

01 May 2012

Dear Sir / Madam

There has been a lot of confusion around TOWER Insurance using Stonewood Homes as their preferred building company, and quantity surveyor, and the subsequent reinsurance. I have sought clarification from TOWER and Stream (their PMO), and have received the following information:

*"You are correct to say that Stonewood is TOWER's preferred builder, however this is for volume builds on the flat. TOWER is also using at least 5 other building companies for new builds and have approximately 50 building crews for repairs.*

*If someone has a preference for a particular builder, we are happy for our customer to use them but they have to go through an accreditation process with Stream (our assessors and PMO); this accreditation is around being licensed, meeting the necessary Health and Safety requirements, and being a financially viable company. Once a builder is accredited the ongoing insurability of a customer's property once reinstatement is completed is no different to work completed by Stonewood (or any other accredited builder).*

*If a customer's builder does not wish to be accredited, or fails the accreditation process, then we will not use them. If the customer still chooses to use that builder we will not automatically offer insurance once the reinstatement has been completed (they would need to provide evidence that the work has been completed to the required standard and that they met the underwriting criteria of the day when the new policy is taken out).*

*Hopefully the above answers your questions, if you require further clarification or have any further questions please don't hesitate to email or call."*

*Kind regards,*

**David Ashe | Manager - Earthquake Recovery | TOWER Insurance**

In conversation with TOWER following this initial correspondence, I was told that they are having a few issues with the accuracy of pricing on hill properties, and properties over \$2,500 per square meter. This is something they're reviewing at the moment, looking for a solution – in the meantime, getting an independent quantity surveyor involved is critical to ensure the results for the home owner is reasonable.

Please feel free to circulate this to your membership, so that everyone is aware of TOWER Insurances actual requirements, rather than the inconsistent message that we're being given from different sources.

Kind regards

**Greg Young** NDAT ADNZ LBP  
Vice Chair - **ADNZ** Canterbury Westland Branch