

Purpose

1. Our briefing dated 13 December 2017 provides advice on the Canterbury earthquake insurance situation and options for resolving remaining insurance disputes.
2. This note provides information for your meeting with Minister Woods on Friday 15 December. Decisions on preferred options and scope are needed by 21 December 2017, to inform preparation of bids for Budget 2018 and the 2018 Legislation Programme.

A range of options are available to assist resolution of remaining claims

3. Most outstanding insurance claims will be dealt with by late 2019, leaving a small tail of increasingly complex claims.
4. There are options to help resolve claims within the existing dispute resolution process, though most require funding. Minister Woods may wish to ask MBIE to:
 - investigate more efficient ways of using experts in the dispute resolution process, to maximise their availability;
 - explore support services for vulnerable claimants who are struggling to engage with the existing settlement and dispute resolution process; and/or
 - provide funded mediation services.
5. There is potential to complement mediation services with a new tribunal, though it is unclear whether this would offer claimants much advantage over court. Should you wish to establish a tribunal, we would recommend modelling it on the Weathertight Homes Tribunal which has dealt with similarly complex building-related cases. We would also recommend that a new tribunal be bound to apply existing law.

Decisions are needed quickly to inform preparation of Budget bids

6. Decisions are required by 21 December on whether:
 - you wish to progress a Budget 2018 bid to fund initiatives aimed at assisting the resolution of these disputes, and
 - if so, which options to include within the bid.
7. For all options, decisions need to be made on scope: are they only open to cases with disputes between homeowners and insurers, or should it extend to those where homeowners have disputes with building professionals about deficient repairs? Scope will have a significant impact on potential cost to Government.
8. Your preferred options impact on which agency should lead development of a Budget bid. The Ministry of Justice would lead a bid that includes a tribunal, whereas MBIE should lead a bid that provides additional support services or mediation. Agencies, led by the Ministry of Justice, would work together should you choose a combination of these options.