

## **The Limitation Period**

### **What is it?**

The Limitation Act is a law of New Zealand that encourages people to make claims without undue delay. There has been a lot of commentary in the media regarding the insurance companies and EQC using this limitation period defence to dispose of any court proceedings filed after 4 September 2016, being 6 years from the first earthquake event.

Both EQC and the Insurers have moved to provide clarification on when they would use this as a complete defence to any proceedings. The Insurers have reassured home owners that they will not use it before 4 September 2017, with IAG and its umbrella companies extending the date to 30 June 2018, and Southern Response to 4 September 2018.

EQC has said that generally speaking the defence will not be used until 6 years after EQC has settled or refused the relevant claim. More information, including a definition of when a claim is considered settled or refused, is contained on EQC's website at the link below:

<http://www.eqc.govt.nz/canterbury-earthquakes/claims-assessment/limitation-legislation>

### **Why is it so important to my insurance claim?**

It is important that you seek confirmation from your insurer how the Limitation Act applies to your specific claim. In addition, if you are concerned about the settlement or refusal of your building or land claim with EQC and it is approaching six years since your claim was settlement or refused, you may wish to seek legal advice about your options.

### **Can I apply for an extension of the limitation period?**

Yes you can. Most of the insurance companies have publicly said in the media that they are extending the date. EQC has said the 6 year period will run from the date a claim with them is settled or refused, in line with the definitions on the EQC website referred to above.

### **How do I make an application?**

You can make an application by sending a letter to your private insurer. We have created specific letters for you to use in respect of Southern Response, Tower, IAG, and the remaining insurance companies. These letters are attached for you to choose the letter that applies to your insurer.

### **What if my application is declined?**

We suggest you contact your own private practice lawyer to discuss your application if it is declined or the applicable date for your claim is unclear.