

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

Urupare ki te Tonga



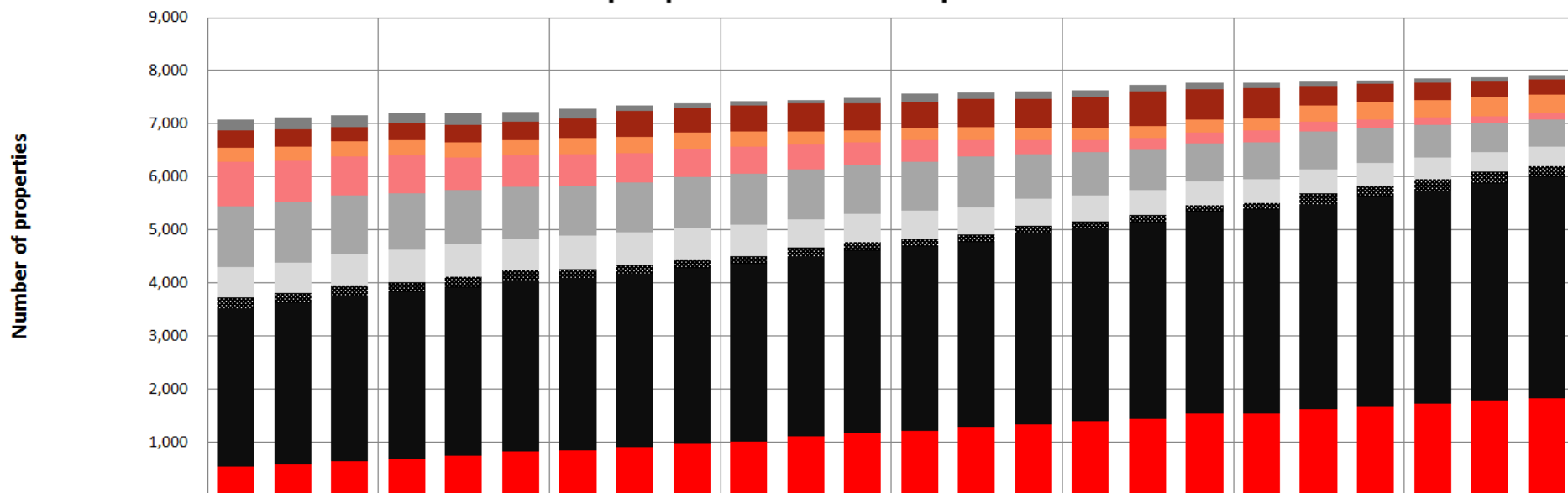
Progress to the end of June 2016

Over cap claims: Detailed analysis

Status Breakdown	Settlements Complete		In Progress	
Totals <i>(at 30th June 2016)</i>	5,996		1,198	
	Purchasing another house	1,854	Cash settlements in progress In design	207
	Cash settlement	1,799	<i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i>	632
	Customer managed rebuild	516		
	Southern Response construction complete (rebuilt and repairs)	1,827	Under construction <i>Construction contract signed, consent issued</i>	359
	<i>Subtotal rebuilds & repairs</i>	2,343		

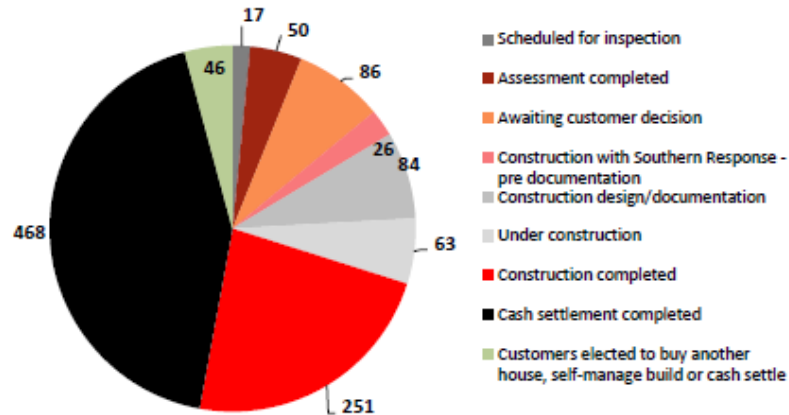
Southern Response progress to end of June 2016	Green Zone ¹		Red Zone		TC1		TC2		TC3		Total		Movement from Last Month	Commentary
	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed		
Notified to Southern Response	1,091	100%	2,161	100%	26	100%	1,383	100%	3,248	100%	7,909	100%	32	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.
% of overall claims	14%		27%		0%		17%		41%		100%			
Assessments & Costings	1,074	98%	2,161	100%	25	96%	1,356	98%	3,215	99%	7,831	99%	27	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	1,024	94%	2,158	100%	24	92%	1,264	91%	3,080	95%	7,550	95%	52	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& Costings being completed and Offers to customers can be due to the DRA (detailed rebuild/repair analysis) being withdrawn for review or may be due to the time taken to prepare the offer to the customer.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:	938	86%	2,156	100%	22	85%	1,176	85%	2,902	89%	7,194	91%	46	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	188	17%	1,178	55%	1	4%	98	7%	415	13%	1,880	24%	13	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	265	24%	579	27%	10	38%	339	25%	729	22%	1,922	24%	44	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	61	6%	245	11%	-	0%	75	5%	193	6%	574	7%	10	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	424	39%	154	7%	11	42%	664	48%	1,565	48%	2,818	36%	- 21	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	41	10%	4	3%	-	0%	51	8%	136	9%	232	8%	- 7	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	43	10%	1	1%	2	18%	82	12%	151	10%	279	10%	- 12	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	9%	1	1%	-	0%	30	5%	195	12%	263	9%	21	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	26	6%	-	0%	1	9%	26	4%	43	3%	96	3%	6	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	80	19%	146	95%	2	18%	237	36%	695	44%	1,160	41%	25	Rebuild construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Construction completed - Repairs	171	40%	-	0%	5	45%	215	32%	276	18%	667	24%	15	Repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Total construction completed	251	59%	146	95%	7	64%	452	68%	971	62%	1,827	65%	40	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	719	66%	2,139	99%	16	62%	933	67%	2,189	67%	5,996	76%	126	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.

Status of properties over the past 24 months

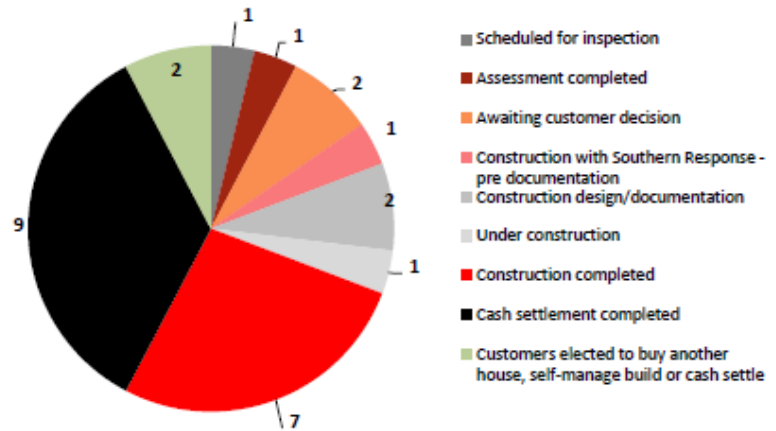


	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
■ Scheduled for inspection	218	232	209	189	215	174	180	105	85	70	71	95	155	115	135	122	126	117	106	81	74	77	73	78
■ Assessment completed	316	316	266	311	329	346	373	484	474	503	524	509	486	544	561	596	649	575	576	371	349	328	306	281
■ Awaiting customer decision	274	258	298	295	293	294	300	307	293	283	240	236	230	228	223	224	219	243	228	299	322	338	350	356
■ Construction with Southern Response - pre documentation	834	792	731	715	597	598	601	562	530	504	469	436	415	323	256	226	226	208	217	185	154	128	123	121
■ Construction design/documentation	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	656	614	557	511
■ Under construction	572	583	599	609	618	603	621	618	603	595	535	543	538	510	513	495	479	442	442	444	434	409	372	359
■ Customers elected to buy another house, self-manage build or cash settle	194	177	210	193	192	184	174	164	158	152	166	156	140	139	137	124	129	131	136	201	212	227	226	207
■ Cash settlement completed	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	3,873	3,953	4,013	4,083	4,169
■ Construction completed	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	1,615	1,670	1,720	1,787	1,827

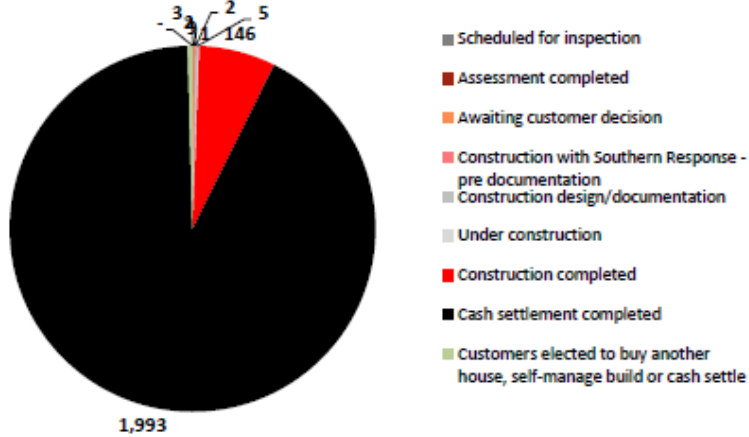
Green Zone



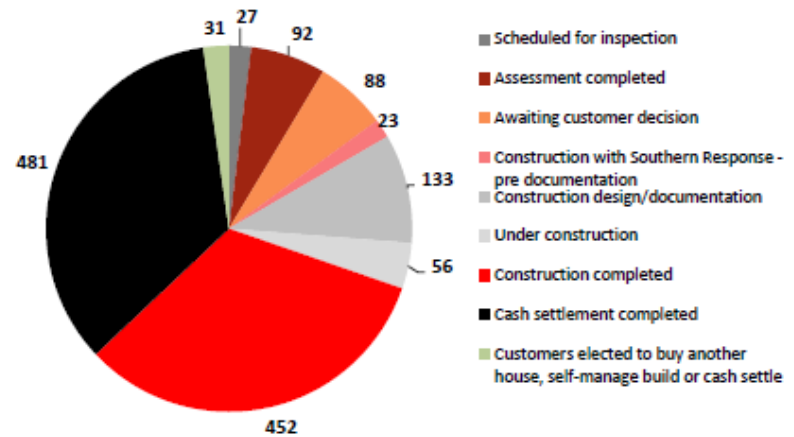
TC1



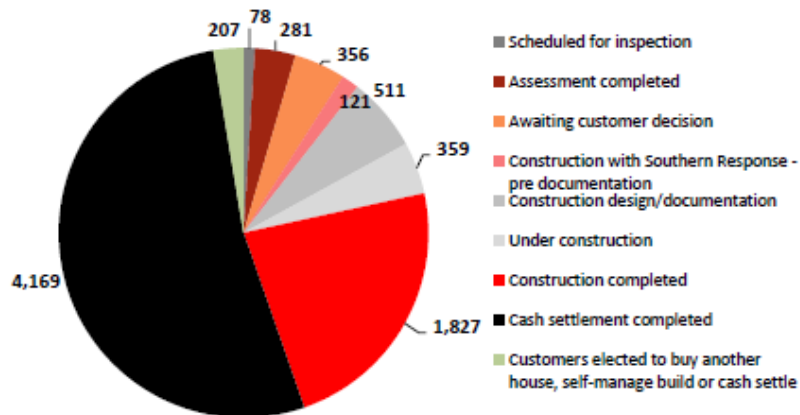
Red Zone



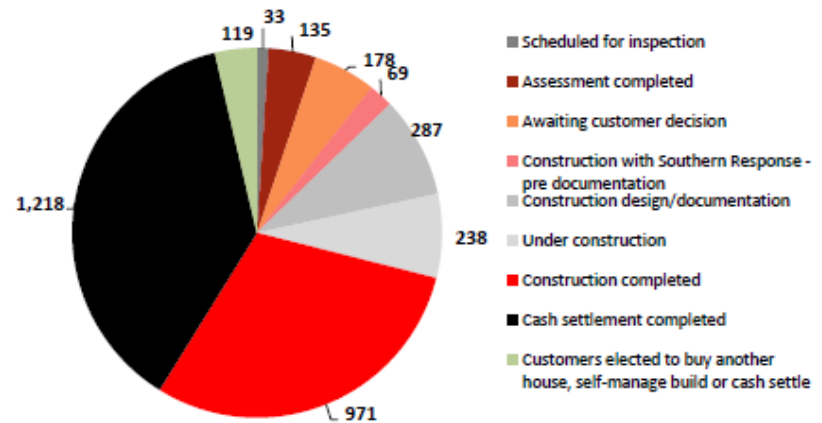
TC2



Total



TC3



Out of scope claims

Out of Scope properties as at 30 June 2016	
Fully settled properties	21,134
In progress	406
Properties to still be assessed	162
Total out of scope properties	21,702

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.

