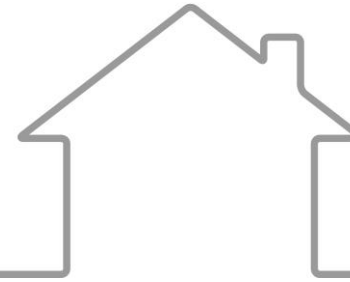


S O U T H E R N
R E S P O N S E

Urupare ki te Tonga



Progress to the end of September 2016

Over cap claims: Detailed analysis

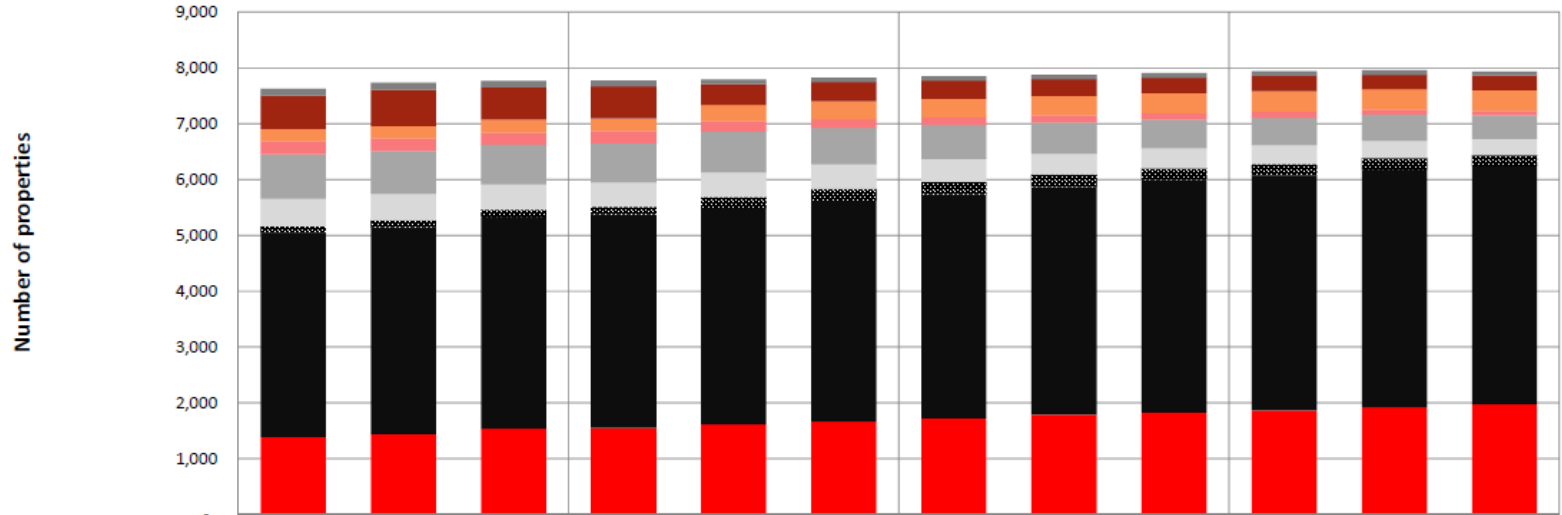
Status Breakdown	Settlements Complete		In Progress	
Totals (at 30th September 2016)	6,237		995	
	Purchasing another house	1,869	Cash settlements in progress	202
	Cash settlement	1,862	In design <i>Site considerations being reviewed, geotechnical, engineers, planning, design underway</i>	498
	Customer managed rebuild	534		
	Southern Response construction complete (rebuilt and repairs)	1,972	Under construction <i>Construction contract signed, consent issued</i>	295
	<i>Subtotal rebuilds & repairs</i>	2,506		

Southern Response progress to end of September 2016	Green Zone ¹		Red Zone		TC1		TC2		TC3		Total		Actual 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	1,101	100%	2,129	100%	28	100%	1,410	100%	3,268	100%	7,936	100%	14	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. The number of claims Notified to Southern Response can increase or decrease as claims are determined as being over or under the EOC cap. More claims going under cap during the month than new claims notified results in a negative number of claims.
% of overall claims	14%		27%		0%		18%		41%		100%			
Assessments & Costings	1,091	99%	2,128	100%	28	100%	1,379	98%	3,241	99%	7,867	99%	22	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 EOC cap.
Offers to customers	1,042	95%	2,124	100%	24	86%	1,291	92%	3,122	96%	7,603	96%	16	The gap between the Assessments & Costings being completed and Offers to customers can be due to the DIA (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:	952	86%	2,122	100%	21	75%	1,201	85%	2,936	90%	7,232	91%	11	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	190	17%	1,178	55%	1	4%	100	7%	431	13%	1,900	24%	9	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	288	26%	545	26%	11	39%	365	26%	771	24%	1,980	25%	18	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	63	6%	246	12%	-	0%	80	6%	198	6%	587	7%	6	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	411	37%	153	7%	9	32%	656	47%	1,536	47%	2,765	35%	- 22	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.

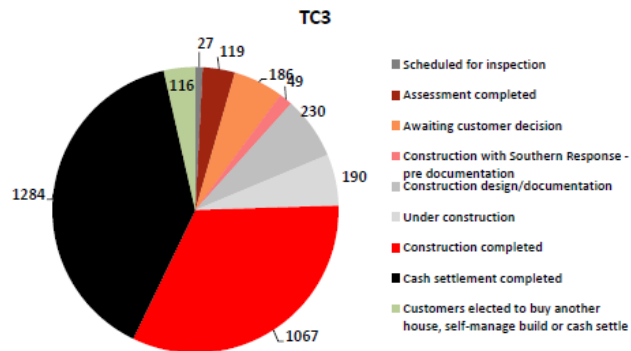
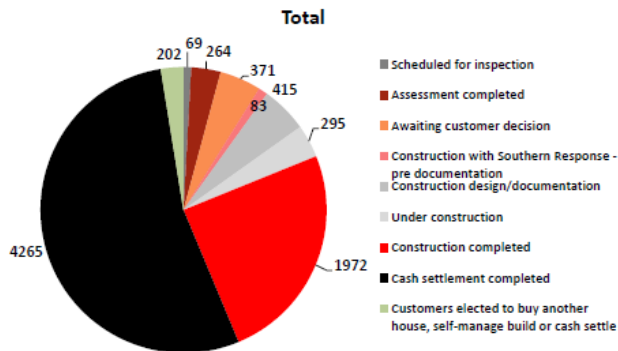
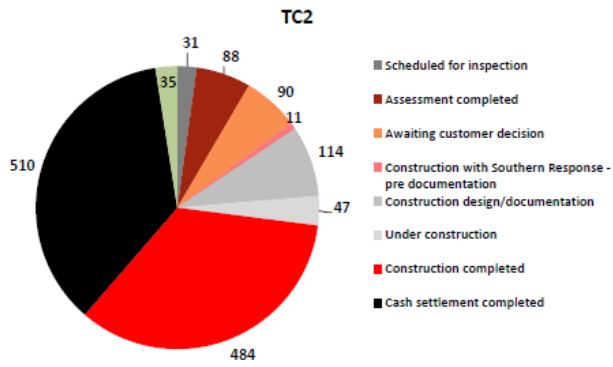
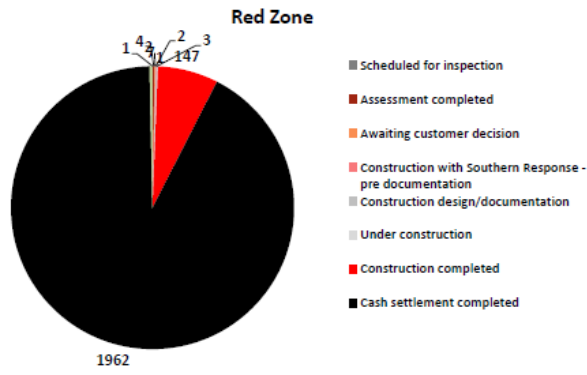
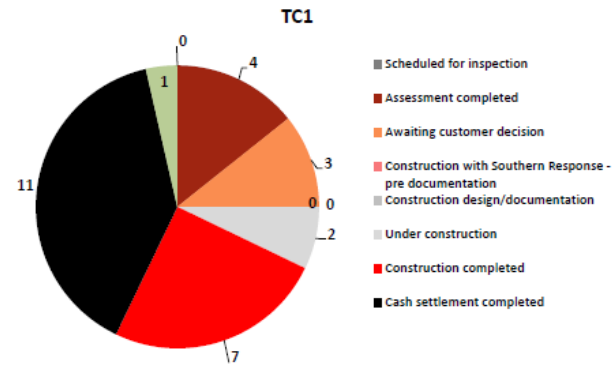
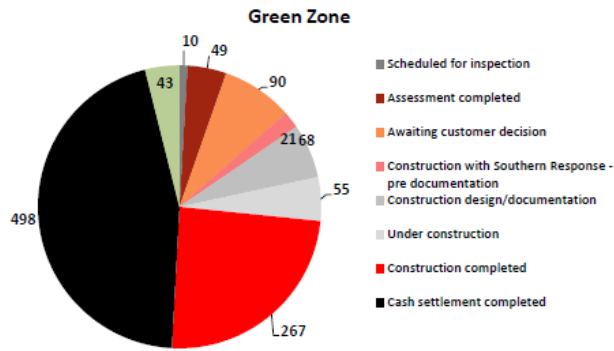
														Movement from Last Month of customers who were in or completed this stage	
Design/documentation - Rebuilds	31	8%	2	1%	-	0%	42	6%	122	8%	197	7%	- 3	Customers who have elected to rebuild with Southern Response and are currently in the documentation process. The percentage of claims at this stage is shown 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	37	9%	1	1%	-	0%	72	11%	108	7%	218	8%	- 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	36	9%	1	1%	-	0%	28	4%	155	10%	220	8%	29	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	19	5%	-	0%	2	22%	19	3%	35	2%	75	3%	11	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	87	21%	147	96%	2	22%	254	39%	771	50%	1,261	46%	35	Rebuild construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.	
Construction completed - Repairs	180	44%	-	0%	5	56%	230	35%	296	19%	711	26%	13	Repair construction completed, with the percentage of claims at this stage shown as a percentage of Building with Southern Response claims.	
Total construction completed	267	65%	147	96%	7	78%	484	74%	1,067	69%	1,972	71%	48	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	765	69%	2,109	99%	18	64%	994	70%	2,351	72%	6,237	79%	86	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.
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Status of properties for the last 12 months



	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
■ Scheduled for inspection	122	126	117	106	81	74	77	73	78	78	77	69
■ Assessment completed	596	649	575	576	371	349	328	306	281	280	258	264
■ Awaiting customer decision	224	219	243	228	299	322	338	350	356	365	366	371
■ Construction with Southern Response - pre documentation	226	226	208	217	185	154	128	123	121	112	90	83
■ Construction design/documentation	800	761	715	696	723	656	614	557	511	490	470	415
■ Under construction	495	479	442	442	444	434	409	372	359	338	303	295
■ Customers elected to buy another house, self-manage build or cash settle	124	129	131	136	201	212	227	226	207	202	207	202
■ Cash settlement completed	3,649	3,698	3,801	3,826	3,873	3,953	4,013	4,083	4,169	4,209	4,261	4,265
■ Construction completed	1,390	1,446	1,536	1,551	1,615	1,670	1,720	1,787	1,827	1,867	1,924	1,972



Out of Scope properties as at 30 September 2016

Fully settled properties	21,234
In progress	343
Properties to still be assessed	142
Total out of scope properties	<u>21,719</u>

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.

Out of Scope Progress as at 31 August 2016

