



The foundation from which we  
stand strong, together.



**Natural Hazards  
Commission**  
Toka Tū Ake

# Guide to natural hazards cover

# Welcome

Natural hazards cover helps you rebuild or repair your home if it's damaged after a natural hazard event.

This guide tells you what's covered, how much you're covered for, and how to make a claim.

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The information in the guide is designed to summarise your natural hazards cover.

For more detailed information about your cover, please refer to our website: [www.naturalhazards.govt.nz/insurance-and-claims/](http://www.naturalhazards.govt.nz/insurance-and-claims/)

The Natural Hazards Insurance Act 2023, or the Earthquake Commission Act 1993, will always prevail over the content of this guide.

# Get to know your natural hazards cover

The Natural Hazards Commission Toka Tū Ake exists to help New Zealanders prepare for and recover from the impact of natural hazards. One of the ways we do this is by providing natural hazards insurance for homes and residential land.

You have access to our scheme if you have an insurance policy with fire cover. The premium you pay your insurer includes a Natural Hazards Insurance Levy, which is the amount you pay for this cover.

It's important to understand what is and isn't covered by us, and also by your insurer.

## Your cover changed on 1 July 2024

From 1 July 2024 our new governing legislation, the Natural Hazards Insurance Act 2023 (NHI Act), came into effect, replacing the Earthquake Commission Act 1993 (EQC Act).

Our name changed at the same time from the Earthquake Commission (EQC) to the Natural Hazards Commission Toka Tū Ake. Although cover is similar under both Acts, the date the natural hazard damage first occurred will determine whether your claim is subject to the NHI Act, or the EQC Act.

If you are making a claim for damage that first occurred:

### before 1 July 2024

your claim is subject to the EQC Act and is referred to as an

### **EQCover claim**

### on or after 1 July 2024

your claim is subject to the NHI Act and is referred to as an

### **NHCover claim**



If you have been affected by a natural hazard event, the safety of you and your whānau is the priority.

**Please don't do anything that puts your safety at risk.** Make sure to follow any advice from your local council or Civil Defence groups.

# Natural hazards you're covered for

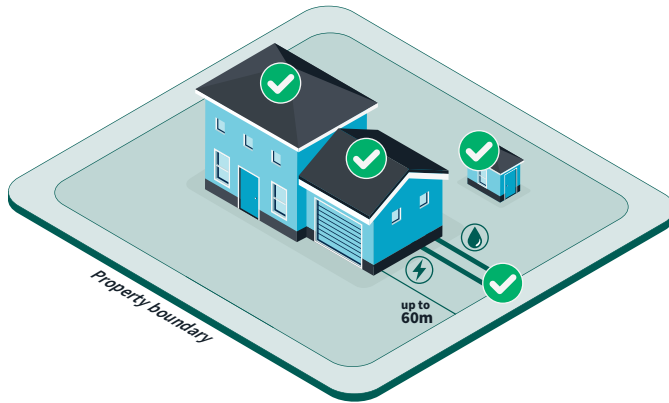
New Zealand's geography and location make us prone to a range of natural hazards. Our cover insures you against damage from:

- ✓ earthquake
- ✓ landslide
- ✓ volcanic activity
- ✓ hydrothermal activity
- ✓ tsunami
- ✓ storm and flood (land cover only)
- ✓ natural hazard fire that occurs because of any of these hazards.

You may also be covered for imminent damage, which is damage that hasn't happened yet, but is more likely than not to happen in the 12 months following the natural hazard event.



# Cover for your home



## You are covered for:

- ✓ your home or holiday home
- ✓ insured related buildings or structures that you use as part of your day-to-day living, such as sheds, garages or pergolas
- ✓ some essential services that are associated with your home up to 60 metres from your home, such as water, drainage, sewerage, gas, electricity and telecommunications.

Depending on whether your claim is subject to the NHI Act, or the EQC Act, there are some small differences in cover for the services associated with your home and insured related buildings.

Please refer to our website for more details on cover for your home: [www.naturalhazards.govt.nz/insurance-and-claims/about-nhcover/](http://www.naturalhazards.govt.nz/insurance-and-claims/about-nhcover/)

In this guide we use the term 'home' while the Act uses the term 'dwelling' to refer to any self-contained premises used, or capable of being and intended to be used, as a home or holiday home.

## How much your home is covered for

MAX  
**\$300k**  
+ GST

For each natural hazard event that happens, there is a maximum that we can pay towards rebuilding or repairing your home. This maximum amount is called the building cover cap and is generally \$300,000 plus GST.

Any cover over this amount is provided by your private insurance policy. The maximum settlement amount that you can be paid is set out in your policy and it's important to regularly check that this is enough to rebuild.

Your settlement amount will be based on the cost to repair damage or replace your home to a standard that is similar to when it was new. This is known as the replacement cost.

### When the building cover cap is less than \$300,000 plus GST

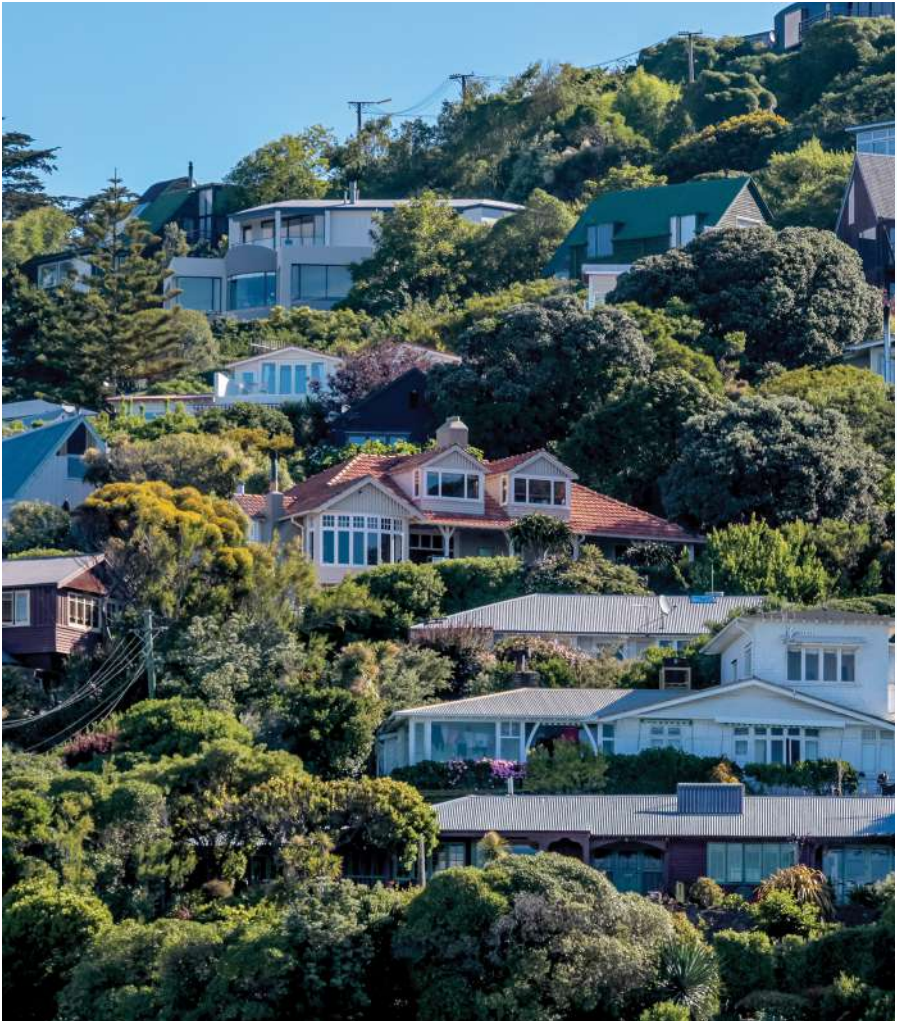
In some circumstances you may have a building cover cap that is less than \$300,000 plus GST specified in your private insurance policy, for example if your replacement sum insured is less than that. Please talk to your insurer if you have questions about this.

Your building cover cap will also be lower than \$300,000 plus GST if you are claiming for damage from a natural hazard event that occurred before 1 October 2022.

Regardless of what building cover cap applies to your claim, the maximum settlement amount that you can be paid is set out in your private insurance policy.

## Cover for flats and apartments

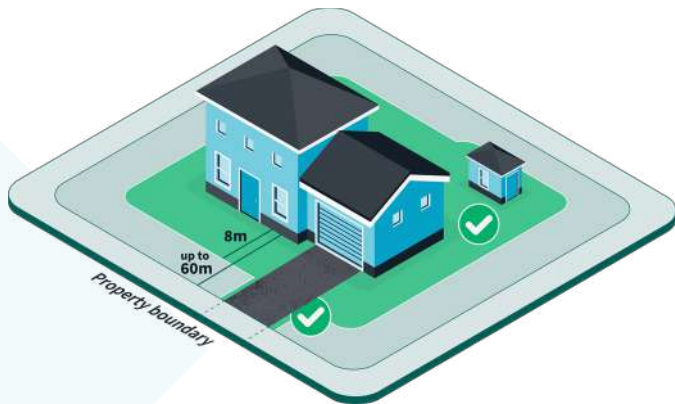
If you own a building, or part of a building that has more than one home or apartment in it, you can get natural hazards cover for each of those homes. It's important to tell your insurer how many homes are in your building, to make sure you have the correct amount of insurance, and NHCover for each home.



# Cover for your land

New Zealand is one of the only countries in the world to have natural hazards insurance that covers residential land.

We provide limited cover for certain areas of land under and around your home, and for some bridges, culverts, and retaining walls.



You are covered for the land:

- ✓ under your home
- ✓ under some related buildings and structures
- ✓ within 8 metres of your home and some related buildings and structures
- ✓ under or supporting your main access way up to 60 metres from your home, for example under your driveway.

Any land outside of these areas is not insured.

Our land cover sometimes won't be enough to fully repair all of the damage to your land after a natural hazard event. It's important that you know which parts of your land are included, and what is not covered.



We can only cover land that is inside your property boundaries shown on the record of title, or where you have a legal right to cross or use someone else's land for a specified purpose, such as a right-of-way easement for a driveway on your neighbour's land.

We do not provide insurance for bare land without an insured home on it.

Our cover does not typically include:

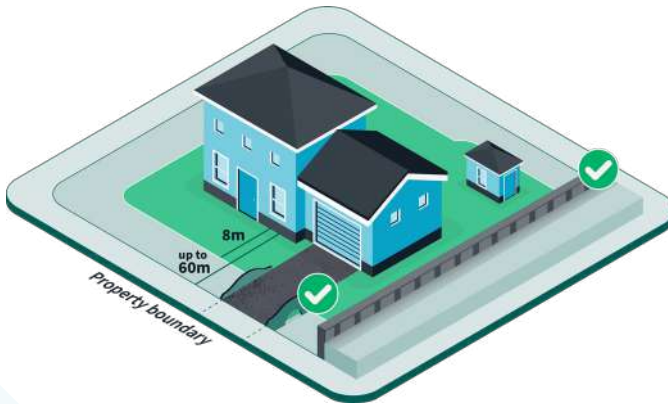
- ✘ driveway surfacing
- ✘ paving or other artificial surfaces
- ✘ trees and gardens
- ✘ landscaping, such as non-structural retaining walls or fences
- ✘ council land such as parks or reserves.

Our natural hazards cover is the only land insurance that is available in New Zealand. However, insurers may provide additional cover for some parts of your property such as retaining walls, and for parts of your property that we don't cover such as your driveway surfaces and landscaping. Please talk to your insurer about what is included in your policy.

### **Damage to neighbouring or shared land**

If you are affected by damage to neighbouring or shared land, such as a shared driveway, please contact your insurer first. Then you can work with your neighbours to repair the damage or make the land safer.

## Cover for bridges, culverts and retaining walls



We provide limited cover for bridges and culverts:

- ✓ that are located on the land that is within 8 metres of your home and insured related buildings, or
- ✓ on the land under or supporting your main accessway, up to 60 metres from your home.

We provide limited cover for some retaining walls:

- ✓ that support or protect your home, insured related buildings and insured land, and
- ✓ are within 60 metres of your home.

## How much your land is covered for

You are covered for the cost of repairing damage, up to the land cover cap, which is based on the value of your insured damaged land.

If the cost of repairing the damaged land is more than the value of that land, settlement will be based on the market value of the portion of land that was damaged. This is the maximum amount that we can pay and is called the land cover cap.

The land cover cap is calculated by adding:

The market value of your insured, damaged land



The value of your insured, damaged retaining walls, bridges and culverts, to a limit

### Market value of land

When calculating the maximum amount that you can be paid (the land cover cap), we use the market value of your land. An independent valuer will usually base the market value on its estimated value on the day the damaged happened.

### Value of retaining walls, bridges and culverts

The way your entitlement for damage to retaining walls, bridges and culverts is calculated depends on the date that the damage first occurred:

#### Before 1 July 2024 are subject to the EQC Act

**EQCover** claims use the indemnity value of any retaining walls, bridges and culverts. The indemnity value is usually less than what it would cost to replace them with new ones.

#### On or after 1 July 2024 are subject to the NHI Act

**NHCover** claims use the undepreciated value of any retaining walls, bridges and culverts, up to a maximum amount. For NHCover claims there is a maximum amount that we can pay for each natural hazard event that happens which is:

**\$50,000**  
plus GST for all your retaining walls

**\$25,000**  
plus GST for all your bridges and culverts

## Cover for storm, flood and landslide damage

Following a severe weather event, there are some key differences between cover for landslide damage, and for storm and flood damage.

If you are affected by a landslide, we provide cover for your home and your land. Insurance claims for damage from landslides are often complex and take time to resolve.

If you are affected by a storm or flood, we provide cover for your land only, and your home would be covered by your private insurance.

### We can help with the cost of cleaning up your land

Following a storm or flood we can often contribute to the cost of cleaning up the insured parts of your land, as part of your settlement.

We can't reimburse you for work you do yourself, but we can contribute to the costs you incur:

- ✔ Removing build-up of silt that is 15 millimetres or deeper, left behind after flooding.
- ✔ Removing debris that has been swept onto your property, such as rocks, fallen trees, and broken fences.
- ✔ Repairing land scour, where the surface of the land has been washed away by flowing water.

# What we don't cover

We don't cover any building that did not have a valid home insurance policy that included fire cover, at the time of the natural hazard event.

After a natural hazard event we don't cover 'consequential' losses that might happen, such as theft or vandalism, or the cost of staying somewhere else temporarily.

## **In most situations we don't cover these property items:**

- ✘ paths, stairs, and walkways and other forms of access (other than the insured land under your main access way)
- ✘ paving or other artificial surfaces, for example driveway surfacing
- ✘ living things, for example trees, gardens and lawns
- ✘ landscaping, for example non-structural walls
- ✘ sports fields or courts and any associated structures
- ✘ jetties, wharves or landings
- ✘ drainage ditches, open drains, channels, tunnels and cuttings
- ✘ dams, breakwaters, reservoirs
- ✘ fences or poles
- ✘ swimming pools, recreational baths and spa pools
- ✘ tanks and other structures used to store water, other liquids, or gas (unless they are used primarily by the household occupants for household purposes).

These property items may be covered in certain situations, for example if these items are built into your home and not easily removed. Please talk to your insurer if you have any questions about what is and is not covered.

## **Section notices that affect cover**

There are two types of notice that may be put on a property's record of title that could affect natural hazards cover.

### **Section 28 and 51 notices cancel or limit your cover**

There are some specific situations that could lead to us limiting or cancelling cover after cash settling a claim. This usually happens when there is significant damage to a property, and the homeowner has not taken steps towards making repairs within a reasonable timeframe.

In these situations, we will first ask to see that progress is being made with repairing or replacing the property. If we are not satisfied with progress, we will notify the homeowner of our decision to limit or cancel cover in writing. A notice is then placed on the property's record of title under section 28 of the EQC Act, or section 51 of the NHI Act.

### **Section 72 notices may result in us fully or partly declining your claim**

A section 72 notice on a property's record of title can affect claims for natural hazard damage. This notice is intended to make anyone involved with the property, such as potential buyers, banks, lenders and insurers, aware that the property is known to be affected by or at risk of natural hazards, as well as specifying what that hazard is.

If a claim is made for damage that was caused by the same type of natural hazard (or hazards) that is specified in the notice, NHC Toka Tū Ake have the right to fully or partly decline that claim.

You should contact your local council for more information. NHC Toka Tū Ake has no input into this process, and we can't ask for section 72 notices to be removed.

# Excess for natural hazards cover claims

If your claim is accepted, you pay a small part of the cost. This is called the excess, and it is taken from your settlement amount before that is paid to you. There is a separate excess for building claims and land claims. If your claim is for both your home and land, both will be deducted.

If the cost of replacing or repairing your property is less than the excess, then no settlement payment will be made. You will need to meet the cost of repairing the natural hazard damage yourself.

The way your excess is calculated depends on the date that the natural hazard damage first occurred. These figures include GST.

## EQCover - Before 1 July 2024

### Building excess:

1% of the total settlement amount

A minimum of \$200 and a maximum of \$3,450 per insured home

### Land excess:

10% of the total settlement amount

A minimum of \$500 per insured home, to a maximum of \$5,000

## NHCover - On or after 1 July 2024

### Building excess:

\$500 per insured home

### Land excess:

\$500 per insured home

## Damage found after settlement

If you find more damage to your home or land after your claim has been settled, you must stop all work in that area and contact your claim manager immediately for advice. If the damage was caused by the natural hazard event you have already claimed for, you might be able to get an extra payment to cover the cost of repairs.

# How to make a claim

## Contact your insurer to make a claim if your home is damaged by a natural hazard event.

Most insurers work on our behalf to assess and manage your claim from start to finish. They will be your central point of contact during the claims process and can answer any questions you have during the claims process. You can usually make a claim online or over the phone.

### If you have an insurance broker

Brokers may be able to manage most communication with your insurer on your behalf. Contact your broker to confirm how they can help you with your claim.

### When to contact us directly

- ✓ you want to discuss a claim for damage that happened before 30 June 2021
- ✓ your insurer does not partner with us
- ✓ you have direct NHCover.

## Make your claim as soon as practical

It's important to make your claim as soon as practical after a natural hazard event. We encourage you to make your claim within three months following a natural disaster.

You have a maximum of two years to lodge a claim for damage after a natural hazard event. However, any delay beyond three months may affect the ability to assess your claim and could result in your claim being declined.



If you are unsure who you should contact, please call us on 0800 DAMAGE and we can help.



# You're protected by a Code of Insured Persons' Rights

The Code of insured Persons' Rights sets the standard of service you can expect from NHC Toka Tū Ake and anyone working on our behalf to manage and settle claims after a natural hazard event. The Code applies to any interactions from 1 July about new or existing natural hazards claims.

## Your rights as an insured person

You have the right to:

- ✓ be treated with dignity and respect
- ✓ effective communication
- ✓ be fully informed
- ✓ know expected timeframes
- ✓ have your personal information protected and respected
- ✓ support
- ✓ have your culture, values and beliefs respected
- ✓ complain to us including where you think we have breached this Code
- ✓ have a decision made about a breach of this Code independently reviewed by an external party
- ✓ refer a dispute about a referable decision to the NHCover Dispute Resolution service.

## If you think there has been a breach of the Code

If you feel that one or more of these rights has been breached during the natural hazards cover claims process, you can make a complaint to us or your insurer. They will investigate the complaint and work to resolve it. If you are unhappy with the outcome, you can apply for an independent review of the decision.

# For more information

## Visit:

[www.naturalhazards.govt.nz/insurance-and-claims/](http://www.naturalhazards.govt.nz/insurance-and-claims/)

## Call:

**0800 DAMAGE** (0800 326 243)

If English is not your first language you can ask for an interpreter, at no cost to you.

## Write to:

NHC Toka Tū Ake, PO Box 311, Wellington 6140

### Privacy at NHC Toka Tū Ake

We collect and use information for the purposes of administering the Natural Hazards Insurance Act.

You can find more information on how we collect and use information in our Privacy Statement or by emailing [privacy@naturalhazards.govt.nz](mailto:privacy@naturalhazards.govt.nz)







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