

# HOUSEHOLDERS' GUIDE TO EQCOVER

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This is a guide to EQCover, the insurance provided by Toka Tū Ake EQC for natural disaster damage under the Earthquake Commission Act 1993 (the Act).

Toka Tū Ake EQC is legally known as the Earthquake Commission and must comply with the Act.

The Act will always prevail over the content of this guide.

For detailed information on EQCover and a link to the Act, visit our website ([eqc.govt.nz](https://eqc.govt.nz)).

Since 30 June 2021, a range of private insurers manage EQCover claims on behalf of Toka Tū Ake EQC.

This guide is effective as of 1 October 2022.

In this guide we use the term 'home' while the Act uses the term 'dwelling' to refer to any self-contained premises used, or capable of being and intended to be used, as a home or holiday home.

# WHAT IS EQCOVER?

Toka Tū Ake EQC provides natural disaster insurance for residential buildings and certain areas of residential land called 'EQCover'.

You automatically have EQCover for your residential building and land if you have a valid private insurance policy for your residential building that includes fire insurance (and most do).

The premium you pay to your private insurance company should include the premium for EQCover.

EQCover provides payment to a maximum amount of insurance, in this guide, this is referred to as 'cap' (see the 'Your EQCover Entitlement' section below).

Subject to the requirements under the Act, EQCover is available up to the EQCover cap for each damage-causing natural disaster event if you have a valid private insurance policy at the time the natural disaster occurs.

Any amount of damage over and above the EQCover cap might be covered by your private insurance.

An excess is deducted when your EQCover claim is settled (see the 'Excesses' section below).

## NATURAL DISASTERS THAT ARE COVERED

EQCover insures residential buildings and land against physical loss or damage from an:

- earthquake
- natural landslip
- volcanic eruption
- hydrothermal activity
- tsunami

- storm (residential land cover only)
- flood (residential land cover only)
- natural disaster fire which occurs as a consequence of any of the above.

Storm and flood damage only cover your residential land under EQCover.

It also insures for fire resulting from any of these natural disasters.

If your residential property isn't damaged after one of these natural disasters, but damage is imminent as a direct result of any of them, EQCover might also apply.

## MANAGEMENT OF YOUR EQCOVER CLAIM

### Contact your private insurer

Toka Tū Ake EQC has partnered with a number of Aotearoa's private insurers to manage EQCover claims on behalf of Toka Tū Ake EQC.

If your private insurer will be managing any new EQCover claim on behalf of Toka Tū Ake EQC; you will need to contact them directly to lodge a new EQCover claim. They will also arrange for assessment of damage and see your EQCover claim through to completion.

Toka Tū Ake EQC will continue to pay up to its statutory limit under the Act for natural disaster damage to homes and land. These payments will be made by your private insurer as part of them managing your EQCover claim on behalf of Toka Tū Ake EQC.

### Direct EQCover

If you have obtained EQCover directly from Toka Tū Ake EQC for natural disaster damage, you will need to contact us directly to lodge a new EQCover claim by either:

- 1 Completing the online form at [www.eqc.govt.nz](http://www.eqc.govt.nz) or;
- 2 Calling Toka Tū Ake EQC:
  - Within New Zealand on: 0800 DAMAGE (0800 326 243)
  - From overseas on: +64 4 978 6400

# WHAT'S INSURED UNDER EQCOVER?

EQCover insures the following, subject to all requirements of the Act being met.

## RESIDENTIAL BUILDINGS

These include:

- your home or holiday home
- one or more homes in the same building (e.g. in an apartment building)
- separate buildings used by the occupiers of the home (e.g. sheds or garages)
- services you own (e.g. water pipes and electrical cables) that serve your home and are within 60 metres of your home.

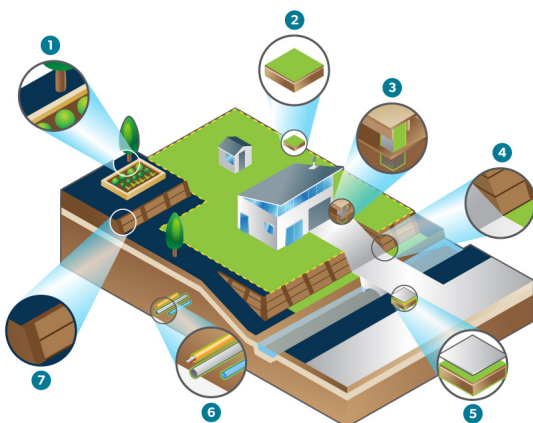
## RESIDENTIAL LAND

EQCover insures land and some land structures that are within your land holding and:

- under your home or outbuildings (e.g. a garage or shed)
- within eight metres of your home or outbuildings
- part of or supporting the main access way (e.g. the driveway) up to 60 metres from your home.
  - bridges and culverts within the above areas
  - retaining walls, up to 60 metres from your home and outbuildings that are necessary to support or protect your home, outbuildings or insured land.

Cover does not include any paving or other artificial surfaces such as concrete or asphalt that covers the access way.

● Land covered by EQCover ● Land not covered by EQCover



- 1 Trees and gardens are not covered.
- 2 Land within 8 metres of the home and outbuildings.
- 3 Any damage to the house's foundations is covered by the building claim (not the land claim).
- 4 Retaining walls that are within 60 metres of the house and are necessary for the support or protection of the house or any insured land areas are covered. Bridges and culverts that are within 8 metres of your house (or up to 60 metres if they form part of the main access way) are also covered.
- 5 Land within 60 metres of the house which forms the main access way is covered. Any artificial surface like asphalt or concrete is not covered.
- 6 Water, drainage, sewerage, gas and underground electricity and telephone lines are covered by the building claim (so long as they are serving the home, are within 60 metres of the home and owned by the homeowner).
- 7 Landscaping (non-structural walls) are not covered.



**WHAT'S NOT  
INSURED UNDER  
EQCOVER?**



Items not covered by EQCover include:

- 1 Intangible property (e.g. information stored on a computer)
- 2 Motor vehicles or the parts or accessories of motor vehicles
- 3 Trailers or the parts or accessories of trailers
- 4 Boats or other vessels or the parts or accessories of boats or vessels
- 5 Aircraft or anything in or on an aircraft
- 6 Bushes, forests, trees, plants or lawns
- 7 Growing crops (including fruit trees and vines) or cut crops in the open fields
- 8 Explosives
- 9 Animals, including livestock and pets
- 10 Roads, streets, drives or paths. But certain land under your main access way (e.g. under your driveway) might be covered by EQCover for land
- 11 Drains, channels, tunnels, or cuttings\*
- 12 Dams, breakwaters, fences or poles\*
- 13 Reservoirs, swimming pools, baths, spa pools, tanks or water towers\*
- 14 Tennis courts, whether inside or outside and regardless of the surface
- 15 Jetties, wharves or landings
- 16 Pavings or other artificial surfaces

Please note that items listed above might be covered by your private insurance policy.

\* These items might be insured in some cases (e.g. if they are part of the building that is your residential building).

# WHAT'S THE EXTENT OF EQCOVER?

## RESIDENTIAL BUILDINGS

EQCover provides insurance cover for your residential building for its replacement value up to the EQCover cap on cover (see 'Your EQCover Entitlement' section below) described in the following section.

Under EQCover, Toka Tū Ake EQC or your Insurer will meet the cost of repairing, up to the applicable limit, your residential building to a condition substantially the same as when new (modified as necessary to comply with any applicable laws).

## RESIDENTIAL LAND

EQCover provides insurance cover for certain areas of your residential land on an indemnity basis up to the maximum amount payable under the EQCover cap on land cover (see 'Your EQCover Entitlement' section below) as described in the following section.

Your residential land settlement will be calculated by comparing the cost to repair the land against the land cap and will settle the claim on the lesser of these amounts.

For more information, see the ['Householders guide to Residential Land'](#)<sup>1</sup>

## YOUR EQCOVER ENTITLEMENT

The maximum entitlement you can receive under EQCover is determined at the time you entered into or renewed your insurance policy.

<sup>1</sup> <https://www.eqc.govt.nz/our-publications/householders-guide-to-residential-land/>

## Residential buildings

Under EQCover, your residential building is insured for a maximum amount of \$150,000\* +GST or the lesser of the following two options:

- 1 Any replacement sum for which your building is insured against fire by your private insurer; or
- 2 Any amount specified in your private insurance policy for which your building is insured under the Earthquake Commission Act;

If there are multiple homes within a residential building (that were disclosed to your insurer), the EQCover amount is arrived at by multiplying the maximum EQCover amount by the number of homes within the building.

- \* From 1 October 2022, your maximum amount of EQCover increases to \$300,000 + GST on the first anniversary date (generally the annual renewal date) or at the time you enter into a new insurance policy on that property.

## Residential land

### How much am I covered for?

The maximum amount of EQCover for your residential land claim (commonly referred to as the 'land cap') is calculated in two parts:

- 1 the market value at the site of damage which is determined by the smallest of the following three areas:
  - the area of land that is actually lost or damaged or;
  - the minimum-sized site for a residential building allowed under the District Plan in the area you live (if applicable) or;
  - an area of land of 4,000 square metres;

Plus;

- 2 the indemnity value of any insured bridges, culverts or retaining walls that have been lost or damaged.

### How much can be paid?

The maximum amount EQCover can pay for your residential land claim is the lesser of either:

- the land cap (as above); or
- the cost to repair or reinstate your insured residential land and land structures that have been lost or damaged.

## EQCOVER EXCESSES

As is the case for private insurance policies, you will need to contribute towards the amount payable for EQCover claim.

This contribution is called the excess and is deducted when your EQCover claim is settled. Your private insurer might charge additional excess for a residential building claim, and this will need to be discussed directly with your insurer at the time you make a claim.

Details of how EQCover excesses are calculated are set out below.

### Properties containing one home

	EXCESS (% OF AMOUNT PAYABLE)	MINIMUM EXCESS	MAXIMUM EXCESS
Home	1%	\$200	\$1,725*
Land	10%	\$500	\$5,000

### Properties containing more than one home

	EXCESS (% OF CLAIM)	MINIMUM PAYABLE	MAXIMUM PAYABLE
Land	10%	\$500 x number of homes	\$5,000

The figures on this page are GST inclusive.

### Where the settlement amount is less than the excess

If your property can be repaired or replaced for less than the amount of the EQCover excess, there will be no EQCover claim payment made, you will need to meet the cost to repair the natural disaster damage.

\* From 1 October 2022, the maximum EQCover excess increases to \$3,450 incl. GST, in line with the EQCover building cap increase (see 'Your EQCover Entitlement' section above).

# MAKING AN EQCOVER CLAIM

After a natural disaster, you should seek further information on what you need to do, including what to do about emergency repairs and how to protect your home from further damage.

It is essential to provide proof of damage to support an EQCover claim. Without proof of damage, it may become more complicated to accept your EQCover claim. Where possible capture as much evidence as feasible by taking photos or videos, especially before making emergency repairs, or moving or disposing of anything.

Before undertaking any non-urgent repairs, discuss these with your claim manager first.

While ensuring safety of yourself and family should always be the priority, it's important to get your EQCover claim in as soon as possible following a natural disaster.

Homeowners are encouraged to lodge their claim within three months. Where an EQCover claim is lodged outside of three months, it will be subject to additional consideration, which may result in the EQCover claim being declined. The longer it takes to lodge an EQCover claim, the more difficult it can be to confirm the damage is related to the natural disaster.

In most instances, your private insurer will manage any new EQCover claim on our behalf; please contact them directly to lodge a new EQCover claim. If your private insurer does not manage EQCover claims or you are a Direct EQCover customer, please contact Toka Tū Ake EQC directly.

# THE EQCOVER CLAIMS PROCESS

If an insurer or Toka Tū Ake EQC representative visits your property, make sure you ask to see identification.

Once Toka Tū Ake EQC or your insurer has received your EQCover claim, a claim manager will contact you (via phone or email) to outline the claims process so you know what to expect.

Toka Tū Ake EQC or your insurer will manage your EQCover claim from end to end so your claim manager will be your point of contact in all instances.

If your insurer will be acting as an agent of Toka Tū Ake EQC during the claims process, they will manage your claim in line with the requirements of the Act.

A key part of an EQCover claim is understanding your natural disaster damage. Your claim manager will discuss with you how to best assess the damage to your home and/or land.

Depending on the nature of the natural disaster damage to your property, a further assessment from an engineer or other specialist may be needed. In the case of land claims, it is likely that an assessment from a registered valuer will also be required.

The assessor will also arrange for a costing of the repair of the damaged property.

When your EQCover claim is ready to be settled, your claim manager will contact you to explain what this means. This explanation will outline what the outcome of the assessment for natural disaster damage is, the total of your settlement amount, where the settlement will be paid to if the EQCover claim is being settled by cash and the excess that has been deducted.

Before making the EQCover claim payment, your claim manager will also either email or post to you the supporting settlement documents for your records.

**EQCOVER CLAIM  
LODGED WITH  
YOUR INSURER**



**YOUR INSURER  
CONTACTS YOU**



**YOUR INSURER  
ASSESSES YOUR  
EQCOVER CLAIM**



**YOUR INSURER  
SETTLES\* YOUR  
EQCOVER CLAIM**



\* Your settlement is dependent on the outcome explained by your Insurer claim manager.



## LIMITATION AND CANCELLATION OF EQCOVER



## EQCOVER MAY BE CANCELLED

If Toka Tū Ake EQC pays out the full amount of EQCover on a claim, we may cancel EQCover on that property where that damaged property is not repaired or replaced. In this case, Toka Tū Ake EQC will send a notice to the owner. The cancellation will also be noted on the Record of Title.

If your EQCover is cancelled, you can write to Toka Tū Ake EQC and ask for EQCover to start again once the property has been repaired or replaced.

## EQCOVER MAY BE LIMITED

If your property is in imminent danger, Toka Tū Ake EQC may limit the amount of EQCover.

Toka Tū Ake EQC may also limit EQCover where there has already been a claim for natural landslip damage (or storm or flood damage to the land). Toka Tū Ake EQC may impose this limit where it thinks there could be further damage resulting in a further claim that could reasonably be, or have been, avoided (by you or the previous owner).

In these cases, Toka Tū Ake EQC will send a notice of the limit on EQCover to you. The limitation will also be noted on the Record of Title. If you consider the limitation to your EQCover should no longer apply, you can write to Toka Tū Ake EQC and ask if the limitation can be removed. Toka Tū Ake EQC may require you to provide evidence to support your request.

## YOUR PRIVATE INSURANCE

It is important to keep your private insurer up to date with any changes you make to your property or any change in use to your property. Such as, renovating or building on your property, or running a business from your property.



# WHAT WE DO WITH THE INFORMATION WE COLLECT

Toka Tū Ake EQC and your private insurer collect information for the purpose of administering the Act; performing its functions; and natural disaster preparedness, response and recovery.

Under the Act, Toka Tū Ake EQC can share property-related information with the public, including private insurers, government agencies such as local government, or third parties.

This includes information about:

- natural disaster damage to a property and any claims made under the Act in relation to a property
- the assessed cost of replacing or reinstating damaged property, reinstatement methods and settlement amounts.

Toka Tū Ake EQC may also disclose information in response to threats to public or personal health and safety.

Personal information is protected by the provisions set out in the Privacy Act 2020.

View the Toka Tū Ake EQC Privacy Statement on the Toka Tū Ake EQC website\*.

\* <https://www.eqc.govt.nz/privacy-statement/>

## FOR MORE INFORMATION

- Visit [www.eqc.govt.nz](http://www.eqc.govt.nz)
- Call 0800 DAMAGE **(0800 326 243)**
- Write to Toka Tū Ake EQC, PO Box 311,  
Wellington 6140

If your claim is managed by your private insurer, you will need to contact them directly for your EQCover claim related matters.

If English is not your first language you can ask for an interpreter, at no cost to you, by calling Toka Tū Ake EQC on 0800 DAMAGE **(0800 326 243)**.