25 January 2017

**Media statement: Tower seeks recovery from EQC**

Tower has filed proceedings against EQC in the High Court.

Along with IAG who has lodged a separate claim against EQC, Tower is seeking to recover money it has spent addressing land damage – which should be covered by EQC ­– as a result of the Canterbury earthquakes.

This High Court claim is an important step toward resolving a number of outstanding points where private insurers and EQC have been unable to reach agreement.

EQC insures land for Increased Liquefaction Vulnerability (ILV) damage, however, in some cases insurers will make payments to address ILV damage to expedite the repair of a customer’s building. This may be to improve the ground or to enhance the building’s foundations to mitigate the liquefaction vulnerability.

The claim against EQC is to recover the costs Tower incurred to respond to ILV, costs which fairly reside with EQC under section 19 of the Earthquake Commission Act 1993.

Tower notes that it will not be seeking to recover any money from customers, received from either Tower or EQC.

Tower CEO, Richard Harding, believes that court action is now the only way to create clarity for both private insurers and EQC.

“Despite repeated discussions with EQC, we have failed to agree how to treat these costs. The private insurance industry needs clarity and a High Court ruling now seems the only way forward on this particular issue.

“Despite this, Tower remains committed to continuing dialogue with EQC on all matters.

Mr Harding also reiterated that customer settlements would not be affected by the court action.

“Customers can also be confident that this court action in no way prejudices or impacts their Tower settlement. We are simply seeking to have EQC fairly reimburse Tower for costs incurred responding to ILV in settlements already reached.”

Tower has written to those customers whose settlement is subject to this claim. Customers are also being invited to email any questions to TowerILV@tower.co.nz

**ENDS**

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