



INSURANCE & FINANCIAL SERVICES  
**OMBUDSMAN**

## Kaikoura EQ claims: resolving problems

### If you have a problem with your claim:

1. Check your policy to see what is covered and what is not
2. Explain the problem to your insurer and see if you can agree to a solution
3. Seek independent advice from an expert about the problems
4. Ask the expert and your insurer what can be done to resolve the issues

### Key information to be aware of:

- **Check your policy** – Your policy will set out the standard of repair your insurer needs to meet when assessing your claim. The policy will include wording such as “as new”, “as when new”, “substantially the same as” or something similar. Your claim will be capped at your “sum insured”.
- **Your obligations**  
If your insurer requires you to, you will need to provide evidence to prove:
  - the damage was caused by an earthquake
  - what repairs are required; and
  - how much these repairs will cost.

If you can't provide evidence to prove these, such as independent reports, then the insurer may be able to decline to pay for all, or part, of your claim.

- **If you disagree with the insurer** - Often your insurer will have already made an assessment of the damage and the cost of repairs. It is not up to your insurer to prove its assessment is correct.

If you disagree with the assessment you will need to get your own evidence. It may be necessary for you to get your own independent report from a reputable expert such as a builder, quantity surveyor, geotech engineer etc. You will need to pay for this independent advice.

**Earthquake Commission (EQC) problems** - your insurer is assessing and settling EQC home and contents (but not land claims) on behalf of EQC. The first step for resolving any problems with your EQC claim is to raise the issues with your insurer. For more information on the EQC process see [EQC Kaikoura Claims](#).



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## The Building Code

Under the Building Act 2004, all building work to repair damage to your house needs to comply with the Building Code. That does not mean your entire home has to be upgraded to comply with the Code. The rest of your house only needs to comply with the Building Code to the same extent as it did before the earthquake.

## What should you do if you can't resolve the issues?

- Keep your focus on the end result – the repair of your house
- Keep communicating and agree on timescales for updates, so you don't have to keep checking progress – sometimes it will slow things down
- If you want repairs carried out differently to what your insurer proposes (and is liable to provide) or additional work done, you will need to meet the extra cost
- Ask to speak to a team leader, or make a formal complaint to your insurer
- Contact the IFSO Scheme: **0800 888 202**

## Case Study— 132955 (2017)

The Trust's rental property was damaged in the Canterbury earthquakes. Their insurer deemed the house to be repairable and provided expert evidence, confirming it was both practically and economically repairable. It developed a repair methodology and made an interim payment of just over \$90,000.

The Trust disputed that the house was repairable for a number of reasons, including that the insurer had failed to take into account Christchurch City Council requirements in order to accept that the repair methodology would meet the relevant building laws. The Trust said the repairs would not gain building consent, and they provided a costing for the full replacement of the property.

The case manager had numerous discussions with the Trust, stating that the Trust would need to provide expert evidence to support their view. For example, the evidence would support the view that the insurer's repair methodology was inappropriate, and that the property would not be able to gain building consent.

However, the Trust provided no expert evidence, while the insurer had provided expert evidence.

The case manager found the insurer's repair methodology was appropriate. The insurer was entitled to limit its liability on the claim to \$131,682 (that is the interim payment of \$90,000 + final repair costs of \$41,682.16).

The Insurance & Financial Services Ombudsman resolves complaints about insurance and financial services.  
Our service is free and independent.

This information is based on our experience dealing with complaints about earthquake claims.  
It aims to help consumers resolve issues quickly as possible with their insurer.

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