

## Questions from the Wainoni residential red zone workshop

28 March 2012

### **Insurance**

Answers provided by AMI

#### **1. Is it correct that we can be paid out for carpet, drapes etc?**

Yes. If the house is assessed as being total loss and requires a rebuild.

##### **a. What about chattels?**

No. They are removable from the house.

##### **b. Who would pay under each option?**

EQC if total contents claim under \$20,000, or insurance company for any amount over \$20,000.

#### **2. How is a house deemed to be a repair or a rebuild?**

This is based on a professional assessment of the repair costs. If repair costs are assessed as greater than a complete rebuild, then the house is uneconomic to repair.

#### **3. If my house is repairable and the value of the repair is more than improvements value, can I choose Option 2?**

Yes.

#### **4. In the case of red zone, if a house needs to be rebuilt, what is the policy of insurers?**

The house insurance policy options are then available for the home owner to choose from and it may be advisable to seek legal advice before considering this option.

#### **5. How do we progress a claim when it is split over events and split between EQC and insurers?**

EQC and insurers are in negotiation to review and reach settlement on these claims. You should keep in regular contact with EQC and/or your insurer. If you feel that your claim is not progressing quickly enough, you can ask to speak with your local branch manager or you might wish to consider seeking independent professional legal advice.

#### **6. Who can act as an advocate for red zoned residents dealing with insurers?**

A customer's first approach should be direct to their insurance company to go through the internal review process. Then, if not resolved, the Insurance and Savings Ombudsman if the claim meets the criteria for ISO review.

If you are uncomfortable with the relationship with your insurer, you should consider seeking independent professional advice.

#### **7. Can we choose to buy or build anywhere?**

Generally yes, within New Zealand, but there may be some practical considerations and restrictions on certain options. Individual cases should be discussed with your insurer.

**8. What happens to costs incurred to stay in home (e.g. emergency repairs) since September 2010?**

Emergency repair costs that have been incurred, should be discussed with either EQC or your insurer. The settlement will depend on the extent of total damage and number of earthquake claims on your house.

**9. If I build for less than pay-out, can I keep the difference?**

For an owner self-managed rebuild, a build contract price will have been set and the insurance settlement payment would have been based on that price. Subsequently building for a lesser price would be a change to the original settlement agreement. The terms of the settlement agreement need to be considered and discussed with your legal advisor and insurer.

**10. If I choose option 2 and settle with the Crown and insurer at separate times, when do I have to move out?**

An owner must vacate the property by the settlement date stated in the Agreement for Sale and Purchase.