

EQCOVER BUILDING CAP AND PREMIUM (LEVY) CHANGE - 2022 FACTSHEET

This factsheet outlines changes to the EQCover building cap and associated premium¹ from 1 October 2022 for homeowners.

EQCover is the insurance provided by Toka Tū Ake EQC for natural disaster damage to residential land and homes in Aotearoa New Zealand.

Everyone with private home insurance with fire cover automatically pays the EQC levy and has EQCover.

EQCover claims are lodged with, and managed by, private insurers on behalf of Toka Tū Ake EQC.

WHAT'S CHANGING?

The Government announced in September 2021 the EQCover residential building cap and associated premium will change from 1 October 2022.

These changes respond to increased residential repair costs and support continued access to natural disaster insurance for homeowners in Aotearoa New Zealand.

When these changes apply to you will depend on your individual insurance policy – see *“When will these changes apply to me?”* on this page for more information.

The EQCover building cap

Under the Earthquake Commission Act 1993 (the Act), there is a maximum amount of EQCover available for your home. This is known as the EQCover building cap.

The EQCover building cap is calculated by the number of dwellings within a residential building.

The maximum building cap (per dwelling) will:

- Remain \$150,000 + GST **before** the change
- Increase to \$300,000 + GST **after** the change

There are no changes to the EQCover for residential land (land cap).

EQCover premium

Your EQCover premium is collected by your private insurer and paid to the Natural Disaster Fund which is managed by Toka Tū Ake EQC and used to pay EQCover claims.

Your EQCover premium will:

- Be 20c per \$100 of the EQCover amount, up to a maximum of \$300 (\$345 incl. GST), **before** the change.
- Be 16c per \$100 of the EQCover amount, up to a maximum of \$480 (\$552 incl. GST), **after** the change.

EQCover building excess

An excess applies to EQCover residential building claims. The maximum building excess is calculated at 1%, including GST. Your EQCover excess (per dwelling) will:

- Remain a maximum of \$1,725 incl. GST **before** the change.
- Be a maximum of \$3,450 incl. GST **after** the change.

The minimum EQCover excess is \$200 incl. GST.

¹ The terms 'premium' and 'levy' are interchangeable.

WHEN WILL THESE CHANGES APPLY TO YOU?

The changes will apply to your insurance policy:

- When your existing insurance policy reaches its first anniversary date after 1 October 2022, or
- When you enter into a new insurance policy after 1 October 2022.

Your existing EQCover building cap and premium remain the same until you reach either milestone above.

Anniversary date

Your anniversary date is the anniversary of the start of the period of cover under your insurance policy.

If your insurance policy has renewed previously, your anniversary date is the anniversary of the start of the cover under your first policy in the series of renewals.

Your *anniversary date* and renewal date may be different. This could be because:

- Your policy renews more frequently than yearly (e.g. monthly); or
- Your private insurer may have allocated a renewal date that is different to the anniversary of your policy.

MAKING AN EQCOVER CLAIM

If your residential land or home is damaged by a natural disaster, contact your private insurer directly. They'll talk you through the insurance process, let you know what you need to do next and – if applicable – how EQCover from Toka Tū Ake EQC works.

What EQCover building cap will apply to your claim?

This table outlines the EQCover building cap that will likely apply. Subject to certain conditions, EQCover claims can be lodged up to two years after the date of natural hazard damage with your private insurer.

Date of damage	Valid insurance policy status	EQCover building cap	Maximum EQCover excess*
Before 1 October 2022	Existing	\$150,000 + GST	\$1,725 incl. GST
After 1 October 2022	Existing	\$150,000 + GST (before first anniversary date of policy)	\$1,725 incl. GST
		\$300,000 + GST (after first anniversary date of policy)	\$3,450 incl. GST
After 1 October 2022	New	\$300,000 + GST	\$3,450 incl. GST

*Calculated at 1% of the maximum EQCover building cap (per dwelling), including GST.

KEY TERMS IN THIS FACTSHEET

EQCover - the insurance provided by Toka Tū Ake EQC for natural disaster damage to residential land and homes in Aotearoa New Zealand under the EQC Act.

EQCover building cap – The maximum amount of EQCover available per dwelling. Also known as *the Toka Tū Ake EQCover cap* or the cap.

EQCover premium (levy) – A fee collected by your private insurer and paid to Toka Tū Ake EQC to ensure EQCover is available to you. Also known as the *Toka Tū Ake EQCover premium/levy*.

Anniversary date - The anniversary of the start of the period of cover under your insurance policy.

Insurance policy – A valid private insurance contract – often called a ‘policy’ - for your home that includes fire insurance (and most do).

Dwelling – Generally, this is your home. This is the term used in the EQC Act to refer to any self-contained premises used, or capable of being and intended to be used, as a home or holiday home. Your home (or dwelling) forms part of the residential building, as defined in the EQC Act.

FOR MORE INFORMATION:

Visit www.eqc.govt.nz for more information about **EQCover building cap and premium**, including frequently asked questions (FAQs).

The following resources can be found on our website and physical copies can be requested by contacting us:

- **[A Guide to your EQCover claim](#)**² - Provides a step-by-step guide to the EQCover claims settlement process and answers some frequently asked questions about EQCover.
- **Householders’ Guide to EQCover**³ – Outlines how EQCover works for residential land and buildings, what is and isn’t covered, what to do following a natural damage event and how your EQCover claim will be settled.

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.

If English is not your first language you can ask us for an interpreter, at no cost to you, by calling Toka Tū Ake EQC on **0800 DAMAGE (0800 326 243)** or request a translated version of this document on www.eqc.govt.nz

² <https://www.eqc.govt.nz/our-publications/a-guide-to-your-eqcover/>

³ <https://www.eqc.govt.nz/our-publications/householders-guide-to-eqcover/>