

Media Q&A

1. *Is this an acknowledgment that EQC bears some responsibility for these damaged houses?*

The Government is committed to trying to resolve all of the outstanding Canterbury claims as soon as practicable. Owners of on-sold properties were the last group for whom no solution existed – this has nothing to do with liability or responsibility, it's simply in no one's interest to allow this situation to drag on further.

2. *How many customers does EQC expect to be eligible for the Government support package?*

EQC estimates about 1,000 homes could be eligible. Of the claims EQC does know about, EQC estimate more than two thirds involve damage or repairs under the EQC cap of \$100,000.

3. *How will EQC determine what is a fair remedy in each case?*

EQC will work with homeowners to determine the cost of repairing missed damage and defective repairs. If a homeowner chooses not to accept a payment, they can seek a remedy through the court process.

4. *How long will it take to negotiate each claim?*

This will depend on the information already available, any additional reports required and the willingness of both parties to negotiate a fair and enduring payment.

In some cases EQC and/ or the homeowner already have all the information required to determine the amount of the payment to repair missed damage or defective repairs. In others additional assessments and information may be required. Any Canterbury homeowner who suspects their house may have defective repairs or missed damage should contact the EQC to discuss the specifics of their claim/ property.

5. *If no agreement can be reached with EQC, what options exist for a homeowner?*

If a homeowner chooses not to accept a payment offered as part of this package, the homeowner still has the option of seeking to resolve this issue through the Courts. They might like to seek support such as mediation or determination, through the Greater Christchurch Claims Resolution Service (GCCRS).

6. *How can EQC pay above the cap?*

This payment is not the settlement of an insurance claim under the EQC Act. It is an ex gratia government payment that is being administered by the EQC on behalf of the Government.

7. *Is this fair to all those homeowners who have already been paid out and who consider that their payouts left them out of pocket once repairs were done?*

On-sold over-cap homeowners are a distinct class of customers who are faced with a particular issue. The Government support package is designed to resolve that issue.

8. *What happens to homeowners who can't afford a lawyer or can't afford to commission an engineer's report to establish that their house is defectively repaired?*

A homeowner is not required to engage a lawyer to participate in this process. Any homeowner who believes they are eligible for a payment should contact EQC directly to discuss the specifics of their property.

There may be no need to procure any reports as EQC may have existing reports on file. Additionally, there are services including the Greater Christchurch Claims Resolution Service (GCCRS) that are able to provide free information and advice, and may be able to help homeowners prepare/ procure information to engage with EQC.

9. *What happens to homeowners who haven't kept the paperwork?*

If the paperwork was provided by EQC originally it can be provided again. Any homeowner who believes they are eligible for a payment should contact EQC directly to discuss the specifics of their claim/ property, and any information available or required. Through this process next steps will be established and agreed.

10. *What will this mean for private insurers who have already paid for repairs above the value of EQC's cap?*

The Government support package has no effect on private insurers. It's designed to respond to defective and missed damage in EQC repairs. The support package does not relieve private insurers from any liabilities or obligations to owners of on-sold properties. Payments made under the support package will take into account payment entitlements available to the homeowner from private insurers for the damage.

11. *What will this mean for the builders, contractors and assessors who did the defective work or assessments? Is EQC paying so they don't have to?*

The Government support package does not relieve any third party (contractor, builder, assessor etc) from liability for any poor or faulty workmanship or supervision. The agreements between EQC and homeowners will include a provision whereby the homeowner assigns their right to sue third parties.

12. *The support package excludes any homeowner buying a property from the designated date, why?*

Anyone purchasing a property should always should seek independent advice and undertake pre-purchase due diligence.

EQC will be working with real estate agents and conveyancing lawyers to ensure people are aware that EQC inspections are for the purpose of assessing potential insurance claims and these assessments cannot be relied upon to certify a property as sound.