.

### **For more information:**

- Visit: <http://www.eqc.govt.nz/canterbury-earthquakes/land-claims> (you can also download a copy of EQC's 'Guide to Canterbury Land Claims' booklet)

- Contact your Lantern Claims Case Manager to discuss your claim.



## Update on geotechnical drilling for TC3 customers

### Background

The residential green zone has technical categories which describe how the land is expected to perform in future earthquakes and what systems are needed for new or repaired residential foundations.

Technical categories are a key part of Building and Housing's guidelines on rebuilding and repairing earthquake damaged homes. Generally they are:

- TC1 (grey) – standard foundation
- TC2 (yellow) – enhanced foundation
- TC3 (blue) – foundation specifically designed for that site

Some green zone land (e.g. rural and Banks Peninsula) has a N/A Technical Category.

### Drilling programme to design your foundation

If the earthquake damage to the buildings on your property is 'under-cap': EQC is responsible for your claim for your buildings (which includes your damaged foundation). For information about EQC's drilling programme. Visit: <http://www.eqc.govt.nz/canterbury-earthquakes/geotech-tc3>.

If the earthquake damage to the buildings on your property is 'over-cap': Lantern becomes involved in managing the claim for earthquake damage to your buildings. We will use the information from our drilling programme if you have significant damage to your foundation to design a foundation for your site.

### Our drilling programme

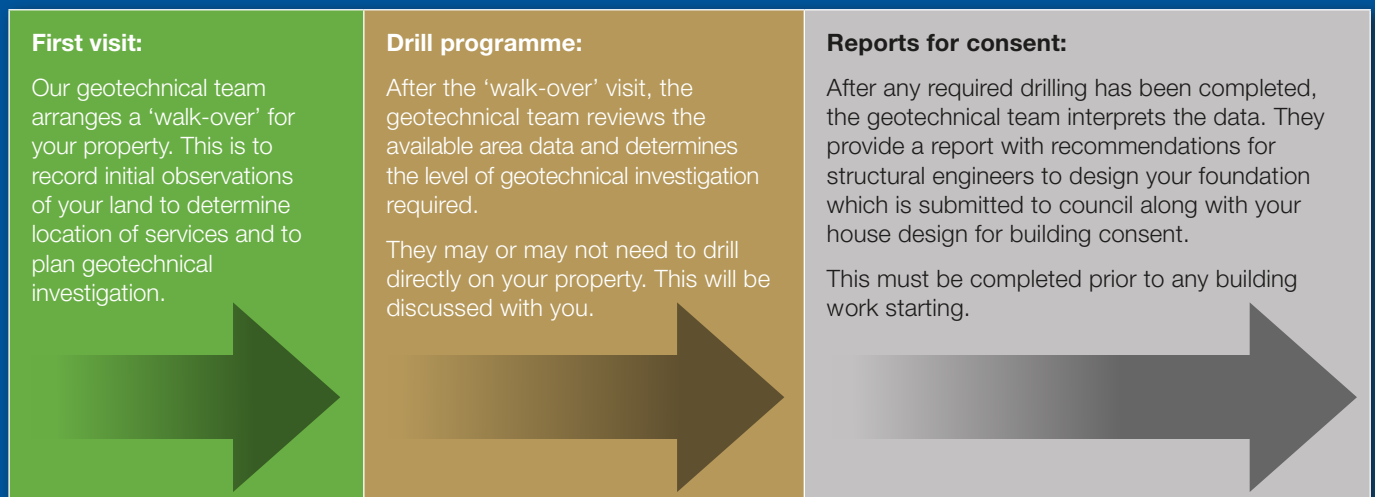
Lantern has secured geotechnical and drilling resource. The geotechnical resource is used to analyse drilling data for use by structural engineers to design a foundation for your site.

Our worst affected and most vulnerable customers' houses are being prioritised for drilling and geotechnical analysis.

Insurers and EQC are looking to share drilling data. If you are prioritised for geotechnical assessment our geotechnical team will review the available area data and determine the level of investigation required for your property.

### What are the main steps in the drilling programme?

If the foundation on your house has suffered significant damage, there are three main steps prior to any building work commencing:



This newsletter is a general guide only and does not constitute legal advice or provide complete information. As each situation may be different, we suggest you obtain your own legal advice about your situation. We reserve the right to change, update or correct any information from time to time without notice.

## IAG customer community forums *you're invited*

As part of our commitment to our customers, representatives from IAG insurance brands (State, NZI, Lantern) have attended all the CERA public meetings since they began shortly after the June 2011 land zoning announcements.

The feedback from our customers is that you found the opportunity to meet with us and hear about our programme valuable, and you would like to know more.

So we're running our own dedicated forums for our customers. The forums will cover topics of interest to you around our processes, programme and where your claim fits in. Our insurance representatives will be available at the forums for face to face conversations as well as the presentations.

**IAG customer community forum dates:** 5, 12, and 26 November (choose one)

**Times:** 6.30-8.30pm

**RSVP important:** If you wish to attend, please choose the date that best suits you, and contact us to reserve your seat.

**RSVP to your Claims Case Manager, or contact us on 0800 800 800. We look forward to seeing you there.**