

EARTHQUAKE UPDATE

SEPTEMBER 2016

This month marked the six-year anniversary of the September 2010 earthquake. We know the earthquakes have had an immense impact on our Canterbury Members' lives, personally and professionally. It's taken longer than expected, but we're happy to see many projects completed, under construction, or nearing completion.

Our last communication focused on a typical project life cycle. We have had a number of enquiries from Members and lead consultants about contract works insurance (CWI).

You may recall our update from last August with a summary of CWI to protect your property during construction. Contract works insurance covers loss or damage to the parts of your house under construction during any kind of project—a renovation, repair, rebuild or demolition.

This may include:

- demolishing and disposing of any debris from the insured property following a loss
- re-engaging architects, engineers or other professionals to review and redesign plans
- re-engaging the main contractor and any sub-contractors to redo the work
- accounting for any increase in material and labour costs during the initial project period and the reconstruction period.

We are aware that many of you have repairs and construction work underway or planned over the next few months. This update is intended to provide you with more detail about contract works insurance, and some important considerations to make sure you have adequate cover for your project.



What you need to know DURING CONSTRUCTION

To ensure you are insured correctly for your project, it's important that you have an expert involved in arranging your contract works insurance.

Your architect or engineer can help you complete our application form, and give advice about what additional costs need to be allowed for in the sum insured. Keep in mind that while the premium for contract works is covered under your EQ claim, if you choose to do work over and above earthquake repairs, we'll need to adjust your policy to cover this work and any associated premium will be your cost.

If you're moving out of your home while it is being repaired, please don't forget to make sure contents are correctly insured while they are in storage or another temporary location. We are happy to accommodate these changes so long as we are aware of your plans. Also, please make sure your contents are stored in a place that is safe and dry. Standard Contents insurance doesn't cover gradual damage while in storage.



What you need to know IF YOU HAVE A CONSTRUCTION PROJECT UNDERWAY

If you already have contract works insurance, you should know that policies are issued for either twelve months, or until the completion of the project, depending on which is sooner.

If your project is likely to go longer than twelve months, you should let us know before your cover expires so we can ensure you're covered to the end of the project. Sometimes, we don't find out about projects that continue beyond the cover period, which puts both you and MAS at risk.

Another circumstance that can affect your cover is when there are variations to the project. A variation is a change to the scope or cost of work, which could include omissions in the scope, additional requirements that are identified after work has started, or any upgrades you have chosen to make after work has begun. In these circumstances, MAS needs to be informed before variations are incurred to ensure your policy is updated accordingly.



What you need to know IF YOUR PROJECT IS NEARING COMPLETION

As we noted above, your CWI policy will come to an end after a year, or when the project is completed.

Your policy will also come to an end when you move back into your home, even if works are not completed yet. Please contact us before you move back in, or if construction works go on for more than a year, so we can make sure there is no gap in your cover. Depending on your project, your House insurance needs might have changed, or we might just need to account for your contents being back in your home.



We're still HERE TO HELP

We want to remind you that we're only a phone call away.

If you have questions about contract works or anything else to do with your project or insurance, please don't hesitate to get in touch with us. Our EQ claims team and your Beca project manager are available to answer your questions and happy to talk you or your project consultants through any part of the payment and construction processes.

OUR PROGRESS



171

To date we've completed physical works on 171 properties in our programme.



313

We've now made 313 payments including pre-construction payments and cash settlements.



69

Of our active projects, 69 are in scoping or detailed design...



26

...and 26 are in procurement.

Since our last update, we've received a further seven claims confirmed as over-cap by EQC and transferred to our programme.

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