



FIG Working Week 2016

CHRISTCHURCH, NEW ZEALAND 2-6 MAY 2016

Recovery

from disaster

The Canterbury Earthquake Sequence

How professionals have helped
create a

'professionally induced disaster'

*A 'not-so-pleasant' topic
that professionals need to discuss*

Adrian Cowie, Christchurch, New Zealand



FIG Working Week 2016

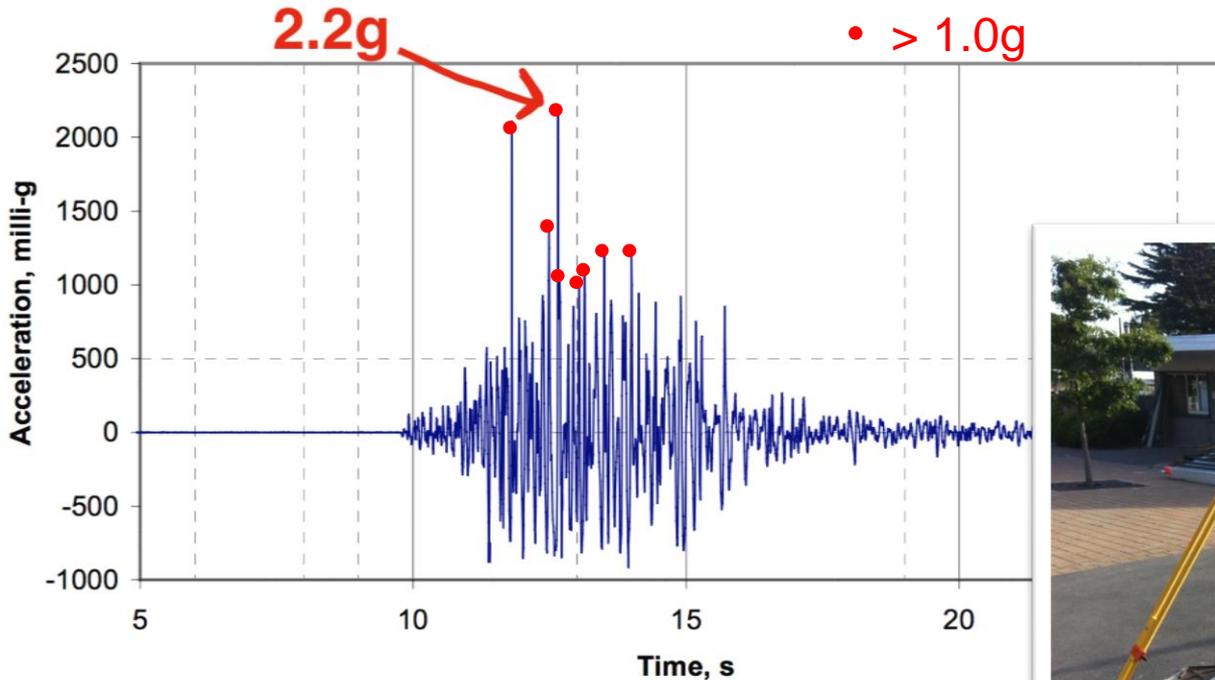
CHRISTCHURCH, NEW ZEALAND 2-6 MAY 2016

Recovery

from disaster

A technical digression...

HVSC- Heathcote Valley School, M6.3, Feb 22, 2011, Vertical Component



12:51 p.m. 22 Feb 2011 – M6.3





4:33 a.m. 4 Sept 2010

- 98% of Canterbury homeowners had insurance for their homes.
- Many (most) policies were for full replacement (to “when new” or “as new”) with no upper limit on cost.

4:35 a.m. 4 Sept 2010 – M7.1 earthquake

- Homeowners were still insured.
- Many homes damaged.



2:00 p.m., 4 May 2016

- Tens of thousands of homeowners still with unsettled insurance claims
- Many have difficulty obtaining their legal entitlement
- Many still living in damaged houses
- Many with incorrectly repaired homes
- Some with new insurer-built homes that are already flood-prone

Why?



Insurance 101

- Insurance exists to protect your possessions against loss or damage
- Risk transfer – you pay an annual premium to transfer risk to the insurer; the money is put into a pool, from which insurers pay for losses suffered.

For many, this has not been the reality.

Why?



There are many reasons, but these stand out:

- Professionals ignoring the clear, explicit standards in legislation and insurance contracts.
- Professionals only considering their client's brief and instructions, and ignoring what is legally required.
- Professionals working to the *wrong* standard.
- NZIS providing 1-hour surveyor training – allowing anyone to become an 'expert' in surveying



An inconsistency?

The Fig Vision

“A modern and sustainable surveying profession in support of society...”

NZ Institute of Surveyors CEO (2015)

“NZIS has considered, but does not recognise, a role for the organisation as an advocate for property owners”



The dilemma for many (most) property owners:

Unable to afford accurate, expert reports that show the true damage and true reinstatement required; for example:

- surveying report
- structural engineering report
- geotechnical report
- quantity surveyor's report
- legal representation

This can lead to a significant loss of property equity because the correct assessments cannot be obtained.



The earthquake damage survey assessment includes:

- accurate floor levels in the building
- superstructure verticality
- building settlement – increased flood risk
- amount of lateral spreading & stretching
- crack mapping
- professionally presented information that insurers **and** insureds can trust to be true and accurate.

Why did the NZIS provide a 1-hour training for non-surveyors that only covered floor levels?



What is required:

- Post-disaster society needs professionals who are not self-serving, but instead are honest, impartial, and objective.
- The vulnerable in society are the **most** vulnerable after a disaster.
- 'Post-disaster capitalism' practices by professionals at the expense of the vulnerable in society is reprehensible, but an unfortunate reality.
- Professionals have a duty of care and should take into account the interests of both Insurer **and** Insured.



Post-disaster Christchurch – A conclusion

- In many ways, Christchurch is a case-study of “what not to do” with insurance assessments
- Many professionals have acted out of self-interest – ignoring the wider needs of society
- Many property owners have lost trust in professions such as surveying and engineering.
- Most homeowners have no voice and their concerns have not been heard.
- Professional institutions need to consider these issues

“I am struggling to see any ‘*Recovery from Disaster*’ for many people in Christchurch”