

Fractional Property Ownership

Recently a new way of purchasing residential property, by “fractional ownership”, has become increasingly popular.

With fractional ownership the residential property is broken up into a set number of shares and each of these shares is then sold. These residential properties are generally larger (more valuable) dwellings on coastal land or inland rural estates.

Unlike timeshares where each purchaser is given the right to use the property only for a set number of weeks per year or at a set time, fractional ownership means the shareholders themselves decide how the property is to be used, including how or when each shareholder can use it.

If the property is still being used as a residential house or holiday home by the owners then EQC will continue to cover it.

If it is going to be used only for a holiday let or as a bed and breakfast for example, then EQCover does not apply.

Contents – International Students’ Contents Cover

There are various schemes available for covering the household contents of international students when they are studying in New Zealand. Unlike travel policies that cover contents while on holiday, this cover is generally for the period that they are residing and studying in New Zealand – generally up to a year or more.

As cover is for contents that are in New Zealand, for students that are living in New Zealand, EQCover applies up to the maximum EQC cap of \$20,000 + GST per student and/or policy.

Landlords’ Contents

Landlords’ contents are covered when:

- Listed separately on the policy as part of the property schedule, and
- Included in the policy wording as a policy extension, and
- Included in the dwelling sum insured.

EQCover is still limited to \$20,000 + GST.

