

Opting Out of the Canterbury Home Repair Programme



Your guide to opting out of the EQC-managed Canterbury Home Repair Programme

Please read the following information about what opting out involves, your responsibilities and next steps to help you make your decision about opting out of the EQC-managed Canterbury Home Repair Programme.

What is the Canterbury Home Repair Programme?

The Canterbury Home Repair Programme is EQC's repair programme for homes with damage and a repair cost of more than \$15,000 (+GST) but less than the EQC cap \$100,000 (+GST).

Who undertakes the repairs in the Canterbury Home Repair Programme?

Fletcher EQR, a division of Fletcher Construction, is the project manager for the Canterbury Home Repair Programme. The repair and building work is being carried out by independent contractors, including many local Canterbury tradespeople, who are accredited and coordinated by Fletcher EQR. Accreditation takes account of professional and trade qualifications and experience, to ensure that appropriate standards are maintained.

Benefits of the Fletcher EQR process

- The work is managed to completion by Fletcher EQR, so you don't need to manage your home repair.
- You will incur no extra costs if the repair works exceed the EQC estimate.

In addition, you have peace of mind knowing that Fletcher EQR will have full responsibility for managing all facets of your project. These include:

- obtaining all building consents and carrying out the design work
- ensuring all work is completed in accordance with the Building Act and relevant codes
- all the costs of the repairs being covered by EQR
- at the conclusion of the work, obtaining and forwarding to you copies of all relevant Code Compliance Certificates.

What does opting out involve?

Opting out means your repairs will no longer be managed by Fletcher EQR. Opting out allows you to:

- choose your own contractor to undertake repairs
- control the time when your repairs will be undertaken
- have the opportunity to renovate your home or undertake additional work (at your own cost), at the same time as having your earthquake damage repaired
- EQC will pay your claim settlement amount either directly to you or your mortgage lender within 10 weeks from when we provide you an EQC assessment of damage (Scope of Works - SOW). If you have a mortgage registered against the certificate of title for your property you will need to liaise with your bank to understand the process for accessing your claim settlement payment to pay for your repairs.

Your responsibilities

Opting out means you are responsible for all aspects of your repairs, including:

- managing all repairs to earthquake damage relating to the property
- obtaining all necessary consents and ensuring repairs comply with all the relevant laws, including the Building Act
- informing your insurer of the repair work to be undertaken and making any necessary insurance arrangements prior to work starting on your home
- resolving any disputes that may occur
- managing contractor invoices and EQC payments so you can pay the full amount owed to the contractor, on the due date.

Please note: it is important that your payment is used for the purpose of repairing your property's damage. If your payment is not used for this purpose, it may affect your future entitlement to EQC cover.

Opting Out of the Canterbury Home Repair Programme



What to do if you find further damage

You will pay the difference if the completed work costs more than the EQC-assessed value of the work. However, if further earthquake damage is discovered during the repair process, you must notify EQC immediately and consider how you will proceed with your repairs. You may be required to provide EQC with additional information about the damage that has been identified. EQC may make an additional payment to cover the additional costs (to the extent it is liable under the Earthquake Commission Act 1993), after determining that the damage was caused by earthquake.

How to opt out

1. Go to our website <http://www.eqc.govt.nz> and download the opting out information pack and forms; or contact us on 0800 DAMAGE (0800 326 243) to request them.

2. Complete and sign the request to opt out of the Canterbury Home Repair Programme form.

Post a hard copy of the form OR email a scanned copy of the form to us. Post hard copy form to:

Earthquake Commission
Opt Out of EQR
PO Box 34027
Fendalton
Christchurch 8540

Email scanned form to: optout@eqc.govt.nz

3. We'll contact you within 15 working days to acknowledge receipt of your form. If possible, at this time, we will confirm your eligibility. Or if further information is required we will contact you to discuss.

After that:

4. EQC will contact you to make an appointment to meet with you and, if applicable, your contractor on site with a copy of your most up-to-date Scope of Works. We will discuss your assessed earthquake damage and repair strategies, and answer any questions you have about the process.

5. EQC will send you a copy of your Scope of Works which will incorporate any amendments discussed on site with you and your contractor.

6. We'll then send you a Settlement Statement which will set out:

- The total settlement amount for earthquake damage to your building
- Any amounts already paid including urgent repairs

- Deductions for excess from your claim entitlement
- The 'Scope of Works' document detailing the identified earthquake damage to your building.
- EQC's assessment of the cost of repairing the earthquake damage to your property includes, sufficient allowance that should enable you to employ a contractor to manage earthquake repairs on your behalf.
- EQC will pay your claim settlement amount either directly to you or your mortgage lender within 10 weeks from when we provide you an EQC assessment of damage (Scope of Works - SOW). If you have a mortgage or have not discharged your mortgage, you will need to liaise with your bank to understand the process for accessing your claim settlement payment to pay for your repairs.

We recommend that you do not authorise or start any repairs until you receive your EQC settlement payment for damage to your building.

When's the latest stage you can opt out?

Your last opportunity to opt out is when Fletcher EQR phones you to book a scoping appointment with the contractor.

Your settlement amount

We will telephone you to discuss your Settlement Statement within a few days of us sending it to you.

Our repair methods and costings are well proven through our repair of more than 50,000 houses to date, however, you need to advise EQC if you consider:

- the Scope of Works does not include all identified earthquake damage insured by EQC; and/or
- the actual cost of repair will be more than EQC's assessment of the cost to repair.

You can do this by emailing optout@eqc.govt.nz or calling on 0800 DAMAGE (326 243)

We strongly recommend that you proceed with the repairs promptly to minimise the risk of inflation increasing the cost of your repairs.

Opting Out of the Canterbury Home Repair Programme



Insurance

We recommend you contact your existing insurer to ensure your existing home insurance policy applies during your building repairs.

Paying the excess on your claim

The excess for EQC residential building claims is 1% of the claim value, subject to a minimum excess of \$200 per claim. EQC will deduct the applicable excess from the payment made to you.

Completed repairs

When the repairs are completed you will need to:

- obtain a Code Compliance Certificate (where a building consent is required) from the Council.
- ensure all repairs comply with the Building Act. Please note that any disputes regarding your contractor's work are your responsibility.

Restricted Building Work requirements

Please note that your contractor must be a Licensed Building Practitioner to carry out or supervise any "restricted building work". *

If restricted building work is carried out your contractor must provide you with the following items:

- A copy of his or her Licensed Building Practitioner's licence where the work involves restricted building work.
- A Certificate of Work (from your designer) and Record of Work (from your builder).

EQC does not need to sight these items, but we recommend you obtain these for your record.

*Restricted building work is work which requires a building consent and is critical to the integrity of a residential building. It includes repairs to the structure and weather tightness of the building. See the Department of Building and Housing's website for more information www.dbh.govt.nz/builditright-homeowners-what-is-restricted

OPTING OUT PROCESS CHART

INFORM YOURSELF

Read this info pack to make sure you understand what's involved

SUBMIT FORM

Submit the 'Request to Opt Out' form to EQC

SELECT A CONTRACTOR

(if this is your preference at this time)

Select a contractor who will complete your home repairs

MEET WITH EQC

EQC will meet you and, if applicable, your contractor on-site to discuss the Scope of Works

SETTLEMENT STATEMENT

EQC will then send you a settlement statement including the total settlement amount and the 'Scope of Works' document detailing the identified earthquake damage to your building.

EQC PAYMENT

EQC will pay your claim settlement amount either directly to you or to your mortgage lender (if applicable) within 10 weeks

MANAGE YOUR REPAIRS

You will then be responsible for managing the repair process including payments to your contractor.

Request to Opt Out of the Canterbury Home Repair Programme



Customer name(s):

Damaged property address:

Claim numbers:

I, the customer, confirm that I have read and agree to EQC's 'Opting out of Canterbury Home Repair Programme' guide. In particular, I understand and agree that if my request to opt out is approved:

- I am responsible for all aspects of the repairs relating to my claims without any recourse to EQC (and regardless of whether the final costs of those repairs exceed the amount approved by EQC).
- I am opting out of all unsettled EQC residential building claims relating to the above damaged property.
- If further earthquake damage is discovered during the repair process, I must notify EQC immediately and consider how I will proceed with the repairs. I understand that I may be required to provide EQC with additional information about the damage that has been identified.
- EQC, may make an additional payment to cover the additional costs (to the extent it is liable under the Earthquake Commission Act 1993), after determining that the damage was caused by earthquake.

Name:

Signed:

Date:

Contact details:

Where there is more than one customer under the claim, each person signing this opt out form confirms that s/he is authorised to sign on behalf of all customers.

You can send a scanned form to optout@eqc.govt.nz, or post to Earthquake Commission, Opt Out, PO Box 34 027, Fendalton, Christchurch 8540. EQC will be in touch within 15 working days to acknowledge receipt of your form. If possible, at this time, we will confirm your eligibility. Or if further information is required we will contact you to discuss.