

Canterbury Earthquake - our progress so far

With the reinstatement of Canterbury underway, we're working hard behind the scenes to get your customers back on their feet.

Vero has estimated we will make a \$2.1 billion injection into the New Zealand economy as we get on with repair and rebuild efforts.

While we're making good progress, a number of factors make it difficult for us to move forward with some of our plans. Aftershocks such as those experienced on Queen's Birthday and on 13 June, add to the uncertainty about when and where to begin rebuilding.

The continued seismic activity as well as other issues such as land stability that need to be resolved, means we haven't been able to begin reconstruction work as fast as we'd have liked to. However, we've made good headway in progressing claims as far as we can through our joint venture with MWH Mainzeal who are currently working on four major workstreams for us:

- Domestic Categories 1 & 2 (major rebuild and repairs)
- Domestic Category 3 (EQC-excluded damage)
- Small commercial building claims
- Engineering and demolition co-ordination

I'd therefore like to focus on the work we've been doing with MWH Mainzeal and the progress we've made before the June 13 aftershocks.

Domestic Categories

Domestic Categories 1 & 2

- 97% of all scoping surveys have been completed
- 80% of all category 1 & 2 claims have had progress reports forwarded to Loss Adjusters
- 20% of category 1 risks have been confirmed as total losses requiring rebuilds
- 40% of category 1 risks have been confirmed as repairable (prior to 13 June events)
- Remaining 40% of category 1 claims are in the process of being surveyed, estimated and confirmed as repair or rebuild and good progress is also being achieved on estimating category 2 claims.

Domestic Category 3

On 23 May, we started scoping the category 3 work. Surveyor resources are being applied to complete approximately 120 surveys per week (with a total of over 240 being completed across the Vero brands) and contractors are engaged to price and sign off on category 3 work in approved areas.

Communication With Your Customers

In support of the work done with the category 1, 2 and 3 claims, we're sending out letters to your customers advising them which category their house falls into and setting out the various settlement scenarios that may be available to them. We'll also let them know what the next steps are.

MWH Mainzeal have an outbound calling operation for your customers in the above categories to verify customer details so we can keep them updated on the progress of their claims.

Before the June 13 aftershocks we were well on track make our end of June target to call all category 1, 2 and 3 claimants. However, after 13 June the existing outbound calling operations ceased and the outbound call operators focused instead on calling all category 2 claimants to find out if they need Make Safe or Make Warm repairs.

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Before the June 13 events, 74% of all category 1 and 2 claimants had been called and the majority of those who'd had site visits rated this experience positively.

The number of call and email enquiries continues to increase. Call numbers have more than doubled over the past month and email queries have also picked up dramatically.

Customer Website

On Monday, 2 May we launched a website designed to keep customers informed about repairs being made to homes affected by the Canterbury earthquakes. The website was developed and designed with MWH Mainzeal.

The information on the website relates to repair or rebuild status updates only and will be provided to customers in addition to the support provided by their Vero claims consultants and MWH Mainzeal representative.

During May, we ran a pilot with 50 users across Vero. In June we started the deployment to all other customers in domestic categories 1 and 2. The roll-out has been extended to approximately 200 customers per week who receive a letter and/or email with details on how they can register on the website.

In July, brokers with domestic category 1 and 2 customers affected by the quake will be able to access the site.

You can access the websites at:

<https://www.vero.earthquakeinfo.co.nz/>

<https://www.aai.earthquakeinfo.co.nz/>

<https://www.amp.earthquakeinfo.co.nz/>

Make safe / Make Warm

1,469 make safe / make warm requests were received, of which 1,250 have been completed. The remainder of open requests are predominantly for heating replacements or repairs and there is a lead time of several weeks for this due to external suppliers.

Commercial Claims

In the commercial space, pre-demolition surveys are underway in the CBD and Lyttleton with scoping reports being prepared and forwarded to loss adjusters.

As you can see, we've been busy and we'll continue to do everything we can to ensure that you and your affected customers can get back to normal as soon as possible.

If you have any further queries or would like more information about our response to the earthquakes, please feel free to drop me an email.

Regards,

Peter Bloy
Executive Manager, Canterbury Earthquake Response