

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

Urupare ki te Tonga



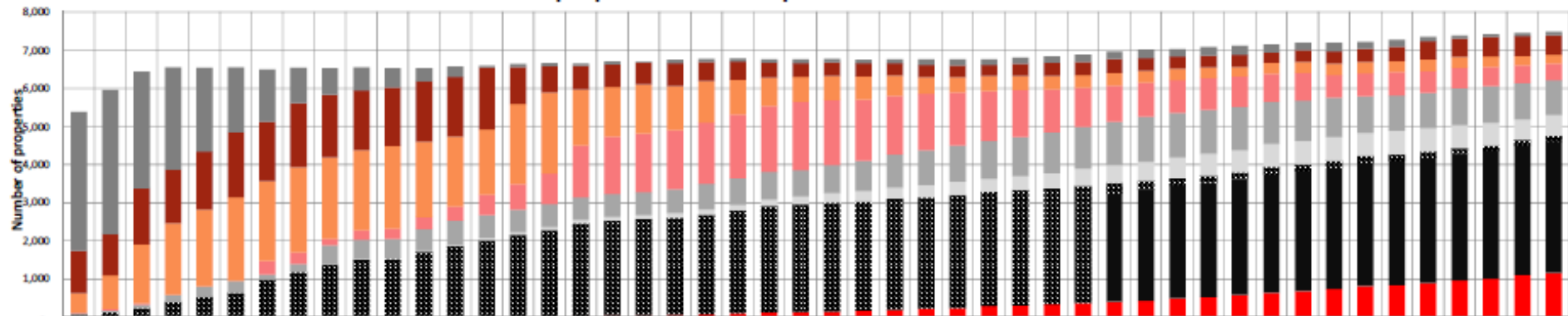
Progress to the end of June 2015

Over cap claims: Detailed analysis

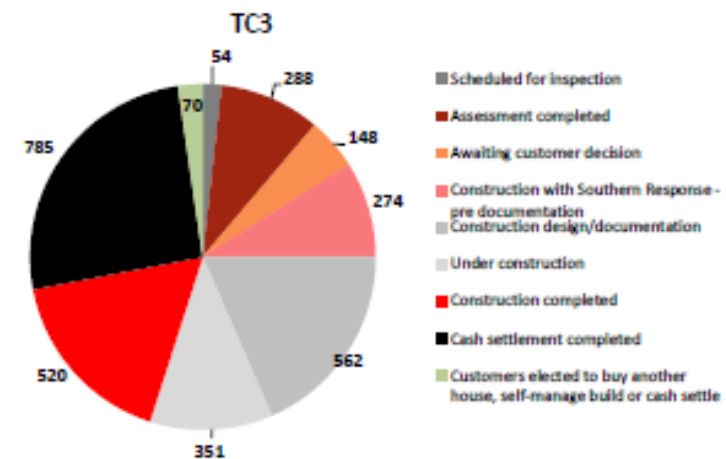
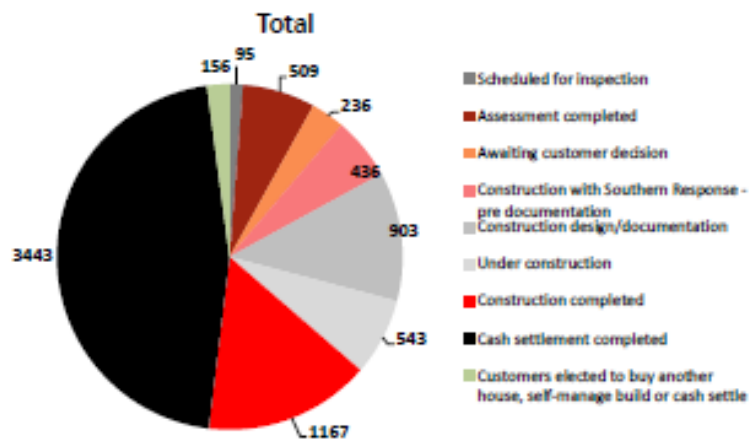
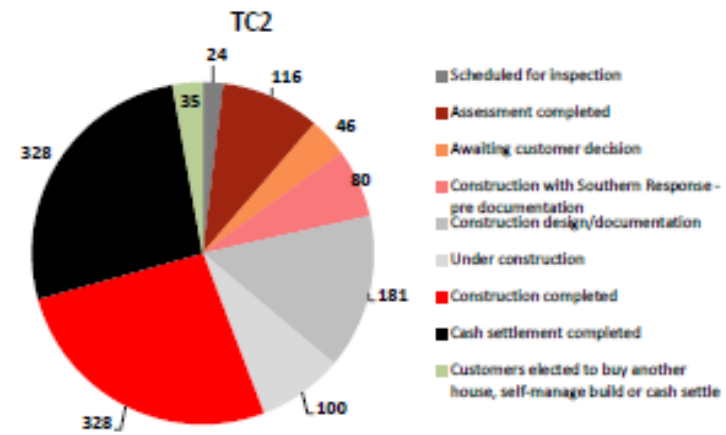
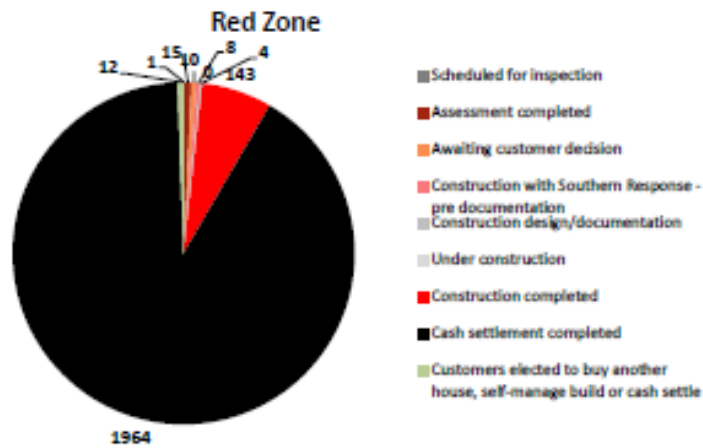
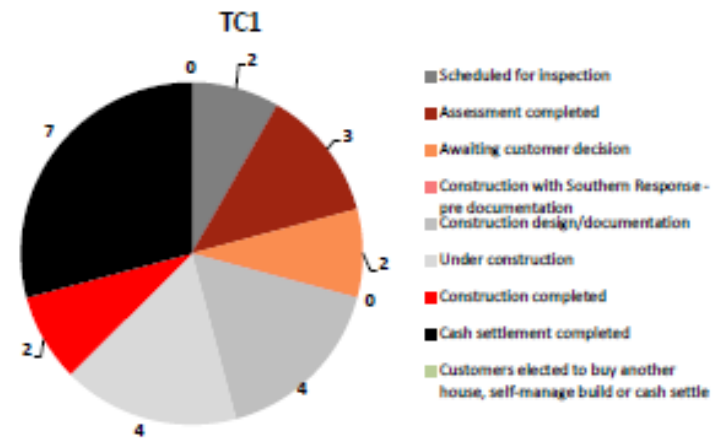
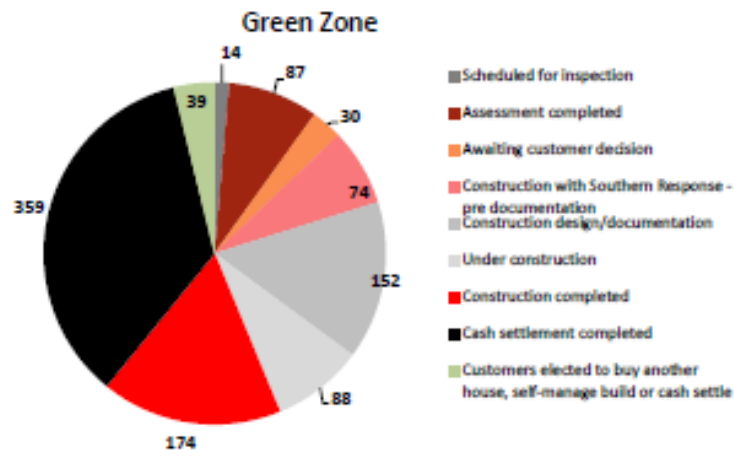
| Status Breakdown | Settlements Complete | | In Progress | |
|--------------------------------|---|-------|--|-------|
| Totals (at 30th June 2015) | 4,610 | | 2,038 | |
| | Purchasing another house | 1,717 | Cash settlements in progress | 156 |
| | Cash settlement | 1,288 | In design <i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i> | 1,339 |
| | Customer managed rebuild | 438 | | |
| | Southern Response construction complete (rebuilt and repairs) | 1,167 | Under construction <i>Construction contract signed, consent issued</i> | 543 |
| | <i>Subtotal rebuilds & repairs</i> | 1,605 | | |

| Southern Response progress to end of June 2015 | 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 | 1,017 | 100% | 2,157 | 100% | 24 | 100% | 1,238 | 100% | 3,052 | 100% | 7,488 | 100% | 41 | 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% | | 29% | | 0% | | 17% | | 41% | | 100% | | | |
| Assessments & Costings | 1,003 | 99% | 2,156 | 100% | 22 | 92% | 1,214 | 98% | 2,998 | 98% | 7,393 | 99% | 17 | 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 | 916 | 90% | 2,141 | 99% | 19 | 79% | 1,098 | 89% | 2,710 | 89% | 6,884 | 92% | 32 | 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: | 886 | 87% | 2,131 | 99% | 17 | 71% | 1,052 | 85% | 2,562 | 84% | 6,648 | 89% | 36 | 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 | 165 | 16% | 1,172 | 54% | 1 | 4% | 83 | 7% | 336 | 11% | 1,757 | 23% | 8 | 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 | 195 | 19% | 562 | 26% | 6 | 25% | 213 | 17% | 389 | 13% | 1,365 | 18% | 34 | 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% | 242 | 11% | - | 0% | 67 | 5% | 130 | 4% | 477 | 6% | 8 | 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 | 488 | 48% | 155 | 7% | 10 | 42% | 689 | 56% | 1,707 | 56% | 3,049 | 41% | -14 | 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 | 56 | 11% | 3 | 2% | - | 0% | 57 | 8% | 293 | 17% | 409 | 13% | 33 | 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 | 96 | 20% | 1 | 1% | 4 | 40% | 124 | 18% | 269 | 16% | 494 | 16% | -9 | 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 | 44 | 9% | - | 0% | 2 | 20% | 63 | 9% | 290 | 17% | 399 | 13% | 45 | 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 | 44 | 9% | - | 0% | 2 | 20% | 37 | 5% | 61 | 4% | 144 | 5% | 18 | 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 | 50 | 10% | 143 | 92% | - | 0% | 161 | 23% | 353 | 21% | 707 | 23% | 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 | 124 | 25% | - | 0% | 2 | 20% | 167 | 24% | 167 | 10% | 460 | 15% | 16 | Repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims. |
| Total construction completed | 174 | 36% | 143 | 92% | 2 | 20% | 328 | 48% | 520 | 30% | 1,167 | 38% | 55 | 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 | 533 | 52% | 2,107 | 98% | 9 | 38% | 656 | 53% | 1,305 | 43% | 4,610 | 62% | 115 | 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 48 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 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Scheduled for inspection | 3,635 | 3,787 | 3,063 | 2,683 | 2,195 | 1,708 | 1,263 | 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 | 180 | 305 | 85 | 70 | 95 | |
| Assessment completed | 1,113 | 1,080 | 1,462 | 1,804 | 1,532 | 1,711 | 1,563 | 1,684 | 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 | 303 | 351 | 360 | 337 | 326 | 316 | 316 | 266 | 311 | 329 | 346 | 373 | 484 | 474 | 503 | 524 | 509 |
| 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 | 364 | 368 | 363 | 328 | 339 | 307 | 294 | 274 | 258 | 268 | 295 | 293 | 294 | 300 | 307 | 293 | 283 | 240 | 236 |
| 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 | 601 | 562 | 530 | 504 | 469 | 436 | |
| Construction design/documentation | 30 | 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 | 1,065 | 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 |
| 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 | 621 | 618 | 603 | 595 | 535 | 543 |
| Customer 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 | 2,864 | 2,906 | 2,919 | 2,960 | 2,968 | 3,018 | 3,034 | 3,066 | 287 | 335 | 392 | 394 | 177 | 210 | 192 | 184 | 174 | 164 | 158 | 152 | 166 | 156 | |
| 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 | 841 | 901 | 965 | 1,011 | 1,112 | 1,167 |
| 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 | 841 | 901 | 965 | 1,011 | 1,112 | 1,167 |



Out of scope claims

| Out of Scope properties as at 30 June 2015 | |
|--|---------------|
| Properties assessed | 21,048 |
| properties to still be assessed | 570 |
| Total out of scope properties | 21,618 |
| | |
| Properties completed that didn't involve SR construction | 12,099 |
| Properties completed that did involve SR construction | 7,190 |
| Fully settled properties | 19,289 |
| | |
| In progress | 1,759 |
| Properties to still be assessed | 570 |
| Total out of scope properties | 21,618 |

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.

