

# COSTS THAT CONTRIBUTE TO YOUR EQCOVER ENTITLEMENT

This factsheet describes the costs and elements that contribute to your EQCover entitlement under the Earthquake Commission Act 1993.

EQCover provides payment to a maximum amount of insurance. In this factsheet, this is referred to as 'cap'.

Toka Tū Ake EQC has partnered with a number of Aotearoa New Zealand's private insurers to manage EQCover claims on behalf of Toka Tū Ake EQC. If your private insurer is managing your EQCover claim, you will need to contact them directly for any EQCover related matters.

## WHAT'S THE EXTENT OF MY EQCOVER?

### Residential Buildings

Under EQCover, your residential building is insured on a replacement value basis up to the maximum amount of \$150,000\* + GST or the lesser of the following two options:

1. Any replacement sum for which your building is insured against fire by your private insurer; or
2. Any amount specified in your private insurance policy for which your building is insured under the Earthquake Commission Act; or

If there are multiple homes within a residential building (disclosed to your insurer when you entered or renewed your insurance policy), the EQCover is arrived at by multiplying the maximum EQCover amount by the number of homes<sup>1</sup> within the building.

\* From 1 October 2022, the maximum amount increases to \$300,000 + GST on the anniversary date (generally the annual renewal date) of when your existing insurance policy started, or at the time you enter into a new insurance policy on that property.

### Residential Land

EQCover insures certain areas of your residential land on an indemnity basis up to the maximum amount payable under EQCover for land.

Your EQCover land settlement will be calculated by comparing the cost to repair the land against the land cap and will settle the claim on the lesser of these amounts.

The maximum amount of EQCover for your residential land claim is made up of two parts:

1. The market value at the site of damage which is determined by the smallest of the following three areas:
  - the area of land that is actually lost or damaged; or
  - the minimum-sized site allowed under the District Plan in your area (if applicable); or
  - an area of land of 4,000 square metres; and
2. The indemnity value of any insured bridges, culverts or retaining walls that have been lost or damaged.

<sup>1</sup> In this guide we use the term 'home' while the Act uses the term 'dwelling' to refer to any self-contained premises used, or capable of being and intended to be used, as a home or holiday home.

## COSTS THAT DO CONTRIBUTE TO YOUR EQCOVER CAP

Your EQCover entitlement includes costs that are determined based on what is reasonably required to settle the claim(s). These include:

- urgent repairs, where applicable
- estimated repair costs
- actual repair costs (e.g. costs from a quote or invoice you provide)
- market land values
- indemnity value of structures (see [Guide to Residential Land for homeowners<sup>2</sup>](#))

## COSTS THAT DO NOT CONTRIBUTE TO YOUR EQCOVER CAP

Your EQCover entitlement excludes any reasonable costs incurred in obtaining reports to determine the claim settlement. Examples of claim handling fees/costs incurred include:

- Engineering costs
- Valuation costs
- Surveying costs
- Property information costs

Please note that the above *claim handling fees/costs* may be covered by EQCover but will not contribute to your EQCover cap.

## WHAT IF THE EQCOVER CLAIM GOES OVER MY EQCOVER BUILDING CAP?

Your claim manager will discuss what options are available to you if the amount of damage exceeds your EQCover building cap.

## WHAT IF I AM NOT THE ORIGINAL OWNER?

If you are not the original owner of the property, and you have had the EQCover, and/or private insurance claim assigned to you, you may find useful information on the Toka Tū Ake EQC website [www.eqc.govt.nz/buying-a-home](http://www.eqc.govt.nz/buying-a-home)

## FOR MORE INFORMATION:

Visit [www.eqc.govt.nz](http://www.eqc.govt.nz) or;

- Call 0800 DAMAGE (0800 326 243)
- Write to Toka Tū Ake EQC, [info@eqc.govt.nz](mailto:info@eqc.govt.nz) or PO Box 311, Wellington, 6140
- If your claim is managed by your private insurer, you will need to contact them directly for your EQCover claim related matters.

If English is not your first language you can ask us for an interpreter, at no cost to you, by calling Toka Tū Ake EQC on **0800 DAMAGE (0800 326 243)** or request a translated version of this document on [www.eqc.govt.nz](http://www.eqc.govt.nz)

<sup>2</sup> <https://www.eqc.govt.nz/our-publications/householders-guide-to-residential-land/>