

16 February 2026

Committee Secretariat

Transport and Infrastructure Committee
Parliament Buildings, Wellington

Emailed to: ti.legislation@parliament.govt.nz

**ICNZ'S SUBMISSION ON THE BUILDING (EARTHQUAKE-PRONE BUILDINGS)
AMENDMENT BILL**

Thank you for the opportunity to provide a submission on the Building (Earthquake-prone Building) Amendment Bill.

Te Kāhui Inihua o Aotearoa | The Insurance Council of New Zealand (**ICNZ**) represents general insurers. Our members accept the risks of over NZ\$2 trillion of New Zealand's assets and liabilities. ICNZ's members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, and motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability, professional indemnity, cyber insurance, forestry and horticultural insurance, livestock insurance, commercial property insurance, and directors' and officers' insurance).

General comments

The proposed new risk-based approach to identifying, classifying and strengthening earthquake-prone buildings, which are potentially a risk to life safety, will save many building owners, tenants, local councils and their rate payers significant ongoing costs for unoccupancy and seismic upgrade work for those buildings that are now viewed as a lesser risk to life safety.

Insurers view of seismic risk is often different from the life safety focus of the earthquake-prone building legislation. Insurers cover damage caused by earthquake events, even if the damage is minor and the building is not considered a risk to life.

Under these changes, many buildings will no longer be considered earthquake prone and a risk to life. However, insurers may still view the building as a high risk for earthquake damage that will have potentially high costs of repairs. The building could become a total loss as repair costs could exceed the building sum insured noting insurers terms (premiums and deductibles) are not likely to change.

Specific comments

The building parts definition that describes heavy elements like chimneys, parapets and decorative facades requiring removal or securing should also include non-structural elements within buildings.

- These non-structural elements such as ceiling systems, suspended services (heating and ventilation) and fire sprinklers are all hazardous to life safety if they have not been installed correctly to NZS4219 (seismic performance of engineering systems in buildings).
- Both the Canterbury and Kaikoura earthquake events revealed that NZS4219 was not complied with as many non-structural elements in buildings that did not collapse, fell from their fixings and crashed to the floor. Had the buildings been occupied at the time there could have been significant injuries and even deaths. It would be reasonably low cost to inspect for compliance of NZS4219 and undertake remediation if required.

It's proposed that a change of use and alterations to buildings would not require fire safety and accessibility features to be upgraded. Insurers may likely have a view on fire safety, which could mean that fire protection such as fire sprinklers may need to be installed and or upgraded as a condition of insurance depending on the construction materials of the building and the use/occupation of the building.

Summary

ICNZ and its members know that the present earthquake-prone building legislation has not been that effective since many building owners have not been able to upgrade their earthquake-prone buildings mainly due to economic reasons.

The proposed changes will not alter insurers view of seismic risk with older buildings.

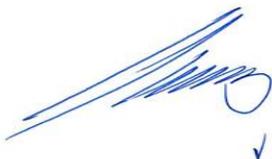
We do recommend:

- consideration be given to including non-structural elements into the definition of building parts that would require inspection and remediation.
- the wording of the legislation changes should mention that fire safety systems may need to be upgraded depending on the change of use or building upgrade construction materials and the planned occupation. This is important as the legislation could mislead a building owner into believing that fire protection improvements would not be required by insurers and or future tenants.

Thank you again for the opportunity to make this submission. We would be happy to appear before the Select Committee.

Please contact John Lucas at john@icnz.org.nz if you have any questions.

Ngā mihi,



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