

Insurance Council of New Zealand

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Hayden Taylor

Building Policy

Ministry of Business, Innovation & Employment

PO Box 1472

Wellington 6140

Emailed to: hayden.taylor@mbie.govt.nz

Dear Hayden,

Insurance Council of New Zealand Submission on the Proposed Schedule 1 Building Consent Exemptions October 2019

Thank you for the opportunity to submit on Proposed Schedule 1 Building Consent Exemptions outlined in the MBIE Discussion Paper.

The Insurance Council of New Zealand (ICNZ) represents general insurers who insure about 95 percent of the New Zealand general insurance market, including over half a trillion dollars' worth of New Zealand property and liabilities.

Please contact John Lucas (john@icnz.org.nz or 04 995 8006) if you have any questions on our submission or require further information.

Introduction

1. The Proposed Schedule 1 Building Consent Exemptions outlined in the discussion paper appear reasonably low risk from an insurers perspective as many of the proposed exemptions will still need an review of a Chartered Professional Engineer or a Licenced Building Practitioner, however we do question how records will be kept for future reference by property purchasers or insurers dealing understanding risk or dealing with future claims.

2. Single storey Detached buildings (sleepouts, garages, sheds and greenhouses) not exceeding 20m2

We cannot see a problem for insurers with this proposal as a Chartered Professional Engineer will have design oversight.

We do question whom will be responsible for maintaining the design records for future reference by purchasers and insurers dealing with underwriting the risks and verifying claims? The records will need to verify that the work was carried out to the Chartered Professional Engineers specifications.

3. Installing Insulation in External Walls

We do not see a problem for insurers. Insurers would not normally cover claims for gradual damage to structures & claddings due to moisture ingress and not being able to dry out due to the adding of insulation.

We do strongly recommend that MBIE or BRANZ provides guidance for those including DIY homeowners adding insulation to exterior walls.

The guidance should cover the following.

- the building code requirement for wall cavity moisture /vapour barrier between the new insulation and cladding/framing.
- Type of insulation. Insurers would not be happy with EPS however glass or rock wool types of insulation are favoured due to their non flammability.
- Electrical cabling and the derating of circuit breakers or the uprating of cables that will now be surrounded by insulation and may degrade due to a build up of heat.

4. Carports not exceeding 40m2

We cannot see a problem for insurers with this proposal as a Chartered Professional Engineer will have design oversight.

We do question whom will be responsible for maintaining the design records for future reference by purchasers and insurers dealing with underwriting the risks and verifying claims? The records will need to verify that the work was carried out to the Chartered Professional Engineers specifications.

5. Awnings up to 30M2

We cannot see a problem for insurers with this proposal as a Chartered Professional Engineer will have design oversight.

We do question whom will be responsible for maintaining the design records for future reference by purchasers and insurers dealing with underwriting the risks and verifying claims? The records will need to verify that the work was carried out to the Chartered Professional Engineers specifications.

6. Outdoor Fireplaces

We cannot see a problem for insurers with this proposal.

7. Water Storage Bladders

We cannot see a problem for insurers with this proposal.

8. Short – Span Bridges and Pipe Supporting Structures

We cannot see a problem for insurers with this proposal as a Chartered Professional Engineer will have design oversight.

We do question whom will be responsible for maintaining the design records for future reference by purchasers and insurers dealing with underwriting the risks and verifying claims? The records will need to verify that the work was carried out to the Chartered Professional Engineers specifications.

9. Rural zones – Ground-mounted Solar Array Panels

We see some risks for insurers if the ground-mounted structure for solar array panels that are not designed well for wind. There is no requirement for the oversight of a Chartered Professional Engineer. We think there should be. The value in solar array panels is significant that this could expose insurers to claims for wind damage if the ground mounted structure is not up to the task.

We agree that building consents could be exempted so long as the ground-mounted structure is specified by Chartered Professional Engineer.

We still raise the issues about whom will be responsible for maintaining the design records for future reference by purchasers and insurers dealing with underwriting the risks and verifying claims? The records will need to verify that the work was carried out to the Chartered Professional Engineers specifications.

10. Rural zones – Detached Single-Storey Pole Sheds and Hay Barns

We cannot see a problem for insurers with this proposal as a Chartered Professional Engineer will have design oversight.

We do question whom will be responsible for maintaining the design records for future reference by purchasers and insurers dealing with underwriting the risks and verifying claims? The records will need to verify that the work was carried out to the Chartered Professional Engineers specifications.

11. Licensed Building Practitioners – Single Storey Detached buildings (sleepouts, garages, sheds and greenhouses) not exceeding 20m2

We cannot see a problem for insurers with this proposal as a Licensed Building Practitioner with the appropriate licence class will construct or supervise the work.

We do question whom will be responsible for maintaining the Licensed Building Practitioner records for future reference by purchasers and insurers dealing with underwriting the risks and verifying claims? The records will need to verify that the work was carried out or supervised a Licensed Building Practitioner.

We hope that our comments will help with your decision-making process.

Yours sincerely

John Lucas

Insurance manager

Insurance Council of New Zealand