

New Zealand Government

# GUIDE TO CANTERBURY LAND CLAIMS - VISIBLE LAND DAMAGE



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**EQC**  
EARTHQUAKE COMMISSION  
*Kōmihana Rūwhenua*



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# Introduction

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This guide explains step by step the process for settling land claims which include visible damage to residential land in Canterbury. It focuses on the types of land damage that can be seen by looking at the land. These types of land damage are called 'visible' land damage.

This guide should be read in conjunction with the Guide to Settlement of Canterbury Flat Land Claims or the Guide to Settlement of Port Hills Land Claims, depending on the location of the property.

These guides outline the potential land repair methods that EQC often uses for costing the repair of visible land damage for the purposes of calculating the claim settlement amount. If you do not have a copy of these guides you can download one from:

[www.eqc.govt.nz/land](http://www.eqc.govt.nz/land) or request a copy to be sent to you by phoning 0800 DAMAGE (0800 32 62 43).



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# Types of land damage

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There is land damage where the land has been materially physically changed as a direct result of an earthquake, and that change has materially affected the physical use of the land.

EQC has identified nine types of land damage on the flat residential land in Canterbury.

## Visible land damage

Seven types can be seen by looking at the land:

- land cracking caused by lateral spreading
- land cracking caused by oscillation movements
- undulating land
- local ponding
- local settlement causing drainage issues
- groundwater springs
- inundation by ejected sand and silt.

These types of land damage are also called 'visible' land damage. For more information about the types of flat land damage consult the Guide to Settlement of Canterbury Flat Land Claims.

You can view a copy online at:

[www.eqc.govt.nz/land](http://www.eqc.govt.nz/land) or request a copy by phoning 0800 DAMAGE (0800 32 62 43).

## Other land damage

Two types of land damage involve physical changes to the land that are not easily seen, but which have in fact increased the future vulnerability to liquefaction or to flooding.

These are:

- Increased Liquefaction Vulnerability (ILV)
- Increased Flooding Vulnerability (IFV).

This guide does not cover settlement of claims for these two types of land damage. More information on IFV and ILV can be found on EQC's website at:

[www.eqc.govt.nz/complexlandclaims](http://www.eqc.govt.nz/complexlandclaims) or by phoning 0800 DAMAGE (0800 32 62 43).

## STEPS IN THE LAND CLAIM SETTLEMENT PROCESS

### LODGE CLAIM

### LAND AREA ESTABLISHED

Establish the defined area of the residential land that is insured (the "insured land")

### DAMAGE ASSESSMENT

Assess the type and extent of damage to the insured land

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# Steps in the visible land damage settlement process

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## Step 1 – Lodging the claim

When EQC receives a claim, we check that the house on the land was covered by a private insurance policy, which is a prerequisite for EQCover for residential land. We are unable to insure undeveloped sections because there is no house on the land that is insured under private insurance.

EQC also checks that the claim has been lodged within the time limit. You can make a claim up to three months after the date of damage. Most customers make one claim for all land, building and/or contents damage from the same event.

If you have land damage but have told EQC about building or contents damage, EQC can add the land damage to that claim, provided the damage was caused by the same event.

### COST ASSESSMENT

Assess the cost to repair the land damage caused by the earthquake

### SETTLEMENT DECISION

Calculate the cash settlement amount

### SETTLEMENT

Pay any settlement amount

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# Steps in the visible land damage settlement process

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## Step 2 - Establishing the defined area of the residential land that is insured

The insured land is land on which the house sits, and land within 8 metres of the house or outbuildings (such as a garage or shed).

Land within 60 metres of the house that is part of or supports the main access way to the house from the boundary is also covered. The surface of the driveway or any artificial surfaces like concrete or asphalt that cover the access way are not covered.

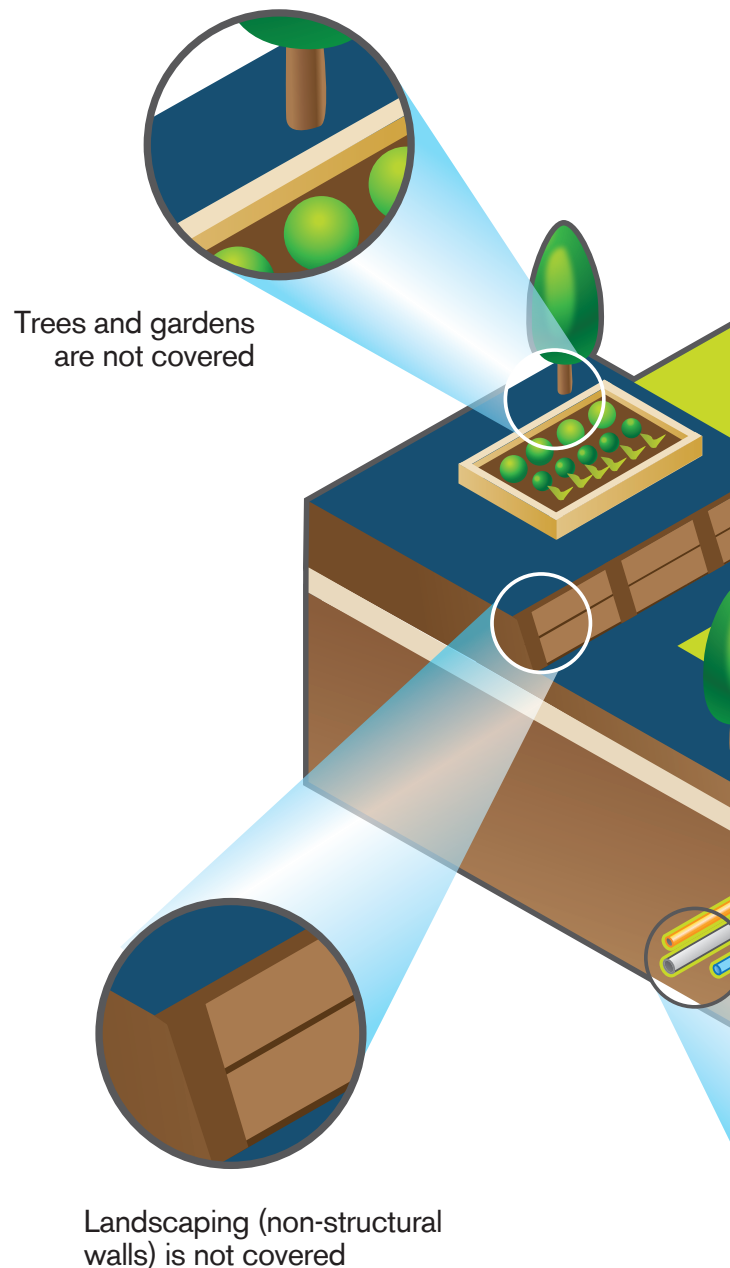
EQC cover for land damage also includes:

- bridges and culverts that are within 8 metres of the house, or on land within 60 metres of the house that is part of or supports the main access way; and
- retaining walls and their support systems that are necessary for the support or protection of the house or insured land (including the main access way) if they are within 60 metres of the house.

It's important to note that things that are on the land, such as trees, plants or paved surfaces, are not covered by EQC. Retaining walls that serve a landscaping function, rather than supporting or protecting your house or the insured land (including the main access way), are generally not covered by EQC.

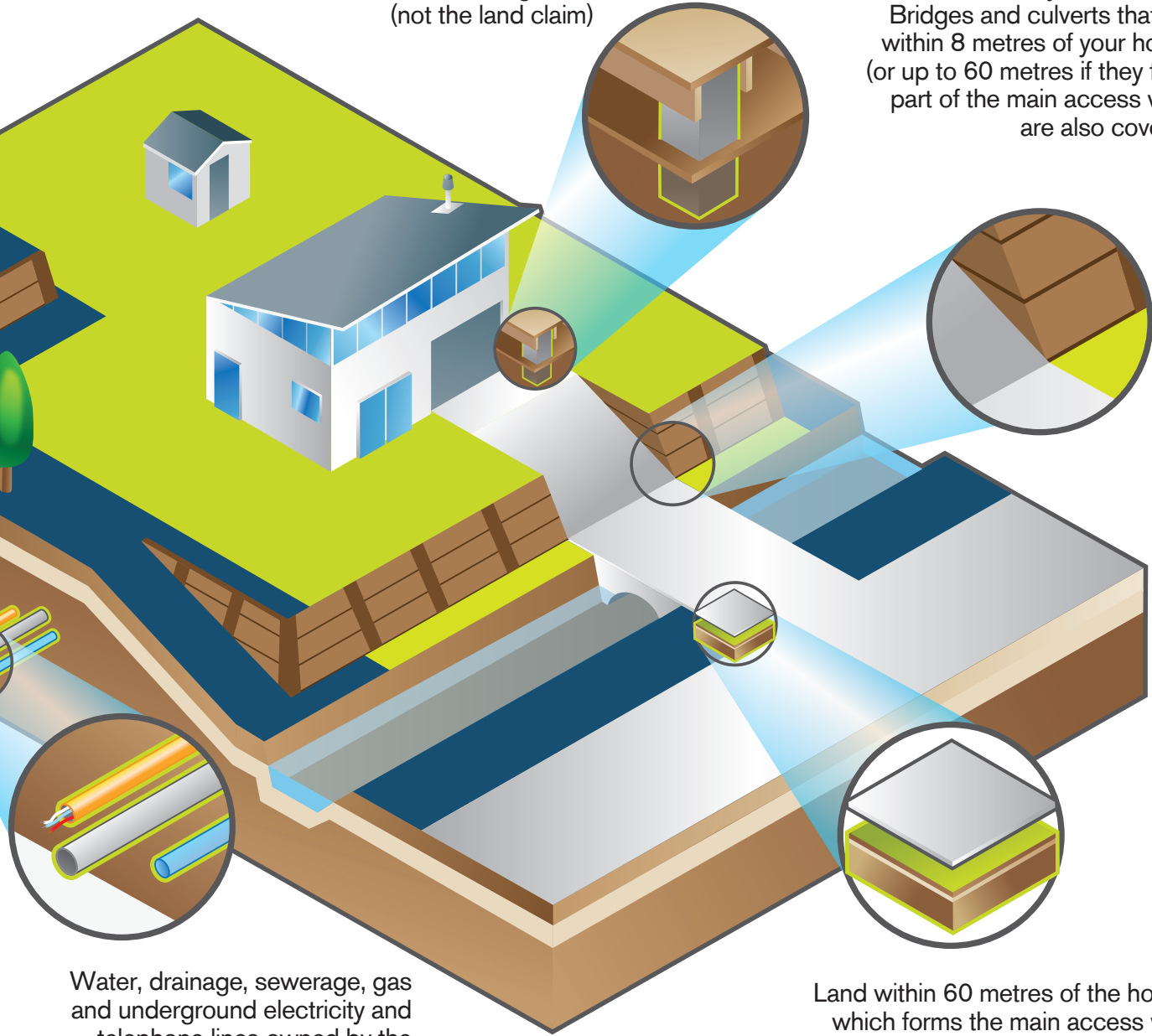
Other items, including fences, walls, drains and channels, are not covered as land damage but may be covered as residential building damage if they are an integral part of the building that is your house.

For a full list of what is covered and not covered under a land damage claim, see the definition of residential land, and Schedule 2 in the Earthquake Commission Act 1993 at [www.legislation.govt.nz](http://www.legislation.govt.nz).



Any damage to the house's foundations is covered by the building claim (not the land claim)

Retaining walls that are necessary for the support or protection of the house or the access way are covered. Bridges and culverts that are within 8 metres of your house (or up to 60 metres if they form part of the main access way) are also covered



Water, drainage, sewerage, gas and underground electricity and telephone lines owned by the homeowner are covered by the building claim, not the land claim

Land within 60 metres of the house which forms the main access way is covered. Any artificial surface like asphalt or concrete is not covered

● Land covered by EQC ● Land not covered by EQC

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# Steps in the visible land damage settlement process

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## Step 3 – Assessing the type and extent of land damage

EQC's land assessors visit the site to ascertain the types and extent of visible damage to the insured land. These types of land damage on the flat land are set out on page 2.

EQC contacts homeowners to agree a suitable time to access the property for an assessment. It is not necessary for homeowners to be present, but if they wish they can attend the assessment.

## Step 4 – Assessing the cost of the repair

EQC works out the cost to repair the visible land damage to the insured land caused by an earthquake.

EQC's costings are based on the potential methods of repair for each type of land damage. Some of the methods are set out in the Guide to Settlement of Canterbury Flat Land Claims (for flat land damage) and the Guide to Settlement of Port Hills Land Claims (for damage in the Port Hills).

The potential repair methods are for costing purposes only. EQC does not have to, and in most cases will not, reinstate the insured land. EQC will assess damage as at the time of assessment.

Where the land has, or will in the short term be, "self-repaired", then no land damage repair will be costed. Self-repair can in some circumstances happen where:

- natural processes occur over the course of time (eg. cracks self-repair by being filled with soil)
- the house has been (or will be) demolished and/or reinstated, eg, construction equipment (such as heavy trucks) on the site re-compacts the surface soil and closes cracks.



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### Step 5 – Calculating the cash settlement amount

Land damage settlement decisions are made under the Earthquake Commission Act 1993.

EQC calculates the land claim settlement based on:

- the indemnity value of any bridges, culverts, and retaining walls and their support systems that are covered, plus
- the cost to repair land that is physically damaged or lost in the earthquake (or in some circumstances the reduction in the value of the damaged land, where, for example, repair is not possible or unlikely to occur for practical reasons).

If the total amount calculated exceeds the maximum amount payable under the EQC Act, EQC's liability is capped at that maximum amount.

This maximum amount is often (but not always) the value of a parcel of land that is the minimum lot size under the relevant District Plan.

An excess is then deducted for each land claim.

If the total amount for the claim is \$5,000 or less, EQC will deduct an excess of \$500. If the claim is greater than \$5,000, EQC will deduct an excess of 10% up to a maximum of \$5,000 per claim.

The value of a cash settlement therefore will not be the amount of money needed to reinstate the insured land, or retaining walls, bridges or culverts. The payment will be reduced if the claim exceeds the maximum amount payable and the excess will be deducted.

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# Steps in the visible land damage settlement process

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## Step 6 – Paying the cash settlement

EQC will pay the cash settlement amount to the homeowner unless:

- there is a mortgage and the amount is over the mortgagee threshold, or
- the land claim has been assigned to another party.

If the total settlement amount is less than the minimum excess of \$500 per claim, then no EQC payment will be made.

You will receive a settlement pack which will include the settlement amount and additional information showing how this amount was calculated. The pack will also include information showing potential repair methods for the visible land damage.

It is important that the payment is used for the purpose of repair or replacement of the visible land damage.

In some circumstances, your future entitlement to EQC cover may be affected if your payment is not used for this purpose.

If you have further queries about your settlement, please email [info@eqc.govt.nz](mailto:info@eqc.govt.nz) or call 0800 DAMAGE (0800 32 62 43).

The international number is +64 4 978 6400.

If you do not agree with the decision, or you have new information you believe may support your claim, you can ask EQC to reconsider.

Reconsideration may result in us upholding or overturning our original decision, or issuing a new decision for a different reason, not previously considered. Please send your request with supporting information within three months of the date of your settlement letter to Land Challenges, PO Box 311 Wellington 6140 or alternatively you can scan and email to [info@eqc.govt.nz](mailto:info@eqc.govt.nz).

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# Resource consent and private insurance cover

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## Resource consent

Your land repair may require a resource consent, so please contact your local authority for more information. Before you do this, you'll need to talk to your mortgagee and also, where necessary, the contractor you will engage to make the repairs. When you contact the local authority, please have the information about the type of land damage assessed on your property. Environment Canterbury and your local council have worked together to streamline the consent process. If you are in the Christchurch City Council area visit the land repair page on the website, [www.ccc.govt.nz/landrepair](http://www.ccc.govt.nz/landrepair) to find out more about the process and to understand what may, or may not be, required as you continue with your land repair. If you live in the Waimakariri District Council or Selwyn District Council areas then you will need to contact them directly for more information.

## Private insurance cover

In general, private insurers do not cover land damage. In fact, the kind of cover for land damage offered by EQC is unique internationally. However, there are some things your own insurance policy may cover, so it pays to check. Some private insurance policies offer cover for things like driveway resurfacing, and repairs to landscaping or gardens. There are usually limits on this cover so you need to check with your insurer.



## Find out more

To get more information on EQC cover for land damage visit [www.eqc.govt.nz/land](http://www.eqc.govt.nz/land) or call 0800 DAMAGE (0800 32 62 43). You can also find detailed provisions on EQC cover in the Earthquake Commission Act 1993 at [www.legislation.govt.nz](http://www.legislation.govt.nz). The provisions of that Act will be applied by EQC at all times. This guide is a summary only.

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