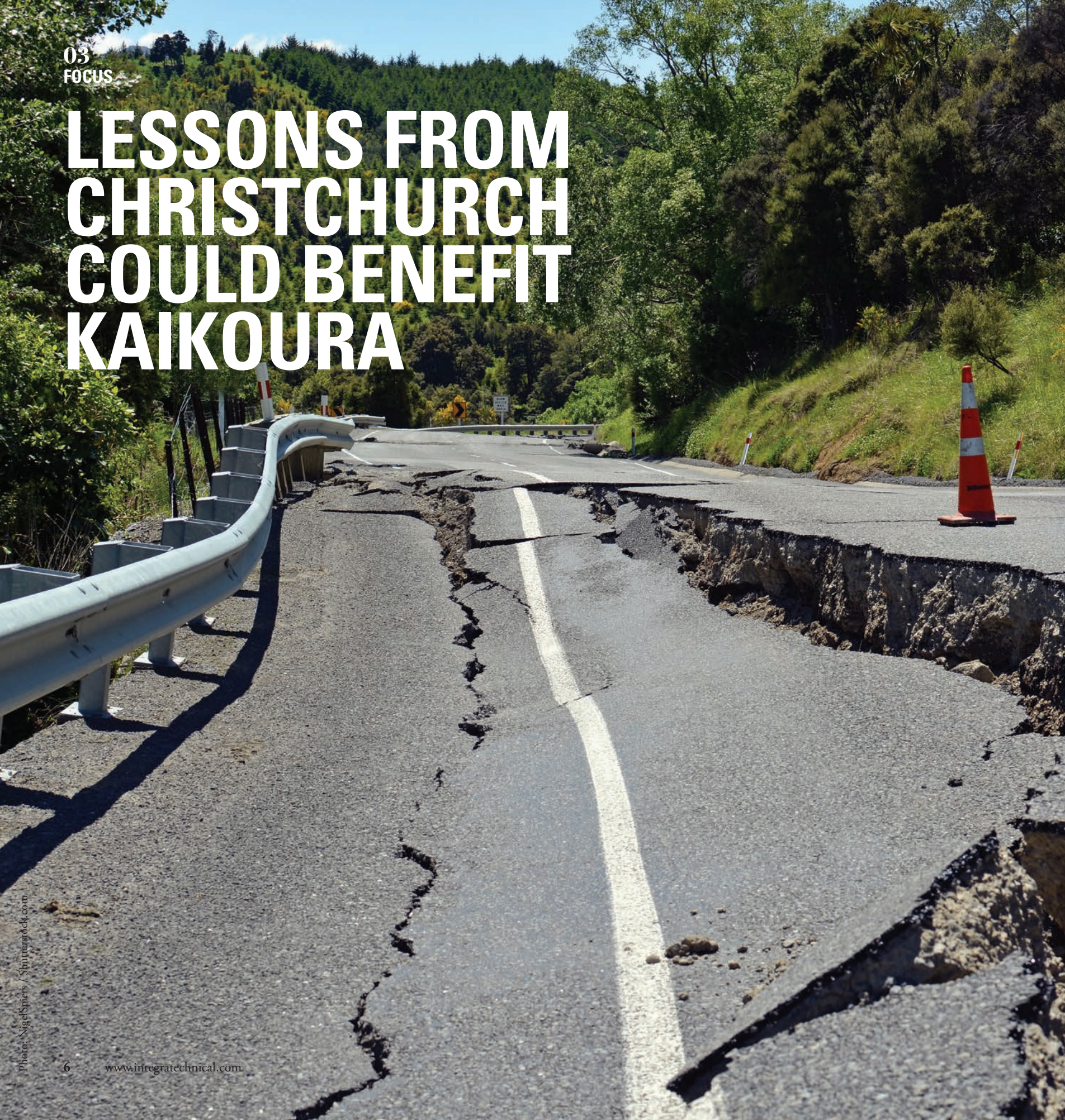


LESSONS FROM CHRISTCHURCH COULD BENEFIT KAIKOURA



On 14th November 2016 a magnitude 7.8 earthquake struck New Zealand. As has become the norm numerous aftershocks followed, some as large as 6.3 and are now numbering into the thousands. Recent reports from the Reserve Bank of New Zealand, the national insurance regulator, suggest total insured losses of NZD5 billion. Will the lessons of 2010/11 help speed the recovery?

Whilst the loss estimate falls some way short of the NZD40 billion arising from the 2010 and 2011 earthquakes, damage has still been extensive. As Thomas Pasley, Executive Adjuster at Integra Technical Services New Zealand explained “two weeks after the first quake, the town of Kaikoura still remained isolated by road and rail and the disruptive impact for both people and freight is significant and will spark many Contingent Business Interruption (CBI) claims”.

Structural damage to modern buildings that were expected to perform well in a seismic event of this type has sparked a government enquiry. Thomas pointed out that “if damage was due to poor design or construction then parties will be looking to those responsible, sparking a number of general liability and professional negligence claims involving numerous parties”.

Accepting that New Zealand were prone to earthquakes, in February 2016 a report published by the Reserve Bank of New Zealand considered the successes and complications of the rebuild following the 2010 and 2011 earthquakes in order to improve future resilience to such events.

One of the key findings was the need to reduce uncertainty, as five years on the rebuild was still some way from completion. A number of insurance-related legal issues had been clarified but the process of resolving disputes was a factor delaying the settlement of insurance claims and hindering the pace of recovery.

Thomas believes one of the key questions facing the government and insurance industry is “whether the lessons learned from the earthquakes of 2010 and 2011 will lead to a faster rebuild which is key to economic recovery and growth, as it reduces uncertainty and encourages businesses to invest and employ”

Thomas confirmed that Integra Technical Services were “playing their role in this process, working on a number of new instructions and well positioned to help improve claims management processes and outcomes”.

