

LESSONS LEARNED CHRISTCHURCH EXPERT EARTHQUAKE ENGINEERING PANEL

LEGACY DOCUMENT 3

GUIDANCE FOR HOMEOWNERS



**engineering
new zealand**
te ao rangahau

THE LEGACY PROJECT :: GUIDANCE FOR HOMEOWNERS

This document forms part of the set of information referred to as the 'Legacy Toolbox Package'. This set of documents was prepared by engineers from the Christchurch Earthquake Expert Engineering Panel and the Engineering Advisory Group. Review and input have also been provided by Engineering New Zealand, GCCRS (now NZCRS) and representatives from the Legal, Insurer and Homeowner Advisory Groups.

1. OVERVIEW

Throughout the Canterbury Earthquake Sequence (CES) residential recovery process, homeowners saw that findings in assessments from engineers engaged by them in some cases differed significantly from those engaged by insurers. In some cases, one engineering report recommended localised repairs to the foundations, whereas another considered that full foundation rebuild was warranted on the same building. These contrasting findings, and the polarity and lack of convergence during subsequent discussions, significantly undermined the perception of engineers as independent professionals and the robustness of engineering solutions. This had a wider and negative impact on how the engineering profession was viewed, particularly in Canterbury. Often, however, the divergent views were actually due to the engineers being provided with different briefs.

In response to this, Engineering New Zealand developed guidance for homeowners and insurers when engaging an engineer, which has been published on the Engineering New Zealand website. This guidance also provides a template Letter of Engagement for homeowners and insurers to use when engaging an engineer to assess and report on earthquake damage and reinstatement, with different options for the reinstatement standard reflecting the different insurance policy requirements. In February 2023 this guidance was updated with additional templates for engaging both structural and geotechnical engineers after all natural disasters. This guidance to homeowners and insurers is summarised in the following sections.

2. WHAT IS THE ENGINEER'S ROLE?

The engineer's role is to objectively assess whether there is damage to the property, whether that damage is due to a natural disaster or is pre-existing, and how the property can be reinstated to the standard required by the insurance policy. It is not the engineer's role to interpret and/or advise the homeowner on the insurance policy or provide strategic advice on the homeowner's insurance claim. The engineer however must require a clear Letter of Engagement.

This means that engineers need to act impartially and within their area of expertise. Engineers should not be advocates for their clients whether that be the homeowner or the insurer. Their role is to make sure that their client receives technically accurate advice, regardless of whether that advice aligns with their client's interests or opinion.

3. HOW DO I FIND AN ENGINEER?

Engineering New Zealand recommends homeowners engage a Chartered Professional Engineer or a Chartered Member of Engineering New Zealand with experience in natural disaster damage assessments. Chartered Professional Engineers and Chartered Members of Engineering New Zealand are competence-assessed professionals who are bound to comply with the Code of Ethical Conduct and undertake continuing professional development.

[Read the Code of Ethical Conduct](#)

The type of engineer you will need to engage will depend on what you want them to look at. Usually, a geotechnical or structural engineer will be needed to assess damage resulting from natural disasters. Talk to your engineer about whether they have the right competencies to carry out the assessment you need. A list of current members of the Engineering New Zealand Natural Disaster Recovery Panel can be found on the Engineering New Zealand website.¹

4. USE OUR TEMPLATE ENGAGEMENT LETTERS

When you engage an engineer, it is very important to be clear about what you're asking the engineer to do and the reinstatement standard in your insurance policy and/or the EQC Act. We recommend having an initial discussion with the engineer then using an engagement letter to set this all out in writing.

Using an engagement letter is best practice and ensures all parties have the same understanding of the engineer's role and what they have been asked to do. In Canterbury, the experience was that engineers working to the same brief via the template letters often resulted in reduced number of issues in dispute.

Engineering New Zealand has developed the following template engagement letters, the current versions of these letters can be found on the Engineering New Zealand website.²

1. Post-earthquake assessments

This template was developed for use after the Canterbury Earthquake Sequence, in consultation with insurers and homeowners. It gives you a framework for engaging an engineer to assess and report on earthquake damage and reinstatement, with different options for the reinstatement standard. It remains relevant for use after all earthquakes.

2. Structural assessments after all other natural disasters

This template was developed in 2023 by Engineering New Zealand for use after all non-earthquake natural disasters. It is still subject to review by insurer and homeowner representatives and may be amended as a result. Please check Engineering New Zealand's website for the most current version.

¹ [Expert Engineering Panel | Engineering NZ](#)

² <https://www.engineeringnz.org/public-tools/new-zealand-claims-resolution-service/engaging-engineer/>

3. Geotechnical assessments after all natural disasters

This template was developed in 2023 by Engineering New Zealand for use after all natural disasters. It is still subject to review by insurer and homeowner representatives and may be amended as a result. Please check Engineering New Zealand's website for the most current version.

5. WHAT HAPPENS AFTER I ENGAGE AN ENGINEER?

When you engage an engineer, the engineer should provide you with a contract or Short Form Agreement (SFA) to sign. The contract or SFA should accurately set out the scope of the work the engineer is going to do for you (possibly by reference to the engagement letter) and set out an estimate of the cost of that work. If the engagement relates to an insurance policy you should send the SFA to the insurer to get their approval of the costs before you sign the SFA.

The engineer should discuss with you what their role is and what you can expect from them. They should ask you about your property and how the natural disaster changed it.

You should give the engineer any information you have about the condition of your property before the natural disaster and how it was affected by the natural disaster. This includes recounting your experiences and any other evidence that you have; for example, before and after photos are very helpful. The engineer will also need to see any other reports you have about the property and how the natural disaster affected it. For example, if you are engaging a structural engineer, show them any reports from a geotechnical engineer, surveying reports, aerial photographs, and Cavity Critter footage of your underfloor area. The engineer should also look at a copy of your property file from the Council and if relevant, review geotechnical data from nearby geotechnical investigations on the New Zealand Geotechnical Database.

The engineer will need to visit and visually inspect your home. You should ensure that the engineer who will be signing off the report is the same person who attends that site visit. They will be looking for detrimental changes to your home caused by the natural disaster. For example, they might need to lift the carpet, go into the ceiling and sub-floor spaces, and measure floor and ceiling levels and wall verticalities. Geotechnical engineers may need to perform shallow or deep geotechnical investigations. They will discuss this with you.

After their visit, the engineer will write a report outlining their opinion on what damage your home has suffered and how it can be reinstated to meet the standard set out in the Earthquake Commission Act or your insurance policy. Engineering New Zealand's report framework has been developed for the assessment of earthquake damage, however, it remains a good guide to what a report should cover for all natural disaster damage assessments. You can ask your engineer to set out their report using this framework or adapt this for the natural disaster you have experienced.

See Schedule Two - Appendices One, Two and Three of each Letter of Engagement for reporting frameworks.

6. WHAT HAPPENS IF MY ENGINEER'S REPORT IS DIFFERENT FROM THE INSURER'S ENGINEERING REPORT?

This type of engineering assessment is not straightforward. Engineers need to make assumptions about what the property was like before the natural disaster and how it has changed. This requires professional judgement. Sometimes it is reasonable for engineers to disagree.

If your engineer has a different view from the insurer's engineer first talk to your insurer. If matters are unable to be resolved, you can talk to the New Zealand Claims Resolution Service (NZCRS) about what to do next, and whether the Engineering New Zealand facilitation service might be an option for you.

See Appendix One for information on our facilitation service

7. WHAT DO I DO IF I'M CONCERNED AN ENGINEER HASN'T ACTED PROFESSIONALLY OR COMPETENTLY?

Engineering New Zealand has a fair and robust complaints process. Get in touch with us, and we'll talk with you about your options for resolving your concerns.

See Appendix Two for information on our complaints process

APPENDIX ONE :: ENGINEERING NEW ZEALAND'S FACILITATION SERVICE

Our facilitators are senior engineers specifically trained in facilitation and mediation techniques. They can be asked by the NZCRS to act as an independent facilitator between engineers who have different opinions about damage resulting from natural disasters and reinstatement recommendations.

The facilitator will bring the engineers together to talk about where their opinions align and where they disagree. The purpose of the facilitation is to give everyone greater clarity about how to move towards resolving the insurance claim.

No binding decisions are made in the facilitation. At the end of the facilitation, the parties are provided with an "outcome statement", which will give them clarity about the engineering views the areas of agreement and disagreement. They can use the outcome statement to narrow the issues in dispute to help move their claim forward.

The facilitator will talk to the homeowner or their representative both before the facilitation meeting and afterwards, to ensure the homeowner is well briefed on the process.

Engineering New Zealand's facilitation service provides facilitations for damage assessments and reinstatement recommendations relating to all natural disasters.

APPENDIX TWO :: ENGINEERING NEW ZEALAND'S COMPLAINTS PROCESS

Engineering New Zealand manages a process for resolving concerns and complaints relating to both our members and Chartered Professional Engineers. Our process is designed to help engineers and the industry improve, censure where appropriate, and give the public confidence and trust in the industry. We don't take sides - we stay objective and make fair decisions.

For the public

You can contact us if you have concerns about one of our members or a Chartered Professional Engineer. We only deal with concerns about individual engineers, not about firms or organisations.

How to raise a concern

If you've got a concern about an engineer, we advise that you let them know and try to resolve it directly with them first by:

- Writing to the engineer, being clear about your concerns and asking for a response. Tell the engineer what outcome you want.
- Requesting a meeting with the engineer to talk through your concerns. You could take a support person with you, and you could request that an independent person facilitate the meeting.
- Raising your concerns with the engineer's manager.

If you can't resolve the concern directly with the engineer, it's time to let us know, so we can help.

You'll need to provide us with your perspective on what happened, and all relevant evidence. This could include reports, email conversations you've had with the engineer, or statements from other people involved. It is better to give us everything you have at the beginning of the process.

We can help resolve concerns about:

- the quality of the engineer's work, or
- the engineer's conduct and behaviour.

We can't resolve concerns about:

- commercial or contractual matters,
- fees and payment, or employment.

Our process is focused on resolution, quality improvement, learning and appropriate accountability. We can't help you achieve compensation or reparation, and we can't order an engineer to undertake specific action in relation to a project.

Once we've assessed your concerns, we'll talk with the engineer and ask for a response. We may need to get information from other people involved too. Then we consider how best to resolve your concerns.

Different options include:

- Asking if you are open to an alternative dispute resolution process.
- Asking if you are open to any other early resolution options, such as using your concerns as an educational opportunity for the engineer.
- Commencing a formal investigation and disciplinary process.
- Using our early resolution process for concerns helps things be resolved quickly – in 2–6 months. More complex concerns of a technical nature, or concerns that proceed down a more formal route, may take longer. A full disciplinary process could take up to a year and sometimes longer.

Confidentiality

Our concerns and complaints process is confidential to the parties involved, to protect people's privacy and encourage parties to participate in an open and honest way. Engineering New Zealand will only share information relating to the complaint in accordance with our Rules and Disciplinary Regulations, and applicable legislation including the Privacy Act 2020, the Chartered Professional Engineers of New Zealand Act 2002, and the Chartered Professional Engineers of New Zealand Rules (No 2) 2002.

The resolution process

We start the resolution process by helping you resolve your concerns directly with the engineer.

It's important that we hear both sides of the story. Once you have told us your concerns, we'll ask the engineer for a response.

We will send a copy of the engineer's response to you to see if it resolves your concerns.

Alternative dispute resolution

Alternative Dispute Resolution refers to a range of processes to help parties reach resolution in a way that ensures everyone is heard and understood. Disputes often arise from miscommunication, and this is a way to resolve them.

It's an efficient, confidential, and flexible process that allows the engineer to learn directly from the person concerned. It also allows the person concerned to work with the engineer to agree on solutions.

If we think Alternative Dispute Resolution is right for the matter, we will talk to you and seek your consent. If you agree, we may facilitate a conversation between the parties, or we may ask an independent mediator to run a formal process.