Insurance Liabilities at 30 June 2012

Southern Response Earthquake Services

August 2012

16 August 2012

Mr Ross Butler
Chairman
Southern Response Earthquake Services Limited
PO Box 9052
Tower Junction
CHRISTCHURCH 8149
NEW ZEALAND

Dear Ross

Valuation of Liabilities at 30 June 2012
for Southern Response Earthquake Services

We are pleased to enclose our report in respect of the valuation of the insurance liabilities of Southern Response Earthquake Services as at 30 June 2012.

This valuation has been prepared in compliance with the International Financial Reporting Standards which are applicable in New Zealand and the liabilities are suitable for inclusion in Southern Response's NZ IFRS 4 balance sheet. It has also been conducted in accordance with the Institute of Actuaries of Australia Professional Standard 300 and Professional Standard 4 issued by the New Zealand Society of Actuaries.

Please do not hesitate to contact us if you wish to discuss any aspect of this report.

Yours sincerely

Withheld under section 9(2)(a)

[redacted]

[redacted]

Fellows of the Institute of Actuaries of Australia

Fellows of the New Zealand Society of Actuaries

Insurance Liabilities at 30 June 2012

Part I Executive Summary

1 Introduction and Scope

We have been asked by Southern Response Earthquake Services Limited ("SRES") to make an assessment of its insurance liabilities as at 30 June 2012. SRES is the Crown-owned entity which emerged from a transaction whereby, with effect from 5 April 2012, the ongoing business of AMI Insurance Limited ("AMI") was separated from the existing AMI entity and sold to Insurance Australia Group.

The purpose of this report is to assist SRES in setting their outstanding claims provisions for balance sheet purposes. This valuation has been prepared in compliance with the International Financial Reporting Standards which are applicable in New Zealand ('NZ IFRS 4'). It has also been conducted in accordance with the Institute of Actuaries of Australia Professional Standard 300 and Professional Standard 4 issued by the New Zealand Society of Actuaries.

2 The "High Level" Results

Table 1 sets out a high level summary of the financial numbers, together with a comparison to the results adopted in our 5 April valuation and brief comments on the reasons for movements between the two valuations.

Withheld under section 9(2)(b)(ii)

Table 1 – High Level Summary of Results

	30 Jun 12 $m	5 Apr 12 $m	Mov't $m	Primary Contributor to Movement
Ultimate Outflows				
Claims Cost (Excl Arrow)	2,908	2,867	42	Higher future claims escalation assumed
Arrow's Costs	[redacted]	[redacted]	[redacted]	Revised budgets prepared by Arrow
SRES Claims Handling	114	107	7	Updated SRES expense budget
	[redacted]	[redacted]	[redacted]	
Ultimate Inflows				
EQC Contributions	878	1,005	-127	Reflecting outcomes agreed with EQC
Reinsurance Recoveries	1,252	1,268	-16	Re-allocation of costs away from minor events
	2,130	2,273	-143	
Net Outflow	[redacted]	[redacted]	[redacted]	
Cum. paid (excl CHE)	387	297	91	Payments continue to be slower than expected Not material to net liability until R/I exhausted
Net Liability				
Central Estimate	934	734	199	
Risk Margin	[redacted]	[redacted]	[redacted]	Risk margin maintained at [redacted]%
Provision Required	[redacted]	[redacted]	[redacted]	

Our latest valuation indicates that the likely ultimate cost of the Canterbury earthquake events continues to increase relative to previous expectations. The movements largely reflect assumptions being refined in response to the emergence of, and improvement in, the information available on various key aspects affecting the view of how the claims experience may develop over the run-off. Two areas in particular affected our valuation:

- Availability of Canterbury specific economic data provided a clearer view of likely building cost escalation; as a result our adopted rate of building cost inflation was increased from 6% per annum to 8% per annum, increasing the ultimate cost by about $50 million.
- Agreements across a range of individual claims reached with EQC regarding their contributions to Over Cap claims being managed by SRES indicated that the apportionment process adopted by SRES (and followed in our previous valuations) had been over-estimating the likely EQC contributions; our revised basis resulted in a reduction of about $127 million in the amount expected to be contributed by EQC.

In addition, the complexity of the claims handling and the delays in rebuilding have resulted in some increases in the projected costs of both Arrow's project management and of SRES' claims handling expenses.

3 Uncertainty of our Estimates

It should be noted that considerable uncertainty still surrounds the projection and valuation of SRES' EQ liabilities. In this regard, some points to be noted include:

- while SRES has progressed most of the way through the damage assessment phase, only a relatively small proportion of the overall incurred cost has been settled
- the base of reliable information and the understanding of how various aspects will ultimately play out is still developing
- the run-off is, of course, still exposed to the "normal" sources of variability in claims experience; in the case of Canterbury, the sheer scale of the construction programme across both residential and commercial sectors and the complexity introduced by the interplay with the cover provided by EQC act to magnify the potential variability of ultimate outcomes (as compared to 'normal' residential property claims).

withheld under section 9(2)(b)(ii)

In response to inherent uncertainties, we have maintained our risk margin at [redacted]% of the estimated liability (net of EQC contributions but gross of reinsurance recoveries). Under accounting standards, in response to the inherent uncertainty, it is expected that provisions will contain a margin sufficient to produce at least a 75% probability of sufficiency. While the unique nature of the Canterbury events makes it impossible to derive with any accuracy a precise probability for various levels of risk margin, we are of the view that the margin adopted is sufficient to produce a probability of sufficiency of at least 75%.

In this regard, the reader is referred to the commentary around the sensitivity tests set out in Section 7.4 of Part II of this report.

4 Recommended Provisions

Table 2 sets out our recommended provisions for the three main events and for all others combined.

Table 2 – Recommended Provisions

Provisions for Outstanding Claims as at 30 June 2012	Cat 93	Cat 106	Cat 112	Total		
	4-Sep-10 $m	22-Feb-11 $m	13-Jun-11 $m	Major $m	Minor $m	Overall $m
Gross Incurred Cost in 30 June $ before EQC	937.9	1,728.2	108.7	2,774.8	40.8	2,815.6
Expected EQC Share	-333.8	-455.3	-56.3	-845.4	-9.6	-855.0
Gross Incurred Cost in 30 June $ after EQC	604.2	1,272.9	52.3	1,929.4	31.2	1,960.6
less paid to 30 June 2012	-184.4	-193.9	-6.3	-384.5	-2.6	-387.2
Gross Outstanding Claims						
In 30 June 2012 Values	419.8	1,079.0	46.1	1,544.8	28.6	1,573.4
Allowance for Future Inflation	55.3	130.9	7.9	194.1	2.7	196.8
Inflated Values	475.1	1,209.9	53.9	1,739.0	31.3	1,770.2
Discount to Present Value	-14.3	-39.5	-1.8	-55.7	-0.8	-56.5
OSC Discounted to 30 June 2012	**460.8**	**1,170.3**	**52.1**	1,688.3	30.5	1,713.8
Claims Handling	[redacted]					
Gross Central Estimate						
Catastrophe R/I Recoveries	-407.1	-401.5	-46.0	-854.7	-13.6	-868.3
Aggregate R/I Recoveries	0.0	0.0	0.0	0.0	0.0	0.0
Net Central Estimate	**77.5**	**829.1**	**8.7**	**915.3**	**18.5**	**933.7**
Risk Margin	[redacted]					
Recommended provision						
Inflated Gross Central Estimate (Incl paid to date, excl CHE)	**660**	**1,404**	**60**	**2,123**	**34**	**2,157**
Change on 5 April 2012 Valuation	**69**	**138**	**-7**	**199**	**-12**	**187**

withheld under section 9(2)(b)(ii)

In respect of these figures it should be noted that:

- Each of the two large events are estimated (before the addition of SRES claims handling expenses) to exceed SRES' reinsurance protection by some margin
- Adjustments to the apportionment across events following on from agreements reached with EQC have seen cost being transferred away from the smaller events and transferred mainly to the February 2011 event
- The adoption of a risk margin of [redacted]% of the gross central estimate produces total risk margins of $[redacted] million.

withheld under section 9(2)(b)(ii)

5 Reliances and Limitations

A number of important reliances and limitations attach to the advice set out in this report. These are set out in Section 1.5 of Part II of this report.

Part II Detailed Findings

1 Introduction and Background

1.1 Purpose and Scope

We have been asked by Southern Response Earthquake Services Limited ("SRES") to make an assessment of its insurance liabilities as at 30 June 2012. SRES is the Crown-owned entity which emerged from a transaction whereby, with effect from 5 April 2012, the ongoing business of AMI Insurance Limited ("AMI") was separated from the existing AMI entity and sold to Insurance Australia Group.

The purpose of this report is to assist SRES in setting their outstanding claims provisions for balance sheet purposes. This valuation has been prepared in compliance with the International Financial Reporting Standards which are applicable in New Zealand ('NZ IFRS 4'). It has also been conducted in accordance with the Institute of Actuaries of Australia Professional Standard 300 and Professional Standard 4 issued by the New Zealand Society of Actuaries.

1.2 SRES' Insurance Liabilities

There are two parts to SRES's insurance liabilities:

- claims incurred by AMI arising from the various Canterbury earthquake events ("EQ losses") which had occurred up until 5 April 2012
- claims incurred from certain other events specified by the Sale and Purchase agreement; these claims relate to events and incidents where there has been or where it is anticipated that there will be reinsurance recoveries on the losses incurred by AMI.

The following sets out in more detail the events covered and the types of losses involved.

Events Covered

SRES' insurance liabilities relate almost solely to claims for certain events which occurred up until the time of separation from the ongoing business on 5 April 2012. Table 1.1 lists the events for which SRES is responsible for the outstanding claims liabilities, split between EQ events and other events. In addition there are a small number of individual property claims which have breached AMI's retention on its per risk reinsurance protection.

Table 1.1 – Earthquake events covered by SRES

Earthquake Events	SRES CAT Code
4-Sep-10	93
19-Oct-10	97
26-Dec-10	99
20-Jan-11	103
22-Feb-11	106
16-Apr-11	107
6-Jun-11	111
13-Jun-11	112
21-Jun-11	114
9-Oct-11	117
23-Dec-11	122

Policy Coverage

For the listed events, SRES is responsible for damage across a range of products issued by AMI, as follows:

House

- Over Cap Physical Damage - Damage to buildings in excess of the amount covered by the Earthquake Commission ("EQC"), which is currently capped at $100,000 (excluding GST), noting that the majority of AMI policies provided for full replacement value and as such do not have specified sums insured
- Out of Scope ("OOS") Physical Damage - Cover for damage to sheds, fences, driveways, swimming pools, which are not covered by EQC
- Loss of Rent - For investment properties, cover for loss of rental income (capped at 6 months) while the building is uninhabitable

Contents

- Over Cap Damage - Damage to Contents in excess of EQC cover of $20,000 (excluding GST)
- Temporary Accommodation - The cost of temporary accommodation is covered for up to 12 months and is subject to a maximum of 25% of Contents sum insured (noting that AMI has agreement from reinsurers to extend the period to 12 months from the 6 months specified in its policy wording)

Other products

- Comprehensive Motor, Farm and Boat - Earthquake related damage covered similarly to other types of damage.

Management of Claims

Table 1.2 summarises how the liabilities and the physical management of claims will be split between the SRES and the ongoing AMI business entity. Service level agreements have been put in place with the objective of ensuring that appropriate service levels are delivered by both organisations.

Table 1.2 – Division of Claims Responsibilities

Obligation	Products	Financial Resonsibility for Any Liability	Physical Management of the Matter
Settled, open and future claims on eligible EQ events occurring up until completion	House, Farm	OldCo	OldCo
	Motor, Boat	OldCo	NewCo
Settled, open and future claims on non-EQ events occurring up until completion and which trigger AMI's reinsurance cover	All	OldCo	NewCo
All other settled, open and future claims on incidents occurring up until completion	All	AMINewCo	AMINewCo
All future obligations emerging after completion on policies in force at completion	All	AMINewCo	AMINewCo
Any obligations arising after completion onexpired policies and not falling into a category listed above	All	AMINewCo	AMINewCo

Contract Works

We also note that, as part of managing the earthquake claims run-off, SRES is assuming a level of Contracts Work exposure. We understand that this exposure is largely reinsured and as such is not likely to generate any losses of a material nature. For this assessment we have assumed that SRES' contract works exposure is effectively embedded within the claims cost estimates underpinning our projection of ultimate costs.

1.3 Nature of Estimates

The estimates of outstanding claims in this report have been prepared initially on a *central estimate* basis. The valuation assumptions have been selected such that the estimates of these liabilities contain no deliberate overstatement or understatement. The central estimate is intended to be a mean of the distribution of outcomes.

The liability cannot be estimated with certainty due to, among other things, random fluctuations in experience and changes in the external environment. Because of this uncertainty, we believe that balance sheet provisions should include a risk margin above the central estimate. Risk margins are discussed further in Section 0.

Under NZ IFRS 4, insurers must discount expected future claim payments for the time value of money. All results have been estimated gross and net of reinsurance recoveries. All claims data supplied for the valuation was net of GST for all lines of business. The valuation results in this report are, therefore, net of GST.

1.4 Structure of Report

The remainder of this report contains the following:

Section 2 - describes the approach used to value the outstanding claims liabilities, the data supplied for this valuation, details of reconciliations performed and control processes

Section 3 - documents the analysis of the claim number experience together with our valuation assumptions for Buildings cover

Section 4 - documents the analysis of the average claim size experience together with our valuation assumptions

Section 5 - set outs the analysis and assumptions for other covers for which EQ losses have been incurred, including SRES' contract works exposure

Section 6 - sets out the basis behind other assumptions required to form our recommended provisions for SRES' EQ liabilities

Section 7 - summarises the outstanding claims valuation results at 30 June 2012

Section 8 - documents a summary of the liabilities attaching to the other non-EQ events for which SRES has financial responsibility

The Appendices to this report provide more detail on the data provided, the analysis undertaken and the valuation results.

1.5 Reliances and Limitations

This report is being provided for the sole use of SRES for the purposes stated in Section 1.1 of this report. It is not intended, nor necessarily suitable, for any other purpose. This report should only be relied on by SRES for the purpose for which it is intended.

We understand that SRES may wish to provide a copy of the report to the auditors of SRES in connection with the audit of the 2012 financial statements. We also understand that SRES will need to provide this report to New Zealand Treasury and that Treasury may need to pass the report onto other parties involved in the audit of the Crown's accounts. Permission is hereby granted for such distribution for this purpose on the condition that the entire report, rather than any excerpt, is distributed.

No other distribution of, use of or reference to this report (or any part thereof) is permitted without our prior written consent. Third parties, whether authorised or not to receive this report, should recognise that the furnishing of this report is not a substitute for their own due diligence and should place no reliance on this report or the data contained herein which would result in the creation of any duty or liability by Finity to the third party.

Finity has performed the work assigned and has prepared this report in conformity with its intended utilisation by a person technically competent in the areas addressed and for the stated purposes only. Judgements about the conclusions drawn in this report should be made only after considering the report in its entirety, as the conclusions reached by a review of a section or sections on an isolated basis may be incorrect.

The report should be considered as a whole. Members of Finity staff are available to answer any queries, and the reader should seek that advice before drawing conclusions on any issue in doubt.

We have relied on the accuracy and completeness of all data and other information (qualitative, quantitative, written and verbal) provided to us for the purpose of this report. We have not independently verified or audited the data, however we have reviewed the data for general reasonableness and consistency. It should be noted that if any data or other information is inaccurate or incomplete, we should be advised so that our advice can be revised, if warranted.

It is not possible to put a value on outstanding claim liabilities with certainty. As well as difficulties caused by limitations on the historical information, outcomes remain dependent on future events, including legislative, social and economic forces. Although we consider that the estimates have been prepared in conformity with what we believe to be the likely future experience, actual experience could vary considerably from our estimates. Deviations from our estimate, perhaps material, are normal and are to be expected.

It has been assumed that any amounts arising from the reinsurance programs protecting SRES will be fully recoverable on a prompt basis. If any reinsurance proves not to be recoverable (either through insolvency of a reinsurer or contract dispute) the net liability of SRES could be higher. We are not aware of any current reinsurer solvency problems or disputes over reinsurance recoveries.

2 Approach and Information

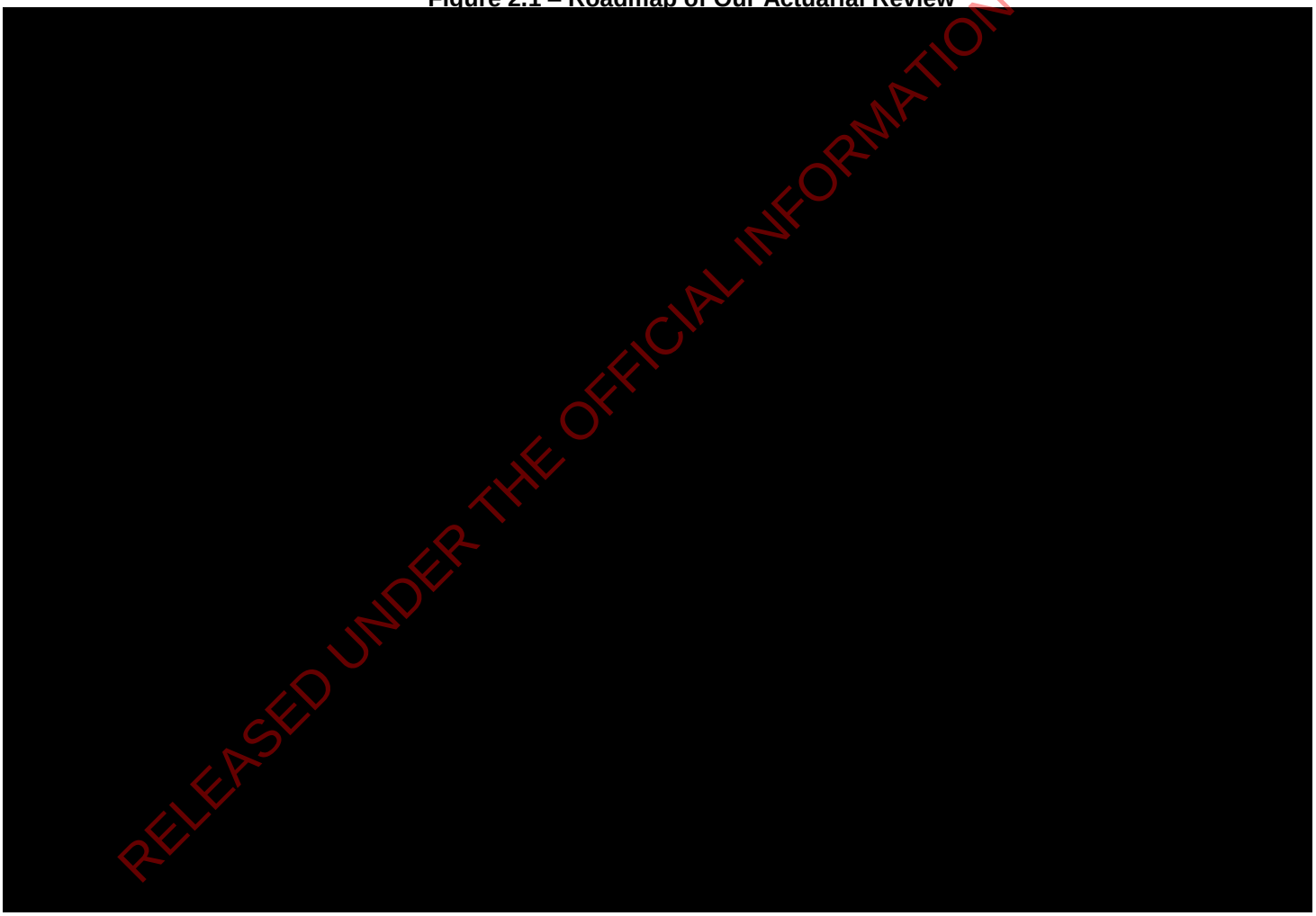
2.1 Approach to Estimating EQ liabilities

Our Actuarial "roadmap"

Our approach to the analysis and assessment of the emerging experience for SRES' EQ losses aims to respond to the various stages and avenues that claims can progress through. Figure 2.1depicts the claims process from an actuarial viewpoint, noting that the settlement options open to claimants mean that the selection of ultimate average claim sizes requires consideration of a range of issues.

withheld under section 9(2)(b)(ii)

Figure 2.1 – Roadmap of Our Actuarial Review



Deriving Provisions for Outstanding Claims

At a high level, the calculation of SRES' ultimate liability for each event relies on a relatively small number of parameters for each of the covers for earthquake damage provided under AMI's various products:

- Gross Claims Cost (in current $):
  - Ultimate number of claims
  - Ultimate average claim size (net of expected EQC contributions)
- Translating to Recommended Provision
  - Spread according to expected pattern of future payments
  - Inflate for anticipated future escalation of claims costs
  - Deduct expected reinsurance recoveries
  - Discount to present value at risk free rate
  - Load for claims handling expenses and risk margins.

Our valuation has essentially followed this approach, but with differences in how we have derived our estimates of the ultimate claim numbers and of the ultimate average claim size. Our estimates of outstanding claims at 30 June 2012 are derived by deducting from ultimate costs actual payments made up until 30 June 2012

In relation to EQC contributions, we note that the 'normal' procedure is that EQC settles its claim directly with the policyholder and that this amount, together with the deductible payable under the EQC cover, becomes the AMI policyholder's contribution to the rebuild or repair being undertaken by AMI. As such it is the net amount which becomes the liability in AMI's balance sheet. There are a small number of cases where SRES has settled with its claimant on a gross of EQC contribution basis and raised a debtor in respect of the expected EQC contribution.

Covers Other Than House Physical Damage

For the less significant parts of SRES' liabilities (Loss of Rent, Contents, Temporary Accommodation, Motor, Farm and Boat) our approach has essentially followed a "traditional" approach, by taking views on how the experience reported to date is likely to develop over future periods. For each event:

- A Chain-ladder (CL) method is used to project the ultimate number of claims for each loss type. This involves deriving chain ladder factors from the experience and then applying a selected factor to the undeveloped accident periods. For the minor events, IBNR claims were subjectively estimated based on the patterns exhibited in the major events.
- An average incurred amount per claim is also projected for each loss type. This involves deriving chain ladder factors for the development of the cumulative average incurred amount per claim from the experience provided for each event. A selected factor is then used to project the average incurred amount for events which have not yet reached full maturity. For minor events we have generally chosen an

average claim size consistent with that implied by the case estimates recorded in AMIGO.

- The ultimate claims cost for each event is determined by multiplying the projected ultimate claim numbers by the ultimate average incurred claim size. Payments to date are deducted to produce the gross current value EQ liability.

House Physical Damage

SRES' Claims Recording Practices

SRES, and AMI beforehand, have progressively made a series of changes to the way in which claims for buildings damage have been recorded. In the latest release, the claims recording approach was for AMIGO and EMS to record claims against relevant events as follows:

- Where it is assessed that the damage to the building involves at least one event with damage in excess of the EQC cap, then
  - For event(s) where the damage exceeded the cap in that event, an Over Cap ("OC") claim would be recorded for each of these events
  - For events(s) where damage below the EQC cap was sustained, an Under Cap ("UC") claim would be recorded
- Where it is assessed that the damage from no one event exceeded the EQC cap, and out of scope damage had been incurred, an Out of Scope ("OOS") claim would be recorded against each of the relevant events
- Where the assessment results in there being only Under Cap damage and no OOS damage, an Under cap only claim is recorded against the relevant events

This approach was adopted largely to ensure that both gross and net of EQC amounts for each damaged property can be correctly allocated to the events involved. We understand, however, that the processes built to migrate to the above coding did not execute correctly and hence a number of claims ended up being coded incorrectly. SRES is still in the process of cleaning up the records which were miscoded. As our approach relies on monitoring and modelling the transitions that properties go through during the assessment and EQC apportionment phases, we have had to produce some workarounds to approximate the 'true' position.

2.2 Supporting Information

Appendix A lists the various sources of information used for the valuation. As our roadmap indicates, there are a number of quite complex elements to be considered and put together to arrive at a coherent valuation result. SRES' systems and processes are at various stages of development for capturing reliable and timely data on each of these aspects. The immaturity of the data is an important element to be considered when assessing the uncertainties attaching to our projections of SRES' likely ultimate loss position.

2.3 Control Processes and Review

Our valuation and this report have been subject to Technical and Peer Review as part of Finity's standard internal control process:

- Technical review focuses on the technical work involved in the project. The technical reviewer reviews the data, models, calculations and results, and also reviews our written advice from a technical perspective.
- Peer review is the professional review of a piece of work. The peer reviewer reviews the approach, assumptions and judgments, results and advice.

We have conducted, where possible, a range of cross-reference checks and reconciliations to assess the suitability of various components of the data. This process has been aided by the availability in a number of cases of the same (or similar) data elements from different sources. In most of the areas critical to our analyses, we are satisfied with the results of these reconciliations and cross-checks. In aspects where data reliability has been particularly problematic we have made specific comments in the main body of our report.

3 Buildings Cover - Claim Volumes

3.1 Approach Adopted

In estimating claim volumes for OC and OOS damage by event, we adopt a transition matrix approach whereby we track past and project future movements among the different classifications of damage (between OC, UC and OOS) and use this to take a view of:

- the ultimate number of properties expected to involve a liability for SRES, split between those with OC damage and those with OOS only damage
- those that have reported claims to SRES but which turn out to be 'purely' UC and hence the total responsibility of EQC; note also there is another large category of properties, being those insured by AMI who have lodged claims with EQC but have not lodged claims with SRES
- the apportionment of the damage among the events contributing to the damage.

As noted in Section 2, corruptions in the main system data mean that we have had make some inferences from corroborating data about the 'true' classification of a number properties which are yet to be corrected in the main AMIGO and EMS databases.

Our projection of damaged property volumes is largely driven by the accuracy of the initial coding of claims between OC and OOS and then by the re-classification(s) which occur following either the Arrow assessment or EQC endorsement processes. Our transition matrix approach effectively captures the net effect of various movements from one period to the next.

Relative to previous valuations, this transition matrix has also been extended to cover all EQ events (not just the two major events) thus taking away the need to make separate allowance for the losses emanating from some of the minor events. As previously, our transition matrix model operates at the level of land damage zone.

3.2 Number of Damaged Properties Covered By SRES

Table 3.1 show the progression since August 2011 in the volume of properties for which claims have been made with SRES. Tables showing equivalent results by land damage zone are set out in Appendix B, together with the details of the transition matrix assumptions we have adopted in producing estimates of the ultimate volumes of properties requiring assessment.

Table 3.1 Properties with Reported SRES Claims

	Over Cap		OOS Only		EQC Only		Total	
	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't
Aug-11	6,235		16,529		198		**22,962**	
Sep-11	6,476	241	16,908	379	204	6	**23,588**	**626**
Oct-11	6,576	100	17,285	377	218	14	**24,079**	**491**
Nov-11	6,571	(5)	17,813	528	120	(98)	**24,504**	**425**
Dec-11	6,637	66	18,106	293	121	1	**24,864**	**360**
Jan-12	6,675	38	18,508	402	127	6	**25,310**	**446**
Feb-12	6,700	25	18,832	324	126	(1)	**25,658**	**348**
Mar-12	6,751	51	19,225	393	123	(3)	**26,099**	**441**
Apr-12	6,723	(28)	19,433	208	160	37	**26,316**	**217**
May-12	6,800	77	19,526	93	153	(7)	**26,479**	**163**

The incremental increase in the volume of properties with claims activity reflects a combination of activity from new events and late reported claims arising from earlier events usually as a result of the EQC having finalised its assessment of the damage and which events were responsible. As the results show, the overall number of damaged properties continues to climb, with the majority of the increase being in OOS only claims. 'EQC Only' reflects those properties where it has been assessed that there is no damage for which SRES is responsible.

Table 3.2 sets out our view of the ultimate volume of damaged properties, subdivided by the ultimate claim type.

Table 3.2 – Projected Ultimate Damaged Properties

	DRA Outcome			Total
	Over Cap	OOS Only	EQC Only	
Full DRA's Completed				
No of DRA's Completed	6,002	54	153	6,209
Net Future Movement[1]	780	39	(16)	803
Projected Ultimate	6,782	93	137	7,012
Out of Scope Only				
No Reported to Date[2]		19,526		19,526
Net Future Movement		987		987
Projected Ultimate		20,513		20,513
Total With EQ Damage[3]	6,782	20,513	28,274	55,570

[1] *Includes both reported but not yet assessed and those not yet reported*

[2] *Includes those reclassified after DRA completed*

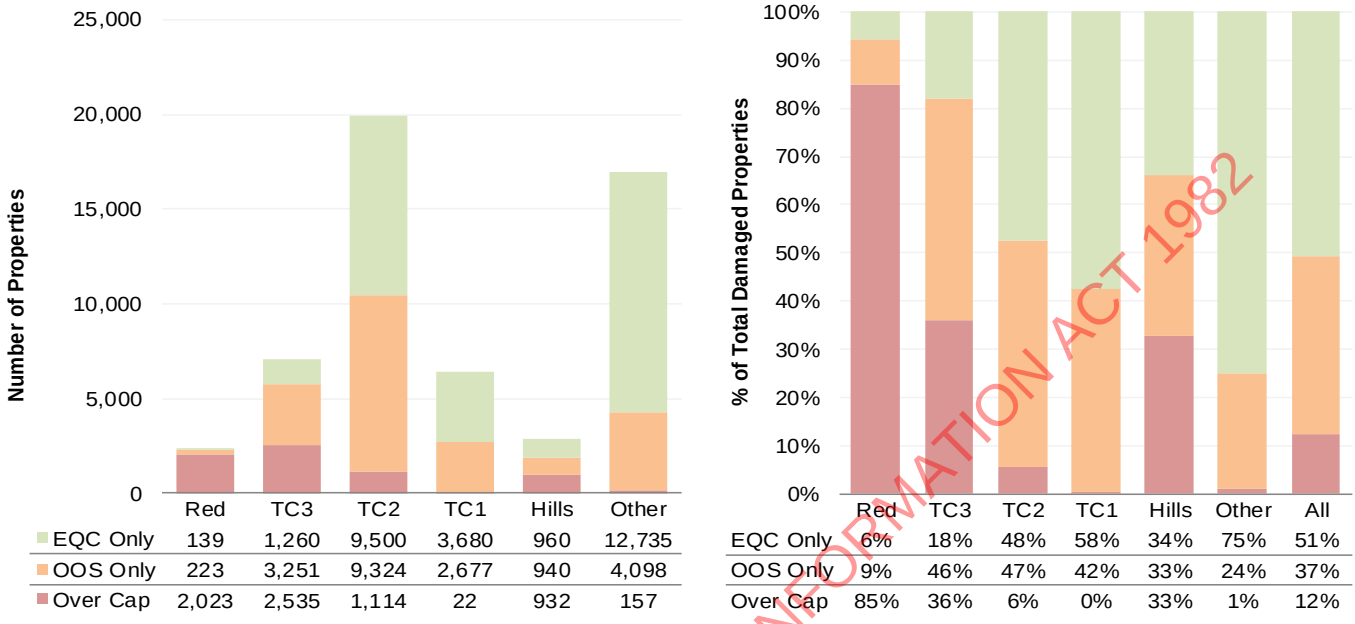
[3] *Grand total assumed to be equal to total recorded to date on EQC database*

Note that the 'EQC Only' category is the sum of the number of properties with SRES claims that we expect to be reclassified as Under Cap plus any AMI-insured properties on the EQC database for which SRES does not ultimately have any claims liability. Also, the overall total is not comparable with previous valuations as, for this valuation, we have extended the actuarial database to include properties with claims activity (either SRES or EQC) from any of the EQ events for which SRES has responsibility.

As Table 3.2 shows, our transition analysis projects the number of additional Over Cap properties to be reasonably modest but allows for the volume of OOS only properties to

continue to grow. Our projected ultimate volumes and mix by level of damage for each land zone is depicted in Figure 3.1

Figure 3.1 Damage Level by Zone



	Red	TC3	TC2	TC1	Hills	Other
EQC Only	139	1,260	9,500	3,680	960	12,735
OOS Only	223	3,251	9,324	2,677	940	4,098
Over Cap	2,023	2,535	1,114	22	932	157

	Red	TC3	TC2	TC1	Hills	Other	All
EQC Only	6%	18%	48%	58%	34%	75%	51%
OOS Only	9%	46%	47%	42%	33%	24%	37%
Over Cap	85%	36%	6%	0%	33%	1%	12%

This quite clearly shows the strong correlation between the extent of damage and land damage zone, particularly as we move down through the categorisation of the 'flat' parts of Christchurch.

3.3 Translation to Claim Volumes By Event

Major Events – Over Cap Claims

In translating the volumes of properties with Over Cap damage to their equivalent claim volumes for each event, we have divided the EQ events into two groups:

- The five events where it is apparent that SRES' ultimate payout is likely to exceed SRES' reinsurance deductible (the 'major events'), namely:
  - 4 September 2010 (Cat 93)
  - 26 December 2010 (Cat 99)
  - 23 February 2011 (Cat 106)
  - 13 June 2011 (Cat 112)
  - 23 December 2011 (Cat 122)
- Six other events for which SRES has recorded claims (the 'minor events').

As noted in Section 2, for properties with at least one event causing damage in excess of the EQC cap of $100k, where it is determined that multiple events have contributed to the overall damage a claim is raised for each other contributing event. Where the damage

from the additional event(s) is below the EQC cap of $100k, this claim is recorded as an Under Cap claim. This enables appropriate apportionment across events of both the gross cost of the damage and the amount which will be contributed under EQC's cover.

Consistent with this recording, our approach for the major events has been to examine trends in the apportionment results of completed DRA's to date in order to assess and project claim volumes for the major events split between 'Full Cap' and 'Partial Cap' EQC contributions. In estimating the ultimate overall position, we have separately examined the experience by land damage zone split according the DRA outcome (Rebuild/Repair/Under Cap). Table 3.3 sets out the result of aggregating the results across these segments.

Table 3.3 – Projected Claim Volumes for Over Cap Properties

	No. of Properties Damaged						No. Per 100 Damaged Properties					
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To Date												
No of DRA's						6,209						100
With Full Cap												
Rebuild	1,955	9	3,151	193	9	5,317	31	0.1	51	3.1	0.1	86
Repair	435	6	1,256	39	0	1,736	7	0.1	20	0.6	-	28
	2,390	15	4,407	232	9	7,053	38	0.2	71	3.7	0.1	114
With Partial Cap												-
Rebuild	1,862	18	224	470	8	2,582	30	0.3	4	7.6	0.1	42
Repair	923	14	236	319	31	1,523	15	0.2	4	5.1	0.5	25
	2,785	32	460	789	39	4,105	45	0.5	7	12.7	0.6	66
												-
Total Claims[1]	5,175	47	4,867	1,021	48	11,158	83	0.8	78	16.4	0.8	180
Under Cap	188	3	182	76	0	449	3	0.0	3	1.2	-	7
Ultimate												
No of DRA's						7,012						100
With Full Cap												
Rebuild	2,086	11	3,438	214	12	5,761	30	0.2	49	3.0	0.2	82
Repair	548	8	1,577	50	0	2,183	8	0.1	22	0.7	-	31
	2,634	19	5,015	264	12	7,943	38	0.3	72	3.8	0.2	113
With Partial Cap												-
Rebuild	2,050	19	239	509	10	2,827	29	0.3	3	7.3	0.1	40
Repair	1,174	18	298	395	43	1,928	17	0.3	4	5.6	0.6	27
	3,224	37	538	904	52	4,755	46	0.5	8	12.9	0.7	68
												-
Total Claims[1]	5,858	57	5,553	1,168	64	12,698	84	0.8	79	16.7	0.9	181
Under Cap	209	3	203	83	0	498	3	0.0	3	1.2	-	7

[1] *Excluding those reclassified as Under EQC Only*

It should be noted that the above projections are based on the apportionment across events as recorded in the Arrow database of DRA assessments. As such, this projection does not yet fully reflect the impact of negotiations with EQC regarding agreed positions on apportionment and contributions to SRES-managed rebuilds and repairs. As will be seen in Section 4, negotiations with EQC are resulting in a number of adjustments (generally downwards) in EQC contributions - as compared to those implied by the DRA assessment. This adjustment is mainly in relation to the quantum of partial caps, although there are instances of second full caps changing to partial caps and partial caps being fully removed. At this stage, given data reliability issues with the recording of the agreed position reached with EQC, this aspect has been ignored in the above projections

of claim volumes with the financial effect being dealt with when considering the overall average EQC contribution (see Section 4 for details).

Major Events – Out of Scope Only Claims

For Out of Scope damage, our projection of the number of OOS claims for each event has been largely based on our transition matrix projection of damaged properties with a translation to ultimate claim volumes for each event based on recent and projected IBNR activity. It should be noted that the claim volumes shown are less than the volumes reported in AMIGO as we exclude any OOS claims on properties which also have recorded an Over Cap claim. We understand that, where it is apparent that more than one event has contributed to the OOS damage, a claim is raised against each contributing event and the cost apportioned.

Table 3.4 – OOS Claim Volumes for Major Events

	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To date						
No OOS only properties						19,526
No of OOS Claims	8,146	704	10,420	1,047	743	21,060
Claims Per 100 Properties	42	4	53	5	4	108
Future Net Movement						
No OOS only properties						987
No of OOS Claims	1,001	56	680	70	267	2,073
Claims Per 100 Properties	101	6	69	7	27	210
Ultimate						
No OOS Only properties						20,513
No of OOS Claims	9,147	760	11,100	1,117	1,010	23,133
Claims Per 100 Properties	45	4	54	5	5	113

This shows that our valuation allows for a further 2,073 out of scope claims to be lodged, with still further activity for the September 2010 and June 2011 events.

Minor Events

There are six other events for which SRES has received claims. Table 3.5 summarises the number reported to date, together with the ultimate volumes we have included in the valuation.

Table 3.5 – Minor Events Selected Claim Numbers

Events	Over Cap		Out of Scope Only	
	Reported	Ultimate	Reported	Ultimate
CAT 97 - 19/10/2010	5	5	98	100
CAT 103 - 20/01/2011	3	3	45	45
CAT 107 - 16/04/2011	13	13	40	40
CAT 111 - 6/06/2011	17	17	56	62
CAT 114 - 21/06/2011	5	5	60	78
CAT 117 - 9/10/2011	5	5	40	41

3.4 Buildings Claims Volumes – Comparisons With 5 April 2012 Valuation

Number of Damaged Properties

Table 3.6 summarises our projection of the number of damaged properties and compares our projection with that adopted at the 5 April 2012 valuation.

Table 3.6 – Properties with Buildings Claims

Properties with Buildings Claims	Valuation at 30 June 2012	Valuation at 5 April 2012	Movement
Over Cap			
No Recorded in Data used for valuation	6,800	6,751	49
Future additions	212	192	21
Estimated Ultimate No to be assessed	7,012	6,943	70
No assessed as under cap	-230	-191	-39
Ultimate No with Over cap damage	6,782	6,751	31
Out of Scope Damage Only[1]			
No in database at 31 May	19,526		
Estimated further additions	987	n/a	
	20,513		
Total No of Properties with Claims	27,296		

[1] Database for June valuation extended to cover 5 events likely to involve reinsurance. Previously data largely restricted to properties which had claim activity for either Sept 10 or Feb 11 events only

This shows that there has only been a marginal change in the adopted ultimate number of Over Cap properties between valuations. For the 30 June 2011 valuation, it was projected that ultimately there would be 7,010 Over Cap assessments (almost identical to the current figure of 7,012) and that 6,538 of these would be assessed as being properties with Over Cap damage (cf. 6,782 currently). In the more recent valuations, including the latest, we have seen the proportion being assessed as Under Cap being lower than the patterns exhibited when the 30 June 2011 valuation was undertaken.

As noted earlier, changes to what is captured in our property database prevent precise comparisons of OOS property volumes with previous valuations. It is apparent, however, that the volume of properties suffering OOS damage is materially higher than was allowed for at the June 2011 valuation. At that valuation, our approach only formally dealt with properties damaged in the September 2010 and February 2011 events. After adding some allowance for properties damaged in the 13 June 2011 event, our valuation at 30 June 2011 allowed for approximately 16,000 OOS properties – considerably lower than the 20,513 OOS properties included in our latest valuation. While events which have occurred post 30 June 2011 have contributed some of the difference, most of the increase arises from late reported claims activity being much higher than previously anticipated.

Number of Claims By Event

Table 3.7 sets out comparisons across valuations of our projected claim volumes for the three largest events individually and for all other combined. Note that changes in reporting practices and in how we have modelled future development mean that direct comparisons with previous valuations can be misleading.

Table 3.7 – Projected Buildings Claim Volumes By Event

Projected Claim Volumes	Projected Position at 30 June 2012				
	4-Sep-10	22-Feb-11	13-Jun-11	Other	Overall
Over Cap					
Full caps	2,634	5,015	264	31	7,943
Partial Caps[1]	3,224	538	904	190	4,855
Over Cap	**5,858**	**5,553**	**1,168**	**221**	**12,799**
As at 5 April 2012	4,859	5,659	1,192	227	11,938
Movement[2]	998	-107	-24	-6	861
Out of Scope Only					
At 30 June 2012	**9,147**	**11,100**	**1,117**	**1,951**	**23,314**
As at 5 April 2012	9,273	11,161	1,248	2,028	23,710
Movement	-127	-62	-131	-77	-396
Total Buildings Claims					
At 30 June 2012	**15,004**	**16,652**	**2,284**	**2,172**	**36,113**
As at 5 April 2012	14,133	16,821	2,440	2,255	35,648
Movement	872	-168	-155	-83	465

[1] Properties with an Over Cap Claim in at least one other event

[2] Increase for September largely reflects change in recording approach for partial caps

For Over Cap damage, the volume of properties involving Over Cap damage for the September 2010 and February 2011 events has turned out to be much higher than allowed for at the 30 June 2011 valuation. It is also apparent that damage caused by the 13 June 2011 event has been largely incremental damage on top of damage sustained in previous events. As such, we have estimated that there are less than 300 properties likely to have suffered Over Cap damage amounts in this event.

For OOS only damage, the claim volumes across the events are marginally lower than previously adopted for the 5 April 2012 valuation.

4 Buildings Cover – Average Claim Size

4.1 Introduction

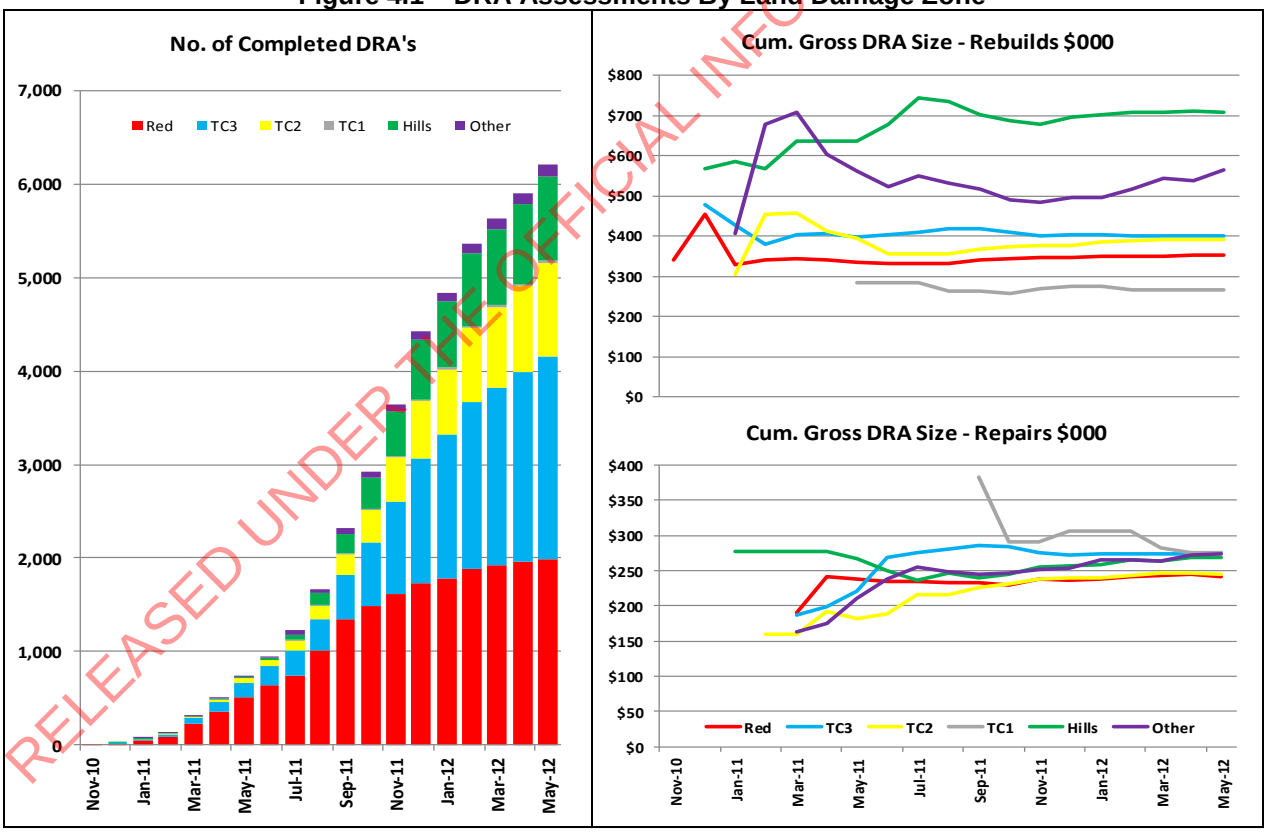
Our assessment of average claim size for Buildings cover is based on Arrow's assessed costs adjusted for the impact of EQC's contribution to Over Cap properties being different to that implied by Arrow's apportionment and 'savings' which emerge on those properties where the customer chooses a settlement option other than an Arrow-managed rebuild or repair.

4.2 DRA Assessed Costs

Trends To Date By Land Damage Zone

Figure 4.1 sets out the trends in DRA assessments by land zone. This shows that about 6,200 DRA's have been completed and that within each zone the cumulative average size has remained relatively stable for both rebuilds and repairs.

Figure 4.1 – DRA Assessments By Land Damage Zone

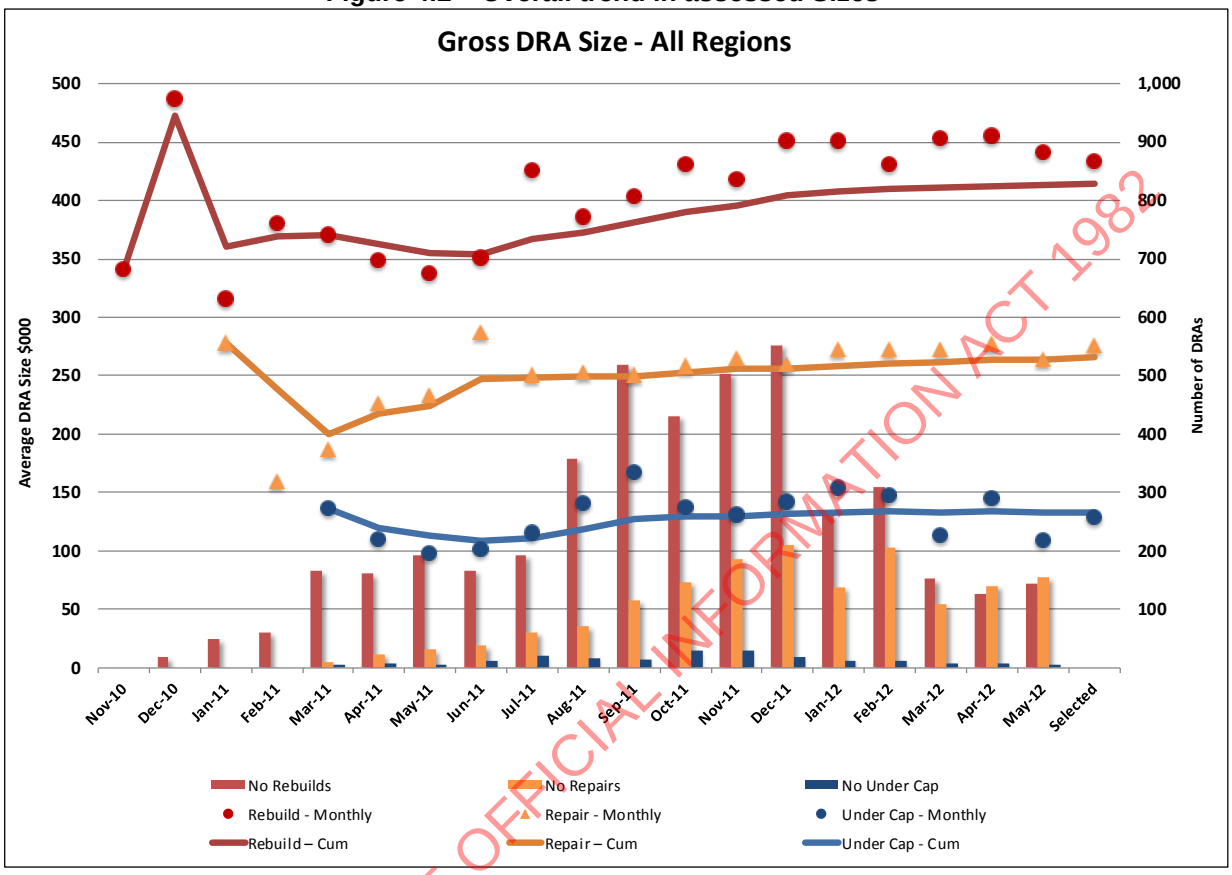


Overall Trend in Assessed Sizes

Figure 4.2 shows the trends in the overall gross size for all land zones combined. As the columns in this chart show, as assessments have progressed from the Red Zone to the lesser damaged areas the mix between rebuild and repair has transitioned more towards

repairs. In each of the last two months, Arrow's assessments have seen repairs exceed rebuilds. Our projection for future assessments allows for this pattern to continue.

Figure 4.2 – Overall trend in assessed Sizes



Contract value comparison

As at time of preparing this valuation, Arrow had completed its tendering process on 56 properties. The outcomes of these tenders are summarised in Table 4.1 and depicted graphically in Figure 4.3.

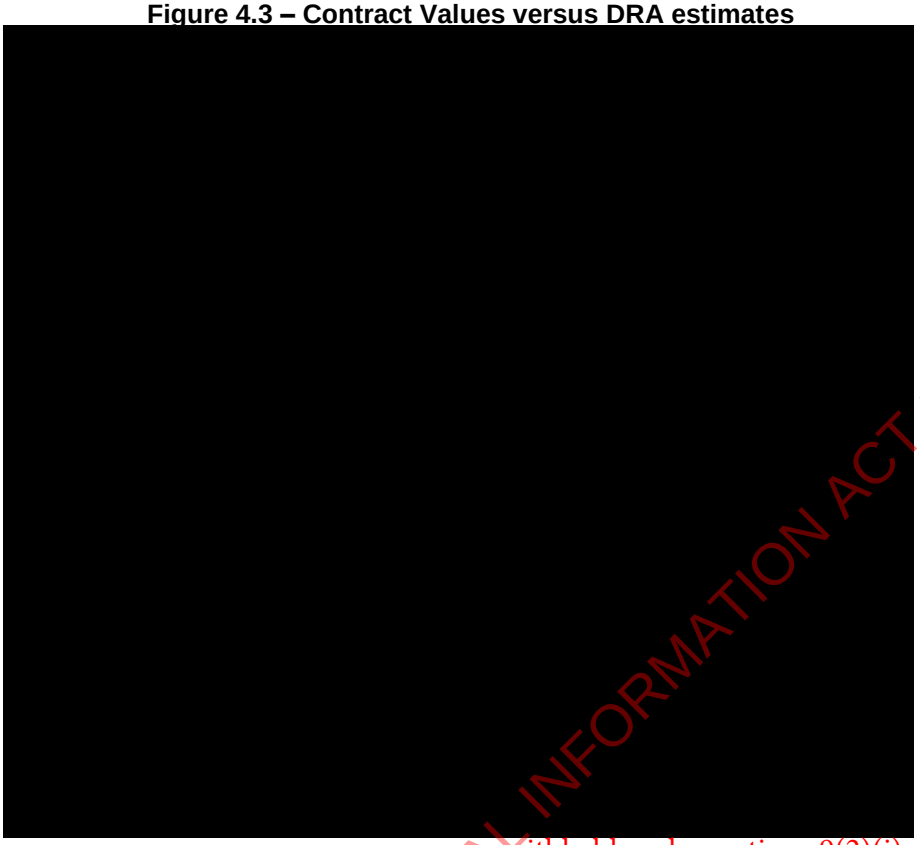
Table 4.1 Contract Outcomes

Outcomes for tendered contracts	Total Value $m	Average Value $000
DRA estimates (including contingency)	[redacted]	
Contingency		
DRA estimates ex contingency		
Contract values to date		
No of Contracts	*56*	

withheld under sections 9(2)(i) and (j)

withheld under sections 9(2)(i) and (j)

Figure 4.3 – Contract Values versus DRA estimates



withheld under sections 9(2)(i) and (j)

For this initial batch of contracts, the average contract value was [redacted]% below the equivalent DRA value (before adding contingency margin which averaged [redacted]%).

In the context of Treasury data on building cost inflation over the last 12 months in Canterbury, (discussed later in this Section) this represents a positive outcome and, while based on very small volumes, provide some comfort that the DRA assessments represent a reasonable estimate of the building cost outcomes that might be achieved in the current cost environment.

DRA Assessed Average Sizes – Adopted For Projection

Based on the trends exhibited above, for this valuation we have, therefore, adopted without adjustment the DRA assessed costs as the basis for projecting ultimate rebuild and repair average claim sizes (in current values). Our aggregate figures, derived from projections undertaken for each land damage zone, are summarised in Table 4.2

withheld under sections 9(2)(i) and (j)

Table 4.2 – Projected Gross Average Size

	Percentage Mix			Gross Average Size $000		
	Rebuild	Repair	Under Cap	Rebuild	Repair	Under Cap
To Date	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	133
Future	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	128
Ultimate	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	132

As noted earlier, the DRA assessments incorporate estimates for the costs incurred by Arrow in the assessment and subsequent management of those properties which progress to construction. Table 4.3 below summarises the costs which have been recorded in DRA's together with an estimate of what this implies for the ultimate cost of Arrow's services for Over Cap properties. The costs associated with Arrow's management of OOS claims is covered later in this Section.

withheld under sections 9(2)(i) and (j)

Table 4.3 – Arrow Costs in DRA Assessments

	Arrow Managed			Cash Settle-ments	Not yet decided	Grand Total
	Rebuild	Repair	Total			
No of DRA's Fully Completed	653	224	877	1,630	3,768	6,275
Building Works $m						
Building work (OC + OOS)	200.9	45.4	246.4	480.0	955.5	1,681.9
Consents	13.1	3.8	16.8	29.7	73.0	119.5
Services	0.2	0.1	0.3	0.0	3.1	3.5
	214.2	49.3	263.6	509.7	1,031.6	1,804.9
Contingency	30.8	6.9	37.6	53.3	150.1	241.0
	245.0	56.2	301.2	563.0	1,181.7	2,045.9
Demolition	16.7	1.5	18.2	35.1	68.3	121.7
	261.7	57.7	319.4	598.1	1,250.0	2,167.6
Arrow Costs $m	[redacted]					
DRA preparation						
Contract setup						
Contruction management						
PMO (Overheads)						
TOTAL ASSESSED COST $m						
As per DRA assessment						
No completed to date	653	224	877	1,630	3,768	6,275
Total Arrow Cost $m	[redacted]					
Average Arrow Cost $000	[redacted]					
Arrow % Building Works	4.3%	8.4%	5.0%	4.6%	5.8%	5.4%
Adjusted for Settlement Option[1]						
No completed to date	653	224	877	1,630		
Total Arrow Cost $m	[redacted]					
Average Arrow Cost $000	[redacted]					
Arrow % Building Works	4.3%	8.4%	5.0%	2.4%		
Ultimate position[2]						
No.of Properties	2,100	1,900	4,000	3,000		7,000
Average Arrow Cost $000	[redacted]					
Total Arrow Cost $m	[redacted]					

[1] *For Arrow managed properties, includes all Arrow costs. For Cash settlements, includes DRA preparation and PMO costs only.*
[2] *Estimated using average Arrow costs from above after adjustment for settlement option applied to Finity projection of volumes*

The above analysis implies an ultimate cost of Arrow's services of $103 million, which is in line with the cost implicitly built into our 5 April valuation. Subsequent to completing our analysis based on the costs indicated by the DRA assessments, we have been advised by SRES that Arrow has prepared an updated projection of its likely costs for the overall project, with the Over Cap component now estimated to run out at around $116 million. To cater for this additional cost, we have increased our projected average gross claim sizes shown in Table 4.2 for the major events by [redacted]%.

withheld under sections 9(2)(i) and (j)

4.3 EQC Contributions

Background

As part of its DRA assessment, Arrow also estimates the apportionment of the overall damage across the contributing events. This apportionment is then used to identify which events involve full and/or partial cap amounts and to estimate the likely EQC contributions from each event. Various processes are then applied by SRES, enabling SRES to either take a view of, or to reach agreement with EQC, the overall quantum of the damage sustained, its apportionment across events and the anticipated value of EQC's contribution.

We understand that SRES has reached a firm view on the likely EQC contribution for about 2,000 properties. The emerging evidence in the cases where agreement has been reached with EQC is that:

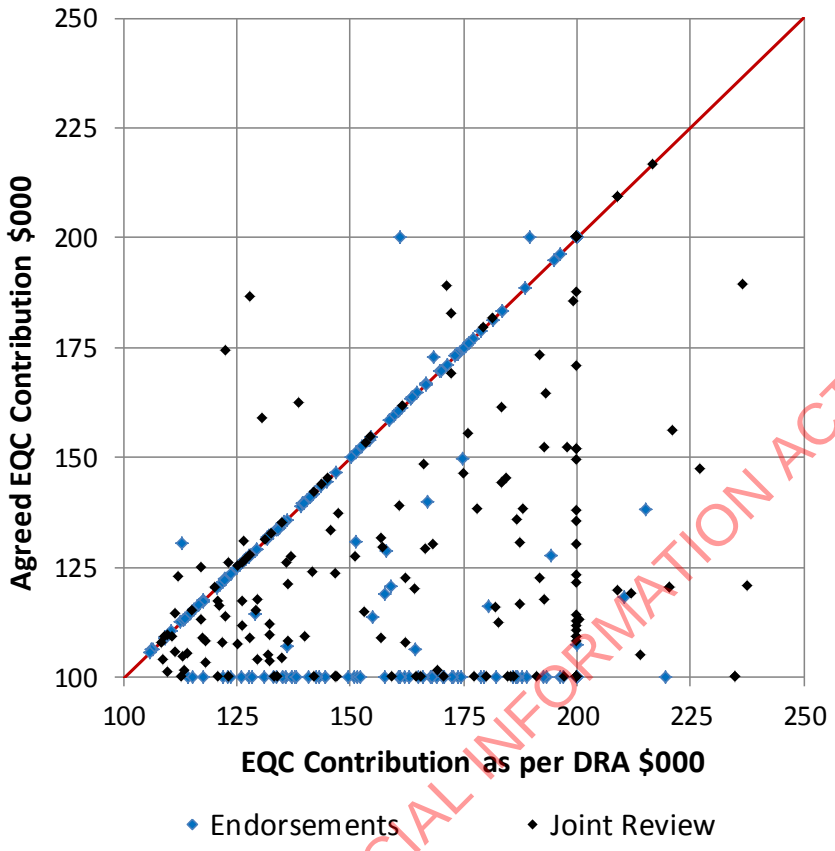
- there have not been material changes in the overall quantum of repair/rebuild costs as indicated by the DRA assessment
- where partial caps are involved, on average the partial cap EQC contribution has been generally lower than originally implied by the original DRA assessment.

It should be noted that, in the 5 April 2012 valuation, we had identified the possibility of EQC contributions being below the DRA assessed values and had made a subjective downwards adjustment of about $30 million to the expected value of EQC contributions.

Analysis of Agreements Reached To Date

SRES' systems have struggled to consistently record anticipated EQC contribution outcomes. Through merging a number of data sources we have identified about 800 properties where the recorded information on EQC contributions appears reliable. We have used the results on these properties to form a view of the likely ultimate position regarding EQC contributions. Table 4.4 depicts the outcomes on these properties.

Figure 4.4 – EQC Contributions For Joint Reviews and Endorsements



	Assessed in DRA	From Endorsed Properties		
		1st Full Cap	Partial cap	Total
Joint Review	158,119	100,000	22,383	122,383
Endorsements	143,933	100,000	26,469	126,469

These results show there are a reasonable proportion falling below the diagonal line, indicating an outcome which is less than that implied by the DRA assessment. In each of the Joint Review set and the Endorsement set, the average EQC contribution is noticeably less than that implied by the DRA assessment.

Basis Adopted for Valuation

Based on these results, we have taken the view that EQC contributions will be lower than implied by DRA assessments. We have used the results of the above analysis, appropriately normalised for the profile of the sample versus the profile of all properties, to adjust the DRA-assessed EQC contribution to a level more in line with that exhibited by the experience shown above. Table 4.4 sets out basis we have adopted for these adjustments.

Table 4.4 – Adopted Adjustments to Assessed EQC Contributions

Full Cap Profile	From Completed Endorsements					From Completed Joint Reviews					Adopted For All Properties with DRAs				
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11
No of Properties															
Sep 10 Only	n/a	n/a	51	4	n/a	n/a	n/a	28	4	n/a	n/a	0	586	89	7
Feb 11 Only	105	n/a	n/a	15	n/a	98	n/a	n/a	28	n/a	2,762	23	n/a	610	18
Sep 10 + Feb 11	n/a	n/a	69	1	n/a	n/a	n/a	34	3	n/a	n/a	0	866	109	5
Assessed in DRA $000															
Sep 10 Only	n/a	n/a	54.7	1.9	n/a	n/a	n/a	63.3	67.0	n/a	n/a	n/a	41.6	5.9	0.5
Feb 11 Only	41.6	n/a	n/a	6.6	n/a	36.7	n/a	n/a	68.0	n/a	39.1	0.3	n/a	11.0	0.3
Sep 10 + Feb 11	n/a	n/a	100.0	1.4	n/a	n/a	n/a	100.0	83.4	n/a	n/a	0.2	98.3	8.4	0.5
After Endorsement $000															
Sep 10 Only	n/a	n/a	14.8	0.0	n/a	n/a	n/a	42.6	5.7	n/a	n/a	n/a	10.4	1.5	0.1
Feb 11 Only	28.0	n/a	n/a	1.6	n/a	21.8	n/a	n/a	17.3	n/a	25.4	0.1	n/a	2.8	0.1
Sep 10 + Feb 11	n/a	n/a	81.2	0.0	n/a	n/a	n/a	71.9	11.4	n/a	n/a	0.1	78.7	2.1	0.1
Endorsed As % of DRA															
Sep 10 Only	n/a	n/a	27%	0%	n/a	n/a	n/a	67%	8%	n/a	n/a	n/a	25%	25%	25%
Feb 11 Only	67%	n/a	n/a	24%	n/a	59%	n/a	n/a	25%	n/a	65%	25%	n/a	25%	25%
Sep 10 + Feb 11	n/a	n/a	81%	0%	n/a	n/a	n/a	72%	14%	n/a	n/a	25%	80%	25%	25%

Table 4.5 sets out the outcome of this adjustment process.

Table 4.5 – Adopted EQC Contribution versus DRA Estimates

	DRA Estimate	Assumed
5 April Valuation	148,000	144,000
30 June Valuation	145,000	126,000

This shows that we have reduced the DRA-based estimate of $145,000 by $19,000 to $126,000. By comparison at the 5 April valuation, we had applied a much lower reduction of $4,000.

4.4 Impact of Customer Settlement Options

Options Available to Customers

There are a number of alternative settlement options available to customers in the Red zone requiring a rebuild or repair, and customers in other zones requiring a rebuild. Eligible customers are able to choose between rebuilding their property elsewhere, purchasing another property, or taking a cash settlement.

For customers in the Red zone, where remaining on the same section is not an option, the government has provided one of two options:

- Option 1: the government compensates the customer for both the land and building, based on the most recent rating (government) valuation. The right to recovery from insurance is transferred from the customer to the government
- Option 2: the government compensates the customer for land only, based on the most recent rating (government) valuation. The customer continues to pursue the buildings related claim with their insurer.

Customers which select Option 2 are treated in the same way (from SRES' perspective) to customers that choose to rebuild their property elsewhere, whereas for customers that select Option 1 SRES will settle these claims directly with the government (via CERA).

Customers with a repair only claim in the Red zone have mostly selected Option 1 as this would be expected to provide them with the greatest benefit (as the government pays the full value on the building regardless of damage).

In the Red zone, more than 70% of customers have made a decision, with a large number having decided to purchase another property. In other zones, only about a third of customers have made a decision, and, of these, a small proportion has selected the cash settlement option.

Projected Profile By Settlement Option

Table 4.6 shows the profile of customer decisions that have been made to date on rebuilds (and repairs in the Red zone), together with the basis adopted for projecting an estimate of the ultimate position. There is a small allowance for government Option 1 and Option 2 in other regions due to the reclassification of part of the Port Hills district to Red Zone land damage.

Table 4.6 – Profile of Customer Decisions

	REBUILD			REPAIRS	REBUILD			REPAIRS
	Red	Other Regions	All Regions	Red	Red	Other Regions	All Regions	Red
Experience To date								
Rebuild/Repair	222	577	799	1	17%	65%	37%	1%
Purchase Another Home	828	261	1,089	1	64%	29%	50%	1%
Cash - Govt Option 1	137	0	137	36	11%	0%	6%	47%
Cash - Govt Option 2	71	0	71	22	6%	0%	3%	29%
Cash - Other	27	54	81	16	2%	6%	4%	21%
Total with decisions	1,285	892	2,177	76	100%	100%	100%	100%
Awaiting Decision	530	1,687	2,217	59				
Overall	1,815	2,579	4,394	135				
Assumed Future[1]								
Rebuild/Repair	100	1,207	1,308	1	17%	62%	51%	1%
Purchase Another Home	384	473	858	1	65%	24%	34%	1%
Cash - Govt Option 1	59	32	91	33	10%	2%	4%	47%
Cash - Govt Option 2	35	19	55	21	6%	1%	2%	30%
Cash - Other	12	228	240	15	2%	12%	9%	21%
Total	591	1,960	2,551	71	100%	100%	100%	100%
Projected Ultimate								
Rebuild/Repair	322	1,784	2,107	2	17%	63%	45%	1%
Purchase Another Home	1,212	734	1,947	2	65%	26%	41%	1%
Cash - Govt Option 1	196	32	228	69	10%	1%	5%	47%
Cash - Govt Option 2	106	19	126	43	6%	1%	3%	29%
Cash - Other	39	282	321	31	2%	10%	7%	21%
Total	1,876	2,852	4,728	147	100%	100%	100%	100%

[1] Includes properties not yet assessed and properties not yet reported

It should be noted that this table excludes properties outside the Red Zone which have been assessed as repairable (of which there are approximately 1,900). This means that we are assuming that around 4,000 Over Cap properties will end up being Arrow-managed rebuilds or repairs, with the remaining taking some form of cash settlement option.

Savings Experience

Potential savings can arise from a number of these options and our observations of the experience and assumptions are discussed below.

Demolition Costs in Red Zone

The forced abandonment of properties in the Red Zone mean that a large number of the properties can be demolished in bulk, with cost savings arising as a result. To date a total of 77 properties have been demolished, with a total saving of $499,000. The average saving to date equates to about 30% of the average assessed demolition cost. We have adopted this saving percentage on demolition cost for all properties in the Red zone requiring a demolition.

There are also a number of properties where it is feasible to remove the building and relocate it on another section of land. Customers that opt for this arrange for their building to be moved by another company (not SRES), and that company is required to cover any residual demolition costs. For these properties, SRES will not incur any demolition costs, and hence, there is a 100% saving on the demolition costs. Approximately 15% of customers are expected to follow this path in the Red zone.

The overall saving on demolition costs in the Red zone is therefore expected to be in the order of 40% (85% × 30% + 15% × 100%). On an average demolition of $18,000, this gives an average saving of $7,250 per property.

Red Zone – Impact of Government Option 1

Under Option 1, the property owner is compensated by the Government for both their land and buildings, with the Government (via CERA) being assigned the customers' entitlements due from the associated buildings insurance claim. The government (via CERA) will then settle with SRES on the buildings damage.

SRES has indicated to us that, being cash settlements, these properties are likely to be settled at indemnity value (i.e. including a deduction for depreciation of the building). SRES has estimated the expected reduction in the replacement value (on properties requiring a rebuild) due to depreciation to be around $40,000 per property.

Also, as cash settlements, certain Arrow-related costs (construction management and contract setup) will be avoided. In addition, the settlement basis will be net of the contingency margin included in the DRA assessment. The average value of these items for Red Zone customers who have selected Option 1 is about $30,000.

Red Zone properties requiring a rebuild and are classified as Option 1 have an estimated overall saving of $77,250 per property (i.e. saving for property depreciation, plus Arrow costs, plus a bulk demolition saving as discussed earlier). Red zone properties that only

require repair are expected to only have the saving on Arrow costs and the contingency margin.

A number of properties in the Hills zone may also select Option 1, and these will not have the bulk demolition savings, however will most likely have a higher value than Red zone properties. As such, we have adopted a saving of $[redacted] per property in the interim before more information becomes available. withheld under section 9(2)(i)

Option to Purchase Another Property

To date, almost 1,000 customers have chosen the policy option of purchasing another property elsewhere. We were able to estimate the "savings" on these types of settlements by deducting from the total DRA cost – cash payment made, demolition, project management cost, cost of DRA and expected EQC contribution.

The savings vary by zone as shown in Table 4.7.

Table 4.7 – Savings by Zone – Purchase of Another Property

	Red	TC3	TC2	Hills	Other	All
Number of Properties	[redacted]					
Amount Per Property ($'000)						
DRA						
Cash Payment						
Demolition						
PMO						
DRA						
EQC Contribution						
Total Est. Settlement						
Actual less Expected						

withheld under section 9(2)(i)

We have adopted a saving of $[redacted] per property for Red zone, $[redacted] per property for the Hills zone and $[redacted] for all other zones.

Cash Settlement

There have been around 100 cash settlements recorded to date and we have estimated the "saving" for these in a similar way to repurchases, by deducting cash payments and relevant costs and expected EQC contribution from the estimated DRA cost. The estimated savings vary by zone as shown in Table 4.8.

withheld under section 9(2)(i)

Table 4.8 – Savings by Zone – Cash Settlements

	Red	TC3	TC2	Hills	Other	All
Number of Properties	[redacted]					
Amount Per Property ($'000)						
DRA						
Cash Payment						
Demolition						
PMO						
DRA						
EQC Contribution						
Total Est. Settlement						
Actual less Expected						

withheld under section 9(2)(i)

Red zone has had the most experience to date, with 70 settlements averaging around $[redacted] saving per property. Including a saving for bulk demolition costs, this would result in around $[redacted] saving per property in the Red zone on cash settlements. Other zones have had very little experience to date but so far, appear slightly higher than the Red zone, so we have also used an assumption of $[redacted] per property.

Overall Projected Savings

The aggregate expected saving from the various customer decision types is shown in Table 4.9.

Table 4.9 – Summary of Savings

withheld under section 9(2)(i)

	REBUILD			REPAIRS
	Red	Other Regions	All Regions	Red
Ultimate Number of Properties				
Rebuild/Repair				
Purchase Another Home				
Cash - Govt Option 1				
Cash - Govt Option 2				
Cash - Other				
Overall				
Assumed Saving per Property ($'000)				
Rebuild/Repair				
Purchase Another Home				
Cash - Govt Option 1				
Cash - Govt Option 2				
Cash - Other				
Total				
Estimated Total Savings ($m)				
Rebuild/Repair				0.0
Purchase Another Home				0.0
Cash - Govt Option 1				2.1
Cash - Govt Option 2				0.0
Cash - Other				0.0
Total				2.1

This shows that our valuation allows for a total of $106 million to be 'saved' relative to the costs implied by the DRA assessments. This is similar to amount allowed in the 5 April valuation.

4.5 OOS Claims

The management of OOS claims (in particular during the assessing and repair phases) has been through a couple of iterations. Under current arrangements, the assessing, tendering and repair oversight of unclosed OOS claims is being undertaken by Arrow.

As at the time of our investigations for this valuation, Arrow had progressed about 1,500 OOS properties to a point where there are either finalised costs or accurate estimates of the likely cost. Given the uncertainty about the quality and currency of OOS case estimates captured in AMIGO, we have mainly relied on this initial 'burst' of Arrow-assessed costs to establish an average claim size for all outstanding claims.

withheld under section 9(2)(i)

We also examined the OOS component of DRA's which were ultimately assessed as being Under Cap with a building works (excluding OOS) cost of under $[redacted]. These particular properties had an average buildings works cost of about $[redacted] which was very similar to EQC's average SOW cost on properties which have been classified by SRES as OOS only.

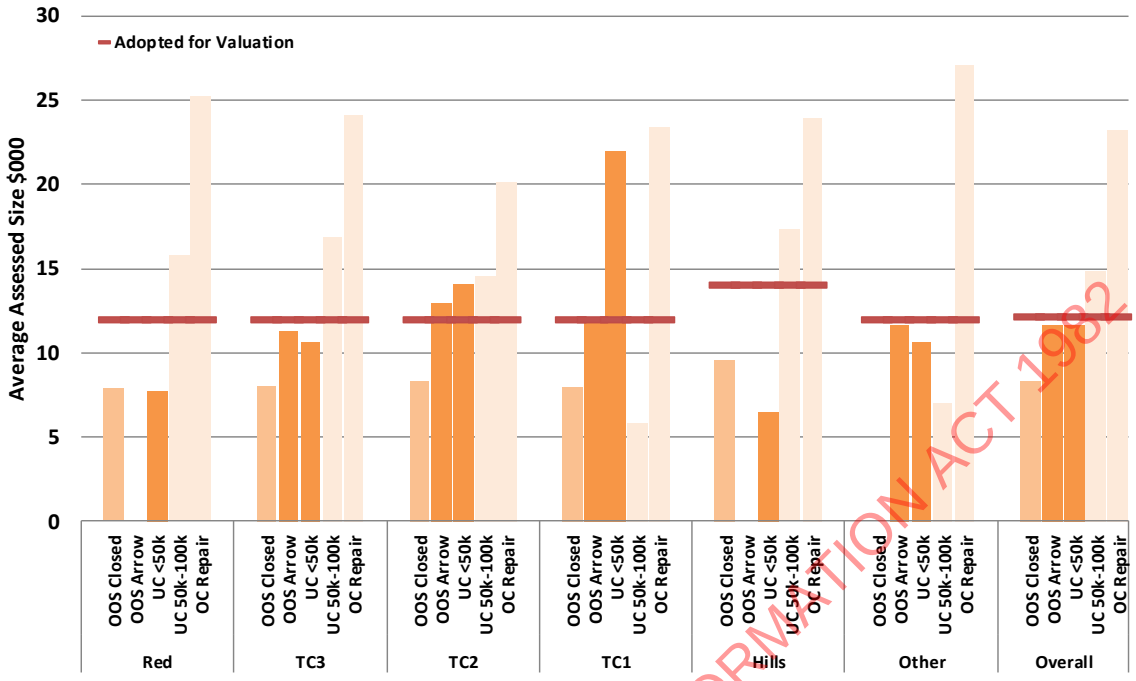
Where it is identified that more than one event contributed to the OOS damage, individual claims are raised with the damage to be apportioned accordingly. At this point in time, the Arrow assessment data we have access to is at a property level and we understand that AMIGO does not yet necessarily reflect the apportionment between events. The experience to date does indicate, however, relatively similar average claim sizes both by event and by land damage zone (except for Hills district). In our valuation, we have therefore adopted a consistent average claim size for each event, so our valuation allows for apportionment across events in proportion to anticipated claim volumes. Claims which have been closed were included at the cost indicated by the paid amounts recorded in AMIGO.

As was the case with Over Cap claims, late in the piece it was identified that the Arrow estimates provided to us did not cover the full amount of costs expected to be incurred by Arrow. In particular, it is apparent that there is not an amount recorded against individual claims for PMO costs associated with OOS claims, which we have been informed are projected to be about $[redacted]million. To allow for this we have added a loading of [redacted]% to the assessed costs in arriving at our adopted average claim sizes for OOS claims.

withheld under section 9(2)(i)

Table 4.10 sets out the details of the analysis we have done by land damage zone. Figure 4.5 summarises the key results.

Figure 4.5 – Key OOS Claim Size Statistics



Note: Darkness of shading reflects weight given in selecting adopted sizes

Table 4.10 – OOS Claims Costs By Zone

	Red	TC3	TC2	TC1	Hills	Other	Total
Closed Claims							
No Closed							
Sep-10	6	85	493	161	18	328	1,091
Dec-10	0	4	16	12	0	11	43
Feb-11	3	20	95	38	12	60	228
Jun-11	1	3	4	3	0	3	14
Dec-11	0	2	3	0	0	2	7
All events	**10**	**114**	**611**	**214**	**30**	**404**	**1,383**
Average Size							
Sep-10	[redacted]						
Dec-10							
Feb-11							
Jun-11							
Dec-11							
All events							
Arrow Assessments							
OOS Properties							
Number Assessed	-	2	421	582	-	504	1,509
Average OOS Size	-	[redacted]					
Claims Per Property	1.28	1.19	1.14	1.10	1.17	1.08	1.11
Size Per Claim	-	[redacted]					
DRA Assessed as UC <$50k [1]	-	-	-	-	-	-	-
Number Assessed	15	4	23	5	7	6	60
Average OOS Cost	[redacted]						
Adopted Size [1]							
Per property	12,000	12,000	12,000	12,000	14,000	12,000	12,092
Per Claim	9,395	10,113	10,485	10,931	11,925	11,076	10,643

withheld under sections 9(2)(i) and (j)

This shows that we have adopted an average cost per property of $12,000 in all zones except the Hills where we have arbitrarily adopted a size of $14,000 per property. Weighting by our projected number of open claims, these adopted sizes per property translate to an average size per open claim of $10,643.

Table 4.11 summarises our adopted OOS average claim sizes for each of the major events, which, in effect are a weighted average of the size of closed claims and $10,643 for open and IBNR claims.

Table 4.11 – Adopted OOS Claim Size By Event

	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	All
No of Claims						
Closed	1,091	43	228	14	7	1,383
Open	8,056	717	10,872	1,103	1,003	21,750
Total	9,147	760	11,100	1,117	1,010	23,133
Claim Size						
Closed	[redacted]					
Open						
Ultimate						
Adj. for Arrow PMO Adopted Ultimate						

withheld under sections 9(2)(i) and (j)

4.6 Minor Events

Table 4.12 sets out a comparison of reported and adopted average claim sizes for the minor events. None of these events are expected to involve reinsurance recoveries and, in the overall scheme of things, their overall quantum makes a very minor contribution to SRES' overall liabilities.

withheld under sections 9(2)(i) and (j)

Table 4.12 Minor Events: Adopted Average Sizes

Events	Current				Previous			
	Over Cap		Out of Scope Only		Over Cap		Out of Scope Only	
	Reported	Ultimate	Reported	Ultimate	Reported	Ultimate	Reported	Ultimate
CAT 97 - 19/10/2010	[redacted]							
CAT 103 - 20/01/2011								
CAT 107 - 16/04/2011								
CAT 111 - 6/06/2011								
CAT 114 - 21/06/2011								
CAT 117 - 9/10/2011								

4.7 Future Escalation in Building Costs

Available Economic Indices

New Zealand Treasury has provided a series of economic indicators together with the equivalent measures for the Canterbury region (which are not normally published). In relation to these indices, the following should be noted:

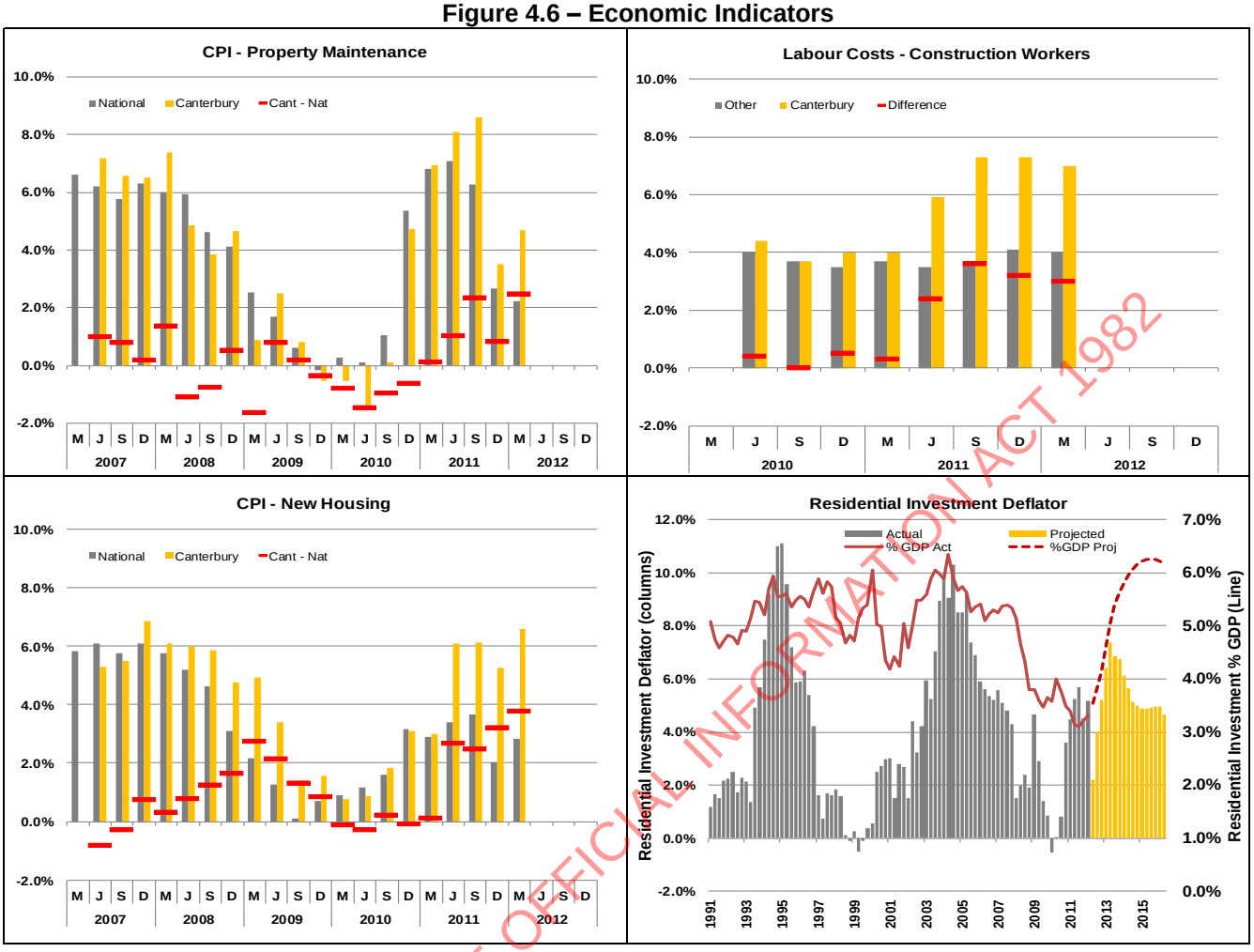
- The CPI – Property Maintenance index is most likely to reflect lower end repair costs; in the case of SRES, this index is mainly of most relevance to Out of Scope Only damage; Treasury does not prepare forecasts of this index
- The CPI – New Housing index relates to the cost of the construction of new homes; it excludes land costs but is inclusive of both material and labour; this index is a good indicator of cost movements for SRES' Over Cap exposure; Treasury does not prepare forecast of this index
- Labour Costs – Construction Workers is the movement in the average earnings of construction workers which in essence is largely a subcomponent of what the CPI – New Housing is measuring; Treasury does not prepare forecasts of this index.

At a national level Treasury produces the Residential Investment Deflator, a very similar measure to the CPI – New Housing index. This is a measure for which Treasury prepares long term forecasts. The experience over the last 20 years shows, as expected, that there is a strong correlation between the CPI – New Housing and the Residential Investment Deflator.

Recent Experience

Figure 4.6 sets out the recent experience of these indices, together with Treasury's national forecast for the level of housing activity and the associated forecast of housing-related inflation.

Figure 4.6 – Economic Indicators



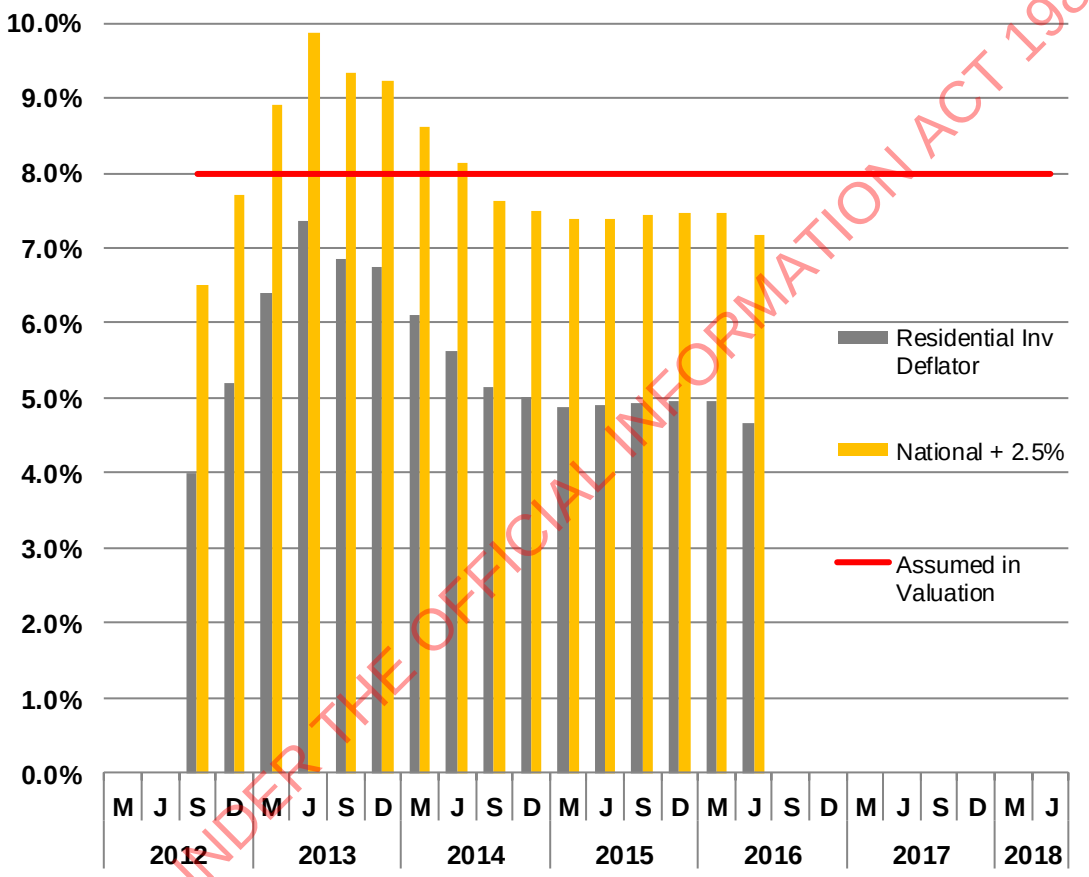
The points to note from the above statistics are:

- The various measures comparing Canterbury to the national experience indicate that Canterbury is experiencing building-related inflationary pressures which are about 2% to 3% above the levels recorded at the national level
- Treasury's national forecast for building activity indicate:
  - A rise in building activity over the next few years (measured as a % of GDP) to levels approaching the peaks reached in previous residential building 'booms'
  - An expectation that building cost inflation will not be as severe as in previous 'booms, largely due to the concentration of the increased activity in Canterbury; as a result, over the next few years, building cost inflation is forecast to peak at around 7% per annum and then settle back down at around 5% per annum.

Adopted Building Cost Escalation

On the basis of the above observations, we have assumed that building cost inflation in Canterbury will continue to run at around 2.5% above Treasury's forecasts for the national economy. Over the period for which rebuild/repair activity is expected to occur, this produces an average annual rate of about 8% per annum, which have applied to both Over Cap and OOS claims costs. Figure 4.7 depicts the details.

Figure 4.7 – Adopted Building Cost Escalation



4.8 Buildings Damage – Summary of Adopted Average Claims Sizes

Table 4.13 sets out the net outcomes of the above conclusions regarding the elements contributing to our view of the overall ultimate average sizes for buildings damage. For comparison purposes, this table shows the sizes before and after allowing for future cost escalation as well as the equivalent figures as adopted in the 5 April valuation. For simplicity we have combined the results for all events other than the three largest.

withheld under sections 9(2)(i) and (j)

Table 4.13 – Adopted Buildings Average Claim Sizes

Implied Average Sizes $000	Cat 93 Sep 10	Cat 106 Feb 11	Cat 112 Jun 11	Other	Overall	Adopted 5 Apr 12	Movement $000	Movement %
Over Cap								
Per Property (Current Values)								
Gross								
EQC Contribution								
Net of EQC								
Per Property (Inflated Values)								
Gross								
EQC Contribution								
Net of EQC								
Per Claim (inflated dollars)								
Gross								
EQC Contribution								
Net of EQC								
Adopted Net Size at 5 Apr 12								
$ Movement								
% Movement								
Out of Scope Only								
Per Property (Current Values)								
Per Property Inflated Values)								
Per Claim (Inflated values)								
Adopted at 5 April 2012								
$ Movement								
% Movement								

Across all events, the adopted current value average Over Cap gross size per property has reduced marginally; the increase in the adopted rate of escalation acts to almost exactly offset this reduction when comparing inflated average claim sizes. The impact of the reduction in the assumed level of EQC contributions is quite apparent.

Looking at the sizes per Over Cap claim for the individual events, the relative movements in the average claims sizes makes evident the movement of cost towards the February 2011 event.

For OOS claims, using Arrow's estimates as the reference point has resulted in an material increase in the expected size of these claims.

5 Other Covers

5.1 Temporary Accommodation

The cost of temporary accommodation is covered for up to 12 months and is subject to a maximum of 25% of Contents sum insured (noting that SRES has agreement from reinsurers to extend the period to 12 months from the 6 months specified in its policy wording).

Our approach has been to assume that within each land zone, the proportion of Contents policies that are likely to make a Temporary Accommodation claim is based on the proportion of Dwellings policies with a claim in that zone. Customers who choose to purchase another property are not eligible for a Temporary Accommodation claim except in the Red zone.

The projected number of temporary accommodation claims is shown in Table 5.1 by land zone.

Table 5.1 – Projected Number of Temporary Accommodation Claims

	Red	TC3	TC2	TC1	Hills	Other	All Regions
Number of Dwellings claims (excl Repurchase in zones other than Red zone)	2,066	2,167	1,088	29	756	173	6,278
Dwellings exposure	2,422	6,898	20,637	6,652	2,698	19,688	58,995
% with Dwellings damage	85%	31%	5%	0%	28%	1%	11%
Contents exposure	2,010	6,232	18,334	5,822	2,452	19,658	54,506
Temp Accom							
Claims to date	1,009	936	2,216	340	675	785	5,961
IBNR claims	787	1,021	92	29	45	98	2,072
Total	1,796	1,957	2,308	369	720	883	8,033
% with Temp Accom claim	89%	31%	13%	6%	29%	4%	15%

Red zone has the highest proportion of temporary accommodation claims, not only because of the severe damage, but also because customers in the Red zone can take temporary accommodation elsewhere even if the house is habitable.

The TC3 and Hills zones also have a fairly high proportion of damaged properties, hence a large number of temporary accommodation claims are also expected.

Our expectation is that almost all temporary accommodation claims will reach the maximum entitlement of 25% of sum insured, and we have based the average size of IBNR claims on this. For any claims that are currently open, our estimated outstanding is derived directly by comparing maximum entitlement with the amount paid to date.

Table 5.2 shows a summary of the experience to date and our projected ultimate cost for the September and February events.

Table 5.2 – Projected Ultimate Cost of Temporary Accommodation Claims

		Red	TC3	TC2	TC1	Hills	Other	All Regions
September event	Number of Claims to date	410	178	631	161	36	370	1,786
	Paid to date ($m)	1.8	0.8	1.7	0.3	0.1	1.0	5.8
	Maximum entitlement ($m)	6.7	3.1	10.0	2.4	0.7	7.0	29.8
	Max. entitlement remaining on Open claims ($m)	2.1	1.4	4.8	1.2	0.3	3.3	13.3
	IBNR claims	337	191	27	15	2	46	616
	Average claim size ($'000)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Cost of IBNR claims ($m)	5.8	3.1	0.4	0.2	0.0	0.8	10.4
	Ultimate Number of Claims	747	369	658	176	38	416	2,402
	Estimated Ultimate Liability ($m)	9.7	5.4	7.0	1.8	0.5	5.1	29.5
	Outstanding Liability ($m)	**7.9**	**4.5**	**5.3**	**1.5**	**0.4**	**4.1**	**23.7**
February event	Number of Claims to date	599	758	1,585	179	639	415	4,175
	Paid to date ($m)	3.7	2.7	3.4	0.3	4.8	1.3	16.2
	Maximum entitlement ($m)	9.5	12.2	25.1	2.9	12.8	7.0	69.5
	Max. entitlement remaining on Open claims ($m)	3.5	7.4	14.7	1.5	5.5	3.4	36.0
	IBNR claims	450	830	65	15	42	53	1,455
	Average claim size ($'000)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Cost of IBNR claims ($m)	7.7	13.8	1.1	0.3	0.9	0.9	24.7
	Ultimate Number of Claims	1,049	1,588	1,650	194	681	468	5,630
	Estimated Ultimate Liability ($m)	14.8	23.9	19.2	2.1	11.3	5.6	76.9
	Outstanding Liability ($m)	**11.2**	**21.2**	**15.8**	**1.8**	**6.5**	**4.3**	**60.7**

The estimated ultimate liabilities (in current dollars) for the September and February events are $30 million, and $77 million respectively. This compares to our estimated ultimate cost of $35 million and $55 million respectively at the June 2011 valuation.

For other events, we have estimated the ultimate cost using a chain ladder. The total estimated cost (in current dollars) for temporary accommodation claims from other events is about $6.5 million.

5.2 Other Cover Types

Table 5.3 sets out a summary of claim sizes we have adopted for other cover types.

Table 5.3 Adopted Claim Sizes for Other Covers

		Reported		Ultimate		
		Claim Numbers	Average Size	Claim Numbers	Average Size	Estimated Cost ($m)
4 Sept 2010 Darfield	Lost Rent	215	8,522	222	8,400	**1.9**
	Contents	302	6,601	314	5,750	**1.8**
	Vehicles	1,064	1,121	1,064	1,135	**1.2**
	Other	70	14,482	70	14,482	**1.0**
	Total	1,651	3,654	1,671	3,529	**5.9**
22 Feb 2011 Lyttleton	Lost Rent	765	9,992	792	10,000	**7.9**
	Contents	846	16,179	859	13,600	**11.7**
	Vehicles	1,719	2,364	1,719	2,364	**4.1**
	Other	28	17,739	28	17,739	**0.5**
	Total	3,358	7,711	3,398	7,112	**24.2**
13 June 2011 Lyttleton	Lost Rent	67	9,687	73	9,800	**0.7**
	Contents	50	3,873	53	4,200	**0.2**
	Vehicles	128	1,231	128	1,231	**0.2**
	Other	10	9,693	10	9,693	**0.1**
	Total	255	4,303	264	4,510	**1.2**
Minor Events	Lost Rent	17	27,739	17	27,739	**0.1**
	Contents	43	38,806	55	40,218	**0.2**
	Vehicles	92	5,666	149	5,666	**0.2**
	Other	9	12,410	14	12,410	**0.1**
	Total	161	17,225	235	15,751	**0.5**

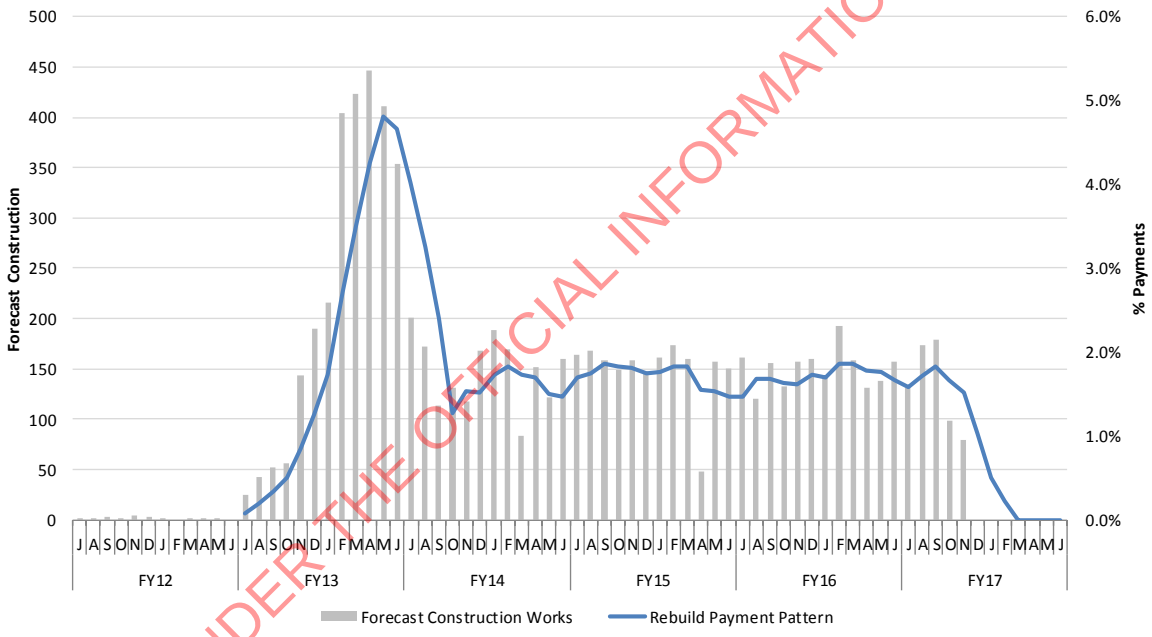
6 Other Factors

6.1 Payment pattern

The overall payment pattern is based on separate payment patterns for a number of different claim types, including rebuilds, repairs, cash settlements and other claim types.

The payment pattern for rebuilds is based upon the Arrow forecast (February 2012) of the number of construction projects to take place in each month. We have delayed the construction activity in the forecast by around six months in line with delays in actual experience. Discussions with Arrow have indicated that around 200 construction projects are expected to be active by December 2012, and our adjustment is also in line with this. The incremental pattern of these rebuilds is shown in Figure 6.1.

Figure 6.1 – Rebuilds Payment Pattern



For other claim types:

- For repairs, we have allowed for these to be completed over the course of the 2013 and 2014 financial years
- For cash settlements arising under existing customer options we have assumed that these will be completed by the end of the 2013 financial year, with the majority of settlements expected to occur by December 2012
- For other claim types, the majority of these are expected to be paid out by the end of the 2014 financial year, with temporary accommodation claims expected to wind up during the 2015 financial year. The quantum of payments for other claim types is small (around 15%) compared to the payments for rebuilds, repairs and cash settlements.

The monthly payments implied by the underlying assumed payment patterns are shown in Figure 6.2.

Figure 6.2 – Projected Payments by Payment Type

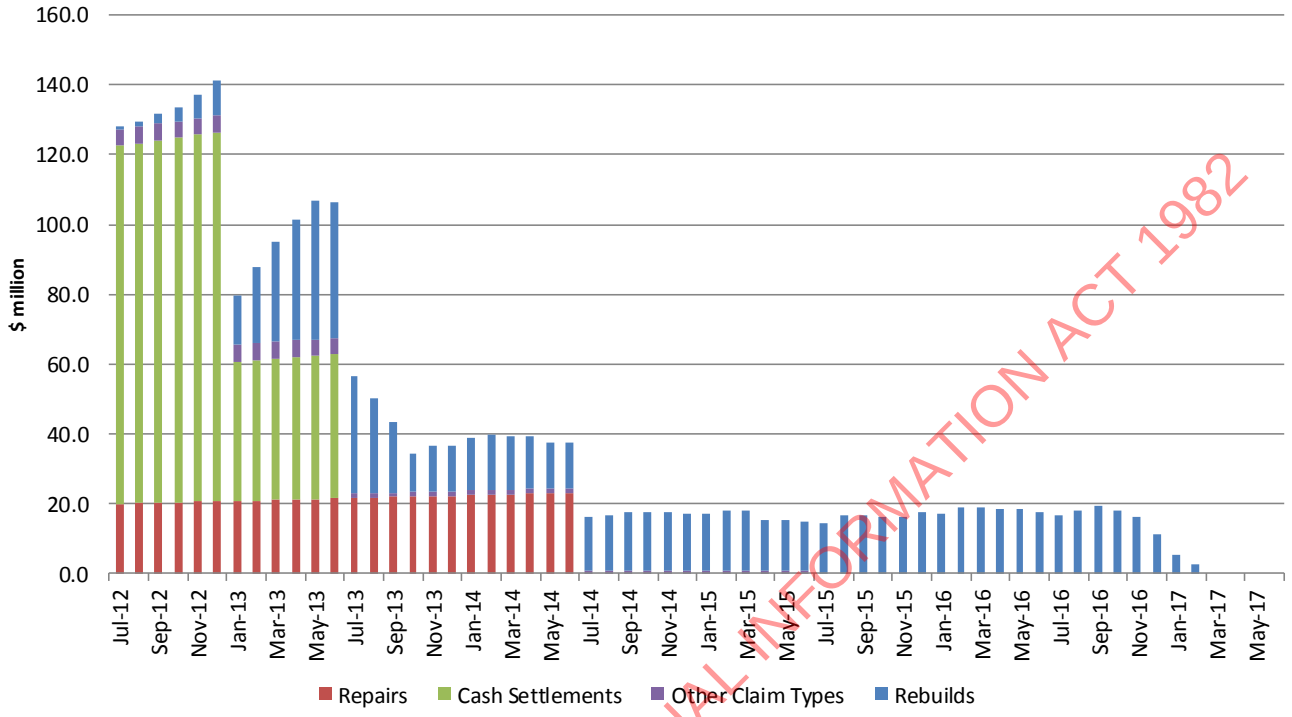
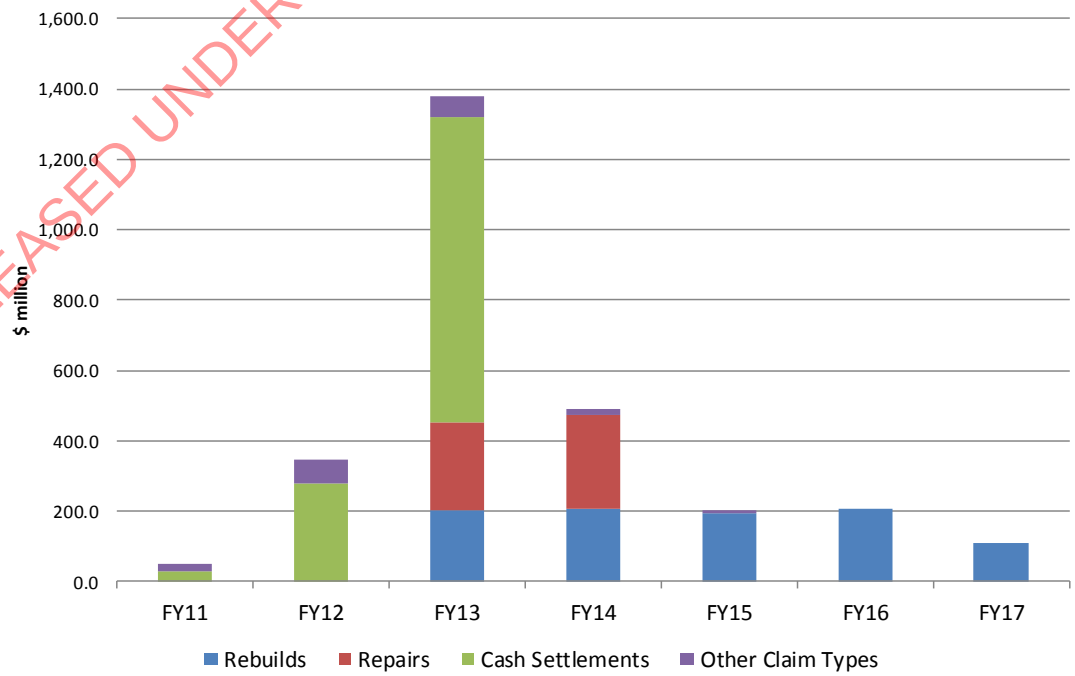


Figure 6.3 shows the projected payments summarised by financial year, including payments made to date at 30 June 2012.

Figure 6.3 – Past and Future Payments by Claim Type



About half of all claim payments are expected to be made during the 2013 financial year. There is a significant amount of uncertainty about the timing of payments, and potential escalation in costs means the ultimate liability is fairly sensitive to further delays in the timing of the construction programme.

6.2 Claims Handling

We have assumed claims handling expenses to be in line with SRES' ground up forecast of its expenses. SRES' forecast of expenses is shown in the table below.

Table 6.1 – Forecast Claims Handling Expense

	FY13	FY14	FY15	FY16	FY17	Total
Staff Costs	15,970	13,734	11,425	7,858	4,804	**53,792**
Other Costs	5,432	4,361	3,998	3,063	2,635	**19,490**
Claims Handling	21,402	18,096	15,423	10,921	7,439	**73,281**
Corporate Overheads	5,248	3,716	3,333	2,176	1,976	**16,449**
Total	**26,650**	**21,812**	**18,756**	**13,097**	**9,415**	**89,730**

The forecasts show expected expenses of around $90 million over FY13 to FY17, of which around $73 million relate to direct claims handling expenses. The remaining amount relates to "Corporate" overheads.

For the purpose of this valuation we have assumed that none of these expenses will be claimable from reinsurers. This is different to previous valuations where we have assumed the full amount to be recoverable. In reality, the impact on the net ultimate claims costs is relatively small, since the September and February events are expected to exceed the limit of the reinsurance cover regardless of the expenses. The potential expense recoveries for the other events, where the reinsurance cover is not expected to be exhausted, would only amount to around $3-4 million.

6.3 Reinsurance Recoveries

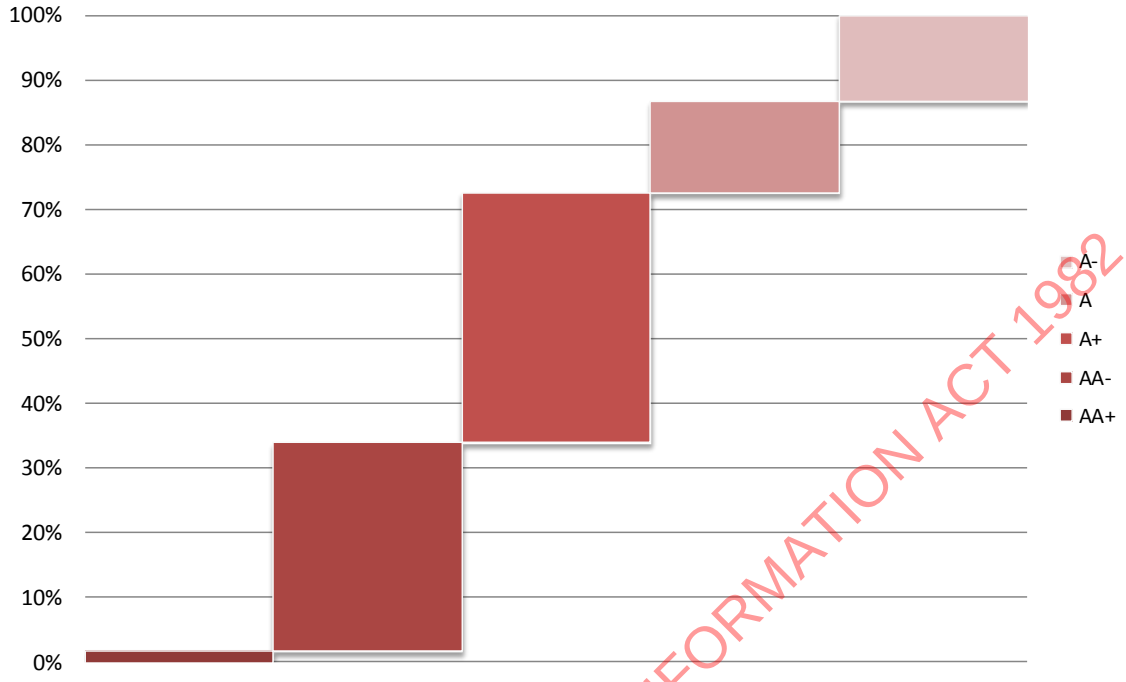
Table 6.2 sets out the flow of reinsurance recoveries implied by our valuation. As noted above, we have assumed that no claims handling expenses will be recoverable under SRES' reinsurance contracts.

Table 6.2 – Reinsurance Cashflows (Inflated $)

	Payment Year						
Reinsurance Recoverable ($m)	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Major Events	37.8	330.5	710.7	112.5	38.0	5.0	3.3
Minor Events	0.0	0.0	4.9	7.4	0.7	0.6	0.4
Total	**37.8**	**330.5**	**715.6**	**119.9**	**38.7**	**5.6**	**3.7**

Furthermore, we have assumed that there will be no failures among the reinsurers participating on SRES' contracts and hence that the full cover under these contracts will be received. The figure below shows a breakdown of the expected reinsurance recoveries by the credit rating of the various reinsurers.

Figure 6.4 – Reinsurers Credit Ratings



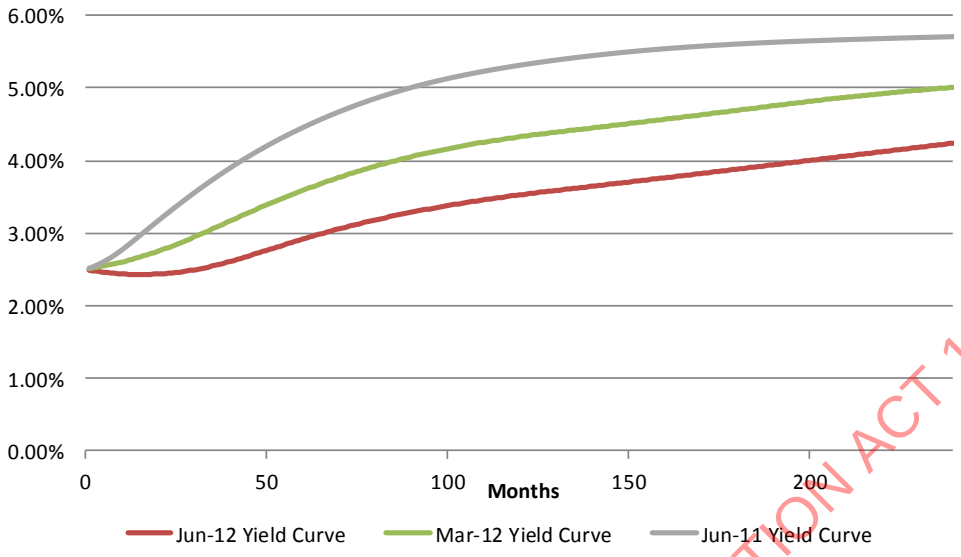
The participating reinsurers are all of a high quality credit rating. The figure shows that around 85% of the reinsurance recoveries are with reinsurers with an S&P rating of A or better. There are no reinsurers with a rating lower than A-.

It should be noted that our valuation produces a present value of those reinsurance recoveries which relate to claim payments made after 30 June 2012. To the extent that the recoveries actually received by SRES to 30 June 2012 are different to those receivable against claim payments already made, then appropriate compensating entries need to appear in SRES' balance sheet.

6.4 Discount Rate

For the valuation at 30 June 2012 and as with previous valuations, we have adopted the 30 June 2012 risk free zero coupon discount rates as published by New Zealand Treasury. Figure 6.5 shows the movement in the yield curve at 30 June 2011, 31 March 2012 and 30 June 2012.

Figure 6.5 – New Zealand Treasury Zero Coupon Yield Curve



At durations of up to 2 years, the yield curve has reduced by up to 100 basis points since June 2011. At longer durations, the yield curve has dropped by 150 to 200 basis points.

The single effective discount rate and discounted mean term at each of the dates are shown in Table 6.3.

Table 6.3 – Single Effective Discount Rate and Discounted Mean Term (DMT)

	Gross		Net	
	Disc Rate	DMT (years)	Disc Rate	DMT (years)
30 June 2011	3.5%	1.6	3.8%	2.4
5 April 2012	2.5%	1.7	2.7%	2.4
30 June 2012	2.5%	1.3	2.6%	1.8

6.5 Risk margin

The risk margin is intended to cover the various contributors to variability in the run-off experience which give rise to uncertainty in the central estimate of outstanding claims. It should be noted that considerable uncertainty still surrounds the projection and valuation of SRES' EQ liabilities. In this regard, some points to be noted include:

- while SRES has progressed most of the way through the damage assessment phase, only a relatively small proportion of the overall incurred cost has been settled
- the base of reliable information and the understanding of how various aspects will ultimately play out is still developing
- the run-off is, of course, still exposed to the "normal" sources of variability in claims experience; in the case of Canterbury, the sheer scale of the construction programme across both residential and commercial sectors and the complexity introduced by the interplay with the cover provided by EQC act to magnify the potential variability of ultimate outcomes (as compared to 'normal' residential property claims).

In response to inherent uncertainties, we have maintained our risk margin at [redacted] % of the estimated liability (net of EQC contributions but gross of reinsurance recoveries). Under accounting standards, in response to the inherent uncertainty, it is expected that provisions will contain a margin sufficient to produce at least a 75% probability of sufficiency. While the unique nature of the Canterbury events makes it impossible to derive with any accuracy a precise probability for various levels of risk margin, we are of the view that the margin adopted is sufficient to produce a probability of sufficiency of at least 75%.

7 Summary of EQ Liabilities

7.1 Projected Ultimate Costs

Table 7.1 summarises our projection of the ultimate cost (in inflated values) together with some commentary as to the main contributors to movements from our 5 April 2012 valuation.

Table 7.1 – Projected Ultimate Outcome

	30 Jun 12 $m	5 Apr 12 $m	Mov't $m	Primary Contributor to Movement
Ultimate Outflows				
Claims Cost (Excl Arrow)	2,908	2,867	42	Higher future claims escalation assumed
Arrow's Costs				Revised budgets prepared by Arrow
SRES Claims Handling	114	107	7	Updated SRES expense budget
Ultimate Inflows				
EQC Contributions	878	1,005	-127	Reflecting outcomes agreed with EQC
Reinsurance Recoveries	1,252	1,268	-16	Re-allocation of costs away from minor events
	2,130	2,273	-143	
Net Outflow				
Cum. paid (excl CHE)	387	297	91	Payments continue to be slower than expected Not material to net liability until R/I exhausted
Net Liability				
Central Estimate	934	734	199	
Risk Margin				Risk margin maintained at %
Provision Required				

withheld under section 9(2)(b)(ii)

Our latest valuation indicates that the likely ultimate cost of the Canterbury earthquake events continues to increase relative to previous expectations. The movements largely reflect assumptions being refined in response to the emergence of, and improvement in, the information available on various key aspects affecting the view of how the claims experience may develop over the run-off. Two areas in particular affected our valuation:

- Availability of Canterbury specific economic data provided a clearer view of likely building cost escalation; as a result our adopted rate of building cost inflation was increased from 6% per annum to 8% per annum, increasing the ultimate cost by about $50 million.
- Agreements across a range of individual claims reached with EQC regarding their contributions to Over Cap claims being managed by SRES indicated that the apportionment process adopted by SRES (and followed in our previous valuations) had been over-estimating the likely EQC contributions; our revised basis resulted in a reduction of about $127 million in the amount expected to be contributed by EQC.

In addition, the complexity of the claims handling and the delays in rebuilding have resulted in some increases in the projected costs of both Arrow's project management and of SRES' claims handling expenses.

7.2 Recommended Provisions as 30 June 2012

Table 7.2 summarises our estimates of SRES's EQ liabilities at 30 June 2012, with each of the three major events shown separately. Note that the figures in the body of the table are net of payments made to 30 June 2012. The line below the table indicates our estimate of the total amount which will ultimately be paid once all claims are settled (including payments already made). Our recommended provisions incorporate a risk margin which we believe to be consistent with the requirements to establish provisions which incorporate at least a 75% probability of sufficiency.

Table 7.2 Recommended EQ Provision at 30 June 2012

Provisions for Outstanding Claims as at 30 June 2012	Cat 93	Cat 106	Cat 112	Total		
	4-Sep-10 $m	22-Feb-11 $m	13-Jun-11 $m	Major $m	Minor $m	Overall $m
Gross Incurred Cost in 30 June $ before EQC	937.9	1,728.2	108.7	2,774.8	40.8	2,815.6
Expected EQC Share	-333.8	-455.3	-56.3	-845.4	-9.6	-855.0
Gross Incurred Cost in 30 June $ after EQC	604.2	1,272.9	52.3	1,929.4	31.2	1,960.6
less paid to 30 June 2012	-184.4	-193.9	-6.3	-384.5	-2.6	-387.2
Gross Outstanding Claims						
In 30 June 2012 Values	419.8	1,079.0	46.1	1,544.8	28.6	1,573.4
Allowance for Future Inflation	55.3	130.9	7.9	194.1	2.7	196.8
Inflated Values	475.1	1,209.9	53.9	1,739.0	31.3	1,770.2
Discount to Present Value	-14.3	-39.5	-1.8	-55.7	-0.8	-56.5
OSC Discounted to 30 June 2012	**460.8**	**1,170.3**	**52.1**	1,683.3	30.5	1,713.8
Claims Handling	[redacted]					
Gross Central Estimate						
Catastrophe R/I Recoveries	-407.1	-401.5	-46.0	-854.7	-13.6	-868.3
Aggregate R/I Recoveries	0.0	0.0	0.0	0.0	0.0	0.0
Net Central Estimate	**77.5**	**829.1**	**8.7**	**915.3**	**18.5**	**933.7**
Risk Margin	[redacted]					
Recommended provision						
Inflated Gross Central Estimate (Incl paid to date, excl CHE)	**660**	**1,404**	**60**	**2,123**	**34**	**2,157**
Change on 5 April 2012 Valuation	**69**	**138**	**-7**	**199**	**-12**	**187**

withheld under section 9(2)(b)(ii)

We have made a number of changes to the valuation basis since the 5 April 2012 valuation, the result of which is an increase of around $187 million in our estimate of the inflated gross incurred cost.

7.3 Reconciliation with Previous Estimate at 5 April 2012

The table below compares the estimate at 30 June 2012 with our previous estimate at 5 April 2012.

Table 7.3 – Movement of Provision Net of EQC Contribution, Gross & Net of RI

	Gross Provision ($m)	Net Provision ($m)
Position at 5 April 2012	**1,914.6**	**959.5**
Actual payments*	(98.2)	(7.2)
Rollforward Position at 30 June using April assumptions	**1,816.5**	**952.3**
Change due to:		
OC estimates	(33.2)	2.0
OOS estimates	47.7	35.0
Gross claims escalation	52.1	49.6
EQC contribution adjustment (including escalation)	116.9	106.7
Other claims cost assumptions	35.1	22.3
Discount rate	11.5	10.3
Total	**230.0**	**225.9**
Recommended Position at 30 June 2012	**2,046.5**	**1,178.1**
*Includes unwind of discount and risk margins for provisions		

The table shows that:

- we have deducted actual payments, allowed for expected interest on the April provision and unwound the risk margin on the net provision to give an expected provision at 30 June 2012. The estimated gross and net provisions at 30 June are $98 million and $7 million lower than the provision at the April valuation
- a reduction in the estimated gross size of Over Cap properties leads to a reduction in the gross claims estimate of around $33 million. However, a reduction in the allocation to the minor events actually creates a small increase of $2 million in the net provision, as more of the cost is allocated to the September and February events, for which the reinsurance cover is expected to be exhausted
- the increase in the expected cost of OOS only claims leads to an increase of around $48 million gross ($35 million net)
- the increase in allowance for claims escalation from 6% to 8% increases both the gross and net provision by around $50 million
- the reduction in expected EQC contribution per Over Cap property from $140k to $126k creates an impact on the gross provision of around $117 million ($107 million net)
- other claims cost assumption changes lead to increases of $35 million and $22 million on the gross and net provisions, respectively. This includes increases to the CHE allowance, temporary accommodation claims, the additional Arrow expenses and minor changes to other classes
- the reduction in the discount rates lead to a further increase of around $11 million gross, $10 million net.

7.4 Sensitivity Analysis

In understanding the potential for the run-off outcome to vary from that adopted in our valuation we have devised a number of scenarios to indicate how individual variations in key assumptions affect the run-off outcome. In each case we have tested both a 'poor' and an 'adverse' outcome.

Table 7.4 sets out the results:

Table 7.4 – Sensitivities

Scenario	Description	Net Central Estimate at 30 June 2012					
		Poor			Adverse		
		$m	$ Diff	$ Diff %	$m	$ Diff	$ Diff %
[redacted]							

[redacted]

ements less than
size results in an

withheld under sections 9(2)(i) and (j)

[redacted]

withheld under sections 9(2)(i) and (j)

[redacted]

The results of the stress scenarios are outlined in Table 7.5 below:

Table 7.5 – Stress Tests

Scenario		Description	Net Central Estimate at 30 June 2012		
			$m	$ Diff	$ Diff %
Base	Sensitivities Combination	Central Estimate	[redacted]		
1	C (Poor) + E (Poor)	[redacted]			
2	C (Poor) + D (Poor) + E (Poor)				
3	C (Adverse) + E (Poor)				
4	A (Poor) + C (Poor)				
5	C (Adverse) + D (Poor) + E (Poor)				
6	A (Poor) + C (Poor) + D (Poor)				
7	A (Poor) + C (Adverse)				
8	A (Poor) + C (Adverse) + D (Poor)				
9	C (Adverse) + E (Adverse)				
10	A (Poor) + C (Poor) + E (Adverse)				

withheld under sections 9(2)(i) and (j)

8 Non-EQ Events

8.1 Background

The Deed of Agreement for the transfer of liabilities from AMI Insurance Limited to SRES states that in addition to the Canterbury earthquake events, "Retained Claim Events" are included, which are defined as:

"any other event that occurs prior to or is continuing in progress as at Completion and which entitles the Vendor to make any claim under any Reinsurance Contract with respect to that event".

We have interpreted this to mean that any event that may contribute to a recovery on a reinsurance contract is to be retained by SRES. For the purposes of the aggregate reinsurance contracts, we have assumed any event with an incurred cost above the per event deductible (and thus involves losses which "contribute" to the calculation of a potential reinsurance recovery under the aggregate contracts) will be retained by SRES. This situation has come about in order to provide certainty of reinsurance cover for these claims following the separation of the AMI business into AMI NewCo and SRES.

Appendix H outlines the events and per risk XOL claims that were included in the transfer of liabilities to SRES, as they exceed the relevant reinsurance retentions. We were provided with this list by AMI.

Note that we have not allowed for any movement in the events or large claims between entities in the future. If the claim estimates on the listed events/large claims develop such that the event/large claim falls below the reinsurance retention, we have assumed that the event/large claim will remain with SRES (rather than transferring back to NewCo).

Similarly, we have not allowed for any movement between entities for those events/large claims that are currently below the reinsurance retentions and have the potential to move into the reinsurance protection (all of these events/large claims are assumed to stay with NewCo). This is our current understanding of the terms of the Agreement; if this is incorrect, then we may need to revise our estimates and the advice contained in this report.

There are three aggregate reinsurance arrangements that are relevant to the non-earthquake events:

1. An aggregate reinsurance contract with a deductible of $5 million and a limit of $5 million, with a per event excess of $250,000, applying from 1 January 2010 to 31 December 2010;
2. An aggregate reinsurance contract with a deductible of $2 million and a limit of $4 million, with a per event excess of $3 million, apply from 1 July 2010 to 30 June 2011; and

3. An aggregate reinsurance contract with a deductible of $5 million and a limit of $5 million, with a per event excess of $750,000, applying from 1 January 2011 to 31 December 2011.

All events with an incurred cost of more than $250,000 that occurred within the 2010 calendar year, and more than $750,000 in the 2011 calendar year are included in our valuation of non-earthquake claim liabilities at 5 April 2012. There were 10 events in total, and these are detailed in Appendix H.

For all events except the most recent, we have assumed that there will be no further claim development beyond the current incurred to date value. For Cat 121, which occurred in December 2011, we have applied a future development factor of 1%. These assumptions are consistent with the basis that Finity applied to events at previous valuations of insurance liabilities for AMI.

The total incurred to date at 30 June 2012 for non-earthquake events is $15.935 million, and the ultimate value projected is $15.915 million, implying an IBNR of $0.019 million for Cat 121. We do not apply any inflation or discounting to valuation of the catastrophe events due to their short tailed nature, and again, this is consistent with the approach we took at previous valuations for AMI.

8.2 Per Risk Claims

There are two claim matters that exceed the individual excess of loss (XOL) retention of $500,000 per claim. We have valued these claims at their incurred cost of $1.546 million as at 30 June 2012, ie. we have assumed there will be no further development of the incurred cost.

8.3 Reinsurance Recoveries

Our estimates of reinsurance recoveries are based on the incurred cost of events, and the order of events within each of the relevant financial periods including the retained value of any earthquake events. Based on these calculations (shown in Appendix H), we estimate that all three aggregate reinsurance arrangements have been exhausted and as such, we project no future reinsurance recoveries relating to the non-earthquake events.

We have been advised by SRES that a receivable amount of $6.605 million is included in the balance sheet at 30 June to allow for recoveries not yet received on the three aggregate reinsurance contracts. This is unchanged from 5 April 2012.

For the per risk claims, we have assumed that any incurred cost over the $500,000 retention for the individual XOL arrangement will be recovered. Based on the current estimates of the two claims, this is estimated to total $0.546 million.

8.4 Other Assumptions

We have been advised that a claims handling expense of $300 per claim will apply to the non-earthquake events and per risk claims as per the contract between AMI and SRES. We have therefore applied this charge to all open and unreported claims in our valuation of the liabilities; this totals $0.109 million and relates to around 360 claims.

We have adopted a risk margin of 7.1% of the gross central estimate for each event, which is consistent with the risk margin assumed in the AMI valuation at 5 April 2012 for Home outstanding claims at a 75% probability of sufficiency. We have adopted this assumption as most of the outstanding liabilities at 30 June 2012 relate to Home claims.

We have applied no risk margin to the two per risk claims as these are expected to reach the individual XOL reinsurance retention, and thus any future development will be fully recovered through reinsurance.

8.5 Estimated Liability

Table 8.1 summarises our estimates of SRES' non-earthquake liabilities at 30 June 2012. These are in addition to the earthquake liabilities in Table 8.1, and were transferred to SRES on 5 April 2012 as per the Deed of Agreement referred to later in this section. Our recommended provisions incorporate a risk margin which we believe to be consistent with the requirements to establish provisions which incorporate at least a 75% probability of sufficiency.

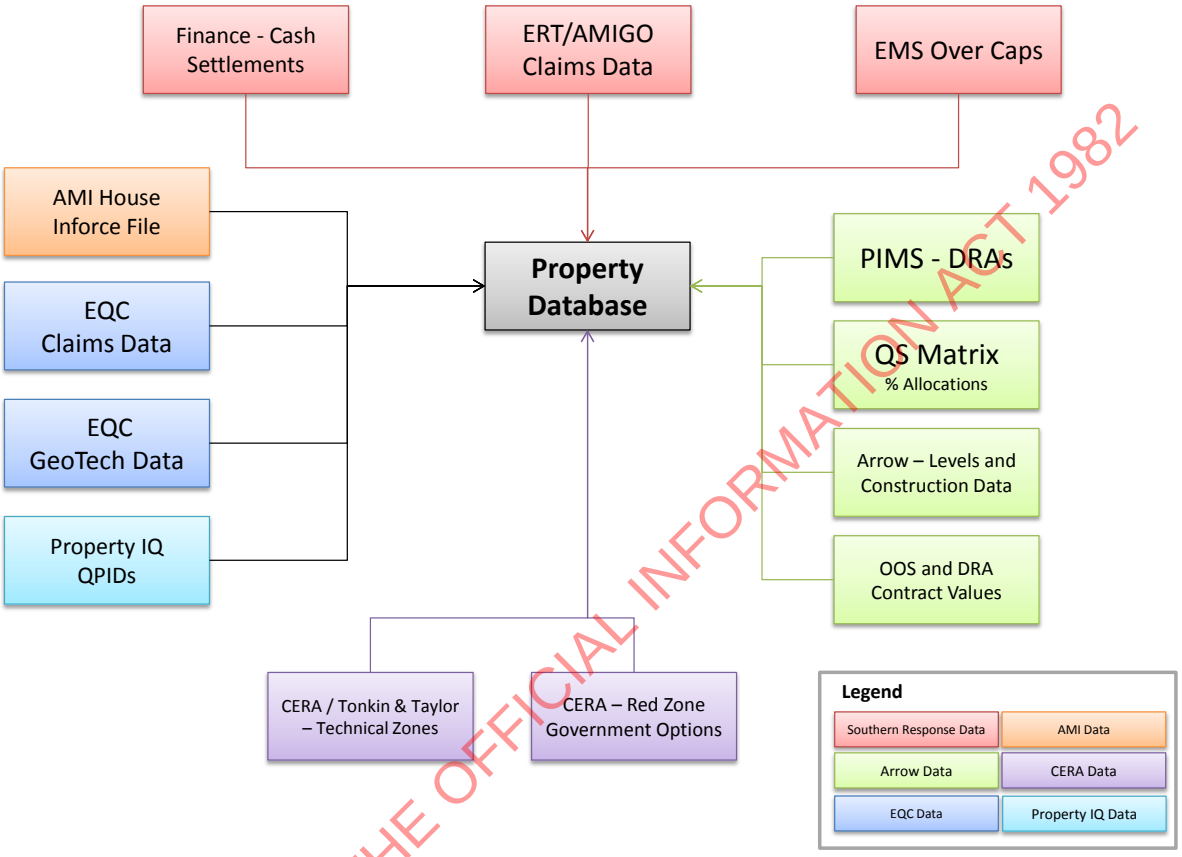
Table 8.1 – Recommended Non-Earthquake Provisions at 30 June 2012 ($'000)

		Gross Incurred Cost	less Paid to 5 April 2012	Gross Outstanding Claims	Claims Handling Expense	Gross Central Estimate	Reinsurance Recoveries	Net Central Estimate	Risk Margin	Recommended Provision
Events	Cat 90	798.0	(793.9)	**4.1**	0.9	**5.0**	0.0	**5.0**	0.7	**5.7**
	Cat 91	2,184.1	(2,184.1)	**(0.0)**	0.0	**(0.0)**	0.0	**(0.0)**	(0.0)	**(0.0)**
	Cat 96	1,469.5	(1,468.5)	**1.0**	0.3	**1.3**	0.0	**1.3**	0.2	**1.5**
	Cat 98	348.2	(345.9)	**2.3**	0.6	**2.9**	0.0	**2.9**	0.4	**3.3**
	Cat 100	1,467.3	(1,467.3)	**(0.0)**	0.0	**(0.0)**	0.0	**(0.0)**	(0.0)	**(0.0)**
	Cat 105	1,545.5	(1,543.9)	**1.6**	2.1	**3.7**	0.0	**3.7**	0.5	**4.3**
	Cat 108	1,492.0	(1,390.8)	**101.2**	1.8	**103.0**	0.0	**103.0**	13.9	**116.9**
	Cat 115	1,504.1	(1,448.2)	**56.0**	19.2	**75.2**	0.0	**75.2**	10.1	**85.3**
	Cat 116	3,328.9	(3,138.9)	**190.0**	57.9	**247.9**	0.0	**247.9**	33.5	**281.4**
	Cat 121	1,797.2	(830.1)	**967.1**	24.3	**991.4**	0.0	**991.4**	133.8	**1,125.2**
Per Risk Claims		1,545.7	(118.2)	**1,427.4**	0.6	**1,428.0**	(545.7)	**882.4**	0.0	**882.4**
Total		**17,480.5**	**(14,729.7)**	**2,750.9**	**107.7**	**2,858.5**	**(545.7)**	**2,312.9**	**193.1**	**2,506.0**

Part III Appendices

A Data Reconciliation

A.1 Data Flows



A.2 Reconciliation to Canterbury Earthquake Report

Reconciliation Summary	Property Database 2012-06-05	Canterbury Earthquake Report 2012-06-01	Total Difference (No. / $'s)	Total Difference (%)	Difference accounting for rejected (No. / $'s)	Difference accounting for rejected (%)
Claims	35,725	35,904	179	0.50%	3	0.01%
Case Estimates	1,731,859	1,733,411	1,551	0.09%	-469	-0.03%
Payments	316,220	315,141	-1,078	-0.34%	-1,270	-0.40%

Claims

Property Database 2012-06-05

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	12,996	83	829	42	16,402	47	66	2364	60	43	898	33,830
Closed	1,268	18	61	6	373	6	2	140	3	1	17	1,895
Withdrawn												0
Entered in Error												0
Declined												0
Total	**14,264**	**101**	**890**	**48**	**16,775**	**53**	**68**	**2,504**	**63**	**44**	**915**	**35,725**

Canterbury Earthquake Report 2012-06-01

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	13,042	83	829	42	16,426	47	66	2366	60	43	898	33,902
Closed	1,325	18	61	6	422	6	2	142	3	1	16	2,002
Withdrawn												0
Entered in Error												0
Declined												0
Total	**14,367**	**101**	**890**	**48**	**16,848**	**53**	**68**	**2,508**	**63**	**44**	**914**	**35,904**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	46	0	0	0	24	0	0	2	0	0	0	72
Closed	57	0	0	0	49	0	0	2	0	0	-1	107
Withdrawn												0
Entered in Error												0
Declined												0
Total	**103**	**0**	**0**	**0**	**73**	**0**	**0**	**4**	**0**	**0**	**-1**	**179**

Rejected due to Duplicate Claims or Withdrawn/Declined

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	25	0	0	0	27	0	0	2	0	0	0	54
Closed	67	0	1	0	51	0	0	3	0	0	0	122
Withdrawn	677	2	7	2	91	1	0	39	0	0	6	825
Entered in Error	22	0	0	0	49	0	0	22	0	0	1	94
Declined	3	0	0	0	1	0	0	2	0	0	0	6
Total	**794**	**2**	**8**	**2**	**219**	**1**	**0**	**68**	**0**	**0**	**7**	**1,101**

Difference Accounting for Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	21	0	0	0	-3	0	0	0	0	0	0	18
Closed	-10	0	-1	0	-2	0	0	-1	0	0	-1	-15
Withdrawn												0
Entered in Error												0
Declined												0
Total	**11**	**0**	**-1**	**0**	**-5**	**0**	**0**	**-1**	**0**	**0**	**-1**	**3**

Claim Estimates

Property Database 2012-06-05 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	472,388	957	12,744	647	1,148,912	1,694	1,299	59,947	1,645	792	17,100	1,718,125
Closed	10,535	249	331	9	2,408	6	0	183	7	0	5	13,734
Withdrawn												0
Entered in Error												0
Declined												0
Total	**482,923**	**1,207**	**13,075**	**656**	**1,151,320**	**1,701**	**1,299**	**60,130**	**1,652**	**792**	**17,105**	**1,731,859**

Canterbury Earthquake Report 2012-06-01 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	473,249	957	12,625	647	1,149,571	1,694	1,299	60,126	1,645	792	17,126	1,719,730
Closed	10,495	249	312	9	2,414	6	0	183	7	0	5	13,680
Withdrawn												0
Entered in Error												0
Declined												0
Total	**483,744**	**1,207**	**12,936**	**656**	**1,151,985**	**1,701**	**1,299**	**60,309**	**1,652**	**792**	**17,131**	**1,733,411**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	861	0	-119	0	659	0	0	179	0	0	25	1,606
Closed	-41	0	-19	0	6	0	0	0	0	0	0	-54
Withdrawn												0
Entered in Error												0
Declined												0
Total	**820**	**0**	**-139**	**0**	**665**	**0**	**0**	**179**	**0**	**0**	**25**	**1,551**

Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	913	0	0	0	941	0	0	11	0	0	0	1,865
Closed	129	0	0	0	26	0	0	0	0	0	0	155
Withdrawn	9	1	2	0	0	0	0	0	0	0	0	11
Entered in Error	0	0	0	0	0	0	0	0	0	0	0	0
Declined	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1,051**	**1**	**2**	**0**	**967**	**0**	**0**	**11**	**0**	**0**	**0**	**2,031**

Difference Accounting for Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	-52	0	-119	0	-281	0	0	168	0	0	25	-260
Closed	-169	0	-19	0	-20	0	0	0	0	0	0	-209
Withdrawn												0
Entered in Error												0
Declined												0
Total	**-222**	**0**	**-139**	**0**	**-302**	**0**	**0**	**168**	**0**	**0**	**25**	**-469**

Payments

Property Database 2012-06-05 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	157,503	71	880	57	140,647	18	9	3,160	46	0	75	302,466
Closed	10,553	249	331	9	2,410	6	0	183	7	0	5	13,754
Withdrawn												0
Entered in Error												0
Declined												0
Total	**168,057**	**321**	**1,211**	**66**	**143,057**	**24**	**9**	**3,343**	**52**	**0**	**80**	**316,220**

Canterbury Earthquake Report 2012-06-01 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	156,563	80	873	57	140,576	18	9	3,160	46	0	63	301,442
Closed	10,514	249	312	9	2,414	6	0	183	7	0	5	13,699
Withdrawn												0
Entered in Error												0
Declined												0
Total	**167,076**	**329**	**1,184**	**66**	**142,990**	**24**	**9**	**3,343**	**52**	**0**	**68**	**315,141**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	-941	8	-8	0	-71	0	0	0	0	0	-12	-1,023
Closed	-40	0	-19	0	4	0	0	0	0	0	0	-55
Withdrawn												0
Entered in Error												0
Declined												0
Total	**-980**	**8**	**-27**	**0**	**-67**	**0**	**0**	**0**	**0**	**0**	**-12**	**-1,078**

Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	4	0	0	0	31	0	0	0	0	0	0	35
Closed	130	0	0	0	27	0	0	0	0	0	0	156
Withdrawn	9	1	2	0	0	0	0	0	0	0	0	11
Entered in Error	0	0	0	0	0	0	0	0	0	0	0	0
Declined	0	0	0	0	0	0	0	0	0	0	0	0
Total	**142**	**1**	**2**	**0**	**58**	**0**	**0**	**0**	**0**	**0**	**0**	**203**

Difference Accounting for Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	-945	8	-8	0	-102	0	0	0	0	0	-12	-1,059
Closed	-169	0	-19	0	-23	0	0	0	0	0	0	-211
Withdrawn												0
Entered in Error												0
Declined												0
Total	**-1,114**	**8**	**-27**	**0**	**-125**	**0**	**0**	**0**	**0**	**0**	**-12**	**-1,270**

A.3 Payments Reconciliation as at 30 June 2012

Summary of Gross Payments As at 30 Jun 2012 Gross Paid to Date ($m)	Cat 93 4-Sep-10 $m	Cat 97 19-Oct-10 $m	Cat 99 26-Dec-10 $m	Cat 103 20-Jan-11 $m	Cat 106 22-Feb-11 $m	Cat 107 16-Apr-11 $m	Cat 111 6-Jun-11 $m	Cat 112 13-Jun-11 $m	Cat 114 21-Jun-11 $m	Cat 117 9-Oct-11 $m	Cat 122 23-Dec-11 $m	Total $m
Over EQC Cap	145,816	5	32	1	152,533	1	8	3,838	48	0	5	**302,287**
Out of Scope	31,618	362	1,503	65	12,430	23	10	1,075	12	0	147	**47,247**
Lost Rent	1,627	0	41	0	4,197	1	5	352	2	0	16	**6,240**
Temp Accom	6,071	12	17	0	16,559	13	2	827	6	0	76	**23,583**
Contents	1,388	20	13	3	7,408	8	0	79	0	1	43	**8,963**
Motor	1,277	1	12	0	4,702	1	2	179	7	0	106	**6,288**
Other	389	1	3	0	46	0	0	5	0	0	1	**445**
Total Gross Paid to Date ($m)	**188,187**	**400**	**1,621**	**69**	**197,875**	**47**	**27**	**6,354**	**74**	**1**	**394**	**395,052**
Total From Canterbury Earthquake Report 2012-07-02	**188,141**	**400**	**1,621**	**69**	**197,692**	**47**	**27**	**6,344**	**74**	**1**	**362**	**395,052**
Difference	**46**	**0**	**0**	**0**	**183**	**0**	**0**	**10**	**0**	**0**	**32**	**0**

Summary of EQC Recoveries As at 30 Jun 2012 EQC Recoveries to Date ($m)	Cat 93 4-Sep-10 $m	Cat 97 19-Oct-10 $m	Cat 99 26-Dec-10 $m	Cat 103 20-Jan-11 $m	Cat 106 22-Feb-11 $m	Cat 107 16-Apr-11 $m	Cat 111 6-Jun-11 $m	Cat 112 13-Jun-11 $m	Cat 114 21-Jun-11 $m	Cat 117 9-Oct-11 $m	Cat 122 23-Dec-11 $m	Total $m
Over EQC Cap	-7,553	0	0	0	-3,340	0	0	0	0	0	0	**-10,893**
Out of Scope	-524	0	-8	0	-221	0	0	-0	0	0	-1	**-754**
Lost Rent	-18	0	-3	0	-53	0	-0	-7	0	0	0	**-81**
Temp Accom	-115	0	0	0	-257	0	0	-12	0	0	-0	**-385**
Contents	-27	0	0	0	-92	0	0	0	0	0	0	**-118**
Motor	-38	0	0	0	-479	0	0	-12	0	0	-5	**-535**
Other	-9	0	0	0	-0	0	0	-0	0	0	0	**-9**
Total EQC Recoveries to Date	**-8,284**	**0**	**-12**	**0**	**-4,442**	**0**	**-0**	**-32**	**0**	**0**	**-6**	**-12,776**
Total From Canterbury Earthquake Report 2012-07-02	**-8,285**	**0**	**-12**	**0**	**-4,424**	**0**	**-0**	**-31**	**0**	**0**	**-4**	**-12,776**
Difference	**0**	**0**	**0**	**0**	**-18**	**0**	**0**	**-1**	**0**	**0**	**-2**	**0**

B Number of Damaged Properties Covered By SRES by Zone

B.1 Transitions summary

Red Zone

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap	**1,947**	**1,992**	**2,032**	**2,037**	**2,047**	**2,052**	**2,052**	**2,056**	**2,031**	**2,047**	2,054	2,059	2,062	2,065	2,066	2,066	2,066	2,066	2,066	2,066	2,066
	OOS Only	294	257	243	245	241	239	241	238	253	240	234	229	226	224	223	223	223	223	223	223	223
	EQC Only	3	3	5	4	3	2	2	2	14	14	14	14	14	14	14	14	14	14	14	14	14
	Total	**2,244**	**2,252**	**2,280**	**2,286**	**2,291**	**2,293**	**2,295**	**2,296**	**2,298**	**2,301**	**2,302**	**2,302**	**2,302**	**2,302**	**2,302**	**2,302**	**2,302**	**2,302**	**2,302**	**2,302**	**2,302**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**Over Cap**	**99.7%**	**99.7%**	**98.9%**	**99.2%**	**100.0%**	**99.9%**	**99.7%**	**99.9%**	**98.2%**	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	0.2%	0.1%	0.6%	0.6%	0.0%	0.1%	0.3%	0.1%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.2%	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**20.6%**	**13.3%**	**9.7%**	**4.9%**	**2.4%**	**2.1%**	**2.5%**	**2.1%**	**4.6%**	**5.9%**	3.0%	2.0%	1.5%	1.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	78.8%	86.1%	89.9%	95.1%	97.6%	97.9%	97.5%	97.9%	94.1%	94.1%	97.0%	98.0%	98.5%	99.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.3%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.3%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**0.0%**	**20.0%**	**0.0%**	**33.3%**	**0.0%**	**0.0%**	**50.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	33.3%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	100.0%	66.7%	100.0%	80.0%	75.0%	66.7%	100.0%	100.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Clm	**Over Cap**	**17**	**12**	**36**	**8**	**5**	**2**	**1**	**2**	**1**	**2**	0	0	0	0	0	0	0	0	0	0	0
	OOS Only	3	1	1	1	0	0	1	0	2	1	0	0	0	0	0	0	0	0	0	0	0
	EQC Only	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TC3

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**2,056**	**2,185**	**2,287**	**2,327**	**2,366**	**2,405**	**2,426**	**2,448**	**2,445**	**2,469**	2,490	2,510	2,527	2,543	2,555	2,563	2,568	2,568	2,568	2,568	2,568
OOS Only	3,072	3,044	3,014	3,056	3,075	3,076	3,083	3,102	3,129	3,119	3,125	3,133	3,144	3,155	3,169	3,186	3,201	3,216	3,231	3,241	3,251
EQC Only	19	19	22	12	11	12	11	10	16	13	11	9	8	7	7	7	7	7	7	7	7
Total	**5,147**	**5,248**	**5,323**	**5,395**	**5,452**	**5,493**	**5,520**	**5,560**	**5,590**	**5,601**	**5,625**	**5,652**	**5,679**	**5,706**	**5,731**	**5,756**	**5,776**	**5,791**	**5,806**	**5,816**	**5,826**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**Over Cap**	**99.4%**	**99.7%**	**97.6%**	**96.5%**	**99.4%**	**99.5%**	**99.6%**	**99.4%**	**98.7%**	**99.8%**	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	0.5%	0.3%	1.8%	3.5%	0.6%	0.5%	0.2%	0.4%	1.1%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**4.1%**	**3.6%**	**3.6%**	**3.0%**	**1.3%**	**1.4%**	**0.7%**	**0.7%**	**0.7%**	**0.8%**	0.5%	0.5%	0.3%	0.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	95.7%	96.4%	96.2%	96.8%	98.6%	98.5%	99.3%	99.2%	99.0%	99.2%	99.4%	99.5%	99.7%	99.7%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.2%	0.1%	0.3%	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**5.3%**	**13.6%**	**8.3%**	**0.0%**	**8.3%**	**9.1%**	**10.0%**	**6.3%**	4.0%	3.0%	2.0%	1.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	0.0%	36.4%	0.0%	0.0%	0.0%	9.1%	10.0%	12.5%	15.0%	12.0%	10.0%	5.0%	3.0%	2.0%	1.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	100.0%	100.0%	94.7%	50.0%	91.7%	100.0%	91.7%	81.8%	80.0%	81.3%	81.0%	85.0%	87.0%	94.0%	96.5%	98.0%	99.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**47**	**25**	**44**	**29**	**10**	**9**	**9**	**12**	**5**	**2**	7	7	7	7	5	5	5	0	0	0	0
	OOS Only	63	78	48	50	49	37	24	34	30	10	20	20	20	20	20	20	15	15	15	10	10
	EQC Only	1	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0

TC2

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**1,058**	**1,109**	**1,110**	**1,090**	**1,105**	**1,110**	**1,115**	**1,127**	**1,128**	**1,151**	1,164	1,180	1,189	1,200	1,201	1,202	1,204	1,206	1,206	1,206	1,206
OOS Only	7,640	7,859	8,101	8,353	8,482	8,670	8,795	8,961	9,043	9,085	9,139	9,180	9,217	9,252	9,283	9,304	9,314	9,319	9,324	9,324	9,324
EQC Only	79	82	87	49	50	51	51	49	57	58	57	56	55	55	55	55	55	55	55	55	55
Total	**8,777**	**9,050**	**9,298**	**9,492**	**9,637**	**9,831**	**9,961**	**10,137**	**10,228**	**10,294**	**10,360**	**10,416**	**10,461**	**10,507**	**10,539**	**10,561**	**10,573**	**10,580**	**10,585**	**10,585**	**10,585**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**Over Cap**	**98.8%**	**97.4%**	**92.7%**	**92.3%**	**98.9%**	**98.2%**	**98.6%**	**99.0%**	**96.5%**	**99.4%**	99.0%	99.3%	99.5%	99.7%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	0.8%	2.3%	6.2%	7.3%	1.1%	1.8%	1.4%	0.9%	3.4%	0.6%	1.0%	0.7%	0.5%	0.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	0.2%	0.3%	0.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.0%	0.5%	0.4%	0.0%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**1.0%**	**0.6%**	**0.7%**	**0.5%**	**0.2%**	**0.3%**	**0.2%**	**0.2%**	**0.3%**	**0.3%**	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	98.9%	99.3%	99.0%	99.2%	99.7%	99.6%	99.7%	99.7%	99.5%	99.6%	99.7%	99.7%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.1%	0.3%	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**3.1%**	**2.5%**	**0.0%**	**4.6%**	**4.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.8%**	2.0%	2.0%	1.0%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	3.7%	44.8%	4.1%	2.0%	0.0%	3.9%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	96.9%	96.2%	96.3%	50.6%	91.8%	98.0%	98.0%	96.1%	98.0%	98.2%	98.0%	98.0%	99.0%	99.5%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**40**	**32**	**27**	**18**	**9**	**3**	**4**	**8**	**11**	**3**	5	5	5	5	2	2	2	2	0	0	0
	OOS Only	235	249	246	198	138	199	136	179	89	67	70	60	50	40	30	20	10	5	5	0	0
	EQC Only	14	3	1	3	5	2	1	0	1	2	0	0	0	0	0	0	0	0	0	0	0

finity

TC1

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**36**	**38**	**26**	**26**	**26**	**22**	**22**	**23**	**24**	**24**	26	29	29	29	29	29	29	29	29	29	29
OOS Only	1,853	1,931	2,030	2,125	2,174	2,230	2,301	2,368	2,407	2,436	2,464	2,492	2,522	2,547	2,572	2,597	2,617	2,637	2,657	2,667	2,677
EQC Only	36	36	36	11	11	11	11	11	10	9	9	8	8	8	8	8	8	8	8	8	8
Total	**1,925**	**2,005**	**2,092**	**2,162**	**2,211**	**2,263**	**2,334**	**2,402**	**2,441**	**2,469**	**2,499**	**2,529**	**2,559**	**2,584**	**2,609**	**2,634**	**2,654**	**2,674**	**2,694**	**2,704**	**2,714**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**Over Cap**	**86.5%**	**100.0%**	**63.2%**	**92.3%**	**96.2%**	**80.8%**	**95.5%**	**100.0%**	**100.0%**	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	5.4%	0.0%	31.6%	7.7%	3.8%	19.2%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	5.4%	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**0.1%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	99.7%	99.9%	99.9%	99.7%	99.9%	99.9%	99.9%	100.0%	99.8%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.3%	0.1%	0.1%	0.2%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	2.7%	5.3%	67.6%	0.0%	0.0%	0.0%	0.0%	9.1%	10.0%	5.0%	4.0%	2.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	91.4%	94.6%	89.5%	29.7%	91.7%	91.7%	100.0%	91.7%	90.9%	90.0%	95.0%	96.0%	98.0%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**3**	**1**	**2**	**1**	**1**	**1**	**0**	**1**	**0**	**0**	0	0	0	0	0	0	0	0	0	0	0
	OOS Only	58	79	87	74	50	54	72	68	42	31	30	30	30	25	25	25	20	20	20	10	10
	EQC Only	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Hills

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**917**	**926**	**944**	**929**	**928**	**930**	**933**	**943**	**941**	**950**	957	961	964	965	965	965	965	965	965	965	965
OOS Only	809	827	834	873	885	898	908	920	926	922	922	924	927	932	934	936	938	940	940	940	940
EQC Only	6	7	9	9	8	8	8	8	14	13	12	11	11	10	10	10	10	10	10	10	10
Total	**1,732**	**1,760**	**1,787**	**1,811**	**1,821**	**1,836**	**1,849**	**1,871**	**1,881**	**1,885**	**1,890**	**1,896**	**1,902**	**1,907**	**1,909**	**1,911**	**1,913**	**1,915**	**1,915**	**1,915**	**1,915**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**Over Cap**	**99.0%**	**98.1%**	**98.6%**	**96.2%**	**99.0%**	**98.4%**	**99.6%**	**99.1%**	**98.1%**	**99.8%**	99.8%	99.8%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	1.0%	1.6%	1.2%	3.5%	0.9%	1.4%	0.4%	0.9%	1.7%	0.1%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	0.0%	0.1%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.0%	0.1%	0.0%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**4.5%**	**2.2%**	**2.7%**	**1.7%**	**0.6%**	**1.5%**	**0.6%**	**1.3%**	**1.5%**	**0.9%**	0.7%	0.5%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	95.3%	97.8%	97.3%	98.3%	99.4%	98.5%	99.3%	98.6%	97.9%	99.0%	99.2%	99.5%	99.7%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**0.0%**	**11.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**12.5%**	**14.3%**	10.0%	5.0%	5.0%	3.0%	3.0%	2.0%	1.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	0.0%	22.2%	11.1%	0.0%	0.0%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	100.0%	100.0%	100.0%	66.7%	88.9%	100.0%	100.0%	87.5%	87.5%	85.7%	90.0%	95.0%	95.0%	97.0%	97.0%	98.0%	99.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**21**	**8**	**9**	**6**	**3**	**4**	**2**	**6**	**1**	**1**	1	1	1	0	0	0	0	0	0	0	0
	OOS Only	23	21	18	18	8	13	12	16	9	4	5	5	5	5	2	2	2	2	0	0	0
	EQC Only	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0

Other

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**179**	**186**	**161**	**152**	**154**	**148**	**147**	**150**	**153**	**159**	165	171	173	175	177	179	179	179	179	179	179
OOS Only	2,779	2,899	3,004	3,133	3,222	3,372	3,489	3,622	3,668	3,724	3,771	3,817	3,868	3,918	3,948	3,978	4,008	4,038	4,058	4,078	4,098
EQC Only	52	55	57	35	37	42	42	42	46	46	45	44	44	44	44	44	44	44	44	44	44
Total	**3,010**	**3,140**	**3,222**	**3,320**	**3,413**	**3,562**	**3,678**	**3,814**	**3,867**	**3,929**	**3,981**	**4,033**	**4,085**	**4,137**	**4,169**	**4,201**	**4,231**	**4,261**	**4,281**	**4,301**	**4,321**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**Over Cap**	**97.6%**	**96.6%**	**84.9%**	**90.1%**	**97.4%**	**90.9%**	**96.6%**	**98.6%**	**95.3%**	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	2.4%	2.2%	14.0%	8.1%	2.6%	7.1%	3.4%	1.4%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	0.0%	0.6%	1.1%	1.2%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.0%	0.6%	0.0%	0.6%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**0.4%**	**0.2%**	**0.1%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.1%**	**0.1%**	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	99.4%	99.7%	99.1%	99.8%	99.8%	99.7%	99.8%	99.7%	99.8%	99.8%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.0%	0.9%	0.1%	0.2%	0.2%	0.2%	0.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**2.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**2.4%**	**0.0%**	1.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	1.8%	42.1%	0.0%	0.0%	0.0%	2.4%	2.4%	0.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	98.0%	100.0%	98.2%	57.9%	100.0%	100.0%	100.0%	97.6%	95.2%	100.0%	98.0%	98.5%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**3**	**8**	**1**	**6**	**5**	**4**	**4**	**5**	**7**	**2**	2	2	2	2	2	2	0	0	0	0	0
	OOS Only	104	123	105	97	91	148	120	139	48	63	50	50	50	50	30	30	30	30	20	20	20
	EQC Only	1	1	1	0	2	5	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0

B.2 Properties with Reported SRES Claims

	Red Zone	Over Cap		OOS Only		EQC Only		Total	
		Cum.	Mov't	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't
Experience	Aug-11	1,947		294		3		2,244	
	Sep-11	1,992	45	257	(37)	3	0	2,252	8
	Oct-11	2,032	40	243	(14)	5	2	2,280	28
	Nov-11	2,037	5	245	2	4	(1)	2,286	6
	Dec-11	2,047	10	241	(4)	3	(1)	2,291	5
	Jan-12	2,052	5	239	(2)	2	(1)	2,293	2
	Feb-12	2,052	0	241	2	2	0	2,295	2
	Mar-12	2,056	4	238	(3)	2	0	2,296	1
	Apr-12	2,031	(25)	253	15	14	12	2,298	2
	May-12	2,047	16	240	(13)	14	0	2,301	3

	TC3	Over Cap		OOS Only		EQC Only		Total	
		Cum.	Mov't	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't
Experience	Aug-11	2,056		3,072		19		5,147	
	Sep-11	2,185	129	3,044	(28)	19	0	5,248	101
	Oct-11	2,287	102	3,014	(30)	22	3	5,323	75
	Nov-11	2,327	40	3,056	42	12	(10)	5,395	72
	Dec-11	2,366	39	3,075	19	11	(1)	5,452	57
	Jan-12	2,405	39	3,076	1	12	1	5,493	41
	Feb-12	2,426	21	3,083	7	11	(1)	5,520	27
	Mar-12	2,448	22	3,102	19	10	(1)	5,560	40
	Apr-12	2,445	(3)	3,129	27	16	6	5,590	30
	May-12	2,469	24	3,119	(10)	13	(3)	5,601	11

	TC2	Over Cap		OOS Only		EQC Only		Total	
		Cum.	Mov't	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't
Experience	Aug-11	1,058		7,640		79		8,777	
	Sep-11	1,109	51	7,859	219	82	3	9,050	273
	Oct-11	1,110	1	8,101	242	87	5	9,298	248
	Nov-11	1,090	(20)	8,353	252	49	(38)	9,492	194
	Dec-11	1,105	15	8,482	129	50	1	9,637	145
	Jan-12	1,110	5	8,670	188	51	1	9,831	194
	Feb-12	1,115	5	8,795	125	51	0	9,961	130
	Mar-12	1,127	12	8,961	166	49	(2)	10,137	176
	Apr-12	1,128	1	9,043	82	57	8	10,228	91
	May-12	1,151	23	9,085	42	58	1	10,294	66

	TC1	Over Cap		OOS Only		EQC Only		Total	
		Cum.	Mov't	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't
Experience	Aug-11	36		1,853		36		1,925	
	Sep-11	38	2	1,931	78	36	0	2,005	80
	Oct-11	26	(12)	2,030	99	36	0	2,092	87
	Nov-11	26	0	2,125	95	11	(25)	2,162	70
	Dec-11	26	0	2,174	49	11	0	2,211	49
	Jan-12	22	(4)	2,230	56	11	0	2,263	52
	Feb-12	22	0	2,301	71	11	0	2,334	71
	Mar-12	23	1	2,368	67	11	0	2,402	68
	Apr-12	24	1	2,407	39	10	(1)	2,441	39
	May-12	24	0	2,436	29	9	(1)	2,469	28

	Hills	Over Cap		OOS Only		EQC Only		Total	
		Cum.	Mov't	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't
Experience	Aug-11	917		809		6		1,732	
	Sep-11	926	9	827	18	7	1	1,760	28
	Oct-11	944	18	834	7	9	2	1,787	27
	Nov-11	929	(15)	873	39	9	0	1,811	24
	Dec-11	928	(1)	885	12	8	(1)	1,821	10
	Jan-12	930	2	898	13	8	0	1,836	15
	Feb-12	933	3	908	10	8	0	1,849	13
	Mar-12	943	10	920	12	8	0	1,871	22
	Apr-12	941	(2)	926	6	14	6	1,881	10
	May-12	950	9	922	(4)	13	(1)	1,885	4

	Other	Over Cap		OOS Only		EQC Only		Total	
		Cum.	Mov't	Cum.	Mov't	Cum.	Mov't	Cum.	Mov't
Experience	Aug-11	179		2,779		52		3,010	
	Sep-11	186	7	2,899	120	55	3	3,140	130
	Oct-11	161	(25)	3,004	105	57	2	3,222	82
	Nov-11	152	(9)	3,133	129	35	(22)	3,320	98
	Dec-11	154	2	3,222	89	37	2	3,413	93
	Jan-12	148	(6)	3,372	150	42	5	3,562	149
	Feb-12	147	(1)	3,489	117	42	0	3,678	116
	Mar-12	150	3	3,622	133	42	0	3,814	136
	Apr-12	153	3	3,668	46	46	4	3,867	53
	May-12	159	6	3,724	56	46	0	3,929	62

B.3 Projected Ultimate Damaged Properties

Red Zone Profile of EQ Damaged Properties

	DRA Outcome			Total
	Over Cap	OOS Only	EQC Only	
Full DRA's Completed				
No of DRA's Completed	1,949	25	14	1,988
Net Future Movement[1]	74	4	0	78
Projected Ultimate	2,023	29	14	2,066
Out of Scope Only				
No Reported to Date[2]		240		240
Net Future Movement		(17)		(17)
Projected Ultimate		223		223
Total With EQ Damage[3]	2,023	223	139	2,384

[1] *Includes both reported but not yet assessed and those not yet reported*

[2] *Includes those reclassified after DRA completed*

[3] *Grand total assumed to be equal to total recorded to date on EQC database*

TC3 Profile of EQ Damaged Properties

	DRA Outcome			Total
	Over Cap	OOS Only	EQC Only	
Full DRA's Completed				
No of DRA's Completed	2,143	16	13	2,172
Net Future Movement[1]	392	10	(6)	396
Projected Ultimate	2,535	26	7	2,568
Out of Scope Only				
No Reported to Date[2]		3,119		3,119
Net Future Movement		132		132
Projected Ultimate		3,251		3,251
Total With EQ Damage[3]	2,535	3,251	1,260	7,046

TC2 Profile of EQ Damaged Properties

	DRA Outcome			Total
	Over Cap	OOS Only	EQC Only	
Full DRA's Completed				
No of DRA's Completed	921	23	58	1,002
Net Future Movement[1]	193	13	(3)	204
Projected Ultimate	1,114	36	55	1,206
Out of Scope Only				
No Reported to Date[2]		9,085		9,085
Net Future Movement		239		239
Projected Ultimate		9,324		9,324
Total With EQ Damage[3]	1,114	9,324	9,500	19,939

TC1 Profile of EQ Damaged Properties

	DRA Outcome			Total
	Over Cap	OOS Only	EQC Only	
Full DRA's Completed				
No of DRA's Completed	18	(3)	9	24
Net Future Movement[1]	4	2	(1)	5
Projected Ultimate	22	(1)	8	29
Out of Scope Only				
No Reported to Date[2]		2,436		2,436
Net Future Movement		241		241
Projected Ultimate		2,677		2,677
Total With EQ Damage[3]	22	2,677	3,680	6,379

Hills Profile of EQ Damaged Properties

	DRA Outcome			Total
	Over Cap	OOS Only	EQC Only	
Full DRA's Completed				
No of DRA's Completed	861	19	13	893
Net Future Movement[1]	71	5	(3)	72
Projected Ultimate	932	24	10	965
Out of Scope Only				
No Reported to Date[2]		922		922
Net Future Movement		18		18
Projected Ultimate		940		940
Total With EQ Damage[3]	932	940	960	2,832

Other Zones Profile of EQ Damaged Properties

	DRA Outcome			Total
	Over Cap	OOS Only	EQC Only	
Full DRA's Completed				
No of DRA's Completed	110	(26)	46	130
Net Future Movement[1]	47	4	(2)	49
Projected Ultimate	157	(22)	44	179
Out of Scope Only				
No Reported to Date[2]		3,724		3,724
Net Future Movement		374		374
Projected Ultimate		4,098		4,098
Total With EQ Damage[3]	157	4,098	12,735	16,990

C Claim Volumes by Event and Zone

Red Zone	No. of Properties Damaged						No. Per 100 Damaged Properties					
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To Date												
No of DRA's						1,988						100
With Full Cap												
Rebuild	1,139	3	986	55	1	2,184	57	0.2	50	2.8	0.1	110
Repair	80	0	60	3	0	143	4	-	3	0.2	-	7
	1,219	3	1,046	58	1	2,327	61	0.2	53	2.9	0.1	117
With Partial Cap												-
Rebuild	557	6	151	202	0	916	28	0.3	8	10.2	-	46
Repair	46	0	40	19	4	109	2	-	2	1.0	0.2	5
	603	6	191	221	4	1,025	30	0.3	10	11.1	0.2	52
Total Claims[1]	1,822	9	1,237	279	5	3,352	92	0.5	62	14.0	0.3	- 169
Under Cap	39	0	26	11	0	76	2	-	1	0.6	-	4
Ultimate												
No of DRA's						2,066						100
With Full Cap												
Rebuild	1,182	4	1,013	56	2	2,257	57	0.2	49	2.7	0.1	109
Repair	88	0	66	3	0	157	4	-	3	0.1	-	8
	1,270	4	1,079	59	2	2,414	61	0.2	52	2.9	0.1	117
With Partial Cap												-
Rebuild	582	6	156	206	0	949	28	0.3	8	10.0	-	46
Repair	51	0	44	21	4	120	2	-	2	1.0	0.2	6
	633	6	200	227	4	1,070	31	0.3	10	11.0	0.2	52
Total Claims[1]	1,903	9	1,279	286	6	3,484	92	0.5	62	13.9	0.3	- 169
Under Cap	43	0	29	12	0	84	2	-	1	0.6	-	4

[1] *Excluding those reclassified as Under EQC Only*

TC3	No. of Properties Damaged						No. Per 100 Damaged Properties					
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To Date												
No of DRA's						2,172						100
With Full Cap												
Rebuild	483	4	1,291	79	7	1,864	22	0.2	59	3.6	0.3	86
Repair	160	4	489	16	0	669	7	0.2	23	0.7	-	31
	643	8	1,780	95	7	2,533	30	0.4	82	4.4	0.3	117
With Partial Cap												-
Rebuild	798	9	38	171	7	1,023	37	0.4	2	7.9	0.3	47
Repair	364	3	86	124	15	592	17	0.1	4	5.7	0.7	27
	1,162	12	124	295	22	1,615	53	0.6	6	13.6	1.0	74
Total Claims[1]	1,805	20	1,904	390	29	4,148	83	0.9	88	18.0	1.3	- 191
Under Cap	28	2	28	16	0	74	1	0.1	1	0.7	-	3
Ultimate												
No of DRA's						2,568						100
With Full Cap												
Rebuild	529	5	1,450	90	9	2,083	21	0.2	56	3.5	0.3	81
Repair	207	6	663	22	0	897	8	0.2	26	0.8	-	35
	736	11	2,113	112	9	2,981	29	0.4	82	4.4	0.3	116
With Partial Cap												-
Rebuild	904	10	43	193	9	1,158	35	0.4	2	7.5	0.3	45
Repair	497	4	116	166	21	804	19	0.2	5	6.5	0.8	31
	1,401	14	159	359	29	1,962	55	0.6	6	14.0	1.1	76
Total Claims[1]	2,137	25	2,272	470	38	4,943	83	1.0	88	18.3	1.5	- 192
Under Cap	31	2	32	18	0	84	1	0.1	1	0.7	-	3

[1] *Excluding those reclassified as Under EQC Only*

TC2	No. of Properties Damaged						No. Per 100 Damaged Properties					
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To Date												
No of DRA's						1,002						100
With Full Cap												
Rebuild	207	0	407	16	1	631	21	-	41	1.6	0.1	63
Repair	111	0	315	9	0	435	11	-	31	0.9	-	43
	318	0	722	25	1	1,066	32	-	72	2.5	0.1	106
With Partial Cap												-
Rebuild	243	3	30	57	1	334	24	0.3	3	5.7	0.1	33
Repair	239	6	58	58	7	368	24	0.6	6	5.8	0.7	37
	482	9	88	115	8	702	48	0.9	9	11.5	0.8	70
Total Claims[1]	800	9	810	140	9	1,768	80	0.9	81	14.0	0.9	- 176
Under Cap	73	1	76	25	0	175	7	0.1	8	2.5	-	17
Ultimate												
No of DRA's						1,206						100
With Full Cap												
Rebuild	232	0	465	20	1	719	19	-	39	1.7	0.1	60
Repair	144	0	411	13	0	568	12	-	34	1.1	-	47
	376	0	876	34	1	1,287	31	-	73	2.8	0.1	107
With Partial Cap												-
Rebuild	279	3	35	65	1	384	23	0.3	3	5.4	0.1	32
Repair	320	8	75	75	11	488	27	0.7	6	6.2	0.9	40
	599	11	110	140	12	871	50	1.0	9	11.6	1.0	72
Total Claims[1]	975	11	985	173	13	2,158	81	1.0	82	14.4	1.1	- 179
Under Cap	82	1	86	27	0	196	7	0.1	7	2.3	-	16

[1] *Excluding those reclassified as Under EQC Only*

TC1	No. of Properties Damaged						No. Per 100 Damaged Properties					
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To Date												
No of DRA's						24						100
With Full Cap												
Rebuild	3	0	5	0	0	8	13	-	21	-	-	33
Repair	4	0	6	1	0	11	17	-	25	4.2	-	46
	7	0	11	1	0	19	29	-	46	4.2	-	79
With Partial Cap												-
Rebuild	2	0	0	0	0	2	8	-	-	-	-	8
Repair	5	0	2	0	0	7	21	-	8	-	-	29
	7	0	2	0	0	9	29	-	8	-	-	38
Total Claims[1]	14	0	13	1	0	28	58	-	54	4.2	-	- 117
Under Cap	6	0	6	0	0	12	25	-	25	-	-	50
Ultimate												
No of DRA's						29						100
With Full Cap												
Rebuild	3	0	6	0	0	10	12	-	22	-	-	33
Repair	5	0	7	1	0	13	17	-	25	4.2	-	46
	8	0	13	1	0	23	28	-	47	4.2	-	79
With Partial Cap												-
Rebuild	2	0	0	0	0	2	8	-	-	-	-	8
Repair	6	0	2	0	0	8	21	-	8	-	-	29
	8	0	2	0	0	11	29	-	8	-	-	38
Total Claims[1]	17	0	16	1	0	34	58	-	55	4.2	-	- 117
Under Cap	7	0	7	0	0	14	25	-	25	-	-	50

[1] *Excluding those reclassified as Under EQC Only*

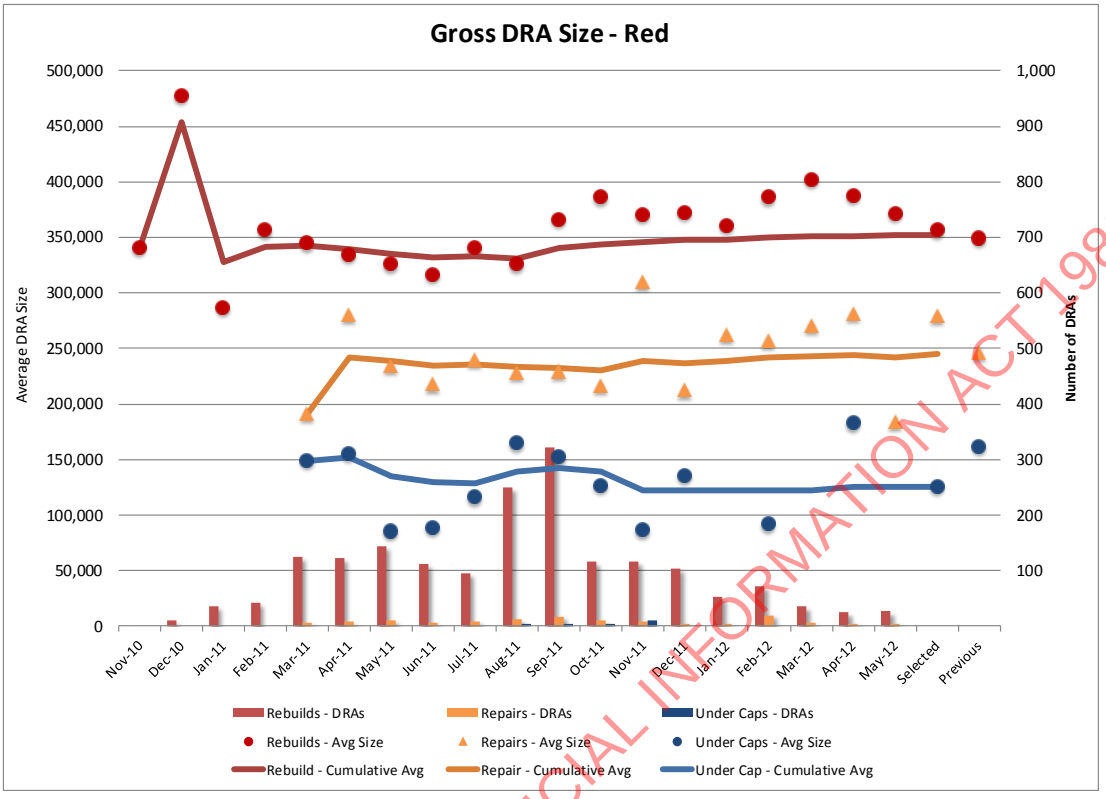
Hills	No. of Properties Damaged						No. Per 100 Damaged Properties					
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To Date												
No of DRA's						893						100
With Full Cap												
Rebuild	94	2	436	41	0	573	11	0.2	49	4.6	-	64
Repair	37	2	365	10	0	414	4	0.2	41	1.1	-	46
	131	4	801	51	0	987	15	0.4	90	5.7	-	111
With Partial Cap												-
Rebuild	249	0	4	38	0	291	28	-	0	4.3	-	33
Repair	255	4	34	108	3	404	29	0.4	4	12.1	0.3	45
	504	4	38	146	3	695	56	0.4	4	16.3	0.3	78
												-
Total Claims[1]	635	8	839	197	3	1,682	71	0.9	94	22.1	0.3	188
Under Cap	23	0	32	19	0	74	3	-	4	2.1	-	8
Ultimate												
No of DRA's						965						100
With Full Cap												
Rebuild	100	2	468	44	0	614	10	0.3	48	4.6	-	64
Repair	40	2	398	11	0	451	4	0.2	41	1.1	-	47
	140	5	866	55	0	1,066	15	0.5	90	5.7	-	110
With Partial Cap												-
Rebuild	264	0	5	42	0	311	27	-	1	4.3	-	32
Repair	279	4	38	119	4	444	29	0.5	4	12.4	0.4	46
	543	4	42	161	4	755	56	0.5	4	16.7	0.4	78
												-
Total Claims[1]	683	9	908	216	4	1,820	71	0.9	94	22.4	0.4	189
Under Cap	24	0	33	20	0	78	2	-	3	2.1	-	8

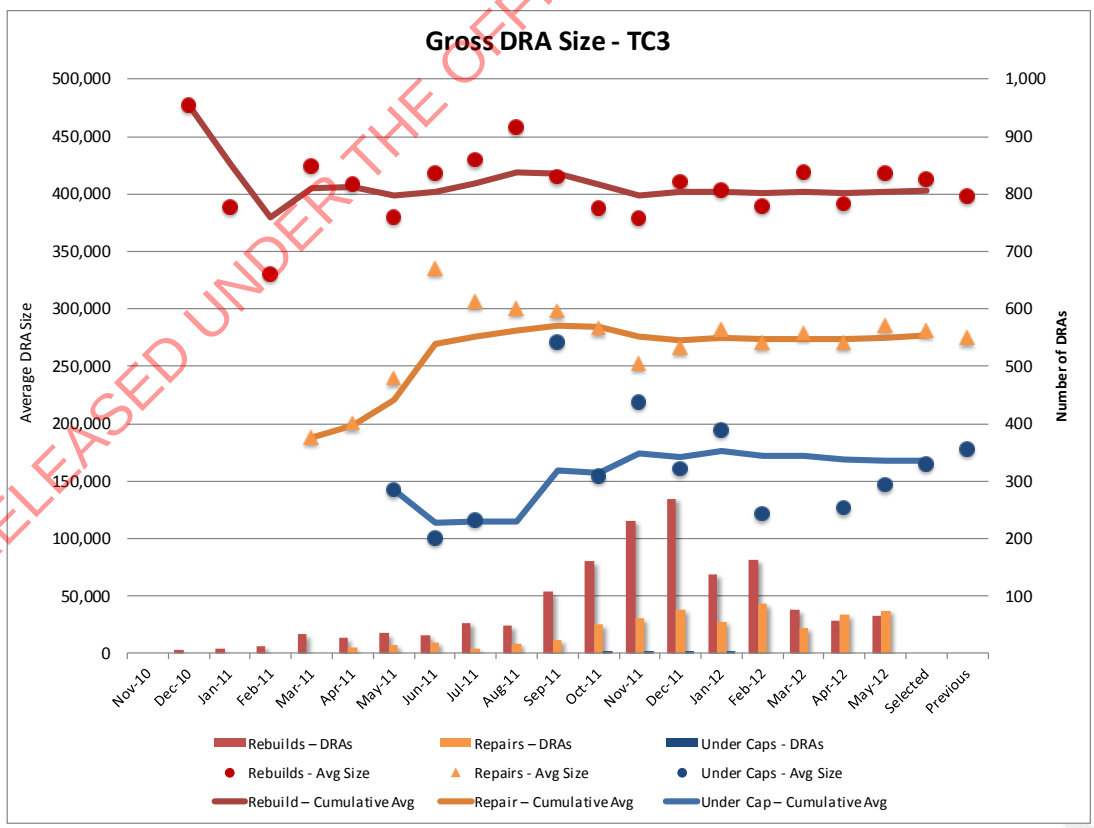
[1] *Excluding those reclassified as Under EQC Only*

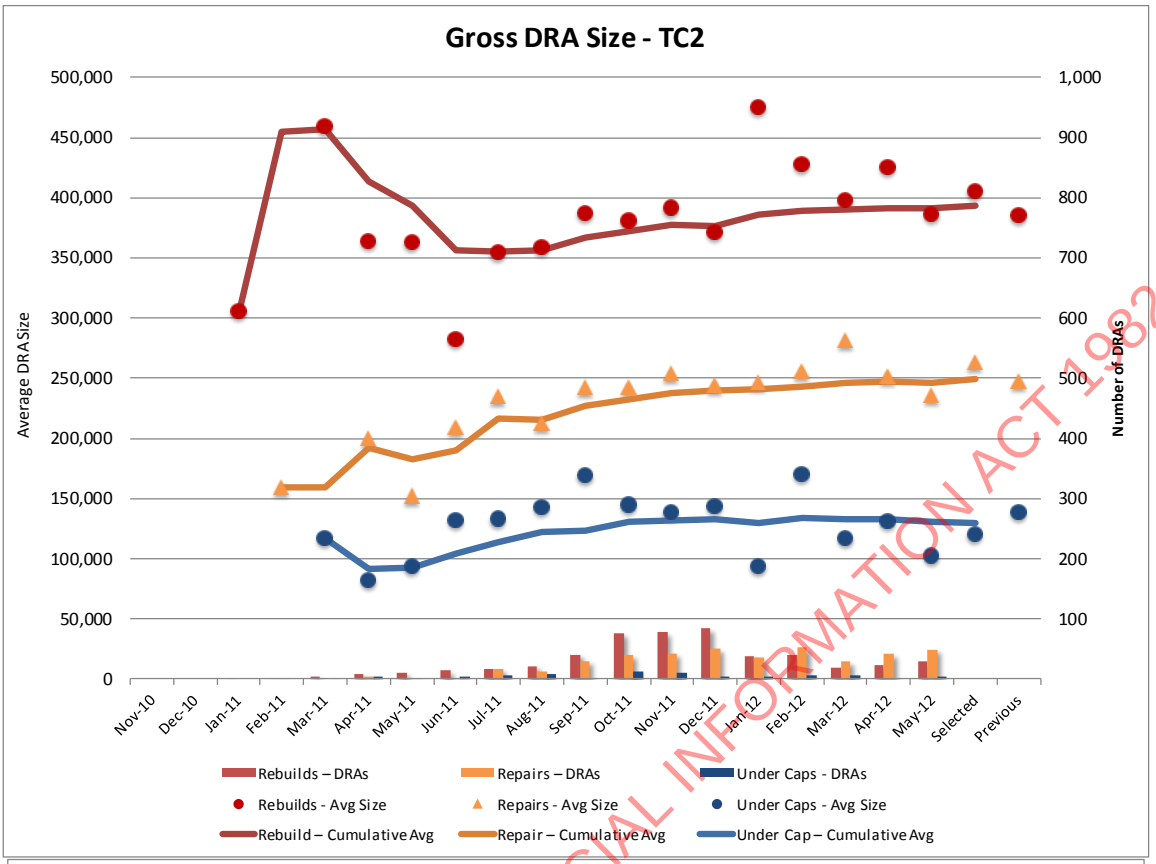
Other	No. of Properties Damaged						No. Per 100 Damaged Properties					
	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Total
To Date												
No of DRA's						130						100
With Full Cap												
Rebuild	29	0	26	2	0	57	22	-	20	1.5	-	44
Repair	43	0	21	0	0	64	33	-	16	-	-	49
	72	0	47	2	0	121	55	-	36	1.5	-	93
With Partial Cap												-
Rebuild	13	0	1	2	0	16	10	-	1	1.5	-	12
Repair	14	1	16	10	2	43	11	0.8	12	7.7	1.5	33
	27	1	17	12	2	59	21	0.8	13	9.2	1.5	45
												-
Total Claims[1]	99	1	64	14	2	180	76	0.8	49	10.8	1.5	138
Under Cap	19	0	14	5	0	38	15	-	11	3.8	-	29
Ultimate												
No of DRA's						179						100
With Full Cap												
Rebuild	39	0	36	3	0	78	22	-	20	1.5	-	43
Repair	64	0	32	0	0	96	36	-	18	-	-	54
	103	0	68	3	0	174	58	-	38	1.5	-	97
With Partial Cap												-
Rebuild	18	0	1	3	0	22	10	-	1	1.6	-	13
Repair	21	1	24	15	3	64	11	0.8	13	8.2	1.8	35
	39	1	25	18	3	86	22	0.8	14	9.8	1.8	48
												-
Total Claims[1]	142	1	93	20	3	260	79	0.8	52	11.3	1.8	145
Under Cap	21	0	16	6	0	43	12	-	9	3.1	-	24

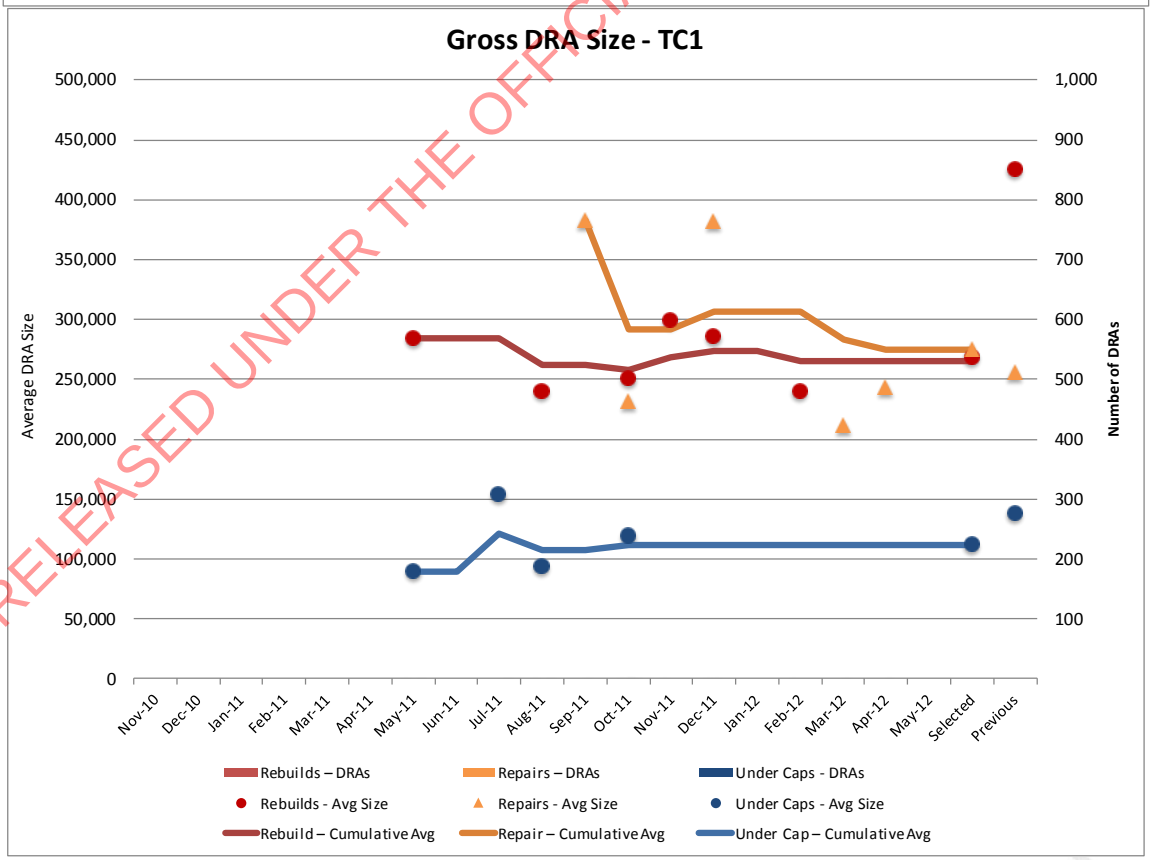
[1] *Excluding those reclassified as Under EQC Only*

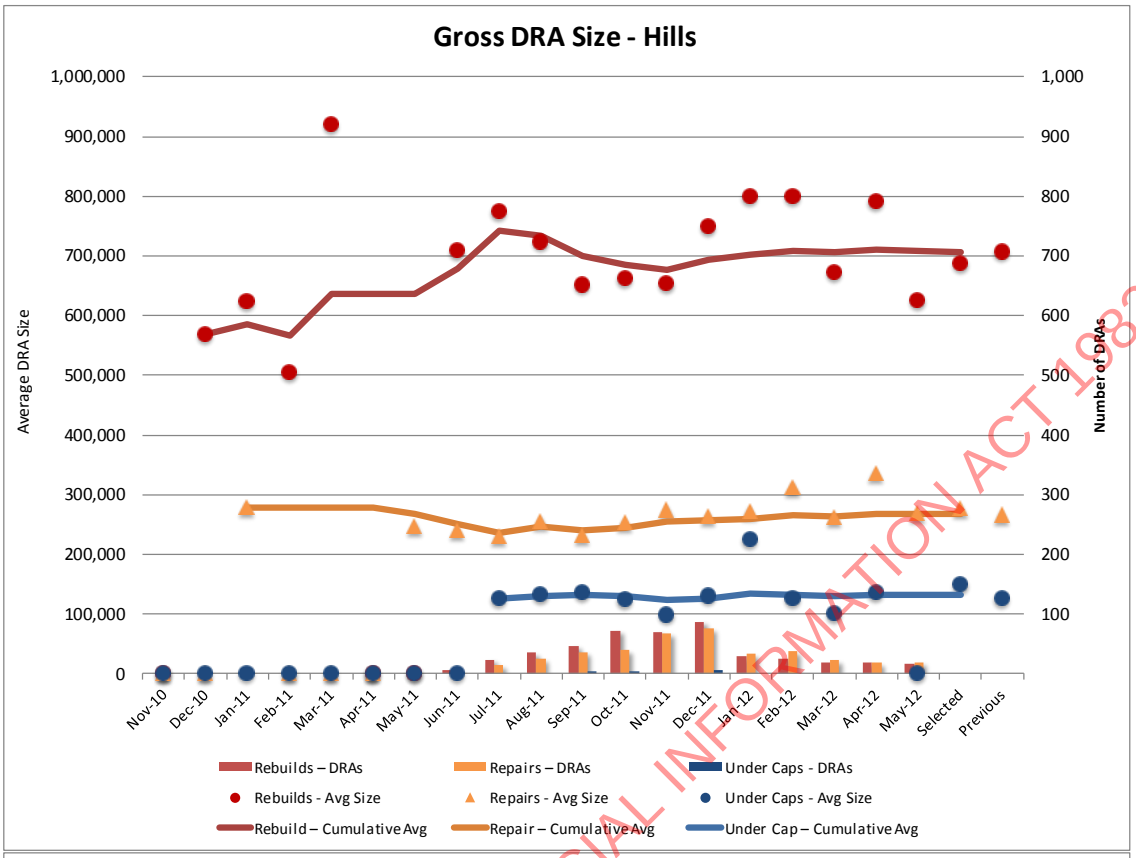
D Claim Size Trends By Zone

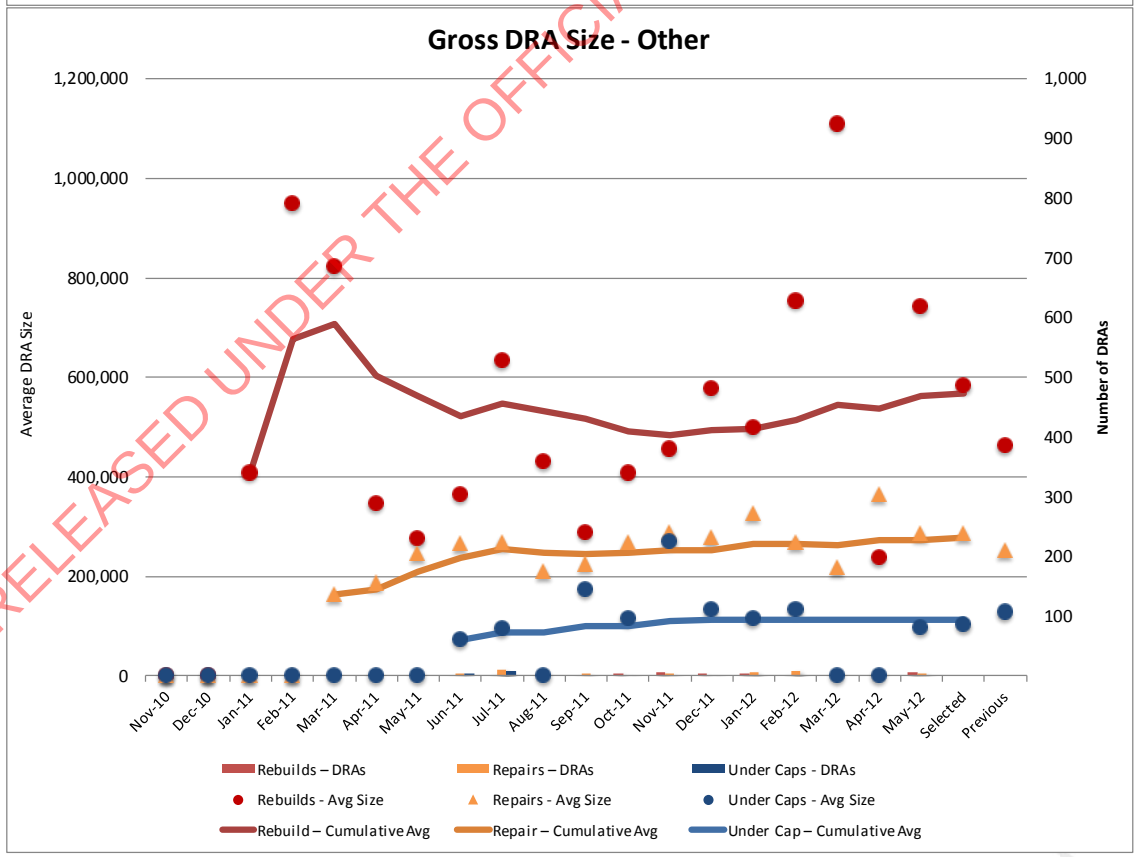












E Minor Events House Claims

E.1 Average Claim Size

	Cat 97		Cat 103		Cat 107		Cat 111		Cat 114		Cat 117	
Week Ending	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors
25-Dec-11	12,111	0.997	13,138	0.957	36,411	1.000	14,438	1.000	29,900	1.000	17,331	1.110
1-Jan-12	12,111	1.000	13,138	1.000	36,411	1.000	14,438	1.000	29,900	1.000	17,331	1.000
8-Jan-12	12,111	1.000	12,864	0.979	36,411	1.000	14,496	1.004	29,900	1.000	17,332	1.000
15-Jan-12	12,166	1.005	12,864	1.000	36,411	1.000	15,652	1.080	29,390	0.983	17,336	1.000
22-Jan-12	12,166	1.000	12,864	1.000	36,411	1.000	15,652	1.000	28,697	0.976	17,336	1.000
29-Jan-12	12,066	0.992	12,864	1.000	36,411	1.000	15,685	1.002	28,697	1.000	17,336	1.000
5-Feb-12	12,066	1.000	12,864	1.000	36,411	1.000	15,685	1.000	28,697	1.000	18,106	1.044
12-Feb-12	11,958	0.991	12,864	1.000	34,946	0.960	15,685	1.000	28,697	1.000	18,088	0.999
19-Feb-12	11,958	1.000	12,864	1.000	34,946	1.000	15,685	1.000	28,208	0.983	18,088	1.000
26-Feb-12	11,837	0.990	12,864	1.000	34,946	1.000	15,717	1.002	27,815	0.986	18,071	0.999
4-Mar-12	11,837	1.000	12,864	1.000	34,946	1.000	15,747	1.002	27,629	0.993	18,054	0.999
11-Mar-12	11,947	1.009	12,864	1.000	34,946	1.000	15,747	1.000	27,629	1.000	18,054	1.000
18-Mar-12	11,947	1.000	12,864	1.000	34,946	1.000	18,572	1.179	27,449	0.993	18,038	0.999
25-Mar-12	11,947	1.000	12,864	1.000	33,995	0.973	18,531	0.998	27,276	0.994	18,038	1.000
1-Apr-12	11,947	1.000	12,864	1.000	32,703	0.962	18,512	0.999	27,276	1.000	18,038	1.000
8-Apr-12	11,947	1.000	12,864	1.000	32,703	1.000	18,512	1.000	27,276	1.000	18,038	1.000
15-Apr-12	11,947	1.000	12,864	1.000	32,703	1.000	18,512	1.000	27,276	1.000	18,023	0.999
22-Apr-12	11,947	1.000	12,864	1.000	32,703	1.000	18,219	0.984	27,276	1.000	18,023	1.000
29-Apr-12	11,947	1.000	12,864	1.000	32,703	1.000	18,933	1.039	27,276	1.000	18,023	1.000
6-May-12	11,947	1.000	12,864	1.000	32,703	1.000	18,736	0.990	27,276	1.000	18,023	1.000
13-May-12	11,947	1.000	12,864	1.000	32,703	1.000	18,736	1.000	26,946	0.988	18,023	1.000
20-May-12	11,947	1.000	12,864	1.000	32,703	1.000	18,059	0.964	26,638	0.989	18,023	1.000
27-May-12	11,947	1.000	12,864	1.000	32,086	0.981	19,412	1.075	26,638	1.000	18,023	1.000
3-Jun-12	11,947	1.000	12,864	1.000	32,086	1.000	18,941	0.976	26,215	0.984	18,023	1.000
10-Jun-12	11,947	1.000	12,864	1.000	32,086	1.000	18,941	1.000	26,215	1.000	18,023	1.000
17-Jun-12	11,947	1.000	12,864	1.000	32,086	1.000	20,690	1.092	25,676	0.979	18,023	1.000
24-Jun-12	11,830	0.990	12,864	1.000	32,086	1.000	20,645	0.998	25,551	0.995	18,023	1.000
1-Jul-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
8-Jul-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
15-Jul-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
22-Jul-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
29-Jul-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
5-Aug-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
12-Aug-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
19-Aug-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
26-Aug-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
2-Sep-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
9-Sep-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
16-Sep-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
23-Sep-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
30-Sep-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
7-Oct-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
14-Oct-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
21-Oct-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
28-Oct-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
4-Nov-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
11-Nov-12	11,830	1.000	12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
18-Nov-12			12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
25-Nov-12			12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
2-Dec-12			12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
9-Dec-12			12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
16-Dec-12			12,864	1.000	32,086	1.000	20,645	1.000	25,551	1.000	18,023	1.000
Ultimate	11,830		12,864		32,086		20,645		25,551		18,023	

E.2 Claim Numbers

	Cat 97		Cat 103		Cat 107		Cat 111		Cat 114		Cat 117	
Week Ending	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors
25-Dec-11	95	1.011	47	1.044	45	1.000	50	1.000	47	1.000	32	1.143
1-Jan-12	95	1.000	47	1.000	45	1.000	50	1.000	47	1.000	32	1.000
8-Jan-12	95	1.000	48	1.021	45	1.000	51	1.020	47	1.000	33	1.031
15-Jan-12	96	1.011	48	1.000	45	1.000	52	1.020	49	1.043	35	1.061
22-Jan-12	96	1.000	48	1.000	45	1.000	52	1.000	52	1.061	35	1.000
29-Jan-12	97	1.010	48	1.000	45	1.000	53	1.019	52	1.000	35	1.000
5-Feb-12	97	1.000	48	1.000	45	1.000	53	1.000	52	1.000	38	1.086
12-Feb-12	98	1.010	48	1.000	47	1.044	53	1.000	52	1.000	39	1.026
19-Feb-12	98	1.000	48	1.000	47	1.000	53	1.000	53	1.019	39	1.000
26-Feb-12	99	1.010	48	1.000	47	1.000	54	1.019	55	1.038	40	1.026
4-Mar-12	99	1.000	48	1.000	47	1.000	55	1.019	56	1.018	41	1.025
11-Mar-12	101	1.020	48	1.000	47	1.000	55	1.000	56	1.000	41	1.000
18-Mar-12	101	1.000	48	1.000	47	1.000	56	1.018	57	1.018	42	1.024
25-Mar-12	101	1.000	48	1.000	49	1.043	58	1.036	58	1.018	42	1.000
1-Apr-12	101	1.000	48	1.000	52	1.061	59	1.017	58	1.000	42	1.000
8-Apr-12	101	1.000	48	1.000	52	1.000	59	1.000	58	1.000	42	1.000
15-Apr-12	101	1.000	48	1.000	52	1.000	59	1.000	58	1.000	43	1.024
22-Apr-12	101	1.000	48	1.000	52	1.000	60	1.017	58	1.000	43	1.000
29-Apr-12	101	1.000	48	1.000	52	1.000	61	1.017	58	1.000	43	1.000
6-May-12	101	1.000	48	1.000	52	1.000	62	1.016	58	1.000	43	1.000
13-May-12	101	1.000	48	1.000	52	1.000	62	1.000	60	1.034	43	1.000
20-May-12	101	1.000	48	1.000	52	1.000	66	1.065	62	1.033	43	1.000
27-May-12	101	1.000	48	1.000	53	1.019	67	1.015	62	1.000	43	1.000
3-Jun-12	101	1.000	48	1.000	53	1.000	69	1.030	63	1.016	43	1.000
10-Jun-12	101	1.000	48	1.000	53	1.000	69	1.000	63	1.000	43	1.000
17-Jun-12	101	1.000	48	1.000	53	1.000	72	1.043	65	1.032	43	1.000
24-Jun-12	102	1.010	48	1.000	53	1.000	73	1.014	66	1.015	43	1.000
1-Jul-12	102	1.001	48	1.000	53	1.000	73	1.005	67	1.010	43	1.005
8-Jul-12	102	1.001	48	1.000	53	1.000	74	1.005	67	1.010	43	1.005
15-Jul-12	102	1.001	48	1.000	53	1.000	74	1.005	68	1.010	44	1.005
22-Jul-12	102	1.001	48	1.000	53	1.000	74	1.005	69	1.010	44	1.005
29-Jul-12	103	1.001	48	1.000	53	1.000	75	1.005	69	1.010	44	1.005
5-Aug-12	103	1.001	48	1.000	53	1.000	75	1.005	70	1.010	44	1.005
12-Aug-12	103	1.001	48	1.000	53	1.000	76	1.005	71	1.010	45	1.005
19-Aug-12	103	1.001	48	1.000	53	1.000	76	1.005	71	1.010	45	1.005
26-Aug-12	103	1.001	48	1.000	53	1.000	76	1.005	72	1.010	45	1.005
2-Sep-12	103	1.001	48	1.000	53	1.000	77	1.005	73	1.010	45	1.005
9-Sep-12	103	1.001	48	1.000	53	1.000	77	1.005	74	1.010	45	1.005
16-Sep-12	103	1.001	48	1.000	53	1.000	78	1.005	74	1.010	46	1.005
23-Sep-12	103	1.001	48	1.000	53	1.000	78	1.005	75	1.010	46	1.005
30-Sep-12	103	1.001	48	1.000	53	1.000	78	1.005	76	1.010	46	1.005
7-Oct-12	104	1.001	48	1.000	53	1.000	79	1.005	77	1.010	46	1.000
14-Oct-12	104	1.001	48	1.000	53	1.000	79	1.000	77	1.005	46	1.000
21-Oct-12	104	1.001	48	1.000	53	1.000	79	1.000	77	1.005	46	1.000
28-Oct-12	104	1.001	48	1.000	53	1.000	79	1.000	78	1.005	46	1.000
4-Nov-12	104	1.001	48	1.000	53	1.000	79	1.000	78	1.005	46	1.000
11-Nov-12	104	1.001	48	1.000	53	1.000	79	1.000	79	1.005	46	1.000
18-Nov-12	104	1.001	48	1.000	53	1.000	79	1.000	79	1.005	46	1.000
25-Nov-12	104	1.001	48	1.000	53	1.000	79	1.000	79	1.005	46	1.000
2-Dec-12	104	1.001	48	1.000	53	1.000	79	1.000	80	1.005	46	1.000
9-Dec-12	104	1.001	48	1.000	53	1.000	79	1.000	80	1.005	46	1.000
16-Dec-12	105	1.001	48	1.000	53	1.000	79	1.000	81	1.005	46	1.000
Ultimate	105		48		53		79		83		46	

F Other Classes – Major Events

Lost Rent												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	195	1.005	652	1.015	53	1.000	9,108	0.996	10,523	0.992	11,130	1.000
01-Jan-12	195	1.000	654	1.003	53	1.000	9,108	1.000	10,518	1.000	11,130	1.000
08-Jan-12	195	1.000	659	1.007	53	1.000	9,108	1.000	10,544	1.003	11,130	1.000
15-Jan-12	195	1.000	665	1.009	53	1.000	9,108	1.000	10,569	1.002	11,130	1.000
22-Jan-12	196	1.005	670	1.007	53	1.000	9,066	0.995	10,500	0.993	11,130	1.000
29-Jan-12	196	1.000	680	1.015	53	1.000	9,066	1.000	10,470	0.997	11,130	1.000
05-Feb-12	196	1.000	680	1.000	53	1.000	9,066	1.000	10,470	1.000	11,130	1.000
12-Feb-12	196	1.000	681	1.001	53	1.000	9,066	1.000	10,457	0.999	11,130	1.000
19-Feb-12	197	1.005	686	1.007	53	1.000	9,027	0.996	10,408	0.995	11,130	1.000
26-Feb-12	198	1.005	687	1.001	55	1.038	8,983	0.995	10,399	0.999	10,884	0.978
04-Mar-12	198	1.000	693	1.009	57	1.036	8,983	1.000	10,343	0.995	10,513	0.966
11-Mar-12	199	1.005	702	1.013	57	1.000	8,942	0.995	10,272	0.993	10,513	1.000
18-Mar-12	199	1.000	705	1.004	57	1.000	8,942	1.000	10,231	0.996	10,513	1.000
25-Mar-12	201	1.010	706	1.001	58	1.018	8,884	0.994	10,241	1.001	10,350	0.984
01-Apr-12	203	1.010	709	1.004	59	1.017	8,805	0.991	10,207	0.997	10,248	0.990
08-Apr-12	204	1.005	714	1.007	62	1.051	8,765	0.995	10,180	0.997	10,117	0.987
15-Apr-12	205	1.005	717	1.004	62	1.000	8,725	0.996	10,156	0.998	10,117	1.000
22-Apr-12	205	1.000	720	1.004	62	1.000	8,725	1.000	10,264	1.011	10,117	1.000
29-Apr-12	206	1.005	720	1.000	62	1.000	8,704	0.998	10,264	1.000	10,117	1.000
06-May-12	206	1.000	725	1.007	62	1.000	8,704	1.000	10,255	0.999	10,117	1.000
13-May-12	207	1.005	733	1.011	62	1.000	8,683	0.998	10,185	0.993	10,117	1.000
20-May-12	207	1.000	736	1.004	62	1.000	8,683	1.000	10,179	0.999	10,117	1.000
27-May-12	209	1.010	745	1.012	64	1.032	8,642	0.995	10,126	0.995	9,937	0.982
03-Jun-12	212	1.014	749	1.005	65	1.016	8,581	0.993	10,095	0.997	9,851	0.991
10-Jun-12	212	1.000	756	1.009	65	1.000	8,581	1.000	10,042	0.995	9,851	1.000
17-Jun-12	213	1.005	764	1.010	65	1.000	8,561	0.998	9,999	0.996	9,851	1.000
24-Jun-12	215	1.009	765	1.001	67	1.031	8,522	0.995	9,992	0.999	9,687	0.983
01-Jul-12	216	1.005	768	1.004	67	1.005	8,522	1.000	9,992	1.000	9,687	1.000
08-Jul-12	217	1.005	771	1.004	68	1.005	8,522	1.000	9,992	1.000	9,687	1.000
15-Jul-12	218	1.005	774	1.003	68	1.005	8,522	1.000	9,992	1.000	9,687	1.000
22-Jul-12	219	1.002	776	1.003	68	1.005	8,522	1.000	9,992	1.000	9,687	1.000
29-Jul-12	219	1.002	779	1.003	69	1.005	8,522	1.000	9,992	1.000	9,687	1.000
05-Aug-12	220	1.002	781	1.003	69	1.005	8,522	1.000	9,992	1.000	9,687	1.000
12-Aug-12	220	1.002	783	1.002	69	1.005	8,522	1.000	9,992	1.000	9,687	1.000
19-Aug-12	220	1.002	785	1.002	70	1.005	8,522	1.000	9,992	1.000	9,687	1.000
26-Aug-12	221	1.002	786	1.002	70	1.005	8,522	1.000	9,992	1.000	9,687	1.000
02-Sep-12	221	1.002	788	1.002	70	1.005	8,522	1.000	9,992	1.000	9,687	1.000
09-Sep-12	222	1.002	789	1.001	71	1.005	8,522	1.000	9,992	1.000	9,687	1.000
16-Sep-12	222	1.002	790	1.001	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
23-Sep-12	222	1.000	791	1.001	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
30-Sep-12	222	1.000	791	1.001	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
07-Oct-12	222	1.000	792	1.000	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
14-Oct-12	222	1.000	792	1.000	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
21-Oct-12	222	1.000	792	1.000	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
28-Oct-12	222	1.000	792	1.000	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
04-Nov-12	222	1.000	792	1.000	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
11-Nov-12	222	1.000	792	1.000	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
18-Nov-12	222	1.000	792	1.000	71	1.001	8,522	1.000	9,992	1.000	9,687	1.000
Ultimate	**222**		**792**		**73**		**8,400**		**10,000**		**9,800**	

Temporary Accommodation

	September	February	Other Events	Total 30 June Valuation	April 5 Valuation	Change
Number of contents policies	55,504	53,508				
Claims reported						
Early Nil Lodgements	303	618				
Closed	614	1,136				
Open	869	2,421				
Total	1,786	4,175	282	6,243	5,081	1,162
Number of IBNR claims	616	1,455				
Ultimate number of claims	**2,402**	**5,630**	**533**	**8,566**	**7,571**	**996**
Payments to date ($m)	5.8	16.2				
Maximum entitlement remaining ($m)	13.3	36.0				
IBNR ($m)	10.4	24.7				
Ultimate cost ($m)	**29.5**	**76.9**	**6.5**	**112.8**	**101.9**	**10.9**
Implied Average Claim Size	**14,033**	**15,338**	**12,145**	**13,170**	**13,459**	**-289**

finity

Contents												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	279	1.001	750	1.003	38	1.018	6,236	0.998	16,737	0.999	3,508	0.975
01-Jan-12	280	1.001	752	1.001	39	1.018	6,222	0.998	16,735	1.000	3,641	1.038
08-Jan-12	280	1.000	756	1.003	39	1.000	6,222	1.000	16,712	0.999	3,641	1.000
15-Jan-12	281	1.001	762	1.004	40	1.018	6,206	0.997	16,728	1.001	3,569	0.980
22-Jan-12	282	1.001	767	1.004	41	1.034	6,245	1.006	16,665	0.996	3,503	0.981
29-Jan-12	282	1.001	777	1.008	42	1.017	6,245	1.000	16,613	0.997	3,420	0.976
05-Feb-12	282	1.000	780	1.003	43	1.016	6,245	1.000	16,616	1.000	3,525	1.031
12-Feb-12	286	1.005	782	1.001	43	1.000	6,340	1.015	16,608	0.999	3,525	1.000
19-Feb-12	287	1.004	790	1.006	45	1.032	6,323	0.997	16,509	0.994	3,789	1.075
26-Feb-12	287	1.000	795	1.005	46	1.031	6,323	1.000	16,489	0.999	3,748	0.989
04-Mar-12	288	1.001	798	1.002	46	1.000	6,361	1.006	16,472	0.999	3,748	1.000
11-Mar-12	289	1.001	805	1.005	47	1.015	6,397	1.006	16,400	0.996	3,687	0.984
18-Mar-12	290	1.001	811	1.004	47	1.000	6,383	0.998	16,346	0.997	3,687	1.000
25-Mar-12	292	1.002	815	1.003	47	1.000	6,442	1.009	16,330	0.999	3,687	1.000
01-Apr-12	296	1.005	820	1.003	47	1.000	6,555	1.018	16,257	0.996	3,687	1.000
08-Apr-12	296	1.000	823	1.002	47	1.000	6,555	1.000	16,261	1.000	3,687	1.000
15-Apr-12	296	1.000	825	1.001	48	1.030	6,555	1.000	16,244	0.999	3,636	0.986
22-Apr-12	296	1.000	829	1.003	48	1.000	6,555	1.000	16,228	0.999	3,636	1.000
29-Apr-12	297	1.001	830	1.001	48	1.000	6,592	1.006	16,230	1.000	3,636	1.000
06-May-12	298	1.001	833	1.002	48	1.000	6,576	0.998	16,234	1.000	3,636	1.000
13-May-12	300	1.002	839	1.004	49	1.014	6,548	0.996	16,194	0.998	3,917	1.077
20-May-12	300	1.000	841	1.001	49	1.000	6,548	1.000	16,178	0.999	3,917	1.000
27-May-12	300	1.000	841	1.000	49	1.000	6,548	1.000	16,178	1.000	3,917	1.000
03-Jun-12	300	1.000	845	1.003	50	1.014	6,548	1.000	16,178	1.000	3,873	0.989
10-Jun-12	301	1.001	846	1.001	50	1.000	6,609	1.009	16,179	1.000	3,873	1.000
17-Jun-12	301	1.000	846	1.000	50	1.000	6,609	1.000	16,179	1.000	3,873	1.000
24-Jun-12	302	1.001	846	1.000	50	1.000	6,601	0.999	16,179	1.000	3,873	1.000
01-Jul-12	303	1.001	847	1.001	50	1.004	6,601	1.000	16,179	1.000	3,873	1.000
08-Jul-12	304	1.001	849	1.001	51	1.004	6,601	1.000	16,179	1.000	3,873	1.000
15-Jul-12	304	1.001	850	1.001	51	1.003	6,601	1.000	16,179	1.000	3,873	1.000
22-Jul-12	305	1.001	852	1.001	51	1.003	6,601	1.000	16,179	1.000	3,873	1.000
29-Jul-12	306	1.001	853	1.001	51	1.002	6,601	1.000	16,179	1.000	3,873	1.000
05-Aug-12	307	1.001	855	1.001	51	1.001	6,601	1.000	16,179	1.000	3,873	1.000
12-Aug-12	308	1.001	856	1.001	51	1.003	6,601	1.000	16,179	1.000	3,873	1.000
19-Aug-12	309	1.001	858	1.001	52	1.001	6,601	1.000	16,179	1.000	3,873	1.000
26-Aug-12	309	1.001	859	1.001	52	1.002	6,601	1.000	16,179	1.000	3,873	1.000
02-Sep-12	310	1.001	859	1.000	52	1.004	6,601	1.000	16,179	1.000	3,873	1.000
09-Sep-12	311	1.001	859	1.000	52	1.001	6,601	1.000	16,179	1.000	3,873	1.000
16-Sep-12	312	1.001	859	1.000	52	1.000	6,601	1.000	16,179	1.000	3,873	1.000
23-Sep-12	313	1.001	859	1.000	52	1.003	6,601	1.000	16,179	1.000	3,873	1.000
30-Sep-12	313	1.001	859	1.000	52	1.001	6,601	1.000	16,179	1.000	3,873	1.000
07-Oct-12	314	1.001	859	1.000	52	1.000	6,601	1.000	16,179	1.000	3,873	1.000
14-Oct-12	314	1.000	859	1.000	52	1.000	6,601	1.000	16,179	1.000	3,873	1.000
21-Oct-12	314	1.000	859	1.000	52	1.001	6,601	1.000	16,179	1.000	3,873	1.000
28-Oct-12	314	1.000	859	1.000	53	1.001	6,601	1.000	16,179	1.000	3,873	1.000
04-Nov-12	314	1.000	859	1.000	53	1.001	6,601	1.000	16,179	1.000	3,873	1.000
11-Nov-12	314	1.000	859	1.000	53	1.001	6,601	1.000	16,179	1.000	3,873	1.000
18-Nov-12	314	1.000	859	1.000	53	1.001	6,601	1.000	16,179	1.000	3,873	1.000
Ultimate	314		859		53		5,750		13,600		4,200	

Motor												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	1,062	1.000	1,706	1.001	126	1.000	1,122	1.000	2,375	1.000	1,232	1.000
01-Jan-12	1,062	1.000	1,706	1.000	126	1.000	1,122	1.000	2,375	1.000	1,232	1.000
08-Jan-12	1,062	1.000	1,706	1.000	126	1.000	1,122	1.000	2,375	1.000	1,232	1.000
15-Jan-12	1,062	1.000	1,707	1.001	126	1.000	1,122	1.000	2,374	1.000	1,232	1.000
22-Jan-12	1,062	1.000	1,709	1.001	127	1.007	1,122	1.000	2,372	0.999	1,232	1.000
29-Jan-12	1,063	1.001	1,711	1.001	127	1.000	1,121	1.000	2,371	0.999	1,232	1.000
05-Feb-12	1,063	1.000	1,711	1.000	127	1.000	1,121	1.000	2,371	1.000	1,232	1.000
12-Feb-12	1,063	1.000	1,712	1.001	128	1.007	1,121	1.000	2,370	1.000	1,231	0.999
19-Feb-12	1,064	1.001	1,712	1.000	128	1.000	1,121	1.000	2,370	1.000	1,231	1.000
26-Feb-12	1,064	1.000	1,714	1.001	128	1.000	1,121	1.000	2,368	0.999	1,231	1.000
04-Mar-12	1,064	1.000	1,717	1.002	128	1.000	1,121	1.000	2,366	0.999	1,231	1.000
11-Mar-12	1,064	1.000	1,718	1.001	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
18-Mar-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
25-Mar-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
01-Apr-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
08-Apr-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
15-Apr-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
22-Apr-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
29-Apr-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
06-May-12	1,064	1.000	1,718	1.000	128	1.000	1,121	1.000	2,365	1.000	1,231	1.000
13-May-12	1,064	1.000	1,719	1.001	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
20-May-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
27-May-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
03-Jun-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
10-Jun-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
17-Jun-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
24-Jun-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
01-Jul-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
08-Jul-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
15-Jul-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
22-Jul-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
29-Jul-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
05-Aug-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
12-Aug-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
19-Aug-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
26-Aug-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
02-Sep-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
09-Sep-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
16-Sep-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
23-Sep-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
30-Sep-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
07-Oct-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
14-Oct-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
21-Oct-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
28-Oct-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
04-Nov-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
11-Nov-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
18-Nov-12	1,064	1.000	1,719	1.000	128	1.000	1,121	1.000	2,364	1.000	1,231	1.000
Ultimate	**1,064**		**1,719**		**128**		**1,135**		**2,364**		**1,231**	

Farm												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	61	1.000	12	1.000	5	1.000	13,127	1.000	16,323	1.000	8,602	1.000
01-Jan-12	61	1.000	12	1.000	6	1.200	13,127	1.000	16,323	1.000	10,067	1.170
08-Jan-12	61	1.000	12	1.000	6	1.000	13,127	1.000	16,323	1.000	10,067	1.000
15-Jan-12	61	1.000	14	1.154	7	1.167	13,127	1.000	16,727	1.025	9,250	0.919
22-Jan-12	62	1.014	14	1.000	7	1.000	12,922	0.984	16,727	1.000	9,250	1.000
29-Jan-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
05-Feb-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
12-Feb-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
19-Feb-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
26-Feb-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
04-Mar-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
11-Mar-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
18-Mar-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
25-Mar-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
01-Apr-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
08-Apr-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
15-Apr-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
22-Apr-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
29-Apr-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
06-May-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
13-May-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
20-May-12	62	1.000	14	1.000	7	1.000	12,922	1.000	16,727	1.000	9,250	1.000
27-May-12	63	1.014	14	1.000	7	1.000	12,993	1.005	16,727	1.000	9,250	1.000
03-Jun-12	63	1.000	14	1.000	7	1.000	12,993	1.000	16,727	1.000	9,250	1.000
10-Jun-12	63	1.000	14	1.000	7	1.000	12,993	1.000	16,727	1.000	9,250	1.000
17-Jun-12	63	1.000	14	1.000	7	1.000	12,993	1.000	16,727	1.000	9,250	1.000
24-Jun-12	64	1.013	14	1.000	7	1.000	13,062	1.005	16,727	1.000	9,250	1.000
01-Jul-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
08-Jul-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
15-Jul-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
22-Jul-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
29-Jul-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
05-Aug-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
12-Aug-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
19-Aug-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
26-Aug-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
02-Sep-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
09-Sep-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
16-Sep-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
23-Sep-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
30-Sep-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
07-Oct-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
14-Oct-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
21-Oct-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
28-Oct-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
04-Nov-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
11-Nov-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
18-Nov-12	64	1.000	14	1.000	7	1.000	13,062	1.000	16,727	1.000	9,250	1.000
Ultimate	64		14		7		13,062		16,727		9,250	

Boat												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
01-Jan-12	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
08-Jan-12	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
15-Jan-12	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
22-Jan-12	6	1.000	14	1.077	3	1.000	1,420	1.000	1,012	0.978	443	1.000
29-Jan-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
05-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
12-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
19-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
26-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
04-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
11-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
18-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
25-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
01-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
08-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
15-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
22-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
29-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
06-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
13-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
20-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
27-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
03-Jun-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
10-Jun-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
17-Jun-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
24-Jun-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
01-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
08-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
15-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
22-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
29-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
05-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
12-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
19-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
26-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
02-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
09-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
16-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
23-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
30-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
07-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
14-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
21-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
28-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
04-Nov-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
11-Nov-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
18-Nov-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
Ultimate	6		14		3		1,420		1,012		443	

G Payment Pattern

G.1 Arrow Construction Projects Forecast

Month	Construction Phase (Cumulative)	Maintanence Phase (Cumulative)	Month 1 of Rebuild	Month 2 of Rebuild	Month 3 of Rebuild	Month 4 of Rebuild	Properties Being Built	Payment Pattern
Jul-11	1	0	1	0	0	0	1	0.0%
Aug-11	2	0	2	1	0	0	3	0.0%
Sep-11	4	1	3	2	1	0	6	0.0%
Oct-11	4	2	2	3	2	1	8	0.0%
Nov-11	7	3	4	2	3	2	11	0.00%
Dec-11	7	4	3	4	2	3	12	0.00%
Jan-12	7	6	1	3	4	2	10	0.00%
Feb-12	8	8	0	1	3	4	8	0.00%
Mar-12	8	7	1	0	1	3	5	0.00%
Apr-12	8	7	1	1	0	1	3	0.00%
May-12	8	7	1	1	1	0	3	0.00%
Jun-12	8	8	0	1	1	1	3	0.00%
Jul-12	33	8	25	0	1	1	27	0.08%
Aug-12	50	8	42	25	0	1	68	0.20%
Sep-12	60	8	52	42	25	0	119	0.34%
Oct-12	64	8	56	52	42	25	175	0.50%
Nov-12	176	33	143	56	52	42	294	0.84%
Dec-12	240	50	189	143	56	52	440	1.26%
Jan-13	275	60	216	189	143	56	604	1.73%
Feb-13	468	64	404	216	189	143	952	2.72%
Mar-13	599	176	423	404	216	189	1,232	3.52%
Apr-13	686	240	446	423	404	216	1,488	4.25%
May-13	686	275	410	446	423	404	1,683	4.80%
Jun-13	822	468	354	410	446	423	1,634	4.66%
Jul-13	894	694	200	354	410	446	1,411	4.03%
Aug-13	1,066	894	172	200	354	410	1,137	3.25%
Sep-13	1,074	961	113	172	200	354	840	2.40%
Oct-13	1,198	1,066	131	113	172	200	445	1.27%
Nov-13	1,222	1,104	117	131	113	172	534	1.52%
Dec-13	1,365	1,198	168	117	131	113	530	1.51%
Jan-14	1,410	1,222	188	168	117	131	604	1.73%
Feb-14	1,535	1,365	170	188	168	117	643	1.83%
Mar-14	1,577	1,494	83	170	188	168	608	1.74%
Apr-14	1,687	1,535	152	83	170	188	592	1.69%
May-14	1,809	1,687	122	152	83	170	526	1.50%
Jun-14	1,846	1,687	159	122	152	83	516	1.47%
Jul-14	2,011	1,846	164	159	122	152	597	1.70%
Aug-14	2,014	1,846	168	164	159	122	614	1.75%
Sep-14	2,169	2,011	158	168	164	159	650	1.86%
Oct-14	2,179	2,030	149	158	168	164	640	1.83%
Nov-14	2,328	2,169	159	149	158	168	634	1.81%
Dec-14	2,333	2,185	148	159	149	158	614	1.75%
Jan-15	2,489	2,328	161	148	159	149	617	1.76%
Feb-15	2,507	2,333	174	161	148	159	642	1.83%
Mar-15	2,649	2,489	160	174	161	148	643	1.84%
Apr-15	2,660	2,612	48	160	174	161	543	1.55%
May-15	2,809	2,651	157	48	160	174	539	1.54%
Jun-15	2,817	2,666	151	157	48	160	516	1.47%
Jul-15	2,971	2,810	161	151	157	48	517	1.47%
Aug-15	3,052	2,932	121	161	151	157	589	1.68%
Sep-15	3,131	2,975	156	121	161	151	588	1.68%
Oct-15	3,261	3,129	132	156	121	161	569	1.62%
Nov-15	3,292	3,135	157	132	156	121	565	1.61%
Dec-15	3,449	3,289	160	157	132	156	605	1.73%
Jan-16	3,455	3,313	142	160	157	132	592	1.69%
Feb-16	3,609	3,417	192	142	160	157	652	1.86%
Mar-16	3,650	3,491	158	192	142	160	653	1.86%
Apr-16	3,742	3,611	131	158	192	142	624	1.78%
May-16	3,802	3,664	138	131	158	192	619	1.77%
Jun-16	3,900	3,742	158	138	131	158	585	1.67%
Jul-16	3,932	3,802	131	158	138	131	557	1.59%
Aug-16	4,074	3,900	174	131	158	138	600	1.71%
Sep-16	4,108	3,929	179	174	131	158	641	1.83%
Oct-16	4,172	4,074	98	179	174	131	582	1.66%
Nov-16	4,172	4,092	80	98	179	174	531	1.52%
Dec-16	4,172	4,172	0	80	98	179	357	1.02%
Jan-17	4,172	4,172	0	0	80	98	178	0.51%
Feb-17	4,172	4,172	0	0	0	80	80	0.23%

G.2 Projection by Financial Year and Payment Type

Payment Type	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
Rebuilds	0.0	0.0	202.9	205.8	193.1	206.3	107.6	915.8
Repairs	0.0	0.0	248.8	268.7	0.0	0.0	0.0	517.5
Cash Settlements	28.0	279.1	868.4	0.0	0.0	0.0	0.0	1,175.5
Out of Scope	7.5	39.3	137.3	68.4	0.0	0.0	0.0	252.4
Lost Rent	2.3	3.9	4.4	0.0	0.0	0.0	0.0	10.6
Temp Accom	7.6	16.0	59.5	22.3	7.4	0.0	0.0	112.7
Contents	0.6	8.3	4.3	0.7	0.0	0.0	0.0	13.9
Vehicles	5.0	1.3	0.0	0.0	0.0	0.0	0.0	6.3
Other	0.2	0.3	0.8	0.5	0.0	0.0	0.0	1.7
Total	**51.2**	**348.2**	**1,526.4**	**566.4**	**200.6**	**206.3**	**107.6**	**3,006.6**

H Non-EQ Events

Events

Cat Code	Event	Accident Month	Location	Claims	Incurred ($'000 Event total)
90	Rain/Flood	23-May-10	Mainly Canterbury, Sth Canty, Otago	826	798,013
91	Rain/Flood	1-Jun-10	Northland/Bay of Plenty	392	2,184,075
96	Rain	17-Sep-10	Whole country	1,269	1,469,530
98	Sth Is Gales	21-Dec-10	Canterbury, South canterbury	523	348,217
100	NZ Storm	27-Dec-10	Whole country	450	1,467,322
105	Cyclone	28-Jan-11	Upper & eastern North Island	623	1,545,529
108	Storm	26-Apr-11	Central North Island	537	1,491,961
115	Snow	24-Jul-11	Mainly Canterbury & SI, some NI	1,077	1,504,110
116	Snow	14-Aug-11	Mainly Canterbury & SI, some NI	2,590	3,328,900
121	Rain/Landslip	14-Dec-11	Nelson & region	428	1,777,814

Per Risk Data

Claim No (Buildings)	Claim No (Contents)	Current Estimate	Non-RI Recoveries	Deductible	Potential Claim	Paid to Date
D3696101		1,043,478	0	-500,000	543,478	27,243
D3689005	C3689273	502,174	0	-500,000	2,174	90,970

I Aggregate Recoverable

Treaty 1: 1 Jan 2010 to 31 Dec 2010
5m x 5m, 250k excess per event

Cat Code	Event Date	Type	5 Apr Ultimate	5 Apr Ultimate Net of Cat Programme	Per event retention	Ultimate net of retention	Contribution to Deductible	Aggregate Recovery
90	23-May-10	Non EQ	798,013	798,013	(250,000)	548,013	548,013	0
91	1-Jun-10	Non EQ	2,184,075	2,184,075	(250,000)	1,934,075	1,934,075	0
93	4-Sep-10	EQ	621,819,573	5,000,000	(250,000)	4,750,000	2,517,912	2,232,088
96	17-Sep-10	Non EQ	1,469,530	1,469,530	(250,000)	1,219,530	0	1,219,530
97	19-Oct-10	EQ	1,775,947	1,775,947	(250,000)	1,525,947	0	1,525,947
98	21-Dec-10	Non EQ	348,217	348,217	(250,000)	98,217	0	22,435
99	26-Dec-10	EQ	13,158,705	5,000,000	(250,000)	4,750,000	0	0
100	27-Dec-10	Non EQ	1,467,322	1,467,322	(250,000)	1,217,322	0	0
Total							5,000,000	5,000,000

Treaty 2: 1 July 2010 to 30 Jun 2011
4m x 2m, 3m excess per event

Cat Code	Event Date	Type	5 Apr Ultimate	5 Apr Ultimate Net of Cat Programme	Per event retention	Ultimate net of retention	Contribution to Deductible	Aggregate Recovery
93	4-Sep-10	EQ	621,819,573	5,000,000	(3,000,000)	2,000,000	2,000,000	0
99	26-Dec-10	EQ	13,158,705	5,000,000	(3,000,000)	2,000,000	0	2,000,000
106	22-Feb-11	EQ	1,332,423,724	5,000,000	(3,000,000)	2,000,000	0	2,000,000
112	13-Jun-11	EQ	71,217,236	5,000,000	(3,000,000)	2,000,000	0	0
Total							2,000,000	4,000,000

Treaty 3: 1 Jan 2011 to 31 Dec 2011
5m x 5m, 750k excess per event

Cat Code	Event Date	Type	5 Apr Ultimate	5 Apr Ultimate Net of Cat Programme	Per event retention	Ultimate net of retention	Contribution to Deductible	Aggregate Recovery
103	20-Jan-11	EQ	781,966	781,966	(750,000)	31,966	31,966	0
105	28-Jan-11	Non EQ	1,545,529	1,545,529	(750,000)	795,529	795,529	0
106	22-Feb-11	EQ	1,332,423,724	5,000,000	(750,000)	4,250,000	4,172,505	77,495
107	16-Apr-11	EQ	1,356,247	1,356,247	(750,000)	606,247	0	606,247
108	26-Apr-11	Non EQ	1,491,961	1,491,961	(750,000)	741,961	0	741,961
111	6-Jun-11	EQ	1,112,003	1,112,003	(750,000)	362,003	0	362,003
112	13-Jun-11	EQ	71,217,236	5,000,000	(750,000)	4,250,000	0	3,212,294
114	21-Jun-11	EQ	1,347,543	1,347,543	(750,000)	597,543	0	0
115	24-Jul-11	Non EQ	1,504,110	1,504,110	(750,000)	754,110	0	0
116	14-Aug-11	Non EQ	3,328,900	3,328,900	(750,000)	2,578,900	0	0
117	9-Oct-11	EQ	944,411	944,411	(750,000)	194,411	0	0
121	14-Dec-11	Non EQ	1,797,218	1,797,218	(750,000)	1,047,218	0	0
122	23-Dec-11	EQ	27,783,427	8,250,000	(750,000)	7,500,000	0	0
Total							5,000,000	5,000,000

J Accounting Note Disclosures

Outstanding Earthquake Claims:

	2012		2011	
	Group	Company	Group	Company
	$000	*$000*	*$000*	*$000*
Outstanding claims	1,713,769	1,713,769	1,675,720	1,675,720
Risk margin	244,426	244,426	229,000	229,000
Claims handling costs	88,293	88,293	31,900	31,900
	2,046,488	2,046,488	1,936,620	1,936,620

J.1 Claims Development

In relation to the claims development table for earthquakes, at the end of the 30 June 2012 policy year the current estimate of cumulative claims costs came to $2,157.4 million. Offsetting this amount there have been cumulative payments of $387.2 million generating an undiscounted central estimate amount for the earthquake events of $1,770.2 million. The discount to present value on this amount is $56.5 million, so the discounted central estimate is $1,713.2 million.

Below is a reconciliation of the discounted central estimate to the net outstanding claims liability reflected in the financial statements.

	Total *$000*
Discounted central estimate	1,713,769
Claims handling expense	88,293
Risk margin	244,426
Gross outstanding claims liabilities	2,046,488
Reinsurance receivables (refer Note 17)	-868,346
Net outstanding claims liabilities (refer Note 3)	1,178,142

J.2 Actuarial Calculation, Assumptions and Methods

The effective date of the actuarial report on the earthquake insurance liabilities is 30 June 2012. The actuarial report was prepared by Colin Brigstock and Ashish Ahluwalia (Fellows of the Institute of Actuaries of Australia) of Finity

Consulting Pty Limited. Finity Consulting are satisfied with the quality of data provided for the purpose of estimating insurance liabilities.

In the actuaries' opinion the insurance liabilities have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standard (*NZ IFRS 4 Insurance Contracts*) and the NZ Society of Actuaries Professional Standard 4 governing technical liability valuations for general insurance business.

J.3 Key Actuarial Assumptions – Earthquake

The valuation of the net outstanding claims liabilities for the current financial year is based on detailed assumptions about the number of properties damaged, the mix and cost of rebuilds/repairs/cash settlements, with adjustments for the amounts of damage which will be covered by the Earthquake Commission, In addition assumptions are made regarding future economic conditions and claims handling expenses, as set out in the following table.

	2012		2011	
	Group	Company	Group	Company
Future Inflation				
Building Cost	8.00%	8.00%	6.00%	6.00%
Temporary Accommodation	0.00%	0.00%	0.00%	0.00%
Other cover types	3.00%	3.00%	3.00%	3.00%
Discount Rate	2.57%	2.57%	3.44%	3.44%
Claims Handling Expenses	5.15%	5.15%	1.90%	1.90%
Risk margin – Outstanding Claims Liabilities	14.20%	14.20%	14.20%	14.20%
Risk margin – Liability Adequacy Test	n/a	n/a	n/a	n/a
Average weighted term to settlement from reporting date	1.83 yrs	1.83 yrs	2.58 yrs	2.58 yrs

J.4 Process to Determine Assumptions

Inflation

The actuarial models allowed for the following inflationary impacts on expected future payments:

- 8% per annum for building costs, based on advice from New Zealand Treasury
- 0% per annum on temporary accommodation (as the allowance in the valuation is already set at the maximum payable under the Company's cover), and
- 3% per annum for the other cover types.

Overall this equates to 6.8% per annum.

Discount rate

Discounting has been applied to the outstanding claims by reference to the risk free zero coupon yields published by the New Zealand Treasury at 30 June 2012.

Claims handling expenses

The estimate of outstanding claims liabilities includes allowance for the future cost of administrating claims. It is based on the projected costs of running the Company's earthquake claims operation.

Risk Margin

The risk margin is intended to achieve a 75% probability of adequacy for the outstanding claims. The unique and unprecedented nature of the earthquake events precludes application of a formal statistical process to determining the 75% risk margin. Instead the Actuary has set the risk margin with reference to:

- the risk margins applying to the Company's business as usual claim liabilities
- the risk margins generally adopted for a range of other insurance classes, and
- the results of sensitivity tests on the Actuary's valuation results taking into account factors such as building cost inflation; the number of property claims; the mix of rebuilds/repairs/cash settlements, the claim payment pattern; and the allocation of the Earthquake Commission related event costs.

The estimated number of properties with claims over the Earthquake Commission claim limit of $100,000 plus GST across all the earthquake related events in the year ended 30 June 2012 is 7,000 properties. These are projected to have an ultimate cost of $1,748 million. In addition there are earthquake related claims not covered by the Earthquake Commission property limit which are projected to total $410 million.

There remains considerable uncertainty attaching to many elements of the likely ultimate cost of the Company's earthquake related outstanding claims liabilities. The higher than normal level of uncertainty is due to a number of factors including:

- issues relating to application of multiple Earthquake Commission caps and to the Government's land remediation package are still developing, and

- The potential impact of demand surge on building costs.

As a result of these uncertainties the risk margin applied is materially higher than would be applied to a more normal level of uncertainty. The previously selected risk margin of [redacted]% of the gross central estimate continues to be adopted. This was chosen at a level which was double the existing margin for business as usual house claims (i.e. [redacted]%, compared to [redacted]%).

withheld under sections 9(2)(i) and (j)

Average weighted term to settlement

Expected payment patterns have been used to determine the outstanding claims liability. The payment patterns adopted have been set based on the Actuary's best estimate of when the payments are likely to be made.

J.5 Sensitivity Analysis – Impact of Changes in Key Variables

The impact of change in key assumptions on the net outstanding claims liabilities are shown in the table below for the Company and Group. Each change has been calculated in isolation to other changes.

	Movement in Variable	Net Outstanding claims 2012 *$000*	2011 *$000*
Inflation Rate	+1% p.a.	22,720	26,711
	-1% p.a.	(22,536)	-26,163
Discount Rate	+1% p.a.	(19,300)	-13,662
	-1% p.a.	20,009	14,160
Claims Handling Expense	+10% higher	10,027	3,540
	10% lower	-10,027	-3,540
Risk Margin	1%	17,274	15,486
	-1%	-17,153	-15,486

K IFRS 4 Offline Insurance Disclosures

K.1 Assumptions

		30 June 2012	30 June 2011
Weighted average term to settle claims (years)			
	Earthquake claims	1.8	2.6
	Non-earthquake claims	n/a	0.4
Inflation (earthquake related costs			
	Building costs	8.0%	6.0%
	Other costs	3.0%	3.0%
Risk free discount rate		2.18% to 3.00%	2.74% to 4.58%
Weighted average risk margin			
	Earthquake claims	14.1%	14.1%
	Non-earthquake claims	13.50%	9.0%
Probability of adequacy of liability		75.0%	75.0%
Risk margin for liability adequacy test		n/a	9.0%
Probability of adequacy of liability to cover unearned premiums		n/a	75.0%

K.2 Sensitivity Analysis

	Change	Impact on liability Actual 30 June 2012 $m	Impact on liability Actual 30 June 2011 $m
Sensitivity of assumptions			
Inflation rates (earthquake related)	+1%	23	27
	-1%	(23)	(26)
Risk-free discount rate	+1%	(19)	(14)
	-1%	20	14
Weighted average risk margin (earthquake related)	+1%	17	15
	-1%	(17)	(15)

K.3 Undiscounted Cash Flows

	30 June 2012 $m	30 June 2011 $m
No later than 1 year	1,023	576
Later than 1 year and no later than 2 years	412	687
Later than 2 years and no later than 5 years	425	541
Later than 5 years and no later than 10 years	-	-
Later than 10 years and no later than 15 years	-	-
Later than 15 years and no later than 20 years	-	-
Later than 20 years and no later than 25 years	-	-
Later than 25 years and no later than 30 years	-	-
Later than 30 years and no later than 35 years	-	-
Later than 35 years and no later than 40 years	-	-
Later than 40 years and no later than 45 years	-	-
Later than 45 years and no later than 50 years	-	-
Later than 50 years	-	-
Undiscounted outstanding claims liability	**1,860**	**1,804**