From Insurance Claim to Repairs: the Role of Individual and Community Context

How did personal and community factors shape claimant experiences and repair outcomes after the 2016 Kaikōura / Hurunui earthquake?

Cameron Eade (1), Dr Charlotte Brown (1), Dave Brunsdon (2)

ResOrgs (1) Resilience & Risk Experts resorgs.nz

kestrel group (2)

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Building on Previous Research

Cash settlement is a common method for settling insurance claims for natural hazard damage in Aotearoa New Zealand.

But do they translate into well-repaired homes?

In response to the 2020 Report of the Public Inquiry into NHC (formerly called EQC), we studied the impacts of cash settlement on housing quality and claimant wellbeing following the 2016 Kaikōura/Hurunui earthquake.

Our findings revealed:

resorgs.org.nz/claims-settlement

85% of claimants **repaired** their **earthquake damage**

42% completed some **repair work themselves** or used **friends & family**

53% of claimants who believed their settlement was insufficient **didn't know they could re-open their claim for top-ups**

10% of properties in Hurunui, Kaikōura, and Marlborough likely have **unprepared structural damage** or **non-consented structural repairs**

70% of claimants would **prefer** to **manage their own repairs** in a future event

70% of claimants experienced **stress** because of the **claim settlement and repair process**

BUT how did insurance claim and housing repair experiences vary by community and individual circumstance?

Project Scope & Method

This research explores how community contexts and claimant circumstances shape experiences and outcomes through the claim settlement and housing repair process. In particular, we are examining experiences according to:

- **Dwelling setting (rural / urban)**
- **Age**
- **Household income**
- **Mortgage status**
- **Children living in the house**

Online claimant survey: 835 valid responses from 13,975 claimants contacted via email. Approximately 7% response rate, with 3% margin of error.

Interviews: Claimants and stakeholders in Wellington (urban context) plus existing interview data from town/rural areas.

Analysis: Statistical comparisons across geographic, demographic, and individual factors, controlling for claim value.

Preliminary Findings (*analysis ongoing*)

Confidence in Managing Repairs by Community Setting & Age

80% vs 64%

Rural City

Rural claimants felt more confident managing their repairs (80%) compared to city claimants (64%). Among claimants with no confidence, only 2% were rural compared to 6% city. Confidence in managing repairs also increased with age, with 77% of claimants aged 65 years and older being confident, compared to only 48% of 30-39 year olds.

DIY Repairs by Age and Mortgage Status

58% vs 23%

30-39yr Older

Claimants aged 30-39 years were most likely to do some repair work themselves (58%) compared to older age groups (23-32%). Those with a mortgage were also more likely to do some repair work themselves (39%) compared to mortgage-free claimants.

Negative Impact from Stress by Income & Mortgage Status

46% vs 17%

<$30k >$100k

Households with income of <$30k were most likely (46%) to experience moderate or major stress from the insurance and repair process, especially compared households with income of $100k+ (17%). Claimants with a mortgage were also more likely to experience negative impacts from stress (33%) compared to mortgage-free claimants (22%).

Financial Stress by Age

42% vs 20%

40-49yr 65yr+

Claimants aged 40-49 years were most likely to experience a moderate or major negative impact from financial stress (42%), while claimants aged 65yr+ were least likely to experience this (20%). Those aged 60-64 years experience a slight increase in financial stress (32%) compared to those the 65 years+ and 50-59 years (24%) groups, suggesting a 'pre-retirement' impact on wellbeing.

Looking Ahead: Severe Weather Claims Research

Building on these insights, we're starting a new project to explore insurance claim settlement and housing repair experiences from recent severe weather events.

This will help us better understand how different hazard types affect community recovery across Aotearoa New Zealand and ensure processes are fit for purpose.

Stay up to date with our research!

Scan the QR code to view our website project page

Or get in touch with us by emailing the Project Lead, Cameron Eade (cameron.eade@resorgs.org.nz).