

Community Forum
Private Bag 4999
Christchurch 8140

Meeting notes for the meeting of the CERA Community Forum
Thursday 21 June 2012, 7.30pm
Christchurch Netball Centre, Hagley Avenue

Present:

Community Forum members:

Marty Braithwaite, Weng Kei Chen, Ruth Jones, Emma Twaddle, Siong Sah (John) Wong, Lynne Ball, Leah Carr, Belinda Charteris, Leanne Curtis, Gill Cox, Martin Evans, Maria Godinet-Watts, Peter Jenkins, Tom McBrearty, Lesley Murdoch, Jocelyn Pappriell, Faye Parfitt, Brian Parker, John Peet, Bruce Russell, Walter Stone, Rachel Vogan, Darren Wright, Patricia Siatage, Brian Vieceli

Apologies

Glenda Burt
Ross Brereton
Glenda Burt
Paul Lonsdale
Deborah McCormick

Chair

Trevor McIntyre

In attendance

Jacinda Lean, Manager, Ministerial and Chief Executive Support, CERA
Jane Bryden, Office of the Hon Gerry Brownlee, Minister for Earthquake Recovery (arrived at 8:30pm)
Benesia Smith, General Manager, Office of the Chief Executive, CERA (arrived at 8:30pm)

1. Insurance and Savings Ombudsmen's Office (ISO), Ian Oprey

1.1 Ian Oprey, Manager of EQ Response for the ISO, presented an overview:

- free service to those whose insurance companies are a member to the ISO Scheme, funded by insurance companies
- 1200 members
- in operation for 16 years
- an approved scheme, approved on 19 May 2010 as a dispute resolution team
- most major insurers are members so high exposure in relation to earthquakes
- ISO has no jurisdiction in respect of EQC, this lies with parliamentary ombudsmen, but has a close working relationship
- they have jurisdiction of the Fair Insurance Code also.
- defined process:
 - issues in dispute firstly have to be dealt with by insurance company through its internal complaints review process, i.e. By staff not actually handing the particular claim
 - letter of deadlock required for the claimant to take a formal complaint to the ISO, enabling ISO to access the original file

- fair and reasonable outcome is the objective, based on an interpretation of the policy/contract
- ISO decides whether they have jurisdiction, the main limitation being a limit of the amount in dispute of \$200,000. ISO can only go beyond this limit with insurance company agreement
- once jurisdiction accepted, cases allocated in order received
- insurance company entitled to respond to information provided by claimant, response in turn provided to claimant
- no prescribed requirements in terms of documentation provided to support complaint
- ISO can choose negotiation, conciliation, mediation, full investigation and written assessment
- a key part of the ISO role is managing customers' expectation.

1.2 Discussion:

- 700 enquiries received but only 33 formal complaints for investigation since Sept 2010, generally residential, a small number business interruption.
- process timeframes vary two days to six months, but 90 days is the benchmark
- insurance companies are legally bound to notify changes to policies, it was noted that the ISO has faced challenges accessing policies
- ISO attempts to deal with complaints at the inquiry level, but if unsuccessful, final decisions made after an investigation by ISO are binding
- many claimants fear upsetting their insurance company, and have difficulty getting a letter of deadlock. If unreasonably withheld, ISO can enforce. Claimants should contact ISO.
- Residential policies provide a number of remedies for claim resolution; should a repairable damaged house in the red zone be treated as a total loss because repairs will never be carried out? Land is not insurers' responsibility, so insurer entitled to cost repairs on dwelling irrespective of zone.
- a challenge for the ISO is it does not have full scope of works developed by the project management company, which means neither does the insurer, the customer or the ISO. ISO can not compel provision.
- Repair costs in the red zone will never be tested, TC1 foundation requirements are used so the costing will never be accurate, they should be the TC3 (at least)
- Disputes over what is meant by 'as new'? Legal opinion is inconclusive. What are commonly used materials?
- Business interruption claims are still not settled as adjusters are still waiting for information from accountants.
- Insurance to move back to a sum insured price not square for square, as insurers look to control costs.
- Level of underinsurance is a concern.

- Action Point: The forum will provide a report to the Minister for Canterbury Earthquake Recovery on insurance matters

ACTION: Forum to develop observations and feedback on insurance for Minister Brownlee

2. Forum Discussion

2.1 Christchurch Central Development Unit 100-Day Blueprint

- One member raised a discussion about the role of the Forum in supporting the blueprint, and the importance of showing leadership on the issue.
- Jane Bryden and Benesia Smith offered to have Warwick Isaacs come to the next meeting to present what is being considered, to the degree possible at that time.
- Forum members agreed to consider questions and issues prior to presentation.
- The Forum suggested that its feedback to the proposed plan would be useful before it is put to the Minister.

ACTION: Warwick Isaacs to attend the next meeting

2.2 A proposal to start meetings earlier, at 5.30pm or 6pm, was discussed. 6pm agreed.

2.3 Meeting notes on the website. It was agreed that meeting notes should be posted as soon as possible.

2.4 It was agreed that the development of the Avon-Ferrymead project was a key one for Christchurch. It was further agreed that projects leaders be invited to present on the project at a Forum meeting in the near future.

2.5 One Forum member requested copy of the final Recovery Strategy document, and expressed disappointment that this had not been done. Jane Bryden apologised for what appeared to be an oversight and agreed to ensure copies are provided. She further noted the valuable feedback to the development of the Recovery Strategy and thanked the Forum for that.

2.6 Schools renewal plan. The Forum agreed that the renewal plan is high level and there is a large amount of work to be done to get this to the ground level.

2.7 The Forum discussed what they want to achieve in regards to the Council – deferred to next meeting.

ACTION: Jane to forward copies of Recovery Strategy to Forum members

3. Next meeting

5 July 2012.

The meeting closed at 9:30pm.

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982