

The ins and outs of disaster insurance

ALAN KNOWSLEY



Legal matters

What is EQC cover and what does it cover? EQC (Earthquake Commission) is a government-guaranteed insurance scheme for residential homes, land and contents to cover loss or damage from earthquakes, volcanic eruptions, natural landslides, tsunamis and hydrothermal activity.

Residential land also has limited storm and flood cover. Cover is also provided for fires resulting from any of these natural disasters.

You get automatic cover if you have private home insurance that covers fires (home and land) and automatic cover for contents if you have private insurance for your contents (that covers fire).

The maximum cover for your home and land is \$160,000 per event and \$20,000 per event for your contents. When you pay your private insurance, 15c of every \$100 of cover you have goes to EQC as its premium.

Cover includes residential

buildings plus outbuildings such as sheds and garages.

Your service pipes and cables are also covered up to 60 metres from the dwelling.

Only some of your land is covered – land under or within 8 metres of your dwelling or outbuildings; land under your main access way (but not including any artificial driveway surface); bridges and culverts within 8 metres of your dwelling; land within 60 metres supporting your main access way; and retaining walls that support your dwelling or land covered (within 60 metres of the house).

EQC will deduct an excess from your claim – \$200 for up to a \$20,000 claim (1 per cent of the claim over that) for dwellings and contents; \$500 for land for a claim up to \$5000; and up to a maximum excess of \$5000 (at 10 per cent of the claim) for land claims over \$5000.

EQC does not cover things such as information on a computer, jewellery, money, documents, motor vehicles, boats, explosives, trees, plants and lawns, crops, animals, tennis courts, jetties, paths, drives, paving, fences, drains, swimming pools, burglary/theft/vandalism after a natural disaster and alternative accommodation.

Some may be covered if they are part of your dwelling – for example, an indoor swimming



It is advisable to understand what earthquake insurance you have before disaster strikes.

PHOTO: FAIRFAX

pool.

Claims must be made to EQC within three months of the day your property or contents are damaged.

You will need to provide

details of the damage and who your insurer is.

When paying a claim, EQC can:

- Pay the replacement or repair costs.

EQC does not cover things such as information on a computer, jewellery, money, documents, stamps, motor vehicles, animals or boats.

- Replace the damaged items.
- Arrange to do the repairs.
- Rebuild on the same site or elsewhere.

- Remove soil and debris from a landslip.

- A combination of the above.

Once a claim is paid, EQC may reinstate your insurance (and get a new premium from your payout) or cancel the insurance.

You can seek reinstatement of cover once you have done the repairs or replacement.

Column courtesy of Rainey Collins Lawyers, phone 0600 730 484 or raineycollins.co.nz. If you have a legal inquiry, email alanknowsley@raineycollins.co.nz. Our next free public seminar, which deals with relationship property, will be on March 25, 12.15pm @ 1.30pm.