



Last month marked one year from the first Canterbury earthquake.

While there is still a way to go, we wish to acknowledge how far we have come. The vision for the future is much clearer with the land decisions giving people more certainty and CERA and the Christchurch City Council having released their plans for the CBD and greater Christchurch area.

People remain at the heart of the Canterbury recovery and our focus remains on helping you to rebuild.

We are working with a number of organisations including GNS, CERA, Tonkin & Taylor and the Christchurch City Council to coordinate recovery efforts and speed up the process of recovery for you.

Just where and when we can begin work is dependent on a number of factors including seismic risk, land damage and zoning, and the type and extent of damage to homes.

We're well underway issuing settlement offers to those customers in the Christchurch and Kaiapoi/Pines Beach residential red zones. We've been focused on completing these assessments and getting the offers out so customers in the red zone have all the information they need to consider the government offer.

So where to next? Now that we have completed all our assessments in the current residential red zones, we have begun to carry out detailed assessments of the uninhabitable homes in the residential green zones as the first step in settling those customers' claims.

As soon as we have completed assessments of uninhabitable homes, we'll begin the detailed assessments of other damaged homes. This means we'll have all the information we need to start on your claim, once the seismic activity settles down.

Our earthquake claims teams are dedicated to providing you with the support and information you need. If you have questions regarding your claim, please contact your broker.

Regards,

**Karl Armstrong**  
Executive General Manager, NZI

## Since September 2010, we have:

- ▶ made temporary repairs to more than 4,000 homes to make them safe
- ▶ completed preliminary assessments for all our customers across Canterbury
- ▶ completed all the detailed assessments in the Christchurch and Kaiapoi/Pines Beach residential red zones
- ▶ commenced issuing settlement offers to all our customers in the Christchurch and Kaiapoi/Pines Beach residential red zones, and in fact we're well underway with these
- ▶ begun advanced assessments in other areas of Christchurch where there has been less land damage, and more progress may soon be possible
- ▶ begun advanced assessments of uninhabitable homes to provide certainty for customers
- ▶ attended more than 100 community meetings and forums
- ▶ provided information to the Kaiapoi Earthquake Assistance Centre for customers to pick up and take away.

# Your insurance questions answered

*We asked you for your questions, and here are some of the most common ones we received. Keep the questions coming and we will continue to answer them for you.*

## **How long do I have to wait before seeing some action on repairs and rebuilds?**

We are constantly revising areas where we can begin repairing and rebuilding, based on seismic activity and geotechnical land information.

We have completed detailed assessments of our customers' homes in the current residential red zones, and are now beginning advanced assessment of homes that are uninhabitable. We are also assessing those homes in areas of Christchurch where there has been less land damage and progress may soon be possible.

Unfortunately, if your home is in a zone where NZI is not actively working on repairs or rebuilds, completing a detailed assessment does not mean we can start repairing or rebuilding, but it does mean that when work commences in your area we will have the necessary information to progress your claim.

## **Will NZI agree a mutually suitable start time with me, with no pressure to fit into a wider project schedule?**

Yes, within reason. If there were several NZI rebuilds or repairs scheduled in the same residential green zone street or neighbourhood, it would be ideal to have them all under construction at the same time. However, we understand that our timing won't always suit, so we'll work with you and endeavour to find a suitable time.

## **I live in the residential red zone. If I take the government offer for my land and the NZI offer for my house repair, will the repair valuation include work to get my house up to the building code as required on that specific date?**

If you have a full replacement policy, we have scoped the cost of the repair of the



damaged parts of the house to meet building compliance codes, where required. If your policy specifies a sum insured, that sum is the most that we'll pay towards the repair of your house.

## **Does the reinstatement price include building consents or are they separate?**

If your house is being repaired or rebuilt, your replacement policy will meet any cost of consents over and above the cost of earthquake damage repair or reinstatement. Your policy will also cover architects', engineers', surveyors' and building consultants' costs as long as they were necessarily and reasonably incurred. If your policy is a sum insured one, that sum is the most we'll pay for reinstating the house, building consents and other fees in total.

## **Is it OK to rebuild in a different city in New Zealand?**

Yes, you can choose to rebuild anywhere in New Zealand. If your policy covers it, we will rebuild you a like-for-like house, using modern materials and methods, on land that you purchase. We won't, however, pay more than we would have if the home was rebuilt like-for-like on the original site. Just let us know if you are considering this option and we'll work with you to get the costs established.

## **How will repairs and rebuilds be prioritised?**

We are working with key parties to get all the information we need to set priorities

for our customers. Factors influencing our work programme, and our priority system for customer claims, include: GNS data on the risk of ongoing aftershocks, land remediation plans, council infrastructure reinstatement programmes, Department of Building and Housing guidelines and new building codes, and the need for geotechnical land reports.

We have completed assessments in the residential red zones and are in the process of carrying these out on uninhabitable homes and homes in areas of Christchurch where there has been less land damage and progress may soon be possible. As we begin work in your area, we will contact you to make an appointment. We will also keep information regarding areas we are working in updated for you on [www.nzi.co.nz](http://www.nzi.co.nz).

## **CERA hub**

**CERA has opened an Earthquake Assistance Centre at the Avondale Golf Club (141 Breezes Road), which is open from 10.00am to 6.30pm Monday to Friday.**

Representatives from EQC, Community Law and Temporary Accommodation Services, as well as all insurance companies, are available to help you with questions regarding insurance, settlement options, accommodation and finance. For more information, see the CERA website [www.cera.govt.nz](http://www.cera.govt.nz).

# Deciding how much your house is worth

*Naturally, everyone wants to know how we decide how much a house is worth. If you live in a residential red zone, the settlement offer you receive from us will give you all the figures. In the meantime, here are answers to some of the common questions you're asking.*

***Why is it that my neighbour's building rate per square meter (sqm) is different to mine and our houses are similar?***

The sqm rate at the top of your assessment summary excludes GST and any extra value items such as heat pumps or wood panelling – this is called the base sqm rate. To calculate the total sqm rate, you should use the final rebuild value at the bottom of your settlement offer.

Other insurers may calculate this differently so if you're comparing with your neighbour check you're looking at similar rates i.e. is GST included or excluded, is it the base or the total sqm rate? Square meterage rates vary across all homes depending on a number of factors including total size and type of home - if you have any questions please contact your Claims Case Manager who will be happy to help.

***Does floor area mean real 'floor space' (inside measurements)? Or does floor area mean the footprint (outside measurements)?***

The floor area is the outside measurement of the house, including all levels, garaging and developed basement.

***What can I do if I don't agree with my assessment?***

We are confident that our costings accurately reflect market prices. Our assessments provided us with an initial cost, which we then checked with independent quantity surveyors. If we have missed something from your costing, for example, an extra heat pump, or a specified item is different from what we've recorded, please call your broker to discuss.

***I am trying to build a new home in a safe area (green zone or rural Canterbury), will you insure me?***

When you are building a new home, we recommend you have insurance for the construction stage (this is called contract works insurance), and then take out home insurance once the building is complete.

If NZI has authorised the rebuild through Hawkins, we will provide contract works cover as part of managing your claim. Our current position is that we are happy to offer home insurance once the code of compliance certificate has been issued and you are ready to move in.

If you are thinking about building or buying a new home, we strongly encourage you to contact us or your broker before entering any contractual agreements so we can work with you through this process.

We're exploring all opportunities to be able to provide insurance cover, where possible, to continue to support our customers in Canterbury.

## Questions about repair

***EQC says my house is a total loss, but you say it's a repair. How does this work?***

EQC call their claims a total loss if the damage to your home is more than the cover it provides which is usually \$100,000 +GST. If we have deemed that your house is repairable this does not mean that we disagree, it just means we believe it is economic to repair your house.

***I live in the red zone and my house has been deemed a repair. I don't understand how it can be?***

NZI insures your house and other structures, and your land is insured by EQC.

We have completed detailed assessments of all of our residential red zone customers' properties based on what we would do to reinstate the house, fences and driveways, had the government remediated the land.

In doing so, we have factored in all costs that would be incurred to get it a building consent. Based on these total costs we were able to determine whether your house was economic to repair, and therefore be deemed a rebuild or repair.

The government has signalled there is no immediate intention to remediate the land in the residential red zone. Working together with EQC and the government we identified this would be an issue for people with repairable properties, which is why the government developed Option 1. Option 1 is a cash settlement for both land and house based on the most recent rateable value of your property.

## The settlement offer process

We've had a number of queries from customers in the residential red zone about the process for issuing settlement offers.

The first step is a detailed assessment and scoping. This is completed by a team consisting of a solutions manager and a loss adjuster.

This information is then processed by a quantity surveyor who completes the

detailed scope. The detail of this is audited by another quantity surveyor in the team. This whole process may take a few weeks to complete.

At this stage the assessment is referred onto your Claims Case Manager who will send you a settlement pack including an offer letter, summary of your assessment and settlement options factsheet. This process should take four-six weeks from the date your house is assessed.

We are aware that for some of the early detailed assessments this process is taking slightly longer as we refine our processes and ensure that offers are fair and accurate, in accordance with policy coverage.

If you have any concerns over this please contact your Claims Case Manager.

## Working together to rebuild Canterbury

Important contacts to have on hand

**Canterbury Communities'  
Earthquake Recovery Network  
(CanCERN)**

[www.cancern.org.nz](http://www.cancern.org.nz)

**Canterbury Temporary  
Accommodation Service**

0800 67 32 27

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

**CERA**

0800 RING CERA (0800 7464 2372)

[www.cera.govt.nz](http://www.cera.govt.nz)

**For information about consent forms  
and the Crown's offer process**

0800 237 277

**Earthquake Commission (EQC)**

0800 DAMAGE (0800 326 243)

[www.eqc.govt.nz](http://www.eqc.govt.nz)

**Earthquake Government Helpline**

0800 779 997

**Healthline (24 hours)**

0800 611 116

**Red Cross**

0800 RED CROSS (0800 733 276)

[www.redcross.org.nz](http://www.redcross.org.nz)

**Landcheck**

[www.landcheck.org.nz](http://www.landcheck.org.nz)



Have any questions?  
Call your broker or visit [www.nzi.co.nz](http://www.nzi.co.nz)

