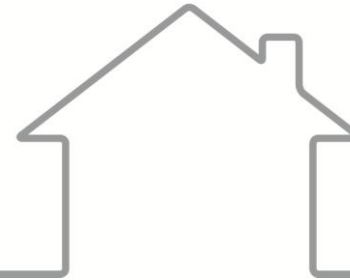


**S O U T H E R N**  
**R E S P O N S E**

Urupare ki te Tonga



**Progress to the end of December 2014**

Over cap claims: Detailed analysis

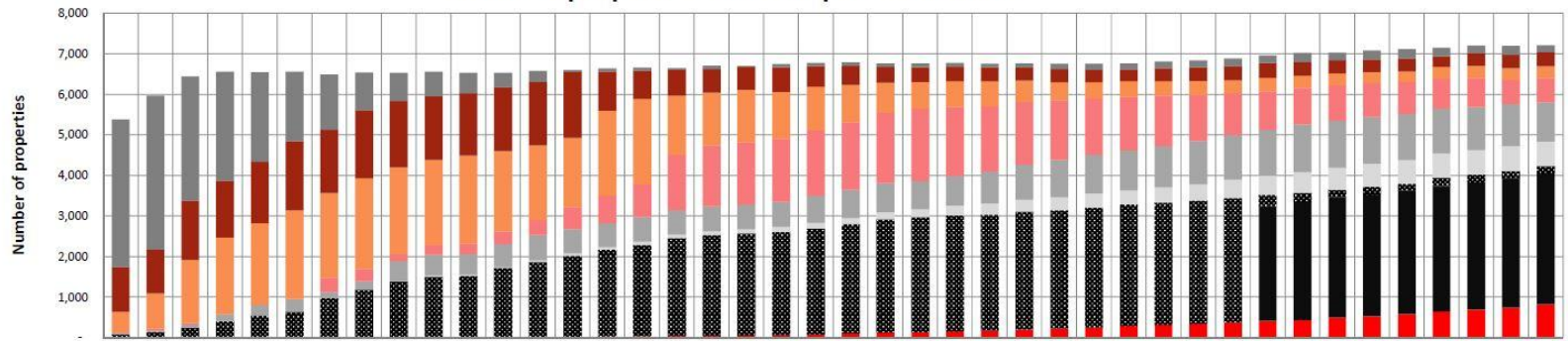
Status Breakdown	Settlements Complete		In Progress		Forecast Construction Starts For 2014	
Totals <i>(at 31st December 2014)</i>	4,050		2,405		1,090	
	Purchasing another house	1,639	Cash settlements in progress	184	SR managed repairs	630
			In design		SR managed rebuilds	460
	Cash settlement	1154	<i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i>	1618		
	Customer managed rebuild	438				
	Southern Response construction complete (rebuilds and repairs)	819	Under construction			
			<i>Construction contract signed, consent issued</i>	603		
	<i>Subtotal rebuilds &amp; repairs</i>	1257				

## Over cap claims: Detailed analysis

### Analysis by zone

Southern Response progress to end of December 2014	Green Zone <sup>3</sup>		Red Zone		TC1		TC2		TC3		Total		Movement from Last Month	Commentary
	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	977	100%	2,153	100%	20	100%	1,184	100%	2,935	100%	7,269	100%	12	The number of claims <i>Notified to Southern Response</i> 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	13%		30%		0%		16%		40%		100%			
Assessments & Costings	959	98%	2,149	100%	19	95%	1,144	97%	2,824	96%	7,095	98%	53	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	920	94%	2,139	99%	16	80%	1,062	90%	2,612	89%	6,749	93%	36	The gap between the <i>Assessments &amp; Costings</i> being completed and <i>Offers to customers</i> can be due to the DBA (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:	877	90%	2,121	99%	16	80%	1,008	85%	2,433	83%	6,455	89%	35	The gap between the <i>Offers to customers</i> and the <i>Customer decisions made</i> 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	161	16%	1,168	54%	1	5%	79	7%	311	11%	1,720	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	170	17%	554	26%	6	30%	185	16%	330	11%	1,245	17%	29	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	38	4%	243	11%	-	0%	53	4%	116	4%	450	6%	3	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	508	52%	156	7%	9	45%	691	58%	1,676	57%	3,040	42%	-9	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	48	9%	1	1%	2	22%	63	9%	312	19%	426	14%	22	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 <i>Building with Southern Response</i> 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	114	22%	-	0%	2	22%	131	19%	292	17%	539	18%	-23	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 <i>Building with Southern Response</i> claims.
Under construction - Rebuilds	46	9%	4	3%	-	0%	75	11%	299	18%	424	14%	46	Rebuild properties now under construction. The percentage of claims at this stage is shown as a percentage of <i>Building with Southern Response</i> claims.
Under construction - Repairs	52	10%	-	0%	2	22%	44	6%	81	5%	179	6%	19	Repair properties now under construction. The percentage of claims at this stage is shown as a percentage of <i>Building with Southern Response</i> claims.
														Movement from last month
Construction completed - Rebuilds	38	7%	142	91%	-	0%	127	18%	171	10%	478	16%	49	Rebuild construction completed, with the percentage of claims at this stage shown as a percentage of <i>Building with Southern Response</i> claims.
Construction completed - Repairs	95	19%	-	0%	2	22%	135	20%	109	7%	341	11%	31	Repair construction completed, with the percentage of claims at this stage shown as a percentage of <i>Building with Southern Response</i> claims.
Total construction completed	133	26%	142	91%	2	22%	262	38%	280	17%	819	27%	80	Rebuild and repair construction completed, with the percentage of claims at this stage shown as a percentage of <i>Building with Southern Response</i> claims.
Fully settled claims	460	47%	2,093	97%	9	45%	541	46%	947	32%	4,050	56%	132	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 <i>Fully settled claims</i> stage is shown as a percentage of all over cap claims.

### Status of properties over the past 42 months



	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Scheduled for inspection	3,635	3,787	3,063	2,683	2,195	1,708	1,363	922	694	608	500	345	269	42	78	74	49	78	21	81	77	79	81	93	89	88	109	137	148	144	166	172	186	191	227	184	218	232	209	189	215	174
Assessment completed	1,113	1,080	1,462	1,404	1,522	1,711	1,563	2,684	1,641	1,572	1,537	1,579	1,566	1,629	967	685	633	586	566	607	508	473	399	360	359	347	316	323	312	292	315	333	351	360	337	326	316	316	266	311	329	346
Awaiting customer decision	511	868	1,550	1,882	2,013	2,181	2,094	2,234	2,143	2,105	2,169	1,976	1,845	1,710	2,101	2,125	1,459	1,310	1,294	1,156	1,085	916	735	658	630	618	531	440	397	394	368	363	328	339	307	294	274	258	298	295	293	294
Construction with Southern Response - pre documentation	13	53	39	-	-	-	345	305	165	235	261	315	363	534	667	801	1,362	1,497	1,537	1,548	1,602	1,672	1,739	1,792	1,705	1,600	1,545	1,473	1,392	1,310	1,242	1,121	1,031	945	888	866	834	792	731	715	597	598
Construction design/documentation	32	26	81	178	248	312	140	200	499	505	503	563	630	595	596	600	597	605	607	622	672	693	712	683	734	783	861	921	952	988	1,015	1,072	1,091	1,127	1,182	1,167	1,147	1,136	1,102	1,062	1,031	965
Under construction	1	2	3	3	6	6	5	6	10	26	28	27	39	62	66	82	90	98	104	123	143	149	178	202	244	285	294	316	348	348	373	399	459	471	505	540	572	583	599	609	618	603
Customers elected to buy another house, self-manage build or cash settle	78	146	244	407	557	638	982	1,185	1,379	1,506	1,525	1,712	1,854	2,006	2,135	2,252	2,419	2,484	2,518	2,548	2,606	2,700	2,792	2,833	2,853	2,884	2,906	2,919	2,960	2,998	3,018	3,034	3,066	287	235	192	194	177	210	193	192	164
Cash settlement completed	-	-	1	1	1	1	2	2	2	3	6	10	13	19	33	38	42	50	54	62	83	104	127	139	159	170	203	230	249	291	316	347	376	412	437	493	533	582	648	691	739	819
Construction completed	-	-	1	1	1	1	2	2	2	3	6	10	13	19	33	38	42	50	54	62	83	104	127	139	159	170	203	230	249	291	316	347	376	412	437	493	533	582	648	691	739	819