

11 October 2018

The Committee Secretariat
Governance and Administration Select Committee
Parliament House
WELLINGTON

SUBMISSION OF THE CHRISTCHURCH CITY COUNCIL ON THE CANTERBURY EARTHQUAKES INSURANCE TRIBUNAL BILL

1.0 Introduction

- 1.1 The Christchurch City Council would like to thank the Committee for the opportunity to comment on this Bill.
- 1.2 The Council does not wish to be heard in support of its submission.

2.0 Submission

- 2.1 The Council is aware there are still many people in the community struggling with outstanding earthquake insurance issues, and for that reason it supports the Bill and its aim of establishing the Insurance Tribunal.
- 2.2 It also supports the establishment of the Greater Christchurch Claims Resolution Service (GCCRS), which was announced this week. It is positive that the GCCRS has opened its doors without waiting for the Bill to pass, and that users of the GCCRS will still be able to apply to the Tribunal, when that service is established, if resolution is not reached through the GCCRS.
- 2.3 The Council supports the proposal that the Tribunal's services be fee-free for applicants. However, the Government needs to ensure, that alongside the establishment of the Tribunal, it provides sufficient budget and resource to enable the Tribunal to be effective and provide the speedy, flexible, and cost-effective services proposed in the Bill. The Tribunal's service should not take longer than current services available.
- 2.4 The Council notes that it raised the need for advocacy and advisory services and a special tribunal in 2012, and has been an active supporter in this area. It provided seed funding of \$200,000 to assist in the establishment of the Canterbury Insurance Assistance Service (CIAS) that was formally established in 2014 as an insurance focused assistance service. Council also provided an office space at no charge for CIAS staff to work from, and a further \$50,000 was granted by Council in 2016.
- 2.5 The Council's experience as a stakeholder with the Residential Advisory Service (RAS) also provides strong evidence to support the establishment of a Tribunal.

2.6 In brief the Council is a stakeholder in the RAS. This service was established in 2013 as a collaboration between the Canterbury Earthquake Recovery Authority (CERA), the Earthquake Commission (EQC) and the Insurance Council of New Zealand (ICNZ). The Council is currently continuing with its role in RAS collaborating with the Ministry of Business, Innovation and Employment and the Department of Prime Minister and Cabinet. The service works to provide advice and support to assist consumers with the resolution of their residential earthquake claims.

2.7 Evidence from the RAS illustrates a range of matters which support the establishment of a Tribunal including the following:

- The protracted claims settlement period over the past 8 years has caused severe psychological impact to consumers.
- The lack of clear processes to settle claims.
- The complexity of matters consumers had to grapple with including the scope of works, repair strategies, out of scope work, opt out, multiple insurers, retaining walls, weather tightness, remediation, body corporate, elevated flood risk and liquefaction. (RAS monthly report March 2017)
- RAS had approximately 533 unresolved cases in August 2018
- RAS continues to receive an average of nearly 17 new cases per week for the year ending 7 September 2018.

If a more detailed explanation of the Council experience with RAS would assist please refer to the submission made on the Insurance Contract Law Review: (<https://www.ccc.govt.nz/assets/Uploads/CCC-Submission-on-MBIE-Insurance-Contract-Law-Review-Discussion-Documen....pdf>)

2.8 The Council's final submission on this Bill is to ask the Government to ensure that after all insurance claims are resolved a full analysis of the Tribunal, the GCCRS and other advisory and advocacy services is carried out. New Zealand needs to learn from the experiences of these services with the aim of developing a far more integrated approach to claims resolution after another large scale emergency event.

3.0 Conclusion

3.1 If you require clarification on anything in this submission or additional information, please contact Judith Cheyne, Associate General Counsel in the Legal Services Unit, at judith.cheyne@ccc.govt.nz, or tel 03 941-8649.

Yours faithfully



Lianne Dalziel

Mayor

CHRISTCHURCH CITY COUNCIL