



Earthquake Update

OCTOBER 2015



Your external works payment

Back in June, we clarified that we'd like to settle external works claims by making cash payments to help you finalise your claim as soon as possible. This update contains some information that we hope will be helpful to you in this process.

What are external works?

As a reminder, external works are what we refer to as 'hard landscape' items that include things like paths, driveways, fences, retaining walls, and swimming pools – these are different from what's called 'soft landscaping', which is your garden and lawns.



What is covered?

All MAS House policies cover hard landscaping. Depending on the type of policy you have, we may also pay up to \$5,000 (including GST) to repair damage to your garden (soft landscaping) that may be caused by contractors during your external works and dwelling repairs.

How do payments work?

If your property is over-cap, it's likely that the external works will be completed as part of your dwelling claim. In these cases the work is scoped by your lead consultant and included in the building contract. We'll include the cost of the external works as part of a pre-construction payment or cash settlement, depending on the option you've chosen.

If your property is under-cap, or your external works are being managed separately from your dwelling claim, we'll make a cash payment to you for the reasonable cost to repair or replace the hard landscaping feature(s). This means you'll be able to use the contractor of your choice to complete the works at a time that's convenient for you using the funds we've provided.

If any further earthquake damage is found after we've paid you, we'll assess the new damage and associated costs. We'll treat any new earthquake damage as a new claim with no excess if it wasn't scoped or included in the first claim payment.

Shared boundaries

Some external works claims can be more complex if any hard landscaping features on your property such as driveways, fences or retaining walls are shared with neighbours.

Where your external works claim involves property on a shared boundary, we'll need to determine the proportion of the repair or reinstatement cost we're responsible for. We would appreciate your assistance in working with your neighbour to agree and coordinate these works. We may also be able to help progress any necessary works by dealing with your neighbour's insurer if they have an unresolved claim of their own.





Delayed works

There are situations where the external works repairs on a property cannot begin until other repairs on either your property or your neighbour's are complete. If you have a quote for your external works but cannot proceed until the other repairs are completed, please let us know – we can work with you to find the best way forward.

In most cases we'll be able to make you a cash payment so you have the benefit of the funds available when the works can get started. If any further earthquake damage is found after we've paid you, we'll assess the new damage and associated costs. We'll treat any new earthquake damage as a new claim with no excess if it wasn't scoped or included in the first claim payment.

In addition to any further earthquake damage we have assessed after we've paid you, we will also consider payments for price escalation, as long as the reasons for the delay relate to the timing of the other necessary repairs. However, we will not be responsible for any cost escalation if you choose to delay the works without good reason. We would appreciate you keeping us informed of any reasons for delaying works.

Talk to us

To determine a scope of damage for your external works claim, your property may have been visited by a building contractor or landscaper who may or may not end up doing the actual work. We'd like to clarify that you're not required to use the contractor we used to scope the damage – you can choose any suitable contractor you'd like to complete the works, as long as their price is reasonable.

We've sent payment offers to a number of Members in our programme in recent months. If you've received a cash offer from us based on a cost estimate that differs from a quote you've received from a contractor, we'll need to assess the quote, so please contact us as soon as possible to discuss your payment.

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Our reinstatement programme progress

To date we've made 289 payments including PCPs and cash settlements. Physical works have now been completed for 129 claims in our programme.

In the past month we've received a further 2 claims confirmed as over-cap by EQC and transferred to our programme.

We continue to make good progress with our programme. We're now dealing with a number of claims that have progressed in recent months through the tender process and are making additional payments where required.



EQC repair issues

Following on from last month's update, we are aware of repair quality issues with works completed by Fletcher EQR that have been raised by the Ministry of Business, Innovation and Employment.

Due to the EQC cap structure, we're only involved with over-cap claims (claims with a reinstatement value of over \$100,000 for at least one earthquake event) and unfortunately have limited ability to intervene in under-cap claims. If you have concerns about work that EQR has completed on your property, please contact EQC directly.

Given the nature and structure of our own programme of works, we would not expect any of the issues identified as part of the EQC audit to affect us.

Yours sincerely,

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