

Information for EQC customers obtaining expert reports

This factsheet explains the information we require from experts providing information to support a claim. Check with your claim manager to see how it applies to your claim and who the appropriate expert might be.

EQC's repair obligations explained

If your insured house is damaged by natural disaster, EQC covers its replacement value up to a certain cap (generally \$100,000 per event, excluding GST).

When reviewing its earlier assessments and any expert reports provided by the customer, EQC focuses on the same questions it considers in determining the scope of natural disaster damage and appropriate repair strategy. Namely:

1. Has all natural disaster damage been correctly identified?

EQC can only repair what was damaged by certain natural disasters (landslip, earthquake, volcanic eruption, hydrothermal activity, tsunami, and land damage caused by a flood). Where a house has damage that either existed before the natural disaster or was not caused by the natural disaster or had construction defects, EQC will not repair that damage unless this is required as part of carrying out a lawful repair of the natural disaster damage.

2. Will EQC's proposed repair strategy lawfully repair the natural disaster damaged building elements to the standard required under the EQC Act?

Put simply, this standard requires the damaged building elements to be returned to substantially the same (but not better or more extensive than) as their condition "when new", modified as necessary to comply with any applicable laws. When carrying out a repair, EQC is not bound to replace or reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner.

Common misconceptions

Common misconceptions include an expectation that EQC will:

- improve or change building elements with no natural disaster damage when that is not necessary for a lawful repair of the natural disaster damage
- upgrade undamaged building elements (for example, part or all of the foundations) to satisfy the current Ministry of Business, Innovation and Employment (MBIE) guidelines when that is not necessary for a lawful repair of the natural disaster damage to the building element.

Questions for experts to consider when reviewing properties

Question 1 – Do you think there is natural disaster damage not identified in the EQC scope of works (SOW) or agreement of works (AOW)?

If you disagree with EQC's assessment of the natural disaster damage at the property, please set out on a line-by-

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line basis (using each of the areas/descriptions in the SOW/AOW):

- (a) any damage you consider is natural disaster damage that was not included in the SOW/AOW
- (b) why you consider that damage is natural disaster damage. If EQC has previously indicated to you that it considers some damage is not natural disaster damage (for example, because it was pre-existing damage) you should provide any evidence you have that supports your assessment.

Question 2 – Do you agree with EQC’s repair strategy set out in the SOW/AOW?

If you disagree with any part of EQC’s proposed repair strategy, please set out on a line-by-line basis:

- (a) why you consider EQC’s proposed repair strategy will not:
 - repair that part of the building to substantially its condition “when new”; and/or
 - be lawful.
- (b) the repair strategy that you consider will most cost effectively repair the EQC identified natural disaster damage to the standard specified in the EQC Act, including:
 - how that repair strategy differs from EQC’s repair strategy
 - the difference in outcome your repair strategy will provide.

Question 3 – What is the appropriate repair strategy for any additional damage?

If you identified any additional damage under question 1, please set out on a line-by-line basis the repair strategy you consider will most cost-effectively repair that additional damage to the standard specified in the EQC Act.

Question 4 – Does your preferred repair strategy upgrade or otherwise address undamaged aspects of the building?

If your repair strategy upgrades or improves any undamaged aspect of the building, please set out on a line-by-line basis why this work on the undamaged part of the building is necessary to carry out the repair of the natural disaster damage.

Cost of expert report

EQC may cover the cost of the report you have commissioned if either:

- it uncovers legitimate natural disaster damage that EQC did not identify during the assessment of your property
- we agree with the repair strategy proposed in the report.

However, EQC will determine the reimbursement of any such expenses on a case-by-case basis.

Some experts

You need to make sure the expert has skills and experience relevant to the information required. You should check with your claim manager to ensure your chosen expert has the relevant experience for your particular situation.

You might find these websites useful - each has a register of members and contact details:

Engineering New Zealand	www.engineeringnz.org
New Zealand Institute of Building Surveyors	www.buildingsurveyors.co.nz
Plumbers, Gasfitters and Drainlayers Board	www.pgdb.co.nz
Electrical Workers Registration Board	www.e wrb.govt.nz