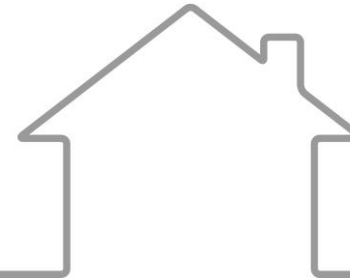


**S O U T H E R N**  
**R E S P O N S E**

Urupare ki te Tonga



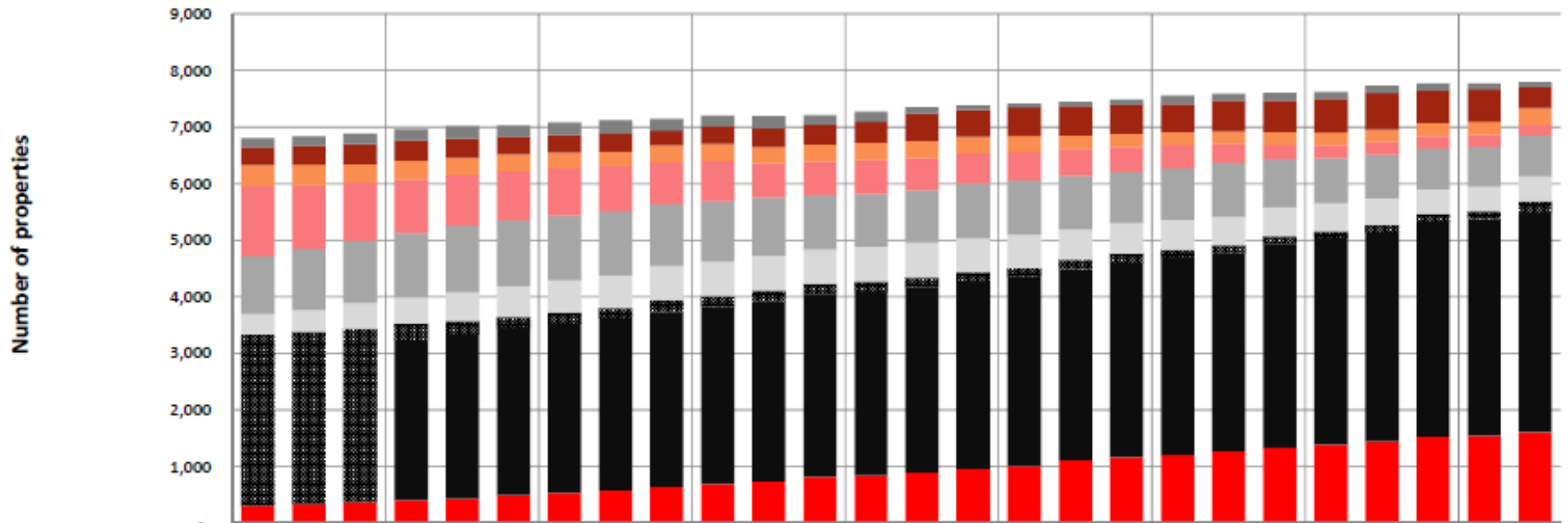
**Progress to the end of February 2016**

Over cap claims: Detailed analysis

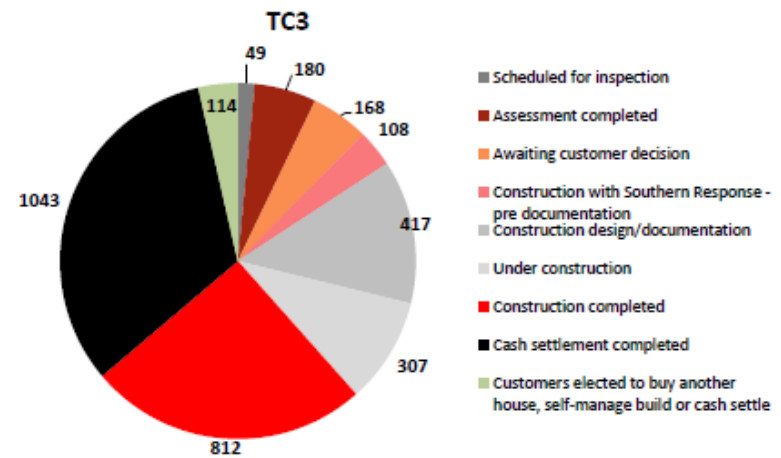
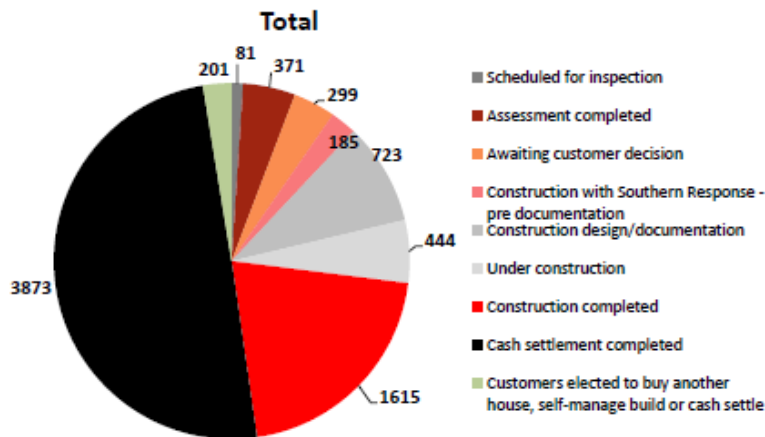
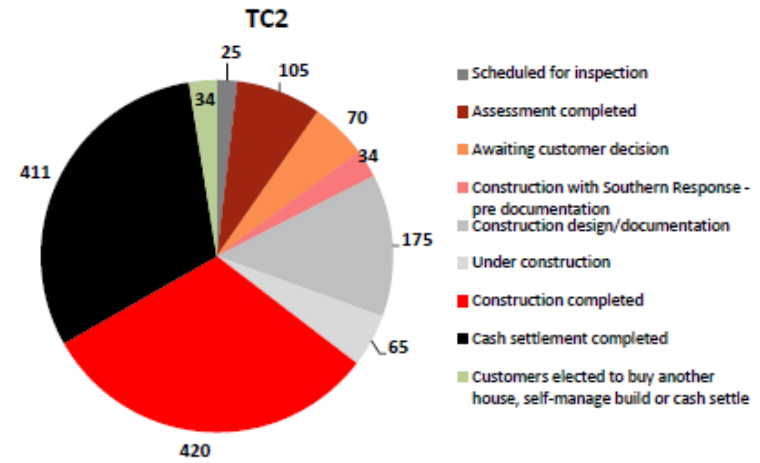
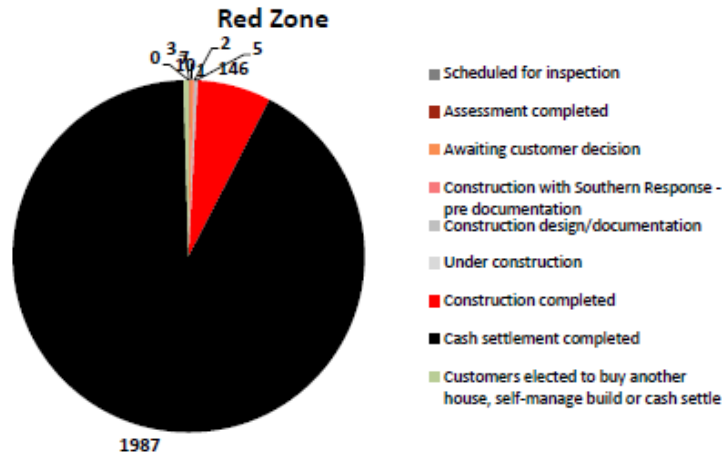
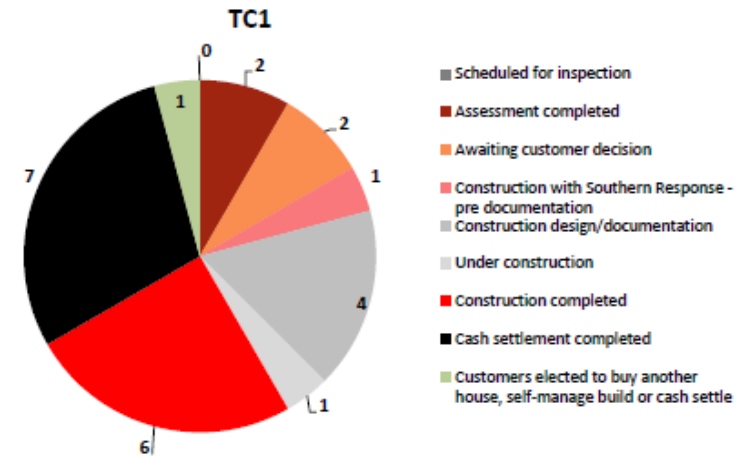
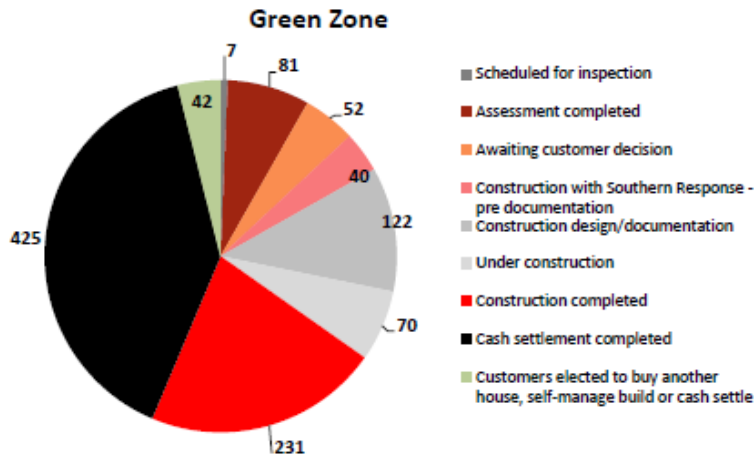
Status Breakdown	Settlements Complete		In Progress	
Totals (at 29th February 2016 )	5,488		1,553	
	Purchasing another house	1,806	Cash settlements in progress	201
	Cash settlement	1,583	In design <i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i>	908
	Customer managed rebuild	484		
	Southern Response construction complete (rebuilt and repairs)	1,615	Under construction <i>Construction contract signed, consent issued</i>	444
	<i>Subtotal rebuilds &amp; repairs</i>	2,099		

Southern Response progress to end of February 2016	Green Zone <sup>1</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	1,070	100%	2,161	100%	24	100%	1,339	100%	3,198	100%	7,792	100%	14	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%		28%		0%		17%		41%		100%			
Assessments & Costings	1,063	99%	2,161	100%	24	100%	1,314	98%	3,149	98%	7,711	99%	39	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	982	92%	2,158	100%	22	92%	1,209	90%	2,969	93%	7,340	94%	244	The gap between the Assessments & Costings being completed and Offers to customers can be due to the DRA (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. **The Offers to customers total has increased by 244 since last month. 148 received offers in February and we have identified further 96 claims (mostly repairs) that have had an offer before 30 January 2016 not previously showing in the total. This has arisen due to data cleansing between the company's data storage systems.
Customer decisions made:	930	87%	2,151	100%	20	83%	1,139	85%	2,801	88%	7,041	90%	173	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. **The Customer decisions made total has increased by 173 since last month. 105 customer decisions were made in February and we have identified another 68 claims (repairs, rebuilds and multi-units) that customer decisions have been made before 30 January 2016 not previously showing in the total. This has arisen due to data cleansing between the company's data storage systems.
1. Buy another house	177	17%	1,176	54%	1	4%	88	7%	381	12%	1,823	23%	11	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	243	23%	575	27%	7	29%	284	21%	603	19%	1,712	22%	85	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	47	4%	246	11%	-	0%	73	5%	173	5%	539	7%	16	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	463	43%	154	7%	12	50%	694	52%	1,644	51%	2,967	38%	61	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. This month has seen a larger movement than usual, due to a number of factors. These include some customers changing to cash settlement, some repairs changing to rebuilds, and in some cases, more information being required (for example, engineering reports) before a customer can make a final decision that is best for them.
														Movement from Last Month of customers who were in or completed this stage
Design/documentation - Rebuilds	52	11%	4	3%	-	0%	68	10%	219	13%	343	12%	70	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	70	15%	1	1%	4	33%	107	15%	198	12%	380	13%	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 Building with Southern Response claims.
Under construction - Rebuilds	37	8%	1	1%	-	0%	36	5%	240	15%	314	11%	43	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	33	7%	-	0%	1	8%	29	4%	67	4%	130	4%	23	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	72	16%	146	95%	2	17%	214	31%	578	35%	1,012	34%	37	Rebuild construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Construction completed - Repairs	159	34%	-	0%	4	33%	206	30%	234	14%	603	20%	27	Repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Total construction completed	231	50%	146	95%	6	50%	420	61%	812	49%	1,615	54%	64	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	656	61%	2,133	99%	13	54%	831	62%	1,855	58%	5,488	70%	111	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 by Southern Response on behalf of other insurers are not, and will not, be included in Southern Response's statistics.

## Status of properties over the past 26 months



	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
■ Scheduled for inspection	166	172	186	191	227	184	218	232	209	189	215	174	180	105	85	70	71	95	155	115	135	122	126	117	106	81
■ Assessment completed	315	333	351	360	337	326	316	316	266	311	329	346	373	484	474	503	524	509	486	544	561	596	649	575	576	371
■ Awaiting customer decision	368	363	328	339	307	294	274	258	298	295	293	294	300	307	293	283	240	236	230	228	223	224	219	243	228	299
■ Construction with Southern Response - pre documentation	1,242	1,121	1,031	945	888	866	834	792	731	715	597	598	601	562	530	504	469	436	415	323	256	226	226	208	217	185
■ Construction design/documentation	1,015	1,072	1,091	1,127	1,182	1,167	1,147	1,136	1,102	1,062	1,031	965	935	928	965	954	947	903	908	956	849	800	761	715	696	723
■ Under construction	373	399	459	471	505	540	572	583	599	609	618	603	621	618	603	595	535	543	538	510	513	495	479	442	442	444
■ Customers elected to buy another house, self-manage build or cash settle	3,018	3,034	3,066	287	235	192	194	177	210	193	192	184	174	164	158	152	166	156	140	139	137	124	129	131	136	201



**Out of Scope properties as at 29 February 2016**

Properties assessed	21,516
properties to still be assessed	216
<b>Total out of scope properties</b>	<b>21,732</b>
Properties completed that didn't involve SR construction	12,662
Properties completed that did involve SR construction	8,020
<b>Fully settled properties</b>	<b>20,682</b>
In progress	834
Properties to still be assessed	216
<b>Total out of scope properties</b>	<b>21,732</b>

**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.

