

S O U T H E R N
R E S P O N S E

Urupare ki te Tonga



Progress to the end of August 2016

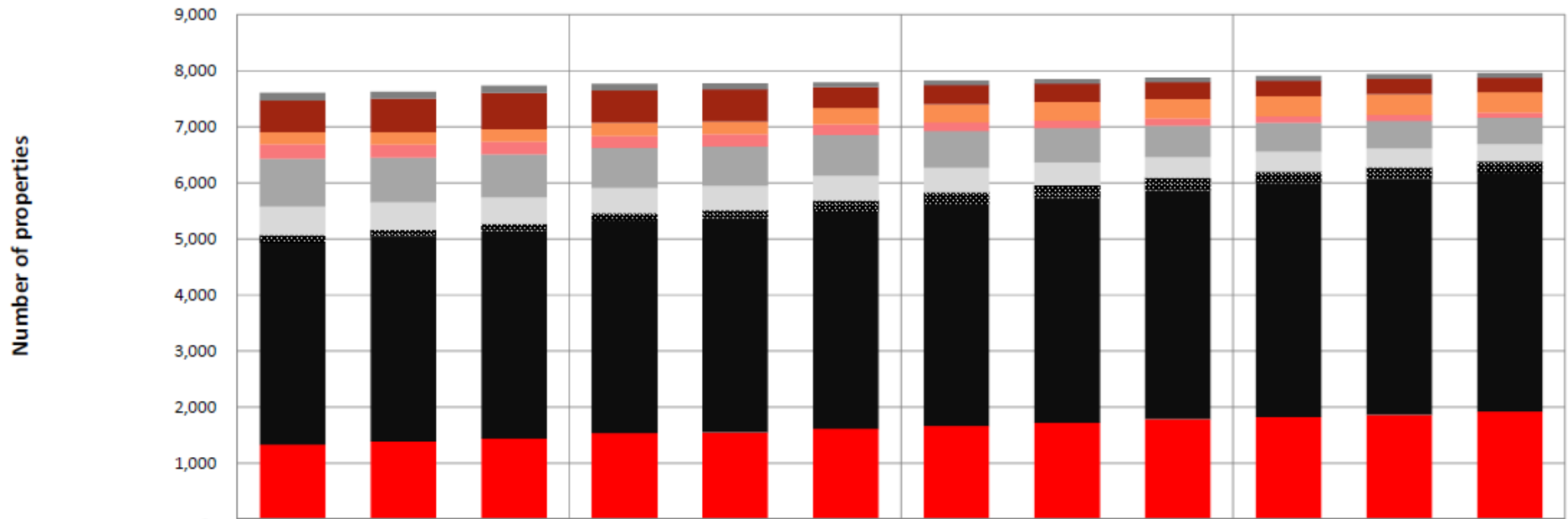
Over cap claims: Detailed analysis

Status Breakdown	Settlements Complete		In Progress	
Totals (at 31st August 2016)	6,185		1,070	
	Purchasing another house	1,864	Cash settlements in progress In design	207
	Cash settlement	1,870	<i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i>	560
	Customer managed rebuild	527		
	Southern Response construction complete (rebuilt and repairs)	1,924	Under construction <i>Construction contract signed, consent issued</i>	303
	<i>Subtotal rebuilds & repairs</i>	2,451		

Southern Response progress to end of August 2016	Green Zone 1		Red Zone		TC1		TC2		TC3		Total		Movement from Last Month	Commentary The zones and categories relate to the original house. For example, a customer with a red zone property that is being rebuilt on TC2 land will be represented in the figures for red zone.
	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed		
Notified to Southern Response	1,100	100%	2,128	100%	28	100%	1,403	100%	3,263	100%	7,922	100%	15	The number of claims Notified to Southern Response can increase or decrease as claims are determined as being over or under the EQC cap. More claims going under cap during the month than new claims notified results in a negative number of claims.
% of overall claims	14%		27%		0%		18%		41%		100%			
Assessments & Costings	1,084	99%	2,127	100%	27	96%	1,371	98%	3,236	99%	7,845	99%	16	Southern Response's approach has been to deal with assessments generally before moving to builds and hence the vast majority of assessments have been completed. This shows the percentage of over cap claims that have a completed assessment and costing. The number can reduce when properties that have been inspected later go under the EQC cap.
Offers to customers	1,041	95%	2,124	100%	25	89%	1,285	92%	3,112	95%	7,587	96%	38	The gap between the Assessments & Costings being completed and Offers to customers can be due to the DIA (detailed rebuild/repair analysis) being withdrawn for review or may be due to the time taken to prepare the offer to the customer. This percentage of over cap claims that have had an offer presented is shown as a percentage of over cap claims. Claims going under cap and customers electing to self manage their build can result in negative movement from the previous month.
Customer decisions made:	950	86%	2,121	100%	22	79%	1,196	85%	2,932	90%	7,221	91%	37	The gap between the Offers to customers and the Customer decisions made is an area of concern and one that Southern Response is addressing. This shows the percentage of over cap claims where the customer has made a decision.
1. Buy another house	189	17%	1,178	55%	1	4%	99	7%	424	13%	1,891	24%	12	Customers have elected to buy another house and supplied a sale and purchase agreement. The percentage of claims in this category is shown as a percentage of all over cap claims.
2. Cash settlement	286	26%	544	26%	10	36%	361	26%	761	23%	1,962	25%	41	Customers have elected to cash settle as policy option IV - Market Value. The percentage of claims in this category is shown as a percentage of all over cap claims.
3. Customer managed rebuild	62	6%	246	12%	-	0%	76	5%	197	6%	581	7%	4	Customers have elected to build another house without the involvement of Southern Response and have supplied a building contract. The percentage of claims in this category is shown as a percentage of all over cap claims.
4. Building with Southern Response	413	38%	153	7%	11	39%	660	47%	1,550	48%	2,787	35%	- 20	Customers who have elected to build with Southern Response. The percentage of claims in this category is shown as a percentage of all over cap claims. This number can go down if customers decide to cash settle during the design process.
													Movement from Last Month of customers who were in or completed this stage	
Design/documentation - Rebuilds	35	8%	3	2%	-	0%	49	7%	142	9%	229	8%	13	Customers who have elected to rebuild with Southern Response and are currently in the documentation process. The percentage of claims at this stage is shown as a percentage of Building with Southern Response claims. The number of properties in documentation can reduce when some customers who had chosen to rebuild with Southern response later decide to cash settle or when more properties complete design/documentation than enter this stage.
Design/documentation - Repairs	40	10%	1	1%	1	9%	75	11%	124	8%	241	9%	- 11	Customers who have elected to repair with Southern Response and are currently in the documentation process. The percentage of claims at this stage is shown as a percentage of Building with Southern Response claims.
Under construction - Rebuilds	34	8%	1	1%	-	0%	26	4%	165	11%	226	8%	18	Rebuild properties now under construction. The percentage of claims at this stage is shown as a percentage of Building with Southern Response claims.
Under construction - Repairs	19	5%	-	0%	2	18%	21	3%	35	2%	77	3%	4	Repair properties now under construction. The percentage of claims at this stage is shown as a percentage of Building with Southern Response claims.
													Movement from last month	
Construction completed - Rebuilds	86	21%	146	95%	2	18%	248	38%	744	48%	1,226	44%	39	Rebuild construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Construction completed - Repairs	178	43%	-	0%	5	45%	226	34%	289	19%	698	25%	18	Repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Total construction completed	264	64%	146	95%	7	64%	474	72%	1,033	67%	1,924	69%	57	Rebuild and repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Fully settled claims	755	69%	2106*	99%	17	61%	975	69%	2,298	70%	6,151	78%	109	Fully settled claims are the sum of Cash settlements paid out and Southern Response-managed builds where construction is complete. The percentage of claims at this fully settled claims stage is shown as a percentage of all over cap claims. Multi-unit builds and repairs managed by Southern Response on behalf of other Insurers are not, and will not be, included in Southern Response's statistics.

An amendment has been made to account for 34 Red Zone completed cash settlements that had been mis-coded as over-cap claims when they were out-of-scope claims. This has now been updated and reflected in this version.

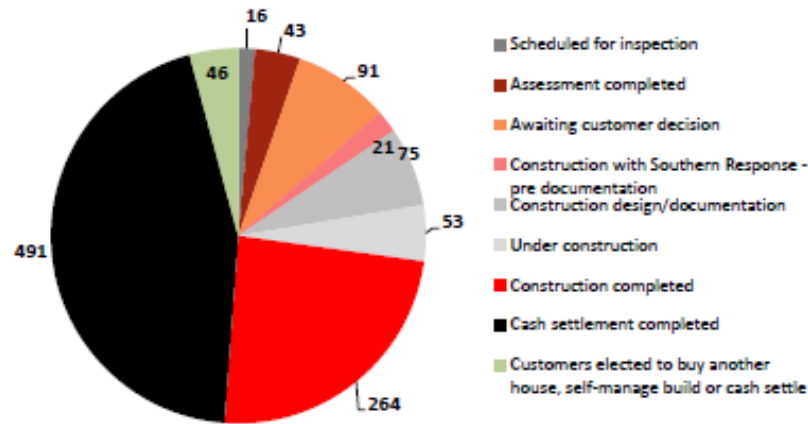
Status of properties for the last 12 months



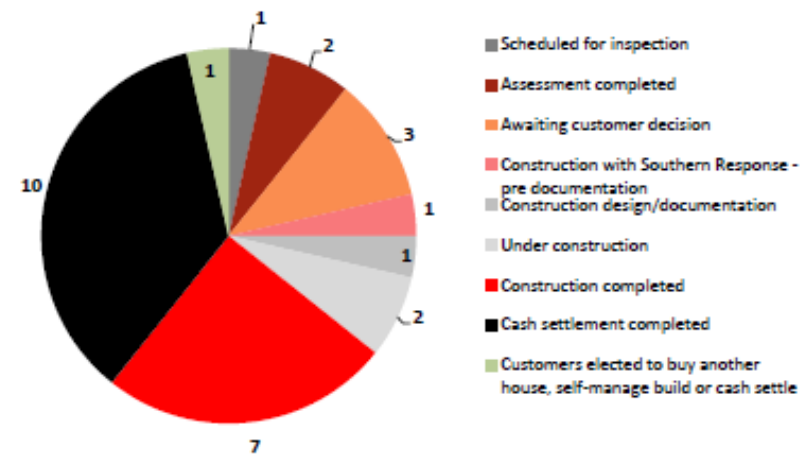
Number of properties

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
■ Scheduled for inspection	135	122	126	117	106	81	74	77	73	78	78	77
■ Assessment completed	561	596	649	575	576	371	349	328	306	281	280	258
■ Awaiting customer decision	223	224	219	243	228	299	322	338	350	356	365	366
■ Construction with Southern Response - pre documentation	256	226	226	208	217	185	154	128	123	121	112	90
■ Construction design/documentation	849	800	761	715	696	723	656	614	557	511	490	470
■ Under construction	513	495	479	442	442	444	434	409	372	359	338	303
■ Customers elected to buy another house, self-manage build or cash settle	137	124	129	131	136	201	212	227	226	207	202	207
■ Cash settlement completed	3,596	3,649	3,698	3,801	3,826	3,873	3,953	4,013	4,083	4,169	4,209	4,261
■ Construction completed	1,338	1,390	1,446	1,536	1,551	1,615	1,670	1,720	1,787	1,827	1,867	1,924

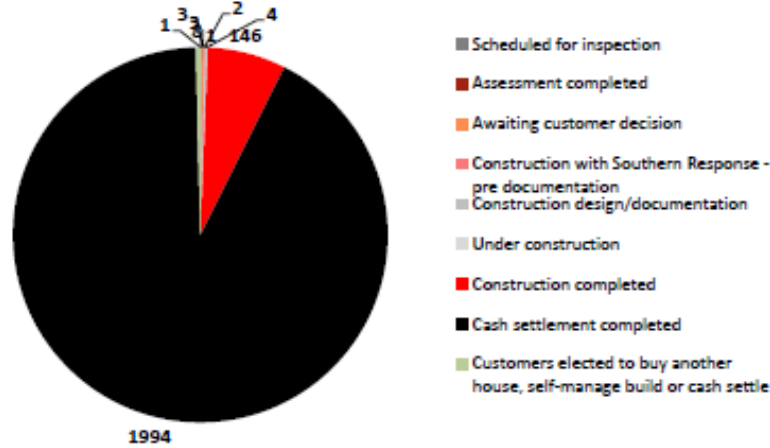
Green Zone



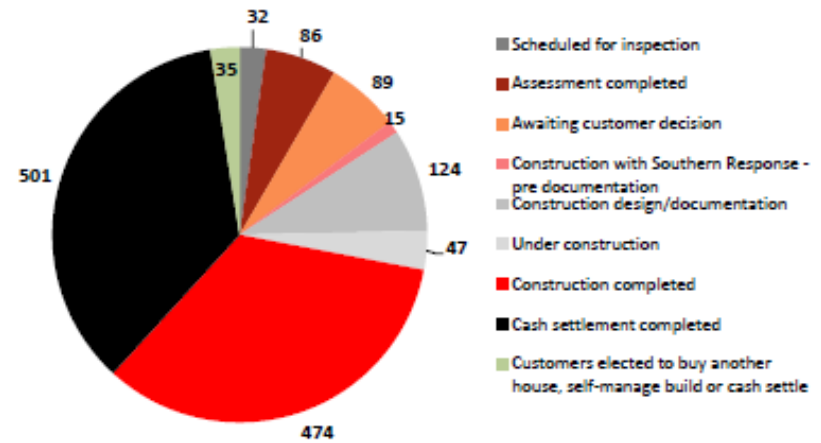
TC1



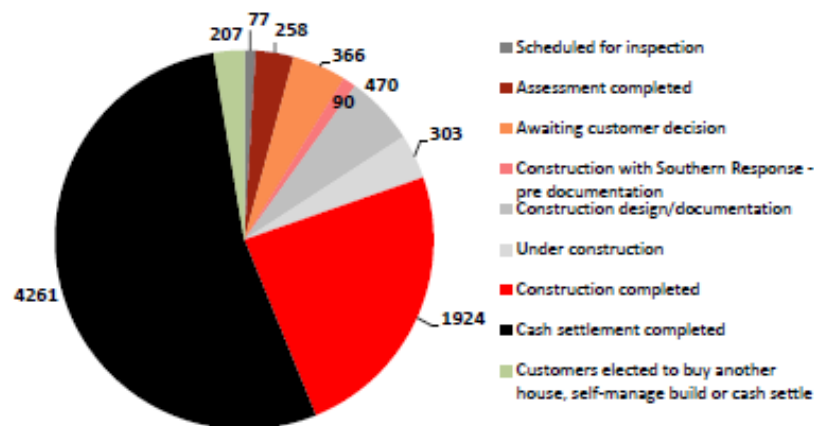
Red Zone



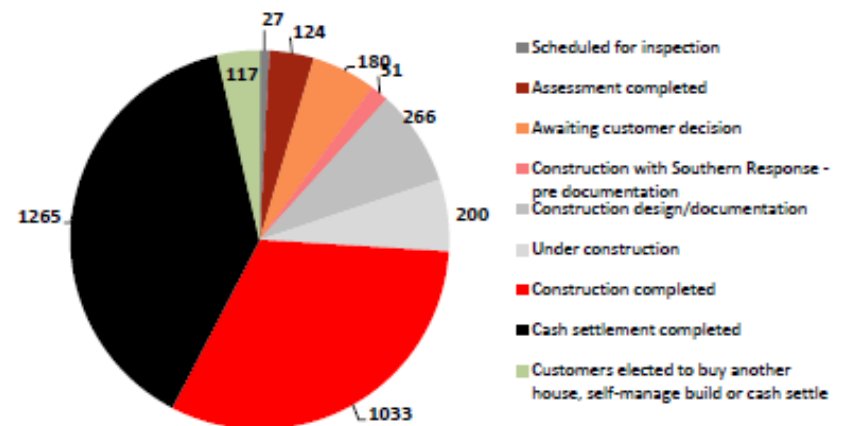
TC2



Total

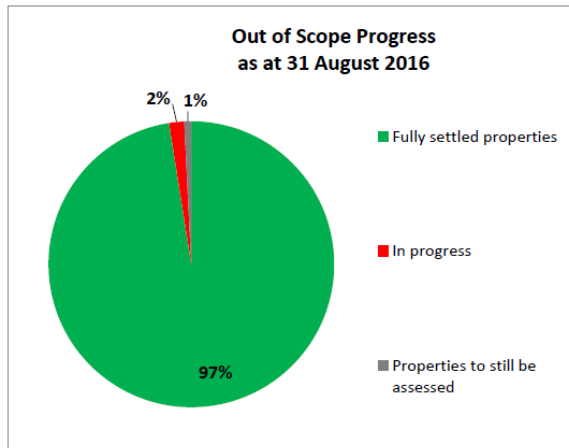


TC3



Out of scope claims

Some of these out of scope properties have multiple claims and/or multiple workstreams such as fences, driveways and swimming pools. In some cases, a partial cash payment may have been completed, or construction carried out, but until all workstreams and claims associated with the property are fully settled, the properties are recorded as being in progress.



Out of Scope properties as at 31 August 2016	
Fully settled properties	21,164
In progress	372
Properties to still be assessed	170
Total out of scope properties	21,706