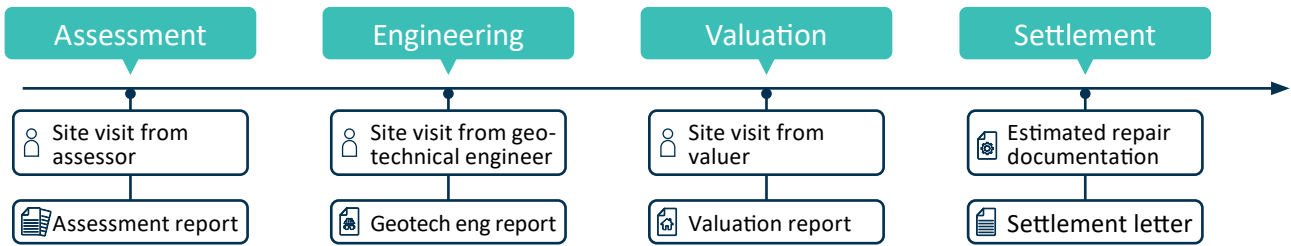


EQCOVER—LAND CLAIMS

WHAT ARE THE STEPS INVOLVED IN AN EQCOVER LAND CLAIM?

EQCover residential land claims may require several steps to occur in a particular order before an outcome is determined. These claims can often take longer to reach settlement stage than other types of insurance claims. The maximum EQCover land claims can be settled for is up to the land cap.



HOW IS AN EQCOVER LAND CLAIM SETTLEMENT CALCULATED?

EQCover provides natural disaster insurance for residential buildings and some of the **land (A)** and **land structures (B)** around them.

A Insured land area



(Covered land surface area—see the Definitions section on page 2)

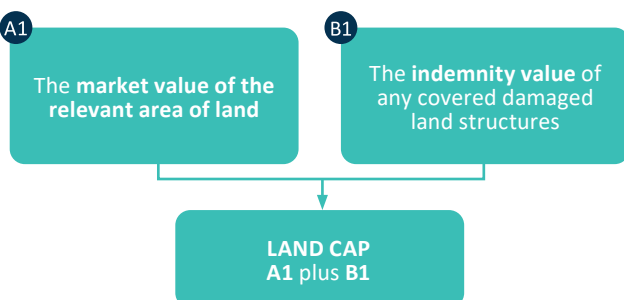
B Insured land structures



(Bridges, culverts or retaining walls)

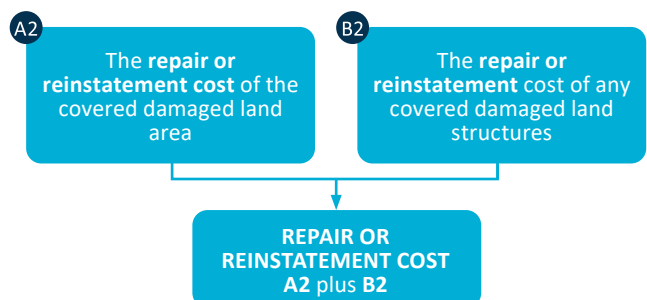
LAND CAP CALCULATION

We calculate the maximum value that can be paid on your EQCover land claim under the EQC Act.



REPAIR OR REINSTATEMENT COST CALCULATION

We also calculate the cost to repair or reinstate the damage to the covered land and land structures.



HOW MUCH CAN BE PAID?

To assess your maximum entitlement, both the cost to repair and the market value of the insured damaged land and indemnity value of any insured damaged land structures are assessed. The maximum amount that can be paid for an EQCover land claim is the **lesser of either** the **LAND CAP** or the **REPAIR OR REINSTATEMENT COST** calculated as shown above. Each claim is subject to an **EXCESS** that is deducted from the settlement amount before it is paid. Generally, your claim will be cash settled.

WHO MIGHT BE INVOLVED IN AN EQCOVER LAND CLAIM?

EQCover land claims can require the input of experts to ensure the right claim outcome. As part of your claims process we might need to work with the following parties:



Claim manager

This is usually your main point of contact; they will manage all aspects of your claim.



Assessor

They undertake the initial assessment of damage and arrange other experts as required.



Geotechnical engineer

Most likely a geotechnical engineer, they'll assess the property and, when required, design a conceptual remediation strategy for costing purposes only.



Valuer

They determine the market value of the land and the indemnity value of any damaged land structures for settlement purposes.

DEFINITIONS

What is covered?

EQCover is limited to certain areas of residential land within the land holding of your insured property:

- the land under your home¹ and or any outbuildings covered by EQCover (such as a shed or a garage)
- the land within eight metres of your home and outbuildings
- the land under or supporting your main accessway up to 60 metres from your home
- bridges and culverts within the above land areas
- retaining walls up to 60 metres from your home and outbuildings that are necessary to support or protect your home, outbuildings or insured land.

¹ In this guide we use the term 'home' while the Act uses the term 'dwelling' to refer to any self-contained premises used, or capable of being and intended to be used, as a home or holiday home.

What is the market value of the relevant area of land?

Market value at the site of damage is determined by the smallest of the following three areas:

- the area of insured land that is actually lost or damaged
- the minimum-sized site for a residential building allowed under the District Plan in the area you live (if applicable)
- an area of land of 4,000 square metres.

Market Value is the estimated value of the land at the date the damage occurred. The market value of the land is determined by an independent valuer using a direct sales comparison approach with similar properties that have recently sold.

What is indemnity value?

Indemnity value is typically defined as the cost necessary to replace, repair or rebuild the land structure to a condition and extent substantially equal to but not better or more extensive than its condition and extent at the time the damage occurred (taking into consideration the age, condition and remaining useful life of the asset).

Applying this definition to the indemnity value of damaged property; EQCover:

- considers the age and condition of the damaged land structure (in comparison with replacement value, which is the cost of providing a replacement for the damaged land structure in 'as new' condition).
- does not consider the cost of restoring the land structure to a better or more extensive condition than the land structure damaged to meet current regulatory standards for issuing building consents.

What's my land excess?

Each EQCover land claim is subject to an excess. The excess is usually deducted from the settlement amount before it is paid.

PROPERTIES WITH:	EXCESS (% OF AMOUNT PAYABLE)	MINIMUM EXCESS	MAXIMUM EXCESS
One home	10%	\$500	\$5,000
More than one home	10%	\$500 x number of homes disclosed to the private insurance company	\$5,000

FOR MORE INFORMATION:

Visit www.eqc.govt.nz or;

- Call 0800 DAMAGE (0800 326 243)
- Write to Toka Tū Ake EQC, info@eqc.govt.nz or PO Box 311, Wellington, 6140
- If your claim is managed by your private insurer, you will need to contact them directly for your EQCover claim related matters.

Please note: This factsheet is only a snippet of the entire available residential land information. Refer to the guide on our website for more information www.eqc.govt.nz/our-publications/householders-guide-to-residential-land/.

You can also find detailed provisions on EQCover in the Earthquake Commission Act 1993 at www.legislation.govt.nz.

The provisions of that Act will be applied by Toka Tū Ake EQC at all times.