

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

Urupare ki te Tonga



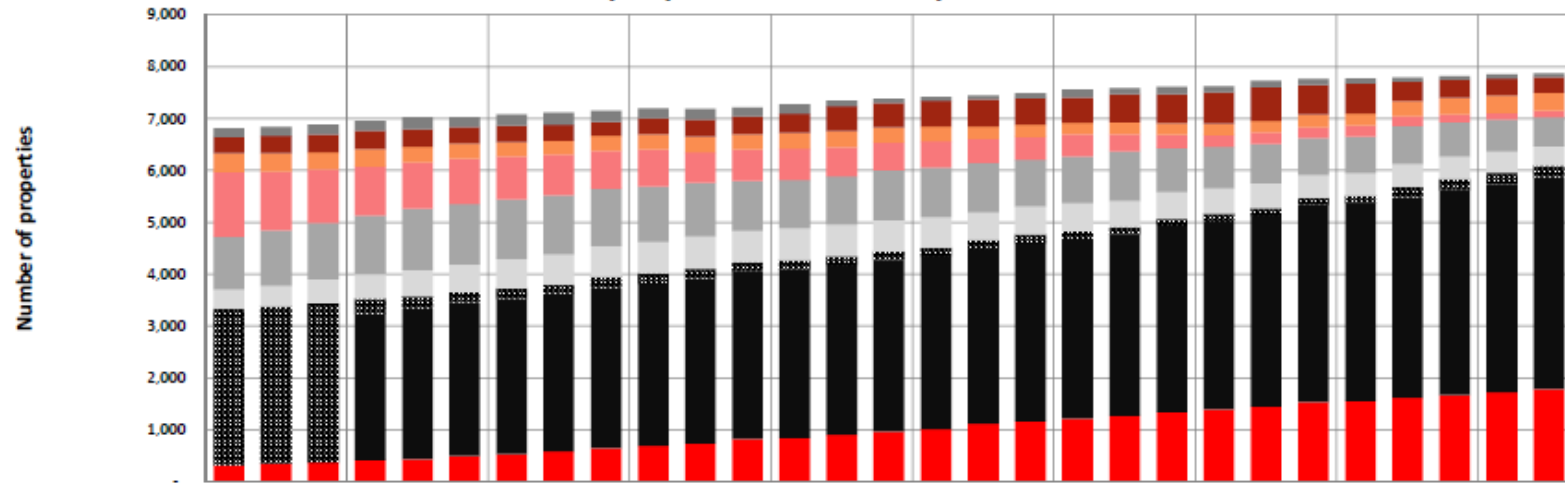
Progress to the end of May 2016

Over cap claims: Detailed analysis

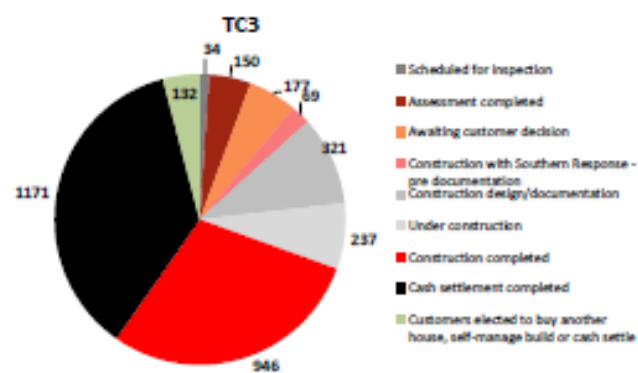
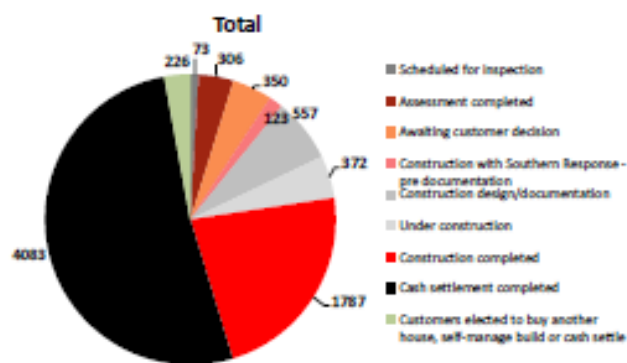
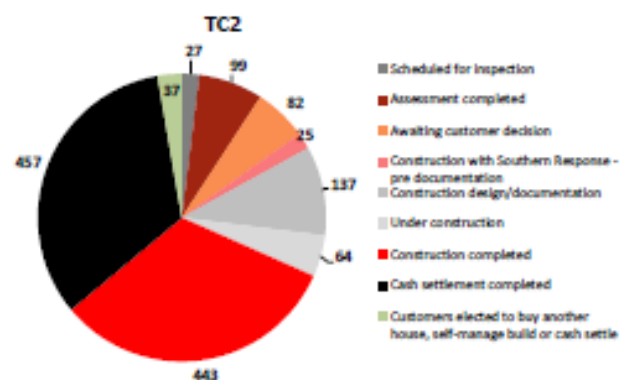
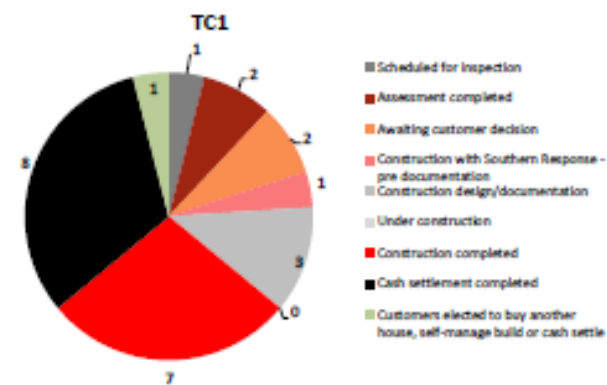
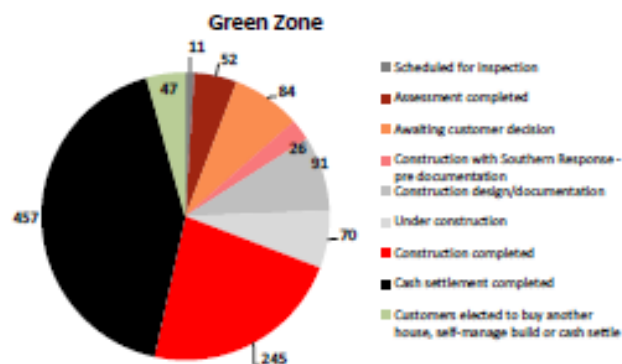
Status Breakdown	Settlements Complete		In Progress	
Totals (at 31st May 2016)	5,870		1,279	
	Purchasing another house	1,842	Cash settlements in progress	226
			In design	
	Cash settlement	1,733	<i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i>	680
	Customer managed rebuild	508		
	Southern Response construction complete (rebuilt and repairs)	1,787		
			Under construction	
			<i>Construction contract signed, consent issued</i>	373
	<i>Subtotal rebuilds & repairs</i>	2,295		

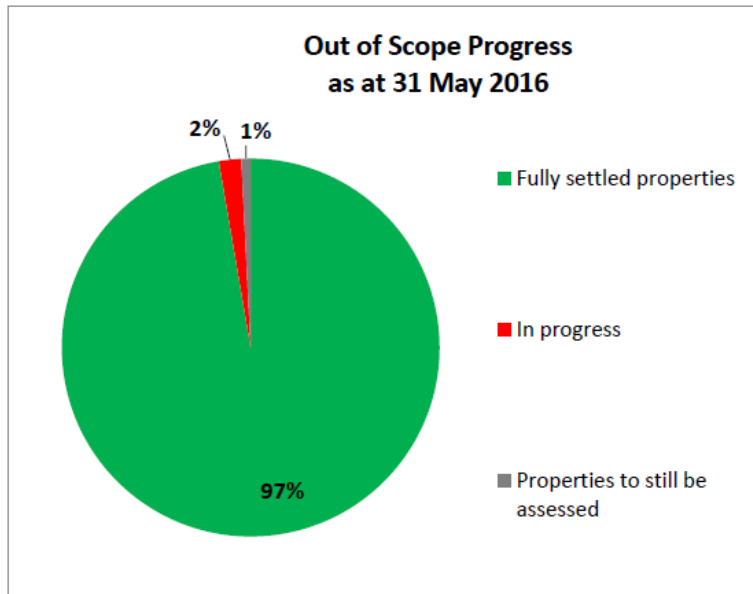
Southern Response progress to end of May 2016	Green Zone ¹		Red Zone		TC1		TC2		TC3		Total		Movement from Last Month	Commentary
	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed	Number of Properties	% completed		
Notified to Southern Response	1,083	100%	2,161	100%	25	100%	1,371	100%	3,237	100%	7,877	100%	23	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	1,072	99%	2,161	100%	24	96%	1,344	98%	3,203	99%	7,804	99%	27	Southern Response's approach has been to deal with assessments generally before moving to build 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 FOC cap.
Offers to customers	1,020	94%	2,158	100%	22	88%	1,245	91%	3,053	94%	7,498	95%	49	The gap between the Assessments & Costings being completed and Offer to customer 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:	936	86%	2,153	100%	20	80%	1,163	85%	2,876	89%	7,148	91%	37	The gap between the Offer to customer and the Customer decision 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	187	17%	1,176	54%	1	4%	96	7%	407	13%	1,867	24%	14	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	260	24%	578	27%	8	32%	322	23%	710	22%	1,878	24%	48	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	57	5%	245	11%	-	0%	76	6%	186	6%	564	7%	7	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	432	40%	154	7%	11	44%	669	49%	1,573	49%	2,839	36%	- 32	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	43	10%	4	3%	-	0%	53	8%	160	10%	260	9%	- 10	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	48	11%	1	1%	3	27%	84	13%	161	10%	297	10%	- 17	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	40	9%	1	1%	-	0%	33	5%	193	12%	267	9%	23	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	30	7%	-	0%	-	0%	31	5%	44	3%	105	4%	7	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	78	18%	146	95%	2	18%	233	35%	676	43%	1,135	40%	49	Rebuild construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Construction completed - Repairs	167	39%	-	0%	5	45%	210	31%	270	17%	652	23%	18	Repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.
Total construction completed	245	57%	146	95%	7	64%	443	66%	946	60%	1,787	63%	67	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	702	65%	2,136	99%	15	60%	900	66%	2,117	65%	5,870	75%	137	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 29 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	Mar-16	Apr-16	May-16
III Scheduled for inspection	166	172	186	191	227	184	218	232	209	189	215	174	180	105	85	70	71	95	153	115	135	122	126	117	106	81	74	77	73
■ 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	349	328	306
■ 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	322	338	350
■ Construction with Southern Response - pre documentation	1,242	1,121	1,031	945	888	866	834	792	791	715	597	598	601	562	530	504	469	436	415	323	256	226	226	208	217	185	154	128	123
III 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	656	614	557
III Under construction	373	399	459	471	505	540	572	583	599	609	618	603	621	618	603	595	533	543	538	510	513	495	479	442	442	444	434	409	372
■ Customers elected to buy another house, self-manage build or cash settle	3,018	3,034	3,066	287	235	192	184	177	210	193	192	184	174	164	158	152	166	156	140	139	137	124	129	131	136	201	212	227	226
■ 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	3,873	3,953	4,013	4,083
■ 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	1,615	1,670	1,720	1,787





Out of Scope properties as at 31 May 2016	
Fully settled properties	21,117
In progress	415
Properties to still be assessed	171
Total out of scope properties	21,703

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.