

Statement on Limitation Act

17 December 2015

TOWER Reassures Customers About Limitations Act

TOWER Canterbury earthquake insurance claimants should not be concerned about a September 2016 deadline for filing legal actions, CEO Richard Harding said today.

Commenting on recent public concern about the 1950 and 2010 Limitation Act(s), Mr Harding said TOWER's interpretation of the law was that the six-year limitation on legal action applied from the time a claim was settled or rejected, rather than from the date of the original incident.

"This means TOWER customers do not need to see the upcoming anniversary of the 2010 earthquakes next September as any sort of deadline," said Mr Harding.

To further reassure customers, TOWER has agreed jointly with other private insurer members of the Insurance Council not to plead a defence under the Limitation Act 1950 or the Limitation Act 2010 for any claim relating to the Canterbury earthquake events, where proceedings are filed in the Courts before 4 September 2017.

"While we welcome the collective agreement with other insurers, TOWER customers should be reassured that in our view the six-year limitation period begins from the time a claim was settled or rejected," said Mr Harding.

This should allay any concerns that TOWER customers may have about needing to file court proceedings by 4 September 2016, he said.

"TOWER has settled 96% of its Canterbury earthquake-related house claims and so this confirmation of our interpretation of the Limitations Act should give customers some peace of mind as we continue to resolve and settle the remaining claims," said Mr Harding.

ENDS