

IMMEDIATE RELEASE:

Not All Neighbours Are Equal Some Insurers leave Property Owners in the Lurch

Christchurch property owners living side-by-side with near-identical house and land damage can have wildly diverging responses from their insurance companies, recent monitoring from InsuranceWatch.org.nz has revealed.

The volunteer-based initiative surveyed property owners from Ferrymead to Sumner to assess how insurance company were responding to earthquake claims. The Brookhaven subdivision has provided a perfect area for comparison, with many similar houses suffering very similar damage on ground that became TC3.

David Stringer, Chair of the Ferrymead-Brookhaven Residents Association, points out the houses in his area, listing the property owner, their insurer and what position they are currently in.

“That place there is surrounded by people insured with AMI, Tower and Lumley. All of them are onto rebuilds, or have been paid out, or are working on the design for their new home; but that place has got nowhere.”

The unfortunate property owner is insured with the IAG unit that operates through major banks. Far from progressing like their neighbours, they have yet to see a scope of works or even be assigned a case manager.

“There’s this circle around them of people getting on with their lives, and they’re marooned on a little island. Everyone around them has made progress and not them. Imagine watching all your neighbours getting their scope of work done last year, getting some certainty regarding their future, and you’re stuck without having had even one site visit from your insurer.”

Stringer feels for the residents under his care and knows from the InsuranceWatch.org.nz survey that such differentials are being experienced all over city. A fortunate few in his area have been insured with Lumley and Medical Assurance, companies which gained the best average ratings in the InsuranceWatch.org.nz survey.

“All of our [Lumley] policy holders in Brookhaven have made progress. They’ve got through a lot of milestones so far by comparison with the others.”

Stringer speaks approvingly of Westpac, which recommended Lumley to their clients. In the survey, some 15% of respondents had had their insurers recommended by their mortgage lender. The survey results showed Westpac customers as significantly happier with their insurer than those of ASB or BNZ. More than half of respondents who had insurers recommended by ASB or BNZ considered their insurance companies poor-to-awful in all four rating categories which covered communication, information, response and progress.

“In Brookhaven, ASB sold about the same amount of policy for IAG as Westpac did for Lumley, and a lot of their clients are sitting there with no progress. There are many people as unhappy with their bank as they are with their insurer, and we’re hearing that more and more of them plan to re-evaluate their choices.”

The InsuranceWatch.org.nz team hopes to see improvements in rate of progress and ratings as insurers get their act together and/or respond to the survey findings. The group will be undertaking a series of surveys to see if things improve at all in the coming months.

It’s possible to argue that these insurers have a very small number of claims to deal with, compared to the thousands that the major players have had. But you don’t have to be small to do a good job. AMI-Southern Response has gained a relatively high ranking in the InsuranceWatch.co.nz survey for its rate of progress, scoring almost twice the rank of its new IAG master. Stringer has been particularly impressed with AMI’s “very efficient” PMO Arrow.

“Everyone in Brookhaven on TC3 land who is insured with AMI and is over-cap has already been scoped with Arrow. The contrast with IAG is amazing.”

That’s not something confined to just one suburb. Up on the hills of Mount Pleasant another pocket of houses provides a similar contrast. One young family is watching their house fall apart, with little idea of what they can do as they see their neighbours move on with design work and rebuilds. The luckless family is with IAG-State, having been recommended that insurer through the BNZ. Their neighbours are almost all with AMI.

“We’re the only one with IAG. All of my neighbours - none with IAG - are all sorted. All of them know what’s happening in terms of rebuild or repair and have some sort of timeframe.”

The uncertainty is the killer, exacerbated by incorrect or inadequate scope of works, a refusal to provide structural reports, and a case manager who, while pleasant enough, seems incapable of making any kind of progress on their behalf. To add further insult, they have a North Island-based contents case manager requesting measurements for cleaning damaged carpets and curtains in a house that has been unsafe to enter and open to the elements since February last year.

Stringer acknowledges that there have been major frustrations on all sides with the delays and difficulties of such a massive rebuild and repair project, but adds that some insurers have handled this much better than others.

“There are important lessons to be learned in that, especially when picking your next insurer, regardless of whether you’re in Christchurch, Wellington or anywhere else in the country.”

Further information:

See the Magnitude of Misery graphic (next page) showing individual company ratings:
<http://InsuranceWatch.org.nz/ICNews>

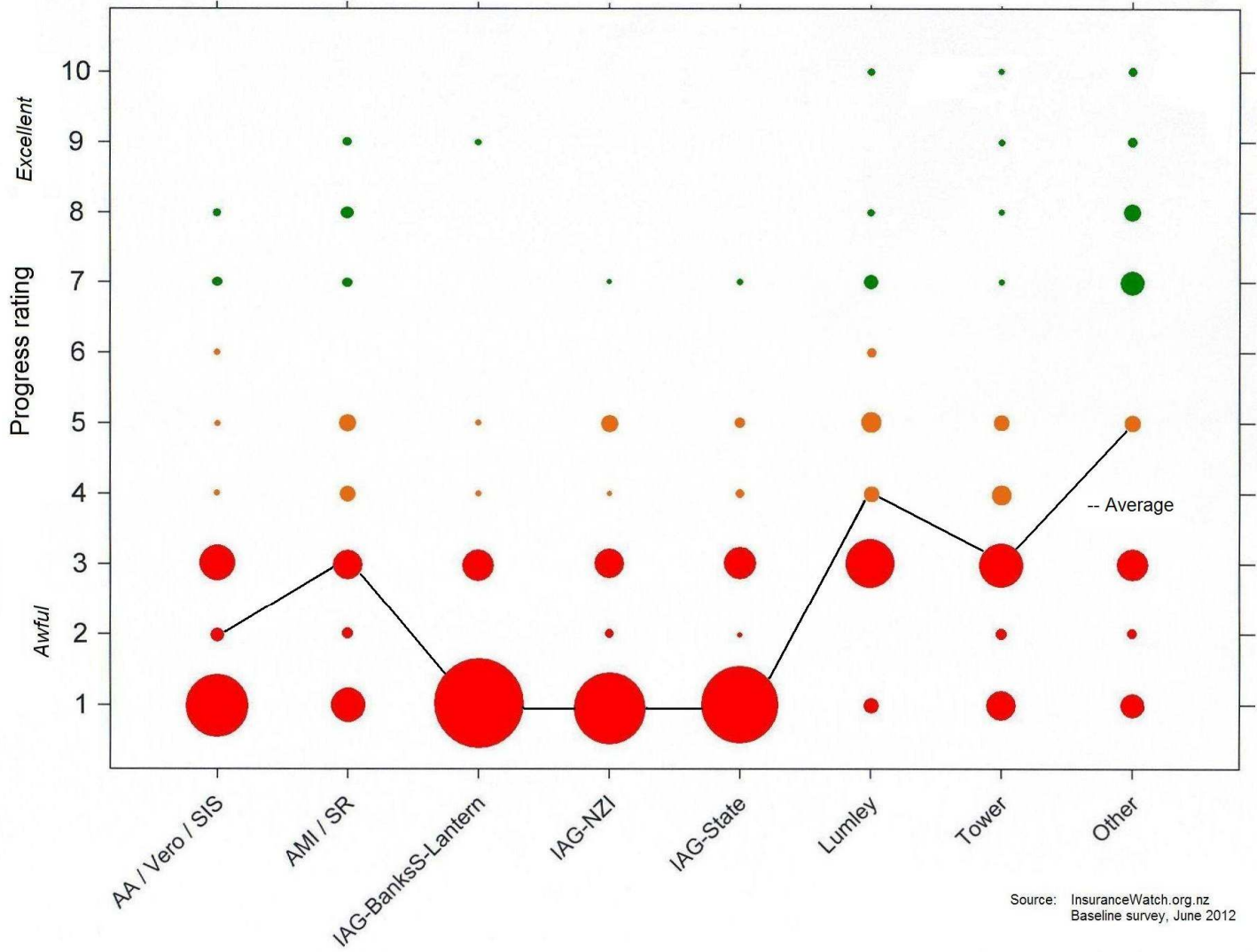
InsuranceWatch Survey is now open to all Cantabrians at:
<http://InsuranceWatch.org.nz> - also has current survey results and FAQ

Insurance issues and survey: <http://InsuranceWatch.org.nz>

Coastal Hills Cluster: <http://CoastalHillsCluster.org> (includes links to the residents groups)

Magnitude of Misery

Customer rating of progress by insurer (larger symbol for more customers)



Source: InsuranceWatch.org.nz
Baseline survey, June 2012