

Since Property Pathways Ltd (PPL) received the PINZ 2019 Simpson Grierson Property Business of the Year Award I have been asked by numerous people for a bit more info about PPL's Christchurch experience.

PPL primarily provides advice on land compensation, property management and general property matters.

Entry into the Christchurch earthquake recovery space evolved from a weekend conversation in a Johnsonville supermarket, followed by a meeting in Wellington and then a few days after that Neil was in Christchurch fronting about 90 of Chorus's team – all keen to hear how he was going to solve their earthquake insurance claim problems.

It took a couple of months to bring some order to the chaos. At this point Telecom (now Spark) asked Neil to extend his support programme across its Canterbury team of about 1500. Neil's life-long friend and colleague, Murray Chapman was at his office when he took this call, so Neil asked Murray to help him out.

They put some structure around what Neil had been doing, gave it a name, the Domestic Property Assistance Programme© (DPAP) developed for corporate clients to provide tailored personalised fit for purpose support to an organisation's staff to help them with their earthquake insurance claims. DPAP generally formed part of our clients' EAP's (Employee Assistance Programmes). We also adapted DPAP for our private clients.

Neil and Murray presented the DPAP to Telecom's team through a series of presentations and workshops spread over 7 days in Christchurch. These workshops;

- Outlined the service and levels of support available;
- Informed and educated affected homeowners of recent issues in the insurance space (EQC, MBIE guidelines issues; technical engineering matters (geotechnical / seismic etc),
- Offered an open-ended invitation to participate in the programme, and
- Set up one-on-one kick-off meetings to get things underway

The kick-off meeting with the homeowner was always on site which was instrumental to building the relationship and trust. We gathered whatever information was available from the insurers and claimant then undertook a forensic review / interrogation of this looking for accurate and comprehensive damage scopes, alignment with the EQC Act and insurance policy conditions. This required extensive collaboration across all parties and their respective advisory teams.

We developed good working relationships across the insurance sector. PPL differentiated itself from other operators in the market because DPAP was funded by employers, we operated discreetly and deliberately kept a low profile. One of the major insurers described PPL as 'the good guys'. We were chuffed with this.

Our collaborative style was key. It allowed a constructive rapport to be built with the insurance sector from senior executives to claim managers. Neil's insurance broker of over 40 years' experience provided mentoring and a good impartial sounding board.

Although the DPAP has been successful and is something we are proud of, it was demanding and stressful. The modus operandi generally entailed;

- A week in Christchurch. On site meetings with owners and insurers, follow up meetings with insurers, technical experts and contractors. Typically, we would each have between 4 to 6 meetings per day – often before and after work.
- The Christchurch week was followed by two (sometimes three) weeks in the Petone office working through and progressing the cases from the previous week.

This 'roster' was us for 3- 4 years. As the claim peak eased, several insurers requested PPL assist them resolve some of their complex and contentious claims. We felt this validated the integrity and fairness of our collaborative approach and our independence.

PPL purposely kept a low profile. However; after some time in the field Neil was invited to provide feedback to government about EQC's service delivery. Some of our observations and recommendations appeared to have been adopted and implemented following the 2016 Kaikoura earthquake.

The DPAP programme provided claimants continuity and stability during the claim settlement process. This proved to be important for the claimants, particularly those with drawn out, complex and / or multiple claims.

We think this continuity also helped insurers who struggled with high staff churn and claim management delays that went with this.

Most insurance staff were conscientious and hardworking and our clients' reasonable in their expectations. However, we also come across a few claimants and insurance personnel with mis-aligned and / or unrealistic settlement expectations. Interestingly, it seems the most difficult residual claims seem to be weighted toward public insurers. Perhaps there is less incentive to settle.

However, overall, Neil thinks the insurance sector response to the CES could have been way better. Even with the passage of time Neil's view remains unchanged on this. This vital service seems to have poorly assessed the risks it covered. Consequently, it seems to have been inwardly focused with customer service coming a distant second. Consequently, the insurance sector continues to struggle with credibility.

Dealing with constant stress and negativity needed careful management. PPL is a close-knit team. We recognised the need for time-out to help maintain our focus, build team resilience and problem solve.

When Alison Pharaoh came on Board in 2012, we set-up team sessions to address the stresses of the work and apply our collective knowledge to solve problems. This helped us work through the tough times.

There were many people who fell through the cracks. For a variety of reasons some homeowners were not able to engage with their insurers. Authorities put considerable resource into modelling how to identify these claimants. I didn't see any material evidence this helped identify new claimants or expedite settlement of their claims. Perhaps they should have simply spent more time in the community and knocked on a few doors.

PPL also did quite a lot of pro- bono work in conjunction with the Human Rights Commission and some Non-Government Organisations. This was a difficult balance – whatever we (and others) did it only scratched the surface.

Reflecting, PPL's Christchurch DPAP story is quite unique. Even now it still surprises me how a modest Wellington based property consultancy played quite a significant role in the resolution of hundreds of earthquake insurance claims.

It's been an interesting journey. It has certainly honed the senses, informed us a lot about corporate and human nature and behaviour. There was something to learn every day. The DPAP required us all to dig deep. It has been character-building at both personal and professional levels.

Observations from PPL's Canterbury experience

- Meet the people – not once – as often as it takes to get the job done. Communication underpinned everything
- Listen carefully, deeply and widely – the earthquake claims environment created wider and deeper issues beyond physical earthquake damage to land and buildings.
- Scope the problem properly at the outset. Poor scoping of earthquake damage is (arguably) exclusively responsible for the EQC's current negative legacy issues. This additional burden on taxpayers is huge and was avoidable.
- Continuity provided stability and confidence for the customer, particularly with long, complex and / or multiple claims.
- Insurance staff were also seriously affected by the environment. Many had their own claims to deal with.
- The politics around the CES had a detrimental effect on timely claim settlements.
- A wider perspective causes one to question the wisdom of some local authorities' planning and subdivision decisions.
- Government has also established a more robustly resourced programme to facilitate claim resolution through its Greater Christchurch Claims Resolution Service. It has the potential to work well; however, it's several years too late.
- Discretion is the better part of valour. Working discreetly and quietly without doubt allowed us to do our job and steer clear of much of the negativity that accompanied the post-quake environment

