



## INFORMATION FOR YOUR CROSS-LEASE HOME

If your home is cross-leased and your claim is over cap you will need agreement from all your cross-lease neighbours before you can choose a settlement option. To help you to understand the process, here are some of the common questions our cross-lease customers have asked.



### What does it mean to have a cross-lease property?

This type of ownership is common where there is more than one property (often called flats) on a single title. The owners of each property co-own the land and each leases their own property.

Cross-lease property owners have a 'memorandum of lease'. The memorandum of lease is a legal document that details the shared agreement between all property owners on your site. It sets out the rights and obligations of each property owner.

\*For the purpose of this factsheet a cross-lease property is referred to as a flat, and owners as 'lessees'.

### How does having a cross-lease property impact on my insurance claim?

In order to progress your claim, we need to review your memorandum of lease to understand the obligations you have to your cross-lease neighbours. The level of consultation and/or agreement required under the memorandum will impact on how it can be settled.

### How will my claim progress?

The first step is for the insurer of each flat (and EQC) to assess the property they insure. This is to work out the extent of earthquake damage each party is responsible for.

If all lessees are insured with IAG we will appoint a lead Claims Manager who will be responsible for progressing all claims on the property.

If there is more than one insurer involved we will contact the other insurers. We need to share information to understand the impact of the damage to your flat on your neighbours' flats and vice versa. We will also discuss repair/ rebuild methodologies.

### As well as any building consent requirements, any repair/rebuild solution has to meet:

- Each lessee's individual insurance policy requirements.
- The obligations of each lessee as per your memorandum of lease.

### How do all insurers work together?

Insurance companies are working together with a common sense approach to get the job done. We have a shared cross-lease programme and will reinstate the properties on your site in a co-ordinated way.

One insurance company will 'take the lead' and manage the entire site. This means all repair and/ or rebuild work is undertaken at the same time by the same builder and overseen by the 'lead' insurance company. This is to minimise disruption to you and your neighbours.

### What if my insurer isn't managing the repairs?

Your insurance company will still maintain an overview of the programme of work. If you have any concerns at any stage, you will still contact your insurance company in the first instance.

### What if my neighbours and I can't agree on an overall solution?

We will work closely with you and your neighbours to help achieve an agreed approach. However, if co-ordination is required and agreement can't

be reached between all neighbours, the insurance companies involved will then discuss alternative settlement options with their customers.

### I don't have a cross lease property but I share a wall with my neighbour. What does this mean for my claim?

If you share a wall with your neighbour but don't have a cross-lease, you will have a 'memorandum of easement'. This memorandum of easement document sets out conditions for each property owner on your site. Typically this means in the event of a loss any shared wall must be reinstated. The insurance company (or companies) involved will work together to achieve this.



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