



Southern Response Earthquake Services Limited

[www.southernresponse.co.nz](http://www.southernresponse.co.nz)

## MEDIA RELEASE

Strictly Under Embargo Until 2.30pm, 30 January 2017

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### CLASS ACTION APPEAL

*A spokeswoman for Southern Response said:*

“Southern Response today filed an appeal of the High Court’s decision to allow a proposed class action to proceed.

“We are concerned that a class action will not fairly and efficiently resolve each customer’s individual insurance claim. We are also concerned that a class action will delay the settlement of individual claims, especially given the Court’s indication that customers’ individual insurance claims will not be considered by the Court until after the Group’s general claim is dealt with.

“The High Court also said that the class action is based on a “reasonably tenuous” general claim by the Group about Southern Response’s claims management practices, and that the Court reached its decision to allow a class action to proceed “by a rather fine margin”. The Court’s decision follows an earlier decision by the High Court that did not allow a class action to proceed.

“The Group’s claim about Southern Response’s claim management practices, which the High Court described as “tenuous”, has no basis and there is no evidence to support it. As a result, a class action should not have been allowed to proceed. Instead, customers’ insurance claims should be dealt with on an individual basis, taking into account the unique circumstances of each case.

“Southern Response also holds serious concerns about the impact of the funding arrangements for the class action on individual customers. We welcome the Court’s decision that some customers may have been misled about some aspects of the class action, and that the Group’s Australian funder and lawyers must take corrective action.

“We continue to offer customers the opportunity to seek two free hours’ expert, independent legal advice from a lawyer of their choice (not involved in the action) around the conditions of the class action so they are well informed on the risks of being locked into this method of litigation.

“The original representative for the Group has now settled with Southern Response and has withdrawn from the action. An additional ten other Group members have also settled their claims with Southern Response and have withdrawn from the action (or are in the process of doing so).

“As the Group reduces from the original 47, we will continue to work with the remaining 36 customers in the Group, and all other customers, to settle their claims fairly and as quickly as possible.

“Since the original proposed class action was launched in April 2015, we have successfully settled 2,289 claims. In total, we have successfully settled 83 percent of our nearly 8,000 over-cap house claims and 99 percent of our 21,693 out-of-scope claims.

“More widely, we are focused on supporting customers with disputes to use less costly and more efficient methods of dispute resolution, including mediation and the Insurance and Financial Services Ombudsman, and free support from external parties such as Breakthrough Services or the Residential Advisory Service.

“As we enter the final stages of our programme, we are committed to working closely with our remaining customers to resolve their claims fairly and as quickly as possible.”

**ENDS**

**For further information, please contact:**

Linda Falwasser

Strategic Communications

021 311 451

[Linda.falwasser@southernresponse.co.nz](mailto:Linda.falwasser@southernresponse.co.nz)