



Earthquake claims Canterbury 2010-2011 Kaikoura 2016

*NZSA sessional meeting
June 2018*



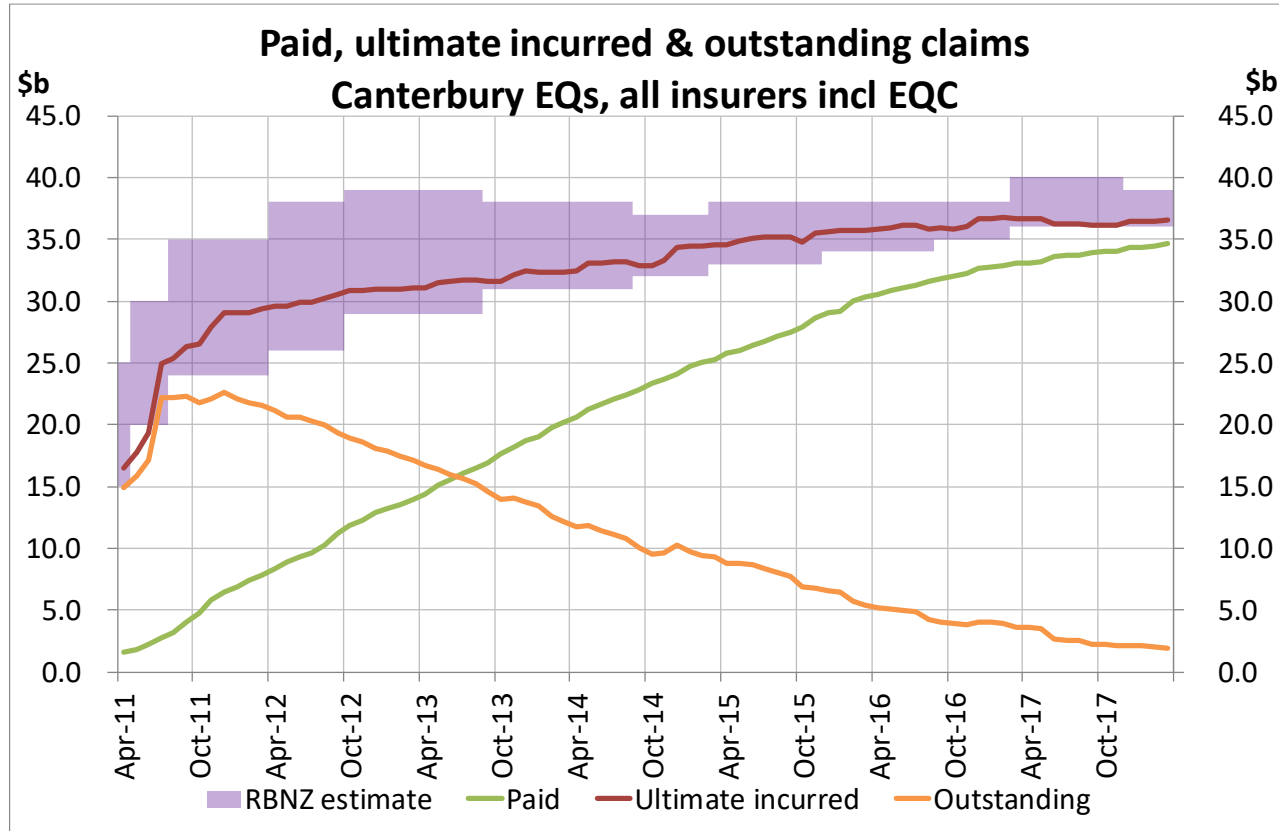
Overview

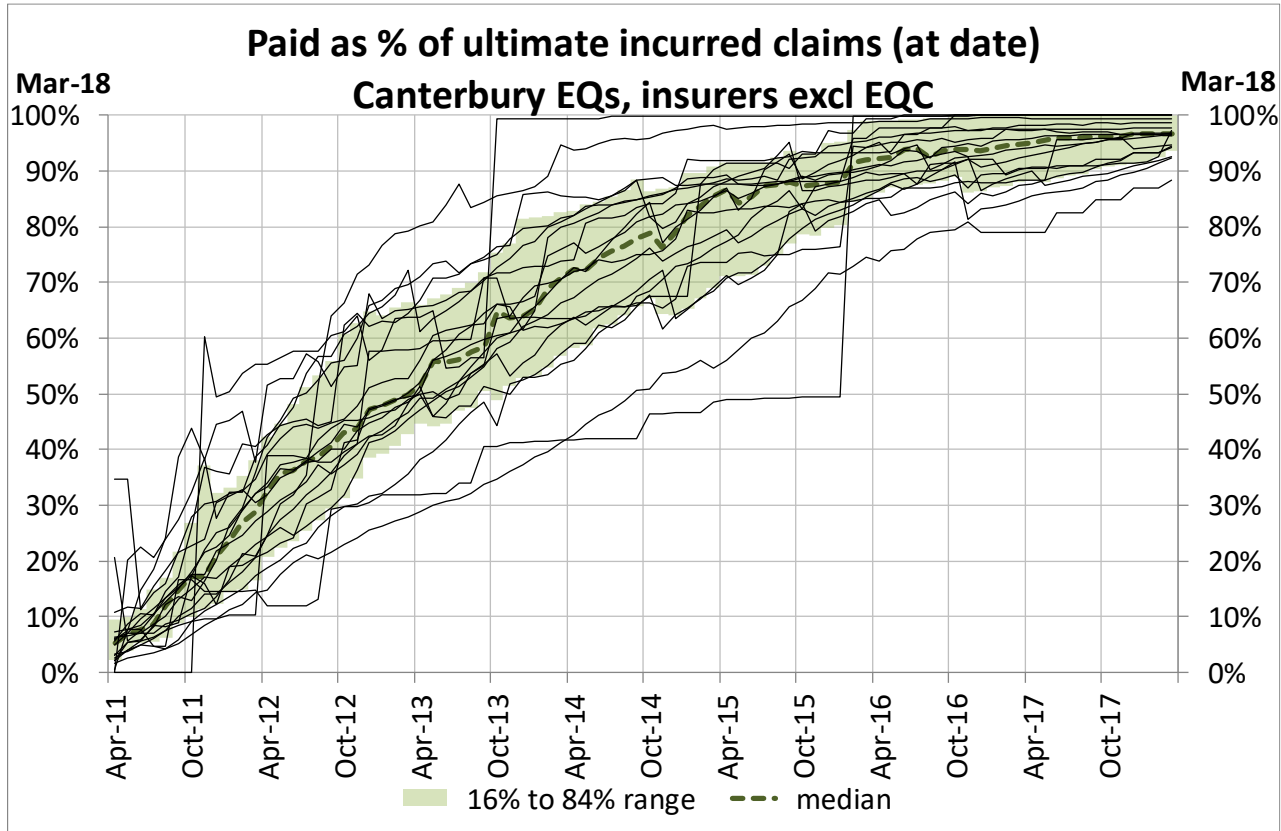
	Canterbury	Kaikoura
Paid to 31-Mar-18	\$34.6 billion	\$1.4 billion
Estimated ultimate claims cost gross	\$36-39 billion	\$2.5-4.5 billion
net of reinsurance (existing)	\$13-16 billion	\$0.7-0.9 billion
Funding of ultimate claims cost reinsurance (existing)	~\$23 billion	\$1.8-3.6 billion
existing capital	~\$8 billion	≤\$0.9 billion
post-event (new capital, ADC reinsurance & future profits)	\$5-8 billion	\$? (EQC only)

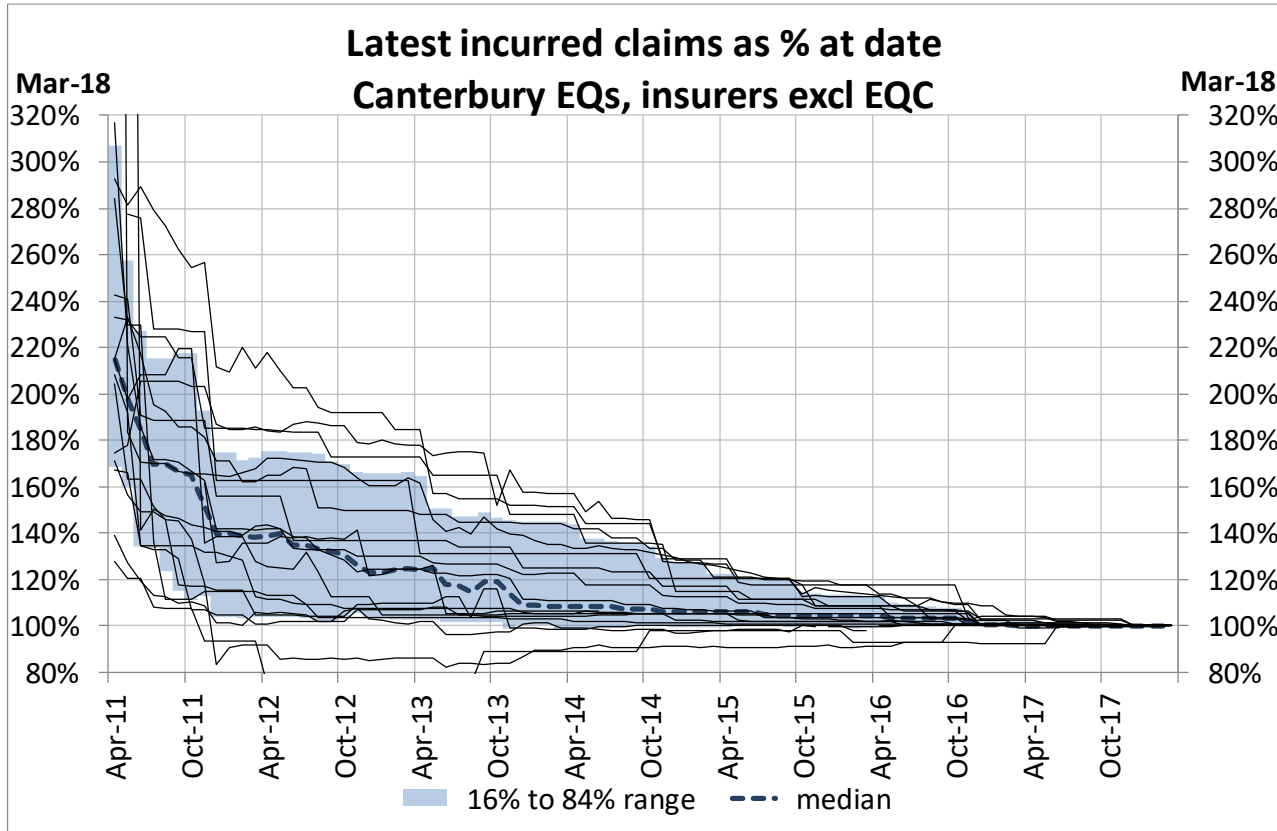


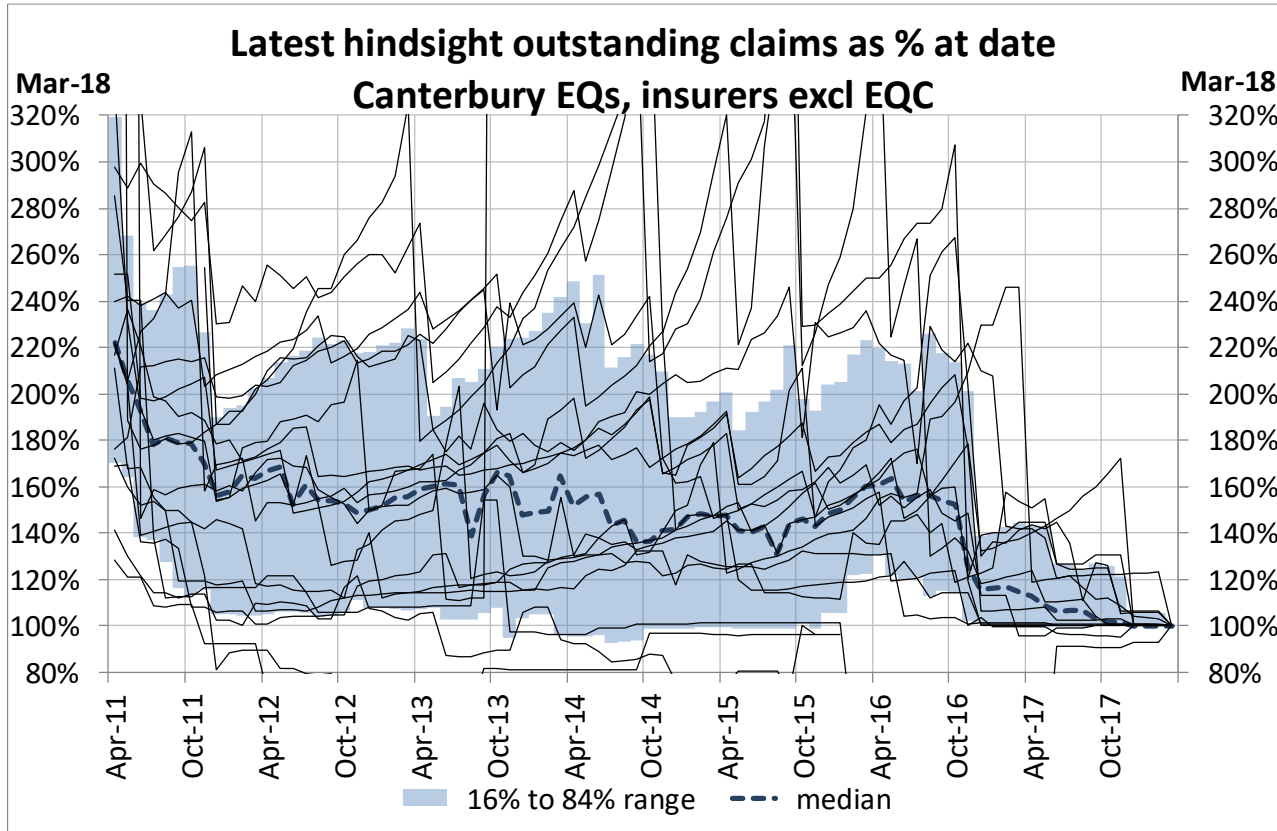
Canterbury earthquakes

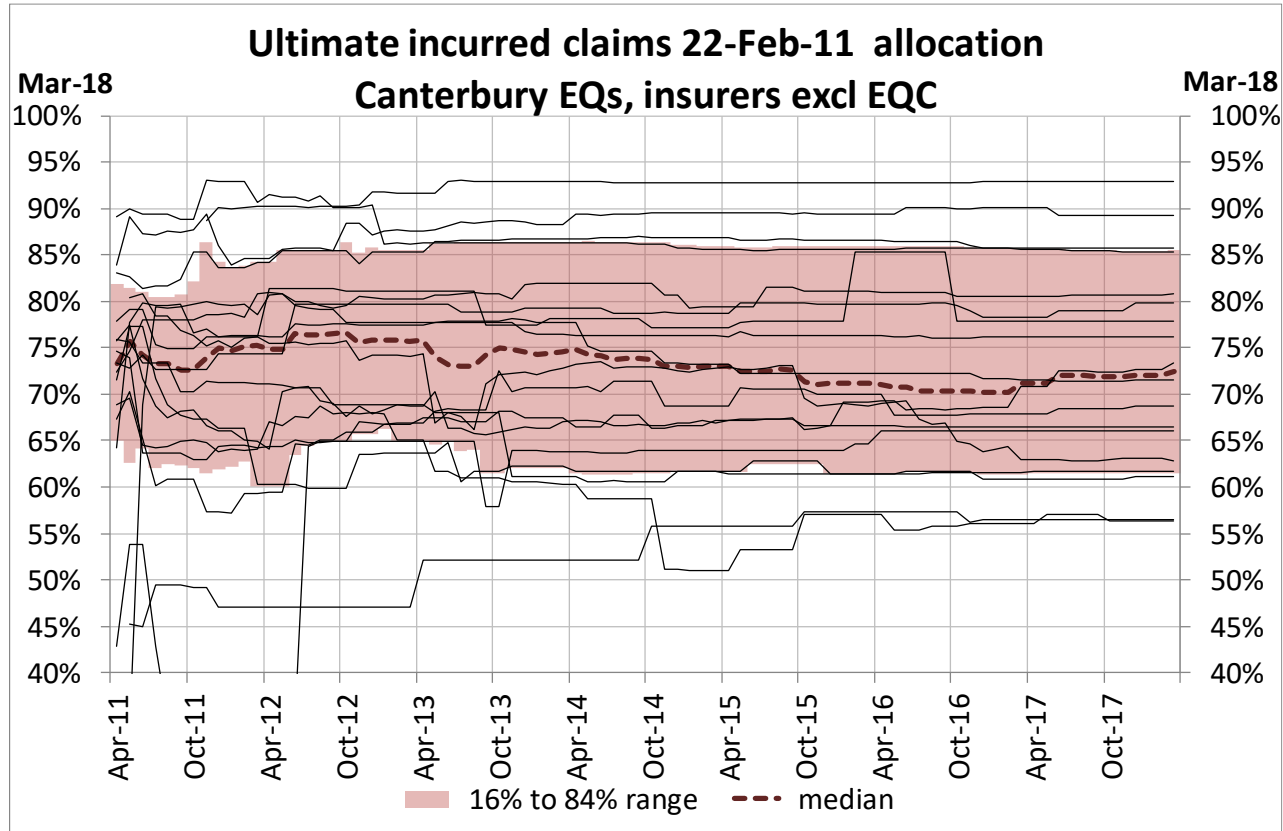
- Rate of claim payment slowing
- Ultimate costs still increasing for some
 - median +15% of outstanding at Dec-16
- Mixed success with ADC reinsurance
 - 5 fully or materially utilised
 - of which 1 @ nil recovery & 1 @ 50%













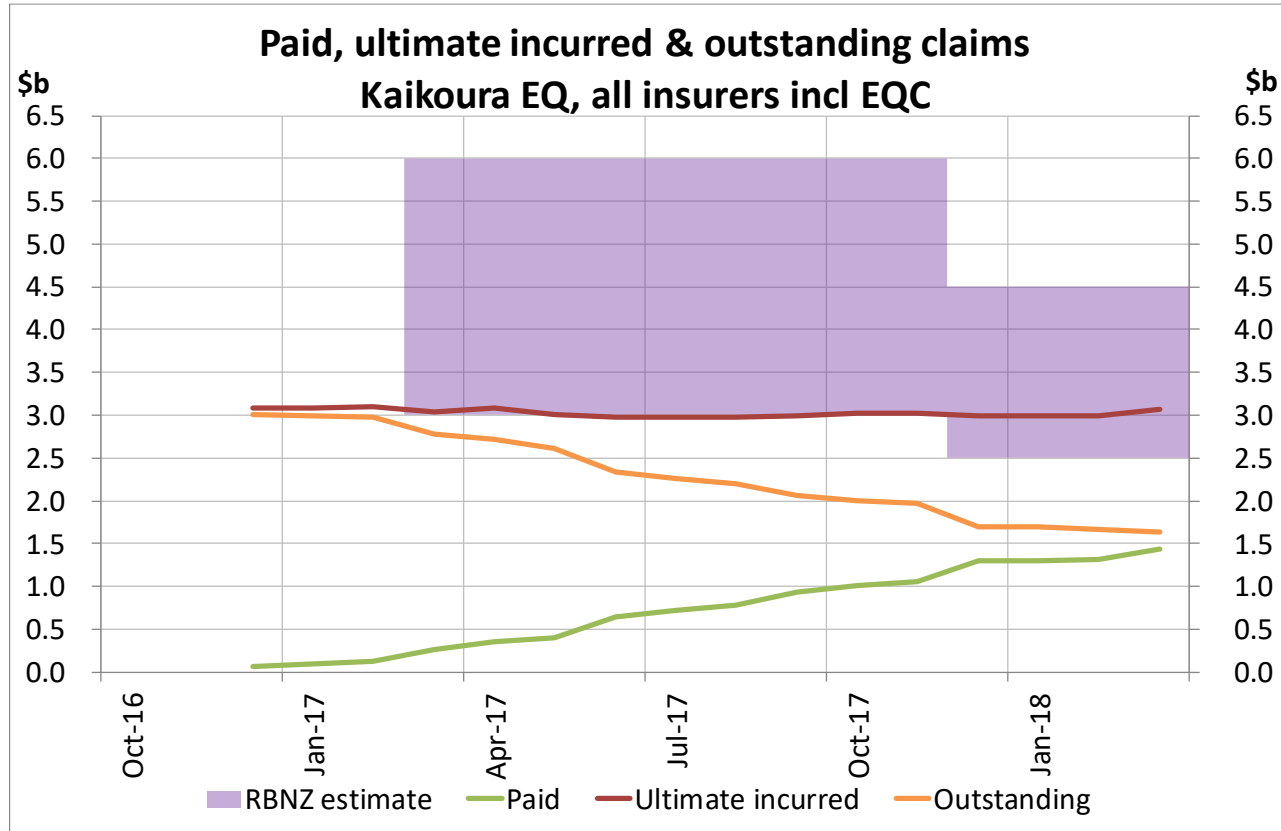
Canterbury earthquakes

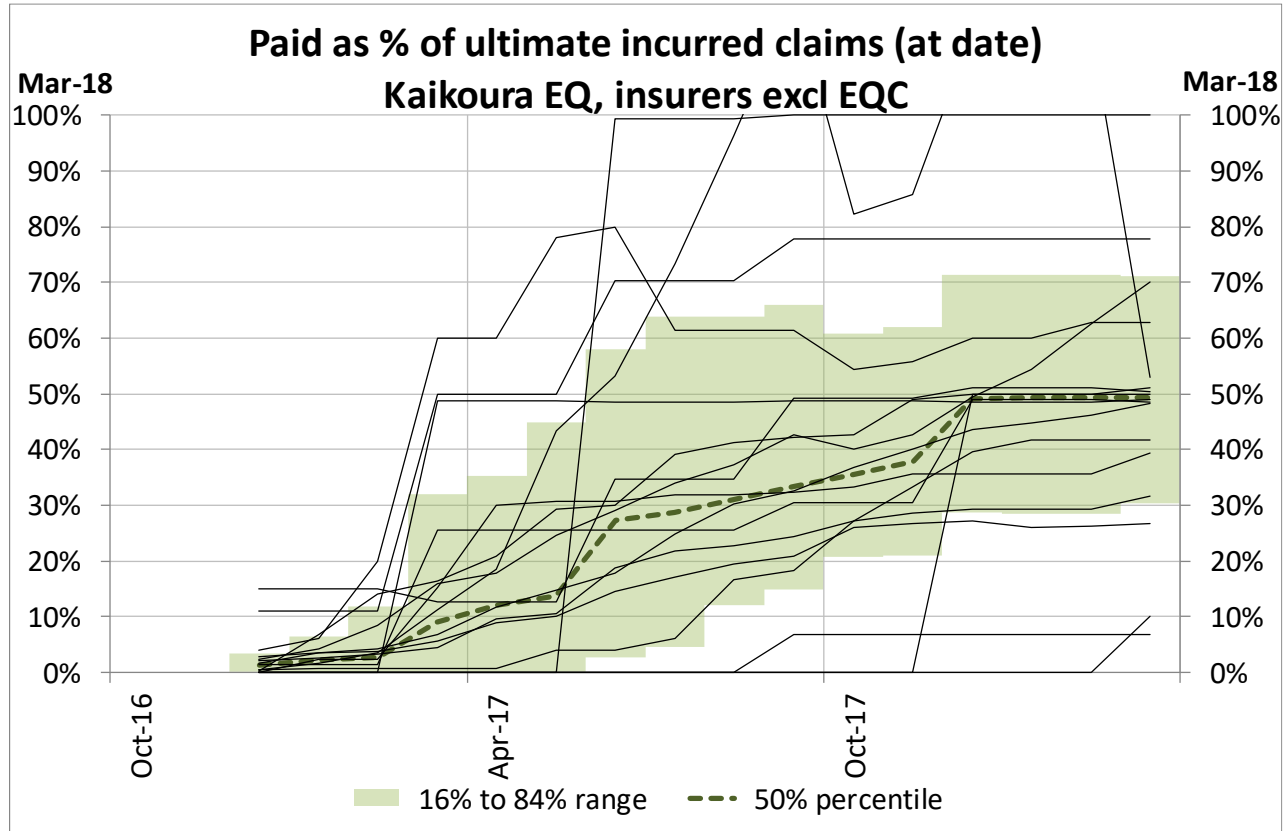
- Difficult cases left including litigation
- Remediation issues
 - Extent? Cost? Liability?
- EQC issues

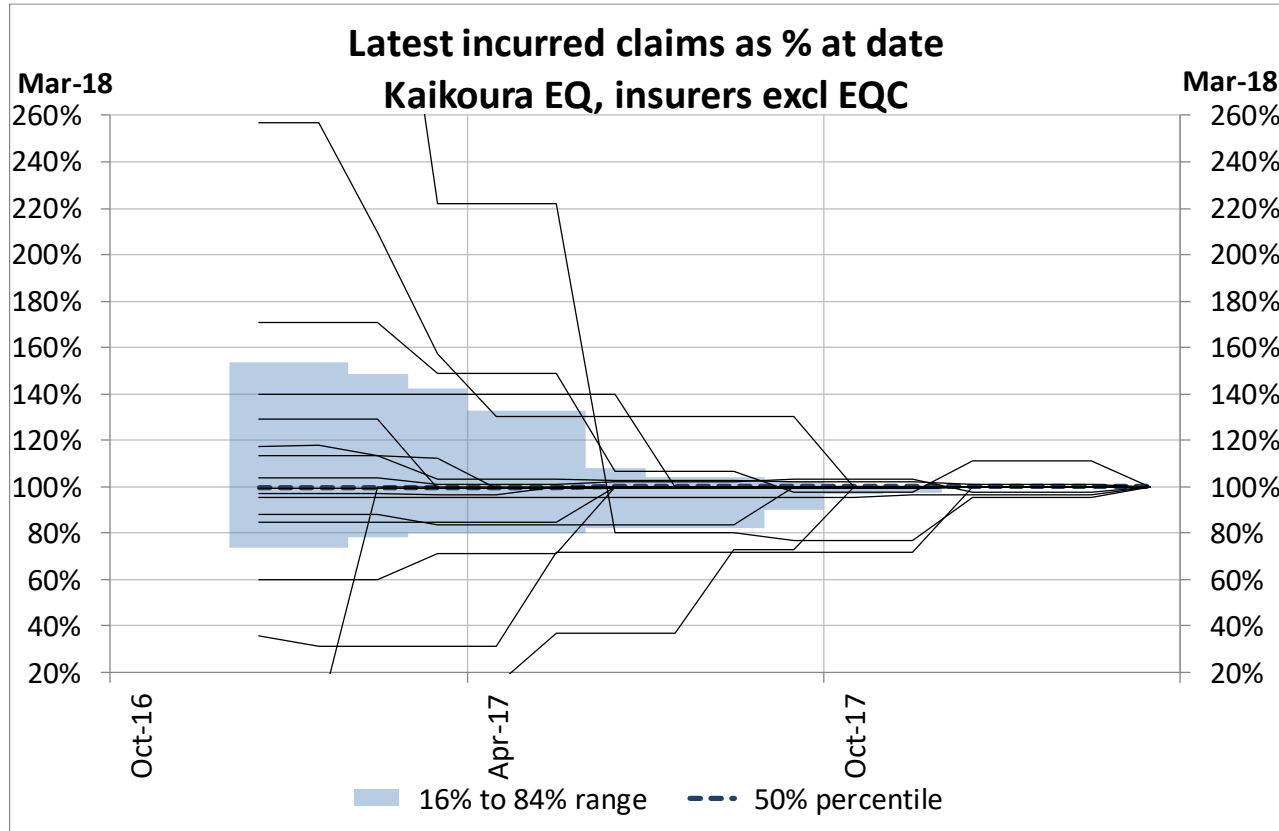


Kaikoura earthquake

- Ultimate costs large % increases & decreases
 - particularly first 6 months, more stable since
- Payments as % ultimate faster than Canterbury
- Higher % paid residential than commercial







Discussion

