

EQC is cash-settling your home

Factsheet about claims for homes with pre-existing building issues

Why we cash settle – EQC’s policy

Certain homes have construction and design features that EQC considers may, either now or in the future, require works not related to the earthquake damage or repair strategy. EQC has decided to cash settle claims associated with these homes. Cash settlement will enable homeowners to get these works done at the same time as the earthquake repairs if they consider that is appropriate.

EQC covers physical loss or damage to residential buildings as the direct result of a natural disaster. EQC may settle an EQC claim by cash settlement or by repairing your property.

EQC has decided to cash settle your claim

Your property has now been re-assessed by an EQC Estimator and Assessor. They will now develop and price a repair strategy for the earthquake damage in order to determine your cash settlement entitlement.

What happens next

Within six weeks, we will send you your cash settlement payment for building damage and your EQC Settlement statement. We will contact you if this process is delayed for any reason.

Your settlement statement will include:

- The total of your cash settlement for earthquake damage to your building.
- The cash settlement itemised for each claim for damage across more than one earthquake.
- Any amounts already paid including urgent repairs.
- Deductions for excess from your claim entitlement.
- The ‘scope of works’ detailing the identified earthquake damage to your building.

EQC’s assessment of the cost of repairing the earthquake damage to your property includes, where appropriate, a margin and a project management fee that should enable you to employ a contractor to manage earthquake repairs on your behalf.

An example of an EQC settlement statement is included in this pack.

Your cash settlement entitlement will be paid to you or to your mortgage lender if EQC is aware of a mortgage registered against your property.

Your responsibilities as the dwelling owner

By accepting payment from EQC, you are agreeing that the claim information that you submitted is true and accurate and that you have not withheld any material information.

Please inform EQC if you are or become aware that the claim information you provided is no longer accurate or you have new information. You will not limit or prejudice your legal rights by accepting this cash settlement.

What should you do with your cash settlement?

It is important that the payment is used for the purpose of repair or replacement of damaged property. In some circumstances, your future entitlement to EQC cover may be affected if your payment is not used for this purpose.

What to do if you find further damage

If further earthquake damage is discovered or occurs during the repair process, you must notify EQC immediately and stop all work related to the affected area until the additional damage has been inspected.

EQC may, after satisfying itself the damage was caused by earthquake, or needs to be reinstated as part of the earthquake repair, make an additional payment to cover the additional costs to the extent it is liable under the Earthquake Commission Act 1993.

If you believe your settlement does not meet the requirements of the EQC Act you can request a Claim Review. You'll find information about the type of evidence you'll need to provide EQC to initiate a Claim Review on the EQC website at www.eqc.govt.nz/claim-review

To request a claim review, you need to send your request and supporting evidence by:

- email to: info@eqc.govt.nz
- post to: EQC, PO Box 311, Wellington 6140

If you want to discuss your settlement, call 0800 DAMAGE (326 243).

Update your details

If your circumstances have changed, or if you have a new telephone number, email or postal address, please let us know so we can update your details, making it easier to keep in touch with you.