

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

Urupare ki te Tonga



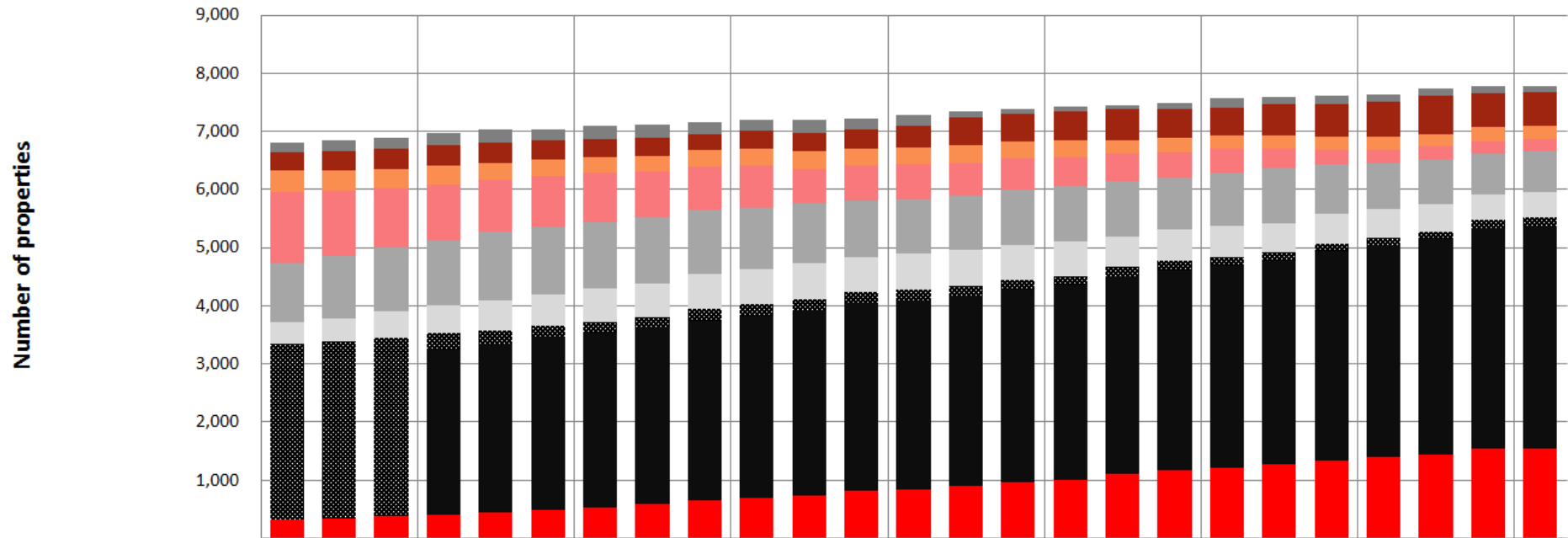
Progress to the end of January 2016

Over cap claims: Detailed analysis

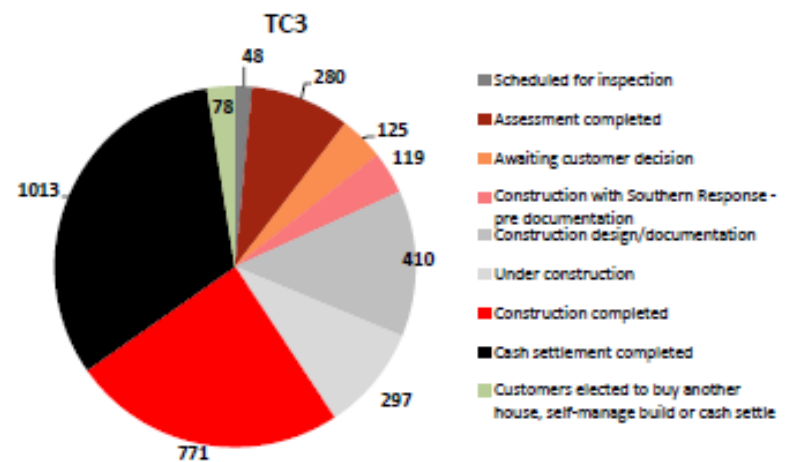
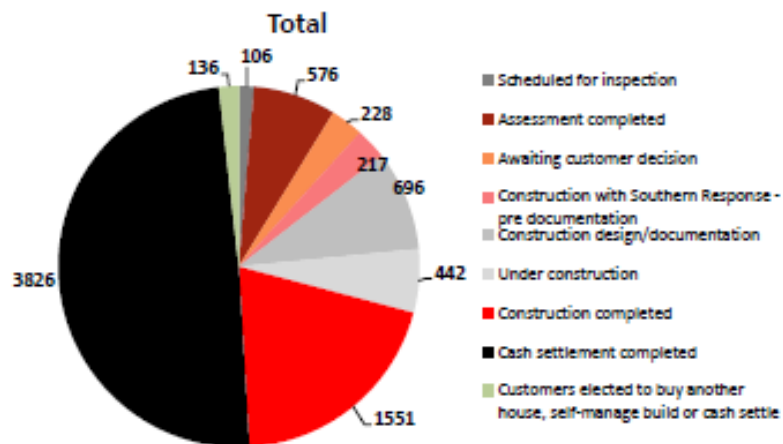
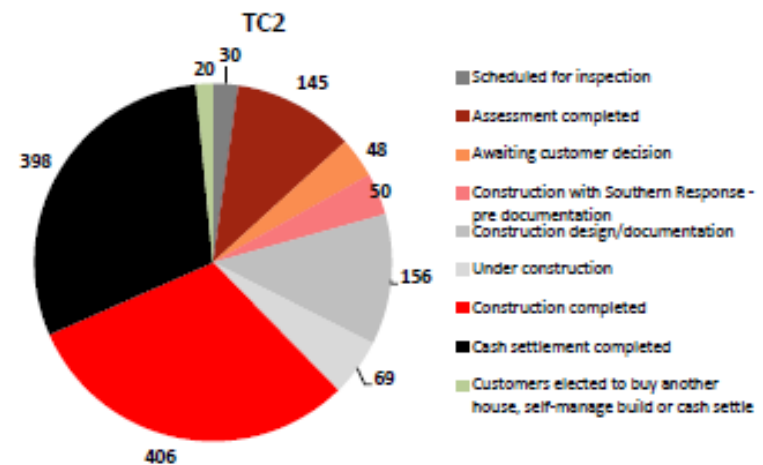
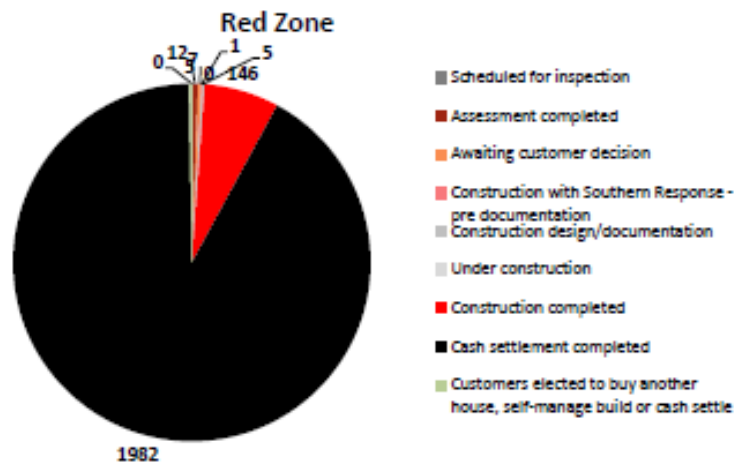
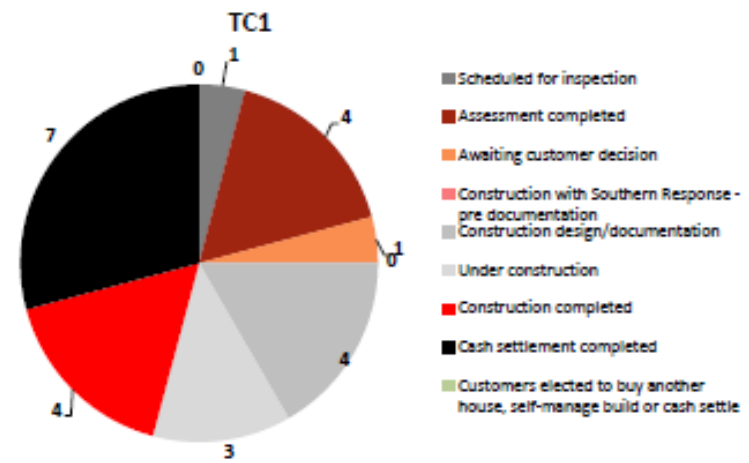
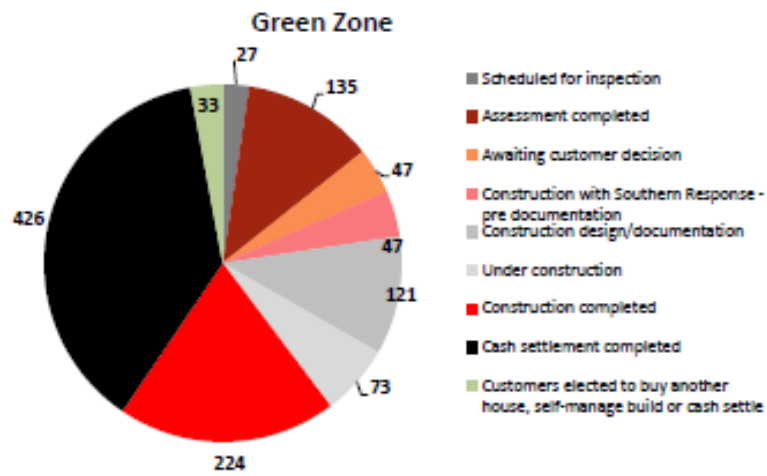
Status Breakdown	Settlements Complete		In Progress	
Totals (at 31st January 2016)	5,377		1,491	
	Purchasing another house	1,796	Cash settlements in progress	136
	Cash settlement	1,547	In design <i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i>	913
	Customer managed rebuild	483		
	Southern Response construction complete (rebuilt and repairs)	1,551	Under construction <i>Construction contract signed, consent issued</i>	442
	<i>Subtotal rebuilds & repairs</i>	2,034		

Southern Response progress to end of January 2016	Green Zone ¹		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	1,133	100%	2,158	100%	24	100%	1,322	100%	3,141	100%	7,778	100%	10	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	15%		28%		0%		17%		40%		100%			
Assessments & Costings	1,106	98%	2,158	100%	23	96%	1,292	98%	3,093	98%	7,672	99%	21	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	971	86%	2,146	99%	19	79%	1,147	87%	2,813	90%	7,096	91%	20	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.
Customer decisions made:	924	82%	2,139	99%	18	75%	1,099	83%	2,688	86%	6,868	88%	35	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	176	16%	1,175	54%	1	4%	87	7%	373	12%	1,812	23%	4	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	239	21%	568	26%	6	25%	259	20%	555	18%	1,627	21%	23	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	44	4%	244	11%	-	0%	72	5%	163	5%	523	7%	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	465	41%	152	7%	11	46%	681	52%	1,597	51%	2,906	37%	5	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	47	10%	5	3%	-	0%	49	7%	215	13%	316	11%	- 1	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	74	16%	-	0%	4	36%	107	16%	195	12%	380	13%	- 3	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	39	8%	-	0%	2	18%	37	5%	230	14%	308	11%	6	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	34	7%	-	0%	1	9%	32	5%	67	4%	134	5%	9	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	70	15%	146	96%	-	0%	208	31%	551	35%	975	34%	8	Rebuild construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Construction completed - Repairs	154	33%	-	0%	4	36%	198	29%	220	14%	576	20%	7	Repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Total construction completed	224	48%	146	96%	4	36%	406	60%	771	48%	1,551	53%	15	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	650	57%	2,128	99%	11	46%	804	61%	1,784	57%	5,377	69%	40	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.

Status of properties over the past 55 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
■ 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
■ 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
■ 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
■ 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
■ 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
■ 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
■ 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
■ Cash settlement completed				2,829	2,906	2,966	2,996	3,042	3,090	3,135	3,179	3,231	3,253	3,279	3,315	3,348	3,383	3,443	3,479	3,501	3,596	3,649	3,698	3,801	3,826
■ Construction completed	316	347	376	412	437	493	533	582	648	691	739	819	841	901	965	1,011	1,112	1,167	1,212	1,270	1,338	1,390	1,446	1,536	1,551



Out of Scope properties as at 31 January 2016	
Properties assessed	21,473
properties to still be assessed	252
Total out of scope properties	21,725
Properties completed that didn't involve SR construction	12,650
Properties completed that did involve SR construction	7,966
Fully settled properties	20,616
In progress	857
Properties to still be assessed	252
Total out of scope properties	21,725

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.

