

27 June 2019

DAMAGE TO YOUR FARM FOLLOWING A NATURAL DISASTER - WHAT'S COVERED BY EQC

The following fact sheet provides guidance to people who have experienced damage to their farms or rural properties following a natural disaster. For more information email info@eqc.govt.nz or call 0800 DAMAGE (326 243).

Long access ways

EQC covers:

- The main access way to each residential building, but only the part that is within 60 metres of that building (as the crow flies) and within the land holding on which the building is lawfully situated.
- Cover is only for the land forming the access way.
- EQC doesn't cover:
- Any parts of the access way that are on council land or over neighbouring properties, unless an easement is in place. This is because these parts are not within the same land holding as the residential building.
- The sealed surface of the access way, which may be covered under private insurance.

Rural structures

EQC covers:

- Residential buildings and structures only, meaning the dwelling, associated services (water supply, drainage, sewerage, gas, electrical and telephone services and structures appurtenant to these services), and building and structures that are used for the purposes of the household of the dwelling occupiers.
- Some buildings or structures may have both a household use and a commercial or other use. These will be covered by EQC, where they are used for the purposes of the household of the dwelling occupiers: in other words, where the household use is material.

EQC doesn't cover:

- Other buildings and structures, including those used for commercial operations (e.g. a milking shed), do not have cover through EQC, but may be insured through private insurance.
- Seasonal accommodation for workers

EQC covers:

- Seasonal accommodation for workers may attract EQC cover but it will depend on the specific facts and circumstances of each case. If the accommodation is self-contained and the person chooses to live there on a more than temporary or transient basis and the prime purpose of the premises is to serve as somebody's home, then it may be covered. For example, accommodation on an orchard occupied by different fruit pickers for a few weeks at a time would not be covered by EQC where-as a farm-house occupied by a shepherd for a full season may be covered by EQC.

Water supply, wells and bores

EQC covers:

- EQC provides cover for water supply services serving the dwelling and owned by the dwelling owner (or the owner of the land the dwelling is situated on), even if the water supply service has a commercial or other use as well.
- Cover is only for the infrastructure that is in place, and doesn't include seeking out new or alternative supplies from the property.
- Infrastructure is only covered where it serves the dwelling, is within 60 metres of the dwelling (as the crow flies) and is owned by the dwelling owner (or the owner of the land on which the dwelling is situated).

EQC doesn't cover:

- EQC doesn't provide cover for temporary water while the supply is out of order.
- In general, irrigation supply and water supply for livestock and other animals will not be covered because it is not a water supply service serving the dwelling.
- EQC does not cover problems with the presence or quality of the water itself: just the infrastructure.

Water tanks and sewerage

EQC covers:

- EQC provides cover for water tanks that are part of the water supply service serving the dwelling, owned by the dwelling owner (or the owner of the land on which the dwelling is situated) and within 60 metres of the dwelling (as the crow flies).
- Septic tanks and other sewerage services are covered by EQC, where they serve the dwelling, are within 60 metres (as the crow flies) and are owned by the dwelling owner (or the owner of the land on which the dwelling is situated).

Land

EQC covers:

- Land cover is for the main access way, and for land under and up to 8 metres around residential buildings.
- Cover is also provided for retaining walls that are supporting or protecting a residential building or the insured area of land, and are within 60 metres of the building.
- Land cover is limited to the land within the same land holding as the residential building, which can include land that the dwelling owner has an easement interest in (e.g. a right of way).
- Bridges and culverts are covered only where they are within insured land areas. The whole bridge must be within the land holding (or covered by an easement) to be covered by EQC.

Machinery, vehicles and livestock

EQC doesn't cover:

- Motor vehicles or trailers, whether they are for residential or other use.
- Animals (including livestock and pets).
- Other items that may be found on a farm, including:
 - any aircraft or anything in or on an aircraft;
 - any bush, forest, tree, plant or lawn;
 - growing crops, (including fruit trees and vines) or cut crops in the open fields;
 - dams, breakwaters, moles, groynes, fences, poles or walls (except retaining walls);
 - drains, channels, tunnels or cuttings;
 - any vessel;
 - any explosives.

For a complete list, see Schedule 2 of the Earthquake Commission Act.

Other issues to be aware of

Commercial policies

Some farms may have multiple homes covered under a single policy (which may be a commercial policy). Where each building met the definition of "residential building" at the relevant time and was insured against fire at the time of the earthquake, it will be covered by EQC.

Multiple homes

EQC covers buildings only where they are self-contained premises that are, at the relevant time, somebody's home or (if vacant) intended by the owner to be somebody's home. Sometimes there are multiple houses on a farm and some are vacant. These will not be covered unless they meet the "residential building" definition.

Land Cover

The amount of EQC cover for residential land is usually limited to the value, at the site of the damage, of the area of land actually lost or damaged and the minimum sized site allowable in the district. Where there is no such minimum size site, the limit is the area of land actually lost or damaged up to 4,000 m².

LODGE A CLAIM AT WWW.EQC.GOV.NZ/CLAIMS OR CALL 0800 DAMAGE (326 243)