

IMMEDIATE RELEASE:

Insurer Pace of Progress Under Scrutiny

Consumers waiting on insurance company responses to the Christchurch earthquake rebuild now have a baseline set of measurements to see how they are progressing, courtesy of InsuranceWatch.org.nz. Insurance companies can also see how they are measuring up – some are clearly doing significantly better than others already.

The volunteer consumer watchdog group has released analysis from its recent 1,000-strong survey of Christchurch property owners, providing a baseline for comparison across insurers and over time as the group undertakes follow-up surveys.

“Our new Pace of Progress chart shows some striking differences between insurers when it comes to fulfilling some very basic process steps and information needs,” says InsuranceWatch’s David Stringer. The chart records how far the various insurers have progressed when it comes to making site inspections, confirming the repair/rebuild status of properties, and providing detailed damage reports.

As of the close of the baseline survey at the end of August, almost all property owners had had an on-site visit by EQC. There had been site visits to more than 80% of residential properties insured with Lumley, AA/SIS, Tower and Vero. The IAG group (State, NZI, Banks and Lantern) had made visits to fewer than 60% of the properties for which they were responsible.

Provision of detailed damage reports or scopes also shows a broad spread between companies, with AMI-Southern Response leading the pack, having given these to 75% of its customers, followed by Tower and Lumley around the 50% mark. Vero, including its Suncorp stablemates AA and SIS, and the IAG group had provided that information to only 15-20% of its clients.

“These figures show that what kind of information you get and when can vary hugely from insurer to insurer,” says Stringer. “Even something as relatively simple as having a repair/rebuild status confirmed in writing varied immensely. A poor score on that correlates very strongly with high levels of uncertainty and stress for those people who have waited 18 months or more to learn a crucial fact about their future.”

InsuranceWatch.org.nz will undertake a follow-up survey in October to see how this progress changes, and plans to add more key indicators as their sample group moves through the various stages towards a final resolution. Many insurers have been assuring their clients that they are now gearing up for the rebuild, promising additional assessment teams, confirmation of status, and firm offers of settlement or other options.

The figures for AMI-Southern Response provide a good example of the importance of keeping an eye on how things can change. The August-based Pace of Progress chart showed the company having visited 76% of its clients as of that month; some three weeks on, the company says it has now seen almost every client and has also completed assessments and costings for 99% of them.

InsuranceWatch is cautious about some of the claims being made by the industry and how they are presented. It notes that companies have been quick to talk about settling thousands of claims, but that, to date, the vast majority of these have related to sorting out relatively minor problems such as cracked footpaths and driveways. Some have combined figures for group members, making it difficult to assess how individual companies have been doing.

“As of September 18, IAG as a whole had completed a total of 36 rebuilds – NZI’s been quoting the group totals in its own company newsletters. Unless their clients spot the footnote, they may not be aware that 15 of those 36 rebuilds should be credited to stablemate State Insurance.”

Stringer praises AMI-Southern Response for its public website-based release of detailed figures broken down by zone and progress points, with accompanying explanatory notes. The company also wins brownie points for committing to updating this regularly so that changes can be readily monitored.

AMI-Southern Response Key Indicators/Progress page:

<http://www.southernresponse.co.nz/progress/southern-response-progress/>

“You get a sense that they are keeping a close eye on what they are doing and really putting some thought into it. And they’re not afraid to let their customers know how they are doing, even if their rebuild figure is still fairly low, at 19 completed.”

InsuranceWatch.org.nz is monitoring these kinds of figures to see how they match up with announced targets. IAG has said it intends to achieve a completed rebuild rate of 85 houses per month by the end of 2012. In August, it managed to complete six.

“We certainly hope to see these figures accelerate significantly in the next six months, and not just by completing the easy rebuilds on new developments out west,” says Stringer. “Actual rebuilds have been slow to get off the ground. We’ll just have to wait and see what the data tells us about how things change over time.”

InsuranceWatch.org.nz has also been organising public meetings where policy holders from across Christchurch can meet their insurers face-to-face to ask the hard questions. Some 200-400 people have been attending these, and summary notes of major points are made available on the organisation’s website. The next meetings will feature Lumley and AMI-Southern Response in late October and early November respectively.

FOR FURTHER INFORMATION

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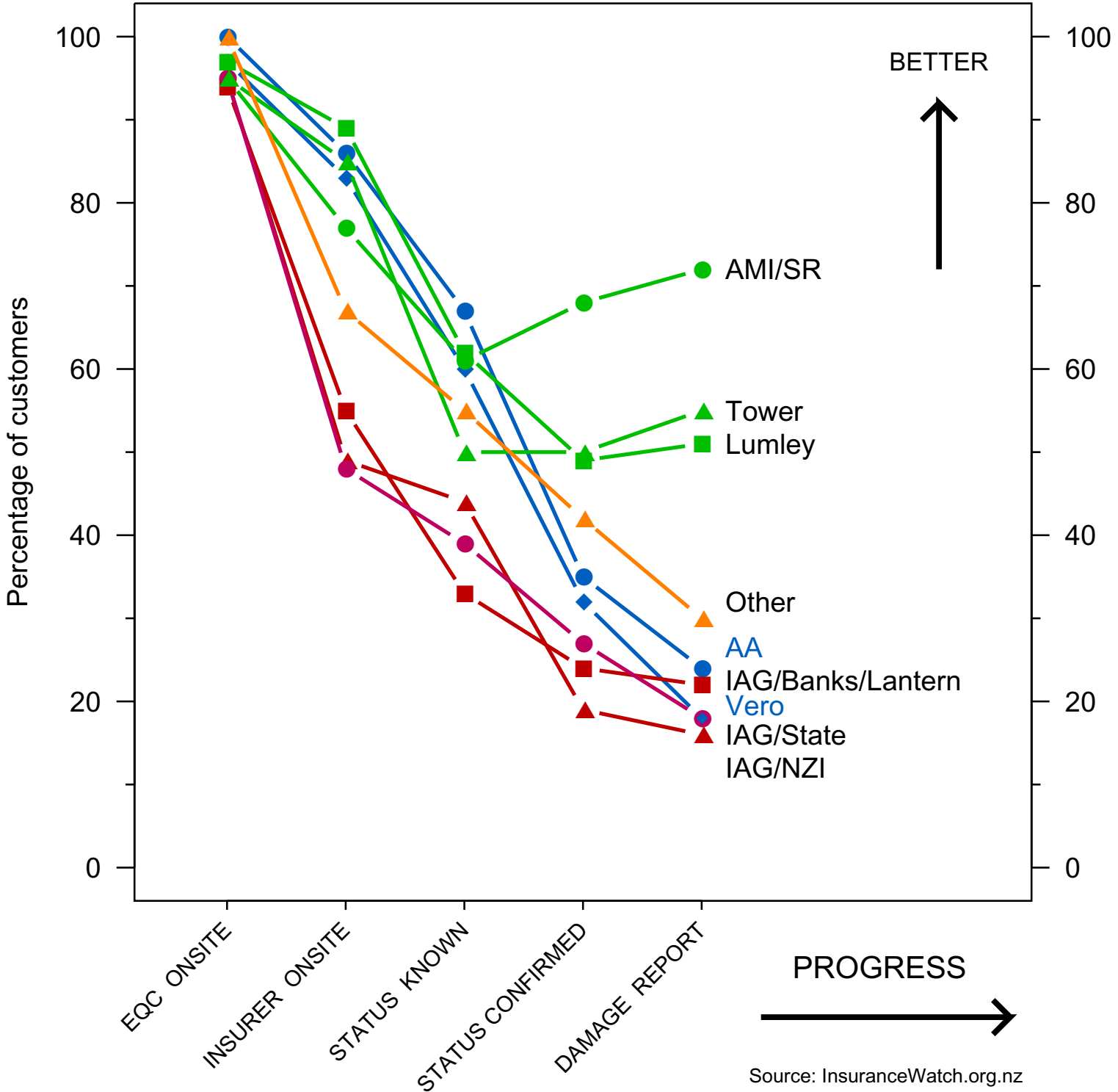
See Pace of Progress chart on next page.

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

Press releases, resources: <http://InsuranceWatch.org.nz/ICNews>

Pace of Progress

Customer progress towards their repair or rebuild



Source: InsuranceWatch.org.nz

Regional Baseline Survey Aug. 2012