

**oconnor** WARREN  
DOMESTIC



**‘Your home insurance policy is changing’**

[http://www.youtube.com/watch?v=i3-Kdt5XpHo&feature=share\\_email](http://www.youtube.com/watch?v=i3-Kdt5XpHo&feature=share_email)

# What are the changes?

- Changing Home Policies from M<sup>2</sup> to Sum Insured
- Following extensive research on building and demolition costs
- Will be using a **default** of \$2000 per Metre (excl GST)
- \$2300 including GST
- Will apply to all renewals and NB from 1 July 2013
- Updated policy coverage will be included with renewals

# Why are we doing this?

- Both insurers & reinsurers need to better understand their liability
- We saw what happened to those that got it wrong in CHCH
- Reinsurers focusing on New Zealand
- Latest CHCH estimates now exceed \$40 billion

# Setting home sum insured

- This approach is not new in NZ and is standard in most other parts of the world.
- Insurers & Brokers are not valuers and are unable to advise the replacement value of the home.
- Ultimately the customer needs to decide the amount of cover required

# How to set the Home Sum Insured

- Home Sum Insured calculator tool (Cordell)
- Cordell is an industry leader in Australia and has been for many years
- Tool will not handle extreme examples
- Quantity Surveyors
- Registered Valuers (Rebuild valuation)
- Builders

# What should we include?

This is not an exhaustive list

- Home
- Garage
- Outbuildings, garden shed
- Decks
- Retaining walls
- Driveways and paths
- Swimming pools & spa pools
- Architects fees
- Demolition & Removal of Debris
- Inflation

# High Level Home Coverage Changes

- New build & renovation work \$25,000
- Retaining walls now up to \$50,000
- Private roads and bridges \$20,000
- Alternative accommodation \$30,000
- Tree removal now included \$2,000
- Sewer and water pipe blockages now included
- Power Generation Equipment now included \$10,000



# Questions?

Tony Headland

*VERO - NZ Manager Personal Insurance*



**Hills Haden**  
Registered Valuers and Property Consultants

Proud suppliers to O'Connor Warren Insurance Brokers

- A Valuers Perspective – an overview
- Questions



# Cordell Calculator

- Establishing your sum insured via the Cordell Calculator

[vero.co.nz/dirvz/vero/vero.nsf/Content/SumInsuredTools](http://vero.co.nz/dirvz/vero/vero.nsf/Content/SumInsuredTools)

# The Impact of the Earthquakes


- Reinsurers now see New Zealand as a high risk
- NZ contributes .03% to the world Reinsurance pool
- Payback period post 2011 quakes - 80 years +
- Some insurers have withdrawn from the NZ insurance market or have collapsed post Chch.
- Efforts of Brownlee and government should not be underestimated

# O'Connor Warren - Domestic

- Domestic agency with Vero dates back to the 1980's
- Exclusive pricing and terms available to O'Connor Warren through partnership with Vero
- Immediate cover and streamlined documentation
- A 1<sup>st</sup>-class around the clock claim service
- Handpicked claim personnel and rarely need a claim form completed

# O'Connor Warren – Insurance Brokers

- Segmenting our business by industry – why?
- Experienced and expert team
- Client service and satisfaction our priority
- O'Connor Warren – One of a small number of NZ owned broking and risk management houses
- Committed long-term to Tauranga
- Leading | Specialists | National



# Questions & Answers