





## Confidential

---

### Council Opinion about the Local Authority Protection Programme

<b>PREPARED FOR</b>	Alistair Hanning Civic Assurance
<b>PREPARED BY</b>	Emanuel Kalafatelis, Mark Johnson & Jane Falloon
<b>CONTACT DETAILS</b>	Emanuel Kalafatelis Research New Zealand Phone 04 499 3088 <a href="http://www.researchnz.com">www.researchnz.com</a>
<b>PROJECT NUMBER</b>	#4793



# Contents

---

<b>Contents</b>	<b>3</b>
<b>Executive summary</b>	<b>4</b>
<b>1.0 Introduction, objectives &amp; method</b>	<b>9</b>
1.1 Introduction	9
1.2 Purpose and information objectives	9
1.3 Method	12
<b>2.0 Decision making in relation to the purchase of insurance services</b>	<b>17</b>
2.1 Stakeholders involved in decision-making	17
2.2 Important decision-making factors	19
<b>3.0 Current members' perceptions of the LAPP</b>	<b>28</b>
3.1 Reasons for being a member of the LAPP	28
3.2 Consideration of exiting the LAPP	31
<b>4.0 Past members' reasons for exiting the LAPP</b>	<b>45</b>
4.1 Ex-members' current infrastructure insurance arrangements	45
<b>5.0 Non-members' infrastructure insurance arrangements</b>	<b>54</b>
5.1 Infrastructure insurance arrangements of councils that have never been part of the LAPP	54
<b>6.0 Developing the LAPP</b>	<b>62</b>
<b>Appendix A: Interview guide</b>	<b>65</b>
<b>Appendix B: Pre-notification letter and survey questionnaire</b>	<b>72</b>



# Executive summary

---

This report presents the results of a research study that was completed with key stakeholders within councils in order to identify their opinions of the Local Authority Protection Programme (LAPP). The LAPP was established in 1993 as a mutual fund and charitable trust, to help local authorities pay their share of the cost of replacing essential underground infrastructure (e.g. sewage, water), damaged in the event of a natural disaster.<sup>1</sup>

## Purpose

The research study was undertaken in response to the fact that less than one-half of all councils are currently members of the LAPP (i.e. 32) and there is evidence to suggest that more are considering exiting. This is in sharp contrast to the situation five years ago when in 2010, a majority of the local authorities in New Zealand at the time were members (56 of 82 councils). However, with the Canterbury earthquakes, the LAPP fund was exhausted and after being advised by their brokers (e.g. AoN), some councils elected to exit the Fund in favour of insuring privately or joining regional group purchasing organisations called Local Authority Service Suppliers (LASS)<sup>2</sup>.

The results of the study will be used by Civic Assurance, the administrator of the LAPP fund, to inform the development of a marketing plan for the LAPP.

## Method

The study involved the completion of two streams of research between 25 September 2015 and 9 December 2015; first, a total of 12 qualitative interviews with current, past and non-members of the LAPP to inform the design of a questionnaire for a survey, was well as provide detailed insight into councils' decision making processes in relation to insuring their underground infrastructure.

The asset and finance managers of the remaining 66 councils were subsequently invited to complete an online survey regarding their underground infrastructure insurance arrangements and their views about the LAPP.

Councils were initially sent an invitation on Civic Assurance's letterhead to complete the survey. This was followed by two email reminders from Research New Zealand at approximately one week intervals. To further improve the response rate, telephone reminders were also completed between the dates of 1 and 8 December 2015. As part of the telephone reminder, respondents were given the opportunity to complete the survey by telephone as well.

In total, 35 councils completed the survey with 27 completing the survey online, while a further eight were interviewed by telephone. This equates to a 53 percent participation rate.

---

<sup>1</sup> Before 1991, central government took responsibility for all costs associated with the restoration of underground and other services considered essential to a community. However, in 1991, central government introduced a Disaster Recovery Plan which shared responsibility for the restoration of these services between central and local government. Beyond a threshold, central government will pay 60 percent of the cost of restoration and local government have to pay the remaining 40 percent.

<sup>2</sup> There are currently well-established LASS in the Waikato, Bay of Plenty and Manawatu and one has just been established on the West Coast.



Including the 12 qualitative interviews (the results of which are covered by a separate report), Civic Assurance's research study has been completed with 47 out of 78 councils (i.e. 60 percent of the population of interest).

A copy of the survey questionnaire can be found in Appendix B of this report.

## **Key findings**

The following key findings are of relevance to the development of a marketing plan for the LAPP.

### **1. There is a need for a marketing plan.**

The results of this research study **confirm** the need for a marketing plan for the LAPP. Specifically, of the 20 current members of the LAPP that responded to the survey, over one-half (12) stated that they had considered exiting the scheme in the last two years.

On the other hand, three of the eight past members that responded to the survey stated that they had considered re-joining. Four of seven non-members have also considered joining the LAPP.

### **2. In general, Chief Financial Officers and/or Chief Executives represent the target audience for the marketing plan.**

A number of individuals both within and external to a council can be involved in the review and assessment of councils' infrastructure insurance needs. Internally, key stakeholders frequently include the Chief Financial Officer of the council, and/or the Asset Manager(s). Other internal stakeholders may include Corporate/Business Services Managers and Property and Insurance Officers.

A number of councils also frequently seek independent advice from external insurance brokers when reviewing their infrastructure insurance needs.

When it comes to **approving** recommendations regarding infrastructure insurance, in most cases the Chief Executive and/or Chief Financial Officer is responsible for making the decision. However, in some councils approval may be the responsibility of the councillors collectively and/or the Mayor.

### **3. Overall, product-related factors are more important decision-making factors than provider-related factors and need to be reflected in the marketing of the LAPP.**

The most important **product-related factors** that figure in to councils' infrastructure decision making processes are the **financial surety of cover**, followed by the **degree of risk/exposure** of each council's infrastructure assets.

Other product-related factors that are also rated as being important, but are of lesser importance, include: transparency of contract terms, pricing/deductible amounts, and the amount of premium/contribution per annum.

In general, provider-related factors play a less important role when councils assess their infrastructure-related insurance needs. However, there are two important exceptions; most



councils place great importance on whether any **advice provided is independent** and whether the provider they are dealing with has a **customer oriented approach** to doing business.

#### 4. **Specific key messages for councils, depending on their membership of the LAPP.**

In addition to the overall importance of product-related factors, specific factors will need to be reinforced (if they are viewed as a **strength**) or addressed (if they are viewed as a **weakness**), depending on whether a council is a current member of the LAPP, a past member, or has never been a member.

##### Current members of the LAPP

In the case of **current** members of the LAPP, the two most important product-related factors that are viewed as strengths of the LAPP and would therefore need to be reinforced when communicating with these councils, are the same as the factors that councils in general take into account when assessing their infrastructure insurance needs:

- ◆ Financial surety/sufficiency of cover.
- ◆ The degree of risk/exposure of current members' infrastructure assets.

The amount of premium, stability of pricing and the reinsurance product underwriter(s) are the other perceived strengths of the LAPP, but are of lesser importance in any retention strategy that is developed.

Rounding out this strategy is Civic Assurance's local government/knowledge specialisation, which is the most important provider-related factor for current members. Trustees' flexibility/discretion when it comes to claims assessment and the perceived degree of independence of advice are the other two most important provider-related retention factors.

As noted above, more than one-half of current members have considered exiting the LAPP in the last two years. Where this is the case, the two most important reasons for considering exiting are concerns regarding councils' degree of risk exposure to their infrastructure assets and financial surety/sufficiency of cover.

When combined, these two can cut both ways.

- ◆ Councils with a low degree of risk exposure are less likely to see the value of the LAPP (as highlighted by non-members during the pre-research stage).
- ◆ Councils with a high degree of risk exposure have concerns as to whether the LAPP is financially sound enough to cover their assets in the event of a major natural disaster.

Of note, provider/service-related factors do not seem to play a significant role in current members' consideration of exiting the LAPP.



#### Ex-members of the LAPP

There are four main factors in relation to **ex-members'** decision to exit the LAPP. In order of importance these are:

- ◆ The amount of premium/contribution per annum.
- ◆ Concerns regarding financial surety/sufficiency of cover.
- ◆ Exposure to other councils' infrastructure risks.
- ◆ The degree of councils' own infrastructure assets risk exposure.

As noted above in relation to current members, provider/service-related factors do not appear to have played as strong a role in ex-members' decision to exit the LAPP, when compared with product-related factors.

#### Non-members of the LAPP

While indicative only, due to the smaller numbers of **non-members** who responded to the research study – most non-members appear to be self-insuring. This is based on the fact that five of the seven non-members surveyed reported they were currently self-insuring, plus the three non-members interviewed during the pre-research stage (i.e. eight out of 14 non-members are currently self-insuring their infrastructure assets).

The primary reason for this is the degree of councils' own infrastructure risk exposure, as well as:

- ◆ Concerns about being exposed to other councils' infrastructure risks.
- ◆ The amount of premium/contribution per annum required.

Despite the fact that many are currently self-insuring, several of the non-members surveyed said their council had considered joining the LAPP. This suggests that if premium/contribution amounts are seen as being reasonable (given the degree of councils' own risk), and assurances that exposure to other councils' risks are minimal, there may be an opportunity to attract some non-members to join the LAPP.

### **5. The marketing of the LAPP will benefit from product development.**

More than half of all councils surveyed expressed interest in a number of enhancements to the LAPP, which were based on the feedback received during the pre-research stage. This indicates that there are some potential 'new market' opportunities for Civic Assurance, including:

- ◆ Working collaboratively with councils to assess their risk/exposure cover requirements.
- ◆ Enhanced service support.
- ◆ Providing insurance coverage for currently 'uninsurable' assets, such as bridges and roading.



There was also significant interest among some councils for having separate LAPP funds for urban versus provincial councils. This would likely help to address some councils' concerns regarding exposure to other councils' risk.





## 1.0 Introduction, objectives & method

---

In this section of the report we provide a brief introduction to the Local Authority Protection Programme, the purpose and objectives of the research study, and the study's methodology.

### 1.1 Introduction

Since 1991, central and local government have shared responsibility for the cost of replacing essential underground infrastructure (e.g. sewage, water), damaged in the event of a natural disaster.<sup>3</sup> The Local Authority Protection Programme was established in 1993, as a mutual fund and charitable trust, to help local authorities pay their share of these costs. The fund is administered by Civic Assurance.

When the Fund was established, there was little competition from the private insurance sector and by 2010, a majority of the local authorities in New Zealand at the time were members (56 of 82 councils). However, with the Canterbury earthquakes, the Fund was exhausted and after being advised by their brokers (e.g. AoN), some councils elected to exit the Fund in favour of insuring privately or joining regional group purchasing organisations called Local Authority Service Suppliers (LASS)<sup>4</sup>.

Currently, less than one-half of the 78 councils are Fund members (i.e. 32) and there is evidence to suggest that more are considering exiting.

### 1.2 Purpose and information objectives

In response to this situation, Civic Assurance has begun to develop a picture of the issues and concerns that some members have about the LAPP, as well as its perceived benefits from other members.

As a result of this feedback, Civic Assurance is preparing a marketing plan to more systematically address the declining interest in the LAPP in preference for alternative forms of insurance. To inform this plan, it has commissioned this research study in order to help make the following decisions:

1. Which councils should the marketing plan regard as its **primary target audience**? This audience would be based on current members who are most at risk of exiting the Fund and/or past or non-members who represent the best opportunity to increase the overall membership of the LAPP.

---

<sup>3</sup> Before 1991, central government took responsibility for all costs associated with the restoration of underground and other services considered essential to a community. However, in 1991, central government introduced a Disaster Recovery Plan which shared responsibility for the restoration of these services between central and local government. Beyond a threshold, central government will pay 60 percent of the cost of restoration and local government have to pay the remaining 40 percent.

<sup>4</sup> There are currently well-established LASS in the Waikato, Bay of Plenty and Manawatu and one has just been established on the West Coast.



2. Who, within these councils, should the marketing plan address or communicate with in the first instance, given their importance as key **influencers** and/or **decision-makers**?
3. What are the **key messages** that the marketing plan would need to communicate? This would be based on an understanding of the perceived strengths and weaknesses of the LAPP relative to alternative forms of insurance, and therefore an understanding of the factors motivating or inhibiting membership of the LAPP.
4. What **changes** to the features of the LAPP would be beneficial?
5. What **changes** to Civic Assurance's approach to communicating and dealing with members would be beneficial?

### **1.2.1 Information objectives**

Given the nature of these decisions, the study collected slightly different information from each of the following groups:

- ◆ From **current members**, an understanding of:
  - ◆ The 'value' they place on being members of the LAPP.
  - ◆ The extent to which they have compared the benefits of being a member of the LAPP with alternative forms of insuring.
  - ◆ The security of their current membership. That is, whether they have considered exiting from the Fund and for what reasons.
  - ◆ (And if they have considered exiting) what would they likely exit to.
  - ◆ Any improvements they suggest which would benefit the LAPP and give them a compelling reason to continue being a member.
  - ◆ Their satisfaction with Civic Assurance's performance with regard to the LAPP, and its approach to communicating and dealing with members, including any improvements they suggest in this regard.



- ◆ From **past members**, an understanding of:
  - ◆ Why they exited the LAPP.
  - ◆ What they exited to, and what they perceive as the main benefits of this alternative form of insuring relative to the LAPP.
  - ◆ What improvements they suggest would benefit the LAPP, and to what extent these improvements would result in them reconsidering their membership.
  - ◆ If Civic Assurance's performance was a factor contributing to their exiting of the LAPP, what improvements do they suggest would be beneficial in this regard?
- ◆ From **non-members**, an understanding of:
  - ◆ How these local councils view the LAPP relative to alternative forms of insurance. That is, what do they perceive as the main advantages and disadvantages of the LAPP relative to alternative forms of insurance?
  - ◆ Whether or not they have ever considered joining the LAPP. How recently? What have been the main drivers in this regard, and what are the key barriers?
  - ◆ What improvements they suggest would benefit the LAPP, and to what extent these improvements would result in them joining the fund.
  - ◆ What they know about Civic Assurance and its performance in relation to the LAPP.



## 1.3 Method

The study involved the completion of two streams of research between 23 September 2015 and 9 December 2015.

### 1.3.1 The qualitative interviews

To help inform the development of the questionnaire for the survey, a total of n=12 stakeholders were initially interviewed on an exploratory basis; n=4 current members; n=5 ex-members and n=3 non-members of the LAPP.

All respondents were responsible for insurance decisions within their respective councils. For the most part, they were financial or asset managers, with some interviews also including Chief Executives.

City, District and Regional councils were included in the research from a range of locations. Councils included in the research also varied, in terms of their size and level of risk associated with their underground assets. A number of councils were members of LASS collectives.

In order to gain the depth of information required, the interviewing was conducted on an individual qualitative basis by the researchers responsible for the research study; Jane Falloon (Research Director) and Mark Johnson (Partner), between 23 September and 20 October, 2015. A copy of the interview guide they used can be found in Appendix A of this report.

The following are the key findings of this qualitative interviewing<sup>5</sup>:

- ◆ Some current members are weighing up their insurance options and may exit the LAPP.
- ◆ Current members who value the LAPP are likely to retain their membership due to the value they place on their **relationship with Civic Assurance** and the **perceived strengths** of the LAPP, which include:
  - ◆ The collective philosophy underpinning the mutual fund.
  - ◆ An appreciation of the fact that the fund was designed specifically to fill a gap, when there were no other insurance options for councils to insure their underground assets.
  - ◆ The benefits of investing in a mutual fund.
  - ◆ Current confidence in the sustainability of the fund, due to current limited membership.

The value placed on the relationship with Civic Assurance includes the following:

- ◆ The strength of a long-term relationship; regarded as a partnership by some.

---

<sup>5</sup> A separate report has been prepared based on these qualitative interviews, *Stage 1: Pre-research (Council opinion about the Local Authority Protection Programme*, Research New Zealand (3 November 2015).



- ◆ The on-going support for local government.
- ◆ Being New Zealand owned and managed.
- ◆ Having confidence in its governance.
- ◆ Positive claims experiences due to the flexibility of claims assessments by the trustees, as well as their local knowledge.
- ◆ Satisfaction with the level of communications.
- ◆ Ex-members have exited the LAPP (including some **current members** who are also weighing up their insurance options), did so because of the shortcomings of **their relationship with Civic Assurance**, the opportunities afforded by **commercial insurers** and their perceptions of the **weaknesses** of the LAPP. These weaknesses include:
  - ◆ Depletion of the fund resulting in increased member contributions, premium rises and mutual fund liability.
  - ◆ Depleted membership compromising the fund.
  - ◆ The level of risk involved in the LAPP's ability to provide cover.
  - ◆ The perceived limitations of the LAPP wholesale re-insurers, when compared with international backing of a larger pool of retail co-insurers.

The perceived shortcomings of councils' relationship with Civic Assurance include:

- ◆ The perceived lack of transparency and clarity in risk assessments and cover.
- ◆ The lack of independent brokerage.
- ◆ The perceived conflicts of interest with the retention of Christchurch trustees.
- ◆ The requirement to give a year's notice.
- ◆ Dissatisfaction with the current level of communications.

The perceived benefits of commercial insurance include the following:

- ◆ Competitive pricing.
- ◆ Security of a large pool of international retail co-insurers.
- ◆ The transparency and clarity of a contractual agreement.
- ◆ Broker support.



- ◆ The non-members included in the interviewing were each in a position to **self-insure** their underground assets, due to the limited risk these carry. As such, neither the LAPP in its current form, nor commercial insurance, is of interest to these councils.
- ◆ Respondents suggested ways in which the LAPP could be enhanced and Civic Assurance's service offering improved. Suggested enhancements to the LAPP included:
  - ◆ Enhancing confidence around the LAPP's ability to provide cover.
  - ◆ Offering more competitive pricing.

Suggested service enhancements included:

- ◆ Enhancing Civic Assurance's customer focus in line with broker support.
- ◆ Increasing transparency around risk assessment and cover.

### **1.3.2 The survey**

The survey questionnaire was developed based upon the above findings from the pre-research and scripted to be administered as an online questionnaire. A copy may be found in Appendix B of this report.

On 18 November 2015, a pre-notification letter from Civic Assurance was sent to the n=66 prospective respondents, on a list of stakeholders provided by Civic Assurance, who had not participated in the qualitative interviews. The letter introduced the research study, outlined its purpose and objectives, and provided other important information such as the fact that the survey was voluntary, but confidential should someone decide to participate. A copy of this letter may also be found in Appendix B.

Two reminder emails with a personalised direct link to the survey were subsequently sent to encourage a positive response, at roughly one week intervals. To further improve the response rate, telephone reminders were also completed between the dates of 1 and 8 December 2015. As part of the telephone reminder, respondents were given the opportunity to complete the survey by telephone as well.

On 9 December 2015, the survey was official closed off with n=35 councils having responded by that date. Twenty-seven councils completed the survey online, while a further eight were interviewed by telephone, which equates to a 53 percent participation rate.

Including the 12 qualitative interviews (the results of which are covered by a separate report) Civic Assurance's research study was completed with 47 out of 78 councils (i.e. 60 percent of the population of interest).

### **1.3.3 Respondent profile**

The following tables provides a profile of the total sample of n=35 respondents who responded to the survey, with roughly half of respondents being the CFO for the council in question, and the others



being largely a mixture of Corporate Services Managers and Asset/Infrastructure Managers. The achieved sample is comprised of 20 current members in the LAPP (roughly two thirds of all members), eight previous members and seven councils that have never been part of the scheme.

**Table 1:**

*Q1. First of all, which of the following best describes your position role? Please select only one option*

	Total
Base =	35
Chief Executive	1
Chief Financial Officer	16
Asset/Infrastructure Manager	2
Business services manager	1
Corporate services manager	5
Other	10

The base numbers shown are unweighted counts.  
This table contains frequencies.

**Table 2:**

*Q10. According to Civic Assurance's information, your council {Q10ins}. Can you confirm this is correct?  
Please select only one option*

	Total
Base =	35
Current member of the LAPP	20
Past member of the LAPP	8
Council has never been a member of the LAPP	7

The base numbers shown are unweighted counts.  
This table contains frequencies.

**\*\*Caution:** low base number of respondents - results are indicative only.

### 1.3.4 Accuracy of results

As noted at the beginning of this section, the 35 councils that participated in the survey represent just over half of all councils that were invited to participate. When the 12 councils that were interviewed during the pre-research stage are taken into account, more than 60 percent of councils' views are reflected in the research findings. This means that the research results can be taken as providing a fairly accurate reflection of councils' views about the LAPP and their practices in relation to infrastructure insurance.

Throughout this report, please note the following conventions:

- ◆ Results based on the total sample of 35 councils that participated in the survey are presented as **percentages**.
- ◆ Results based on the smaller sub-samples of current members of the LAPP, previous members and those councils that have never been part of the scheme are presented as **frequency counts** rather than percentages (e.g. 'x number' out of 'y number' councils). This is standard practice when dealing with small sample sizes (even when the population of interest is small); this is because presenting results as percentages based on a small number of respondents can be misleading to the reader.



Finally, the reader is cautioned when making comparisons between current members of the LAPP, ex-members and councils that have never been part of the scheme given that the achieved samples of non- and ex-members are relatively small. Any observed differences between current, ex- and non-members should therefore be viewed as being indicative only and treated with some caution.

### **1.3.5 Organisation of this report**

This report is organised into five main sections:

- ◆ Decision making in relation to the purchase of insurance services.
- ◆ Current members' perceptions of the LAPP.
- ◆ Ex-members' reasons for exiting the LAPP.
- ◆ Non-members' infrastructure insurance arrangements
- ◆ Developing the LAPP.





## 2.0 Decision making in relation to the purchase of insurance services

In this section, we outline the key stakeholders involved in the decision making process relating to insurance services, as well as the importance of different product and provider attributes that councils take into consideration when infrastructure insurance arrangements are reviewed.

### 2.1 Stakeholders involved in decision-making

Respondents were asked how frequently their council's infrastructure insurance arrangements were reviewed (Table 3). Thirty of the 35 councils that participated in the survey reported that infrastructure insurance arrangements were reviewed on an annual basis. This equates to roughly 9 out of 10 surveyed councils. A small number of councils reported that they review their infrastructure insurance needs less frequently.

**Table 3:**

*Q4. How frequently are your council's infrastructure insurance arrangements reviewed?*

	Base =	Total 35	My council is a current member of the LAPP 20**	My council is a past member of the LAPP 8**	My council has never been a member of the LAPP 7**
Annually		30	18	5	7
Every 2 years		1	0	1	0
Every 3 years		2	1	1	0
Less frequently		1	1	0	0
Other		1	0	1	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

As was found during the qualitative stage of the research, a number of individuals both within and external to the council can be involved in the review, assessment and recommendation processes associated with councils' infrastructure insurance (Table 4). Internally, key stakeholders in relation to assessing and making recommendations about a council's infrastructure insurance most frequently include the Chief Financial Officer of the council and/or the council's Asset Manager(s). In some councils, other internal stakeholder involved in the process include:

- ◆ Corporate/Business Services Managers.
- ◆ Property and Insurance Officers.

For 14 of the 35 councils surveyed (40 percent) advice from an independent insurance brokers is also sought.



**Table 4:**

*Q3. Recommendations about infrastructure insurance-related matters are made by which of the following people?*

	Base =	Total 35	My council is a current member of the LAPP 20**	My council is a past member of the LAPP 8**	My council has never been a member of the LAPP 7**
Chief Financial Officer		16	8	5	3
Asset Manager(s)		15	12	1	2
Independent Brokers		14	6	5	3
Finance Manager		8	4	2	2
Corporate/Business Services Manager		7	7	0	0
Property and Insurance Officers		5	2	3	0
Chief Executive		1	1	0	0
Other		4	3	1	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

When it comes to approving recommendations about a council's infrastructure insurance, in most cases the Chief Executive and/or Chief Financial Officer is responsible for approving any recommendations regarding infrastructure insurance matters (Table 5). Frequently, elected council officials such as Councillors or the Mayor may be responsible for approving such decisions.

**Table 5:**

*Q2. Which of the following people are responsible for approving recommendations relating to infrastructure insurance-related matters?*

	Base =	Total 35	My council is a current member of the LAPP 20**	My council is a past member of the LAPP 8**	My council has never been a member of the LAPP 7**
Chief Executive Officer		13	7	5	1
Chief Financial Officer		16	8	5	3
Mayor		4	2	2	0
Councillors		19	10	4	5
Audit/Risk Manager or Committee		5	3	1	1
Asset/Infrastructure Manager(s)		2	2	0	0
Business/Corporate Services Manager		2	2	0	0
Other		1	0	0	1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.



## 2.2 Important decision-making factors

The qualitative stage of the research study identified that decision makers within councils weigh up a number of factors when assessing and making recommendations about the council's infrastructure insurance needs. At a high level, these factors can be grouped into two broad areas: **product-related** attributes and **service provider-related** attributes.

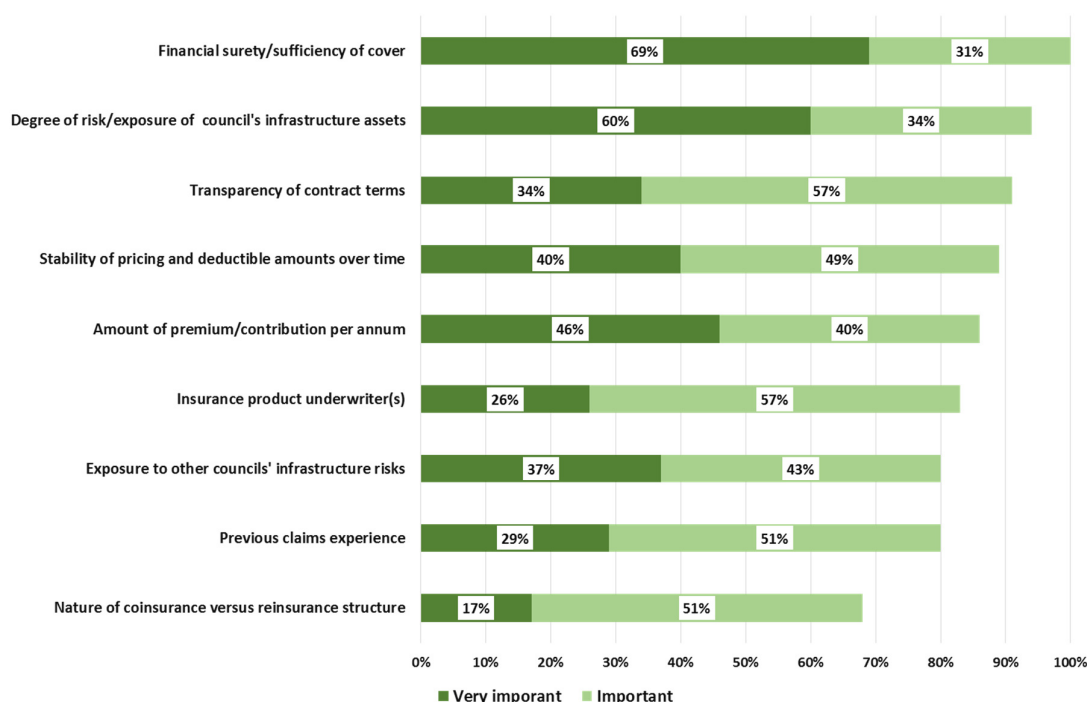
With a few notable exceptions that will be commented on later, generally the responses between current, ex- and non-members of the LAPP (both in the pre-research stage and survey results) as to the importance of each factor in insurance-related decision processes were fairly consistent. Given this, the following section is based upon the total sample results. This also allows for the reporting of the percentage of all councils rating a particular factor as being important/very important (Figure 1 and Figure 2); making it easier for Civic Assurance to identify which factors play a greater role in contributing to councils' insurance-related decisions in general.

Tables detailing the results for current, ex- and non-members of the LAPP for the product-related attributes (Table 6 through Table 14) and service provider related attributes (Table 15 through Table 21) and be found at the end of this section.

### 2.2.1 Product-related factors

The survey found that the two most important **product-related factors** that figure into councils' decision making process are the financial surety of cover (rated as important/very important by all 35 councils), followed by the degree of risk/exposure of each council's infrastructure assets (94 percent).

**Figure 1: Importance of product-related factors (n=35)**





As might be expected, transparency of the contract terms (rated by 91 percent of councils as being important/very important), the stability of pricing/deductible amounts of time (89 percent), closely followed by the amount of premium contribution per annum (86 percent) round out the top five most important factors.

While indicative only due to the small sub-samples involved, the results do suggest that ex-members of the LAPP rate the amount of premium/contribution per annum as being more important to them (rated by all eight ex-members as being important/very important with five of the eight reporting it was *very important*), when compared with all councils.

The pre-research would seem to confirm this finding, with all five of the ex-members that were interviewed on a qualitative basis reporting that competitiveness of price was one of the two most important factors to their council both in relation to the assessment of current insurance needs, as well as playing a factor in the decision to leave the LAPP.

The other factor that was rated as being of very high importance by ex-members, both in the pre-research as well the survey findings, was the degree of risk/exposure of the council's own infrastructure assets.

Six of eight ex-members that were surveyed (three quarters) rated it as being a *very important* factor (three quarters), compared with 11 out of 20 current members (roughly half).

During the pre-research stage, councils' concerns that the LAPP had insufficient existing funds during the period immediately following Christchurch earthquake to cover councils' own infrastructure risk in the event of a nature disaster, was a significant factor in their decision to exit the scheme.

## **2.2.2 Provider-related factors**

In general, provider-related factors would appear to play a lesser degree of importance in relation to councils' assessment of their infrastructure-related insurance needs (Figure 2 overleaf); with the exception of 'independence of advice' (rated as being important/very important by 95 percent of councils) and having a 'customer orientation' (rated as being important/very important by 91 percent).

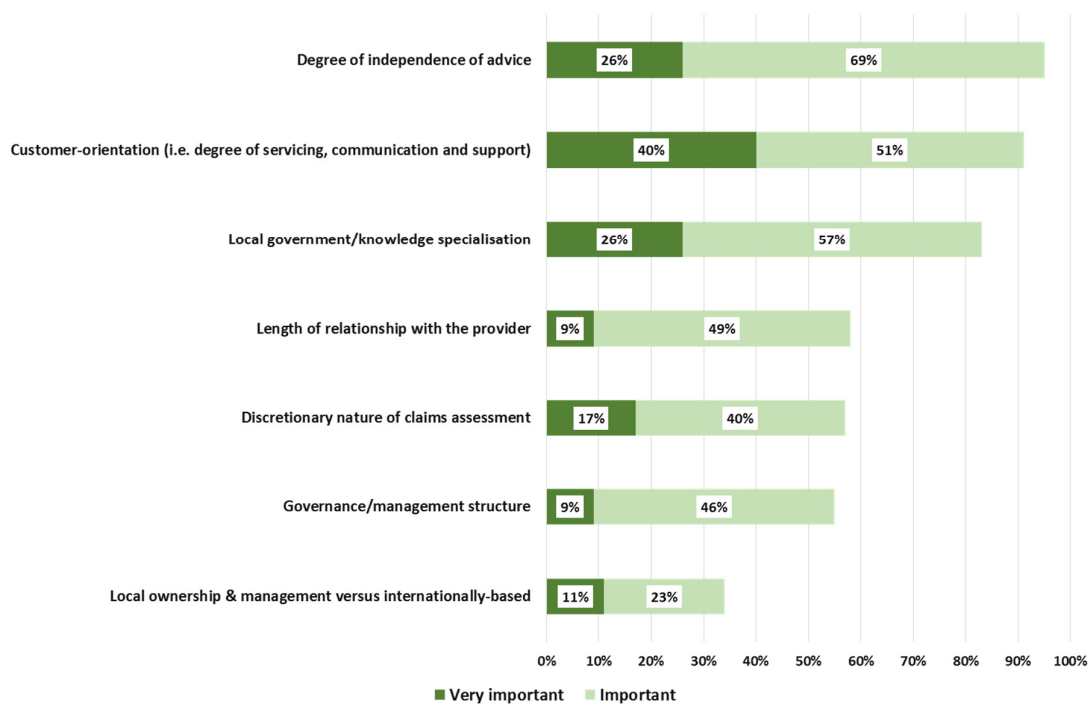
While having a local government/knowledge/specialisation was rated as being the third most important factor (83 percent), factors such as length of relationship with the provider, having discretion in relation to assessment of claims, governance structure or local versus overseas ownership were rated as being relatively less important.

When viewed by current versus ex-members, the results suggest that there are very a few differences in relation to the perceived importance of provider-related factors, with discretionary assessment of claims being the most notable exception:

- ◆ Fourteen out of 20 current members reporting the discretionary assessment of claims was an important factor (the equivalent of 70 percent) in their decision making process, compared with just three out of eight ex-members (roughly one-third).



**Figure 2: Importance of service provider-related factors (n=35)**





## Chapter 2 – Supplementary tables

### Importance of product-related attributes when considering infrastructure insurance needs

**Table 6:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Amount of premium/contribution per annum*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	2	1	0	1
Unimportant	1	1	0	0
Neither	2	1	0	1
Important	14	8	3	3
Very important	16	9	5	2
Don't know	0	0	0	0

The base numbers shown are unweighted counts.  
This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 7:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Stability of pricing and deductible amounts over time*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	2	0	0	2
Unimportant	0	0	0	0
Neither	2	0	0	2
Important	17	11	4	2
Very important	14	9	4	1
Don't know	0	0	0	0

The base numbers shown are unweighted counts.  
This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 8:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Nature of coinsurance versus reinsurance structure*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	2	0	1	1
Neither	8	4	2	2
Important	18	11	4	3
Very important	6	5	1	0
Don't know	1	0	0	1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 9:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Insurance product underwriter(s)*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	0	0	0	0
Neither	6	1	3	2
Important	20	12	4	4
Very important	9	7	1	1
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 10:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Financial surety/sufficiency of cover*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	0	0	0	0
Neither	0	0	0	0
Important	11	5	3	3
Very important	24	15	5	4
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 11:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Transparency of contract terms*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	1	0	0	1
Unimportant	0	0	0	0
Neither	2	0	0	2
Important	20	10	6	4
Very important	12	10	2	0
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 12:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Previous claims experience*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	1	0	1	0
Unimportant	2	0	2	0
Neither	4	3	1	0
Important	18	10	2	6
Very important	10	7	2	1
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 13:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Degree of risk/exposure of your council's infrastructure assets*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	0	0	0	0
Neither	1	1	0	0
Important	12	8	1	3
Very important	21	11	6	4
Don't know	1	0	1	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.





**Table 14:**

*Q6. How important are each of the following product-related factors in the decision making process surrounding these reviews? – Exposure to other councils' infrastructure risks*

	Base =	Total 35	My council is a current member of the LAPP 20**	My council is a past member of the LAPP 8**	My council has never been a member of the LAPP 7**
Not at all important		2	0	0	2
Unimportant		2	1	1	0
Neither		3	2	1	0
Important		15	8	3	4
Very important		13	9	3	1
Don't know		0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

*Importance of provider-related attributes when considering infrastructure insurance needs*

**Table 15:**

*Q8. How important are each of the following provider-related factors in the decision making process surrounding these reviews? – Local government/knowledge specialisation (i.e. community-oriented)*

	Base =	Total 35	My council is a current member of the LAPP 20**	My council is a past member of the LAPP 8**	My council has never been a member of the LAPP 7**
Not at all important		0	0	0	0
Unimportant		3	2	1	0
Neither		3	1	1	1
Important		20	11	3	6
Very important		9	6	3	0
Don't know		0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 16:**

*Q8. How important are each of the following provider-related factors in the decision making process surrounding these reviews? – Local ownership & management (i.e. based in New Zealand) versus internationally-based*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	1	1	0	0
Unimportant	8	3	2	3
Neither	14	9	3	2
Important	8	6	2	0
Very important	4	1	1	2
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 17:**

*Q8. How important are each of the following provider-related factors in the decision making process surrounding these reviews? – Degree of independence of advice (i.e. no conflict of interest, transparency)*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	0	0	0	0
Neither	2	0	1	1
Important	24	14	5	5
Very important	9	6	2	1
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 18:**

*Q8. How important are each of the following provider-related factors in the decision making process surrounding these reviews? – Governance/management structure*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	0	0	0	0
Neither	16	6	5	5
Important	16	12	2	2
Very important	3	2	1	0
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 19:**

*Q8. How important are each of the following provider-related factors in the decision making process surrounding these reviews? – Customer-orientation (i.e. degree of servicing, communication and support)*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	0	0	0	0
Neither	3	0	1	2
Important	18	11	3	4
Very important	14	9	4	1
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 20:**

*Q8. How important are each of the following provider-related factors in the decision making process surrounding these reviews? – Discretionary nature of claims assessment*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	0	0	0	0
Neither	13	5	4	4
Important	14	10	3	1
Very important	6	4	0	2
Don't know	2	1	1	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 21:**

*Q8. How important are each of the following provider-related factors in the decision making process surrounding these reviews? – Length of relationship with the provider*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Not at all important	0	0	0	0
Unimportant	4	1	2	1
Neither	11	7	2	2
Important	17	10	3	4
Very important	3	2	1	0
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.



## 3.0 Current members' perceptions of the LAPP

### 3.1 Reasons for being a member of the LAPP

Currently, the LAPP scheme comprises 32 members; 20 of whom participated in the survey (a further four participated in the pre-research stage). Of the 20 survey respondents, eight reported their council were flagship members, i.e. involved with the scheme since its inception in 1993 (Table 22), while a further five members had been with the scheme for more than 10 years.

**Table 22:**

*Q11. About how long has your council been a member of the LAPP?*

	Current members
Base =	20* **
From the beginning (the LAPP was established in 1993)	8
Up to and including 10 years	5
More than 10 years	5
Don't know	2

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents...

\*\*Caution: low base number of respondents - results are indicative only.

#### 3.1.1 Significance of product related factors to current members

In order to assess those factors that are of greatest important to current members of the LAPP, the respondents were asked to use a five point scale (where "1" is not at all significant and "5" is very significant) to rate the significance of various product-related factors as reasons for continuing to be a member of the LAPP (Figure 3).

Factors rated as having the greatest significance in relation to continuing as members of the LAPP include:

- ◆ Financial surety/sufficiency of cover – rated as being significant by 18 out of 20 current members who participated in the survey, with 12 members reporting it was very significant.
- ◆ The degree of risk/exposure of their council's current infrastructure assets – rated as being significant/very significant by 15 members.

The amount of premium, stability of pricing and the reinsurance product underwriter(s) round out the top five 'product' related factors (with all three factors rated by 12 respondents as being significant/very significant). However, the amount of premium/contribution per annum was rated by nine of 20 members as being a very significant factor in relation to their remaining with the scheme as well.



**Figure 3: Significance of current product factors in decision to remain with the LAPP (n=20)**

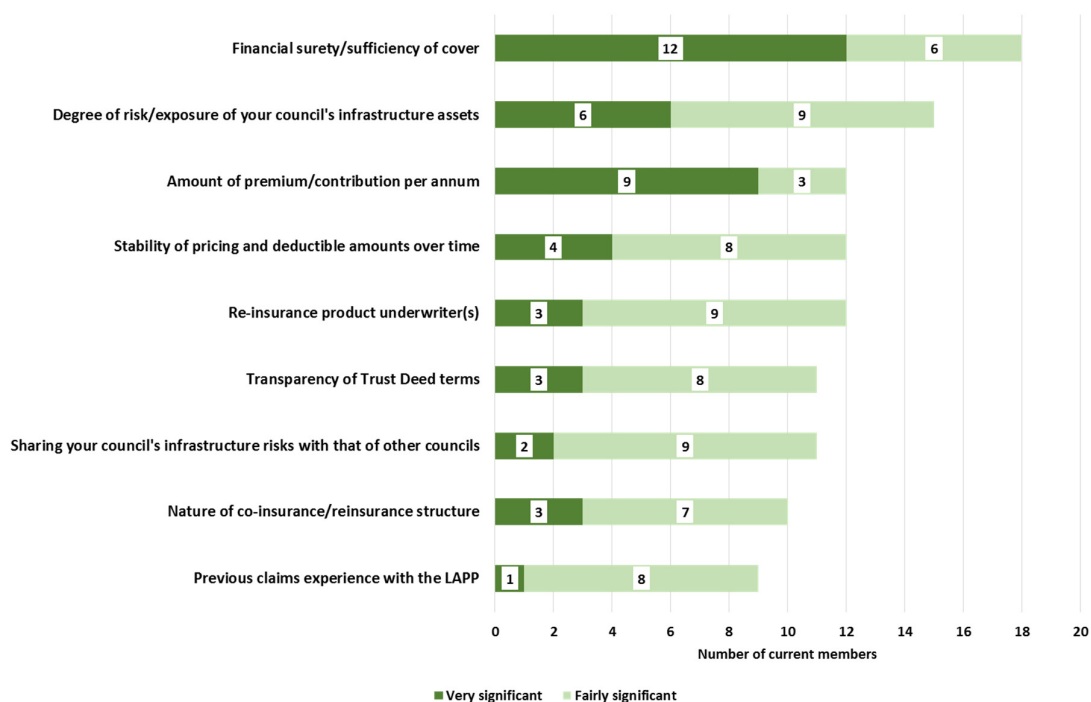


Table 25 through Table 33 at the end of this chapter provide a detailed breakdown of current members' ratings of these and the other product-related factors shown above in Figure 3.

### 3.1.2 Significance of provider service related factors to current members

Along a similar note, current members were asked on a five point scale (where "1" is not at all significant and "5" is very significant) to rate the significance of various provider/service-related factors as reasons for continuing to be a member of the LAPP (Figure 4).

As detailed in Figure 4, the provider/service related factor that was rated as being most significant to current members of the LAPP was Civic Assurance's local government/knowledge specialisation (rated as being fairly/very significant by 14 out of 20 surveyed members).

Two other factors were also rated by more than half of the respondents as being fairly/very significant:

- ◆ The scheme's Trustees' flexibility/discretion in claims assessment (rated highly by 12 out of 20 surveyed members).
- ◆ The perceived degree of independence of advice (also rated as being fairly/very significant by 12 out of 20 members).



Based upon the above results, it would appear that the LAPP's product related factors are viewed as being more significant, in general, than service-related factors when current members' weigh-up decisions to remain with the scheme.

**Figure 4: Significance of current provider/service factors in decision to remain with the LAPP (n=20)**

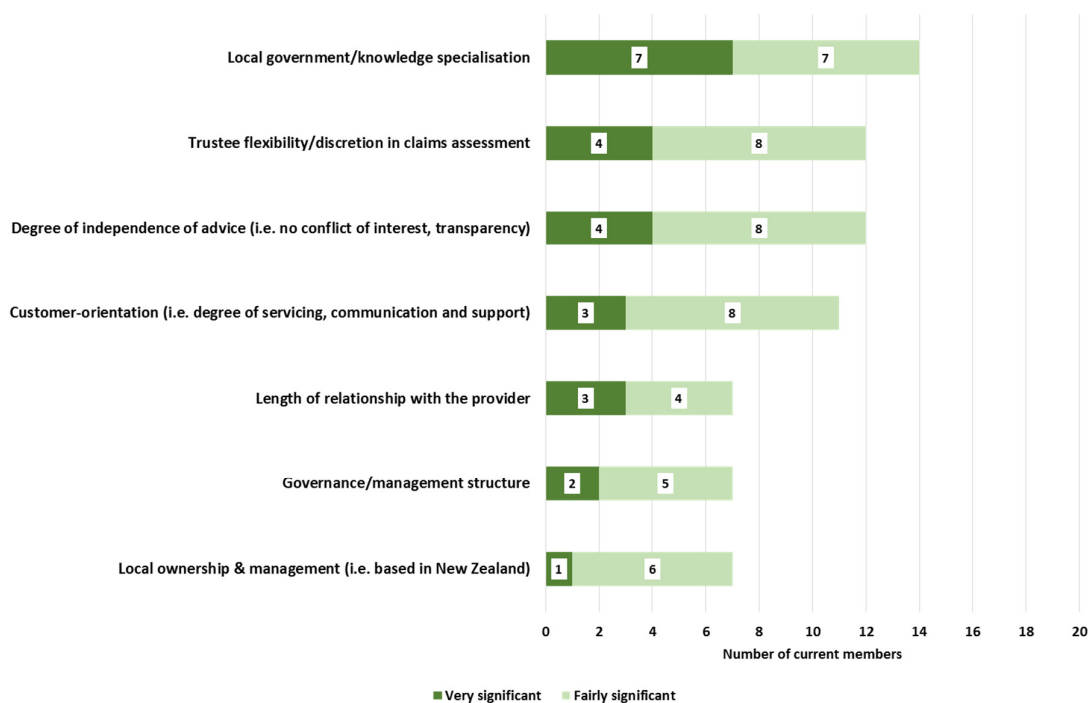


Table 34 through Table 40 at the end of this chapter provide detailed breakdowns of current members' ratings of these and the other provider/service-related factors shown above in Figure 4.



## 3.2 Consideration of exiting the LAPP

As noted at the beginning of this report, a number of members had exited the LAPP over the years, and Civic Assurance has concerns that some current members maybe also considering exiting the scheme. In order to test this, current members were asked if their council had considered exiting the LAPP in the last two years (Table 23). Twelve out of the 20 current members surveyed reported that their council had considered exiting at some time during the last two years.

**Table 23:**

*Q16. Has your council considered exiting the LAPP in the last two years? Please select only one option*

	Base =	Total 20* **
Yes		12
No		7
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

This result is not too dissimilar to that reported by the current members who participated in the pre-research interviews, with three of four councils reporting that when they review their infrastructure insurance needs, they also look at what the current market has to offer to ensure they are receiving the best value for their rate payers' dollars.

As a follow-up question, respondents who reported their council had considered exiting the LAPP in the last two years were asked what alternative arrangements they would likely use to insure the council's underground infrastructure (Table 24).

Most frequently, respondents whose council had considered exiting reported they would likely use a commercial insurance option to cover their underground infrastructure (noted by half of the respondents in question), while one in three said they would opt for a combination of arrangements including self-insurance, commercial insurances and/or through a formal or informal arrangement with other councils, such as a LASS.

**Table 24:**

*Q20. If your council exited the LAPP, which one of the following best describes what it would likely do in terms of insuring its underground infrastructure?*

	Base =	Total 12* **
A commercial insurance option		6
Through a Local Authority Service Suppliers (LASS) arrangement		2
An informal regionally-based arrangement with other councils		2
Self-insure		2
A combination of the above		4
Other		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.



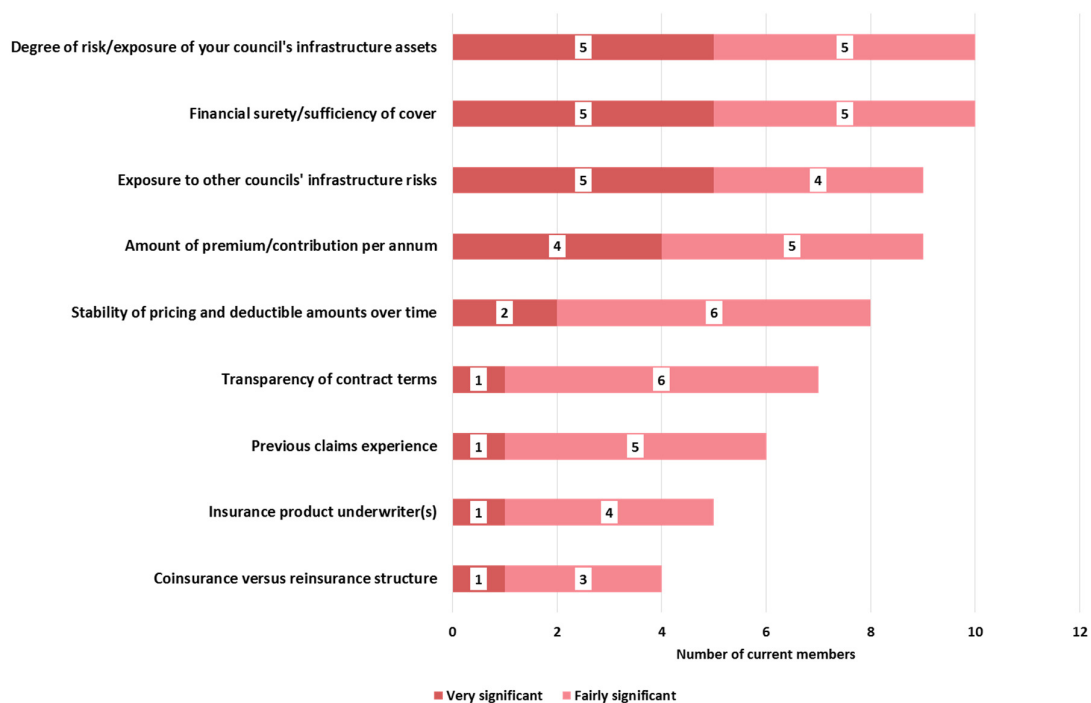
### 3.2.1 Reasons for considering exiting the LAPP

Respondents that reported their council had considered exiting the LAPP in the last two years were asked to rate the significance of a number of potential product-related factors that had previously been identified during the pre-research stage as potential reasons for exiting the scheme.

The product-related factors that were rated as being most significant included (Figure 5):

- ◆ The degree of risk/exposure of members own infrastructure assets (rated as being fairly/very significant by 10 of 12 members who reported their council had considered exiting the LAPP in the last two years).
- ◆ Concerns of financial surety/sufficiency of cover (also rated as being fairly/very significant by 10 of 12 members).
- ◆ Exposure to other councils' infrastructure risks (noted by 9 of 12 members).
- ◆ The amount of premium/contribution per annum (noted by 9 of 12 members).

**Figure 5: Significance of product-related factors in consideration of exiting the LAPP (n=12)**







Respondents that reported their council had considered exiting the LAPP in the last two years were also asked to rate the significance of a number of potential provider/service related factors that had previously been identified during the pre-research stage as potential reasons for exiting the scheme.

Of note, very few of the current members who reported their council had considered leaving the LAPP in the last two years rated the provider/service-related factors as being of particular significance in considering exiting the scheme (Figure 6). The two factors noted by four or more of the 12 respondents in question were:

- ◆ Transparency of the LAPP's risk assessment process (rated as fairly/very significant by five members).
- ◆ The discretionary nature of the claims assessment process (rated as fairly/very significant by four members).

In relation to concerns with the transparency of the manner in which councils' risk was assessed by Civic Assurance, this was a point highlighted by three of the five ex-members who participated in the pre-research stage, as well as more than one current member of the scheme. As far as the discretionary nature of assessing claims by the scheme's Trustees, the pre-research found that for some councils this was viewed as a positive point, while other council spokespersons felt it introduced a degree of uncertainty as to surety of cover and concerns of the LAPPs ability to provide sufficiency of cover.

**Figure 6: Significance of provider/service-related factors in consideration of exiting the LAPP (n=12)**

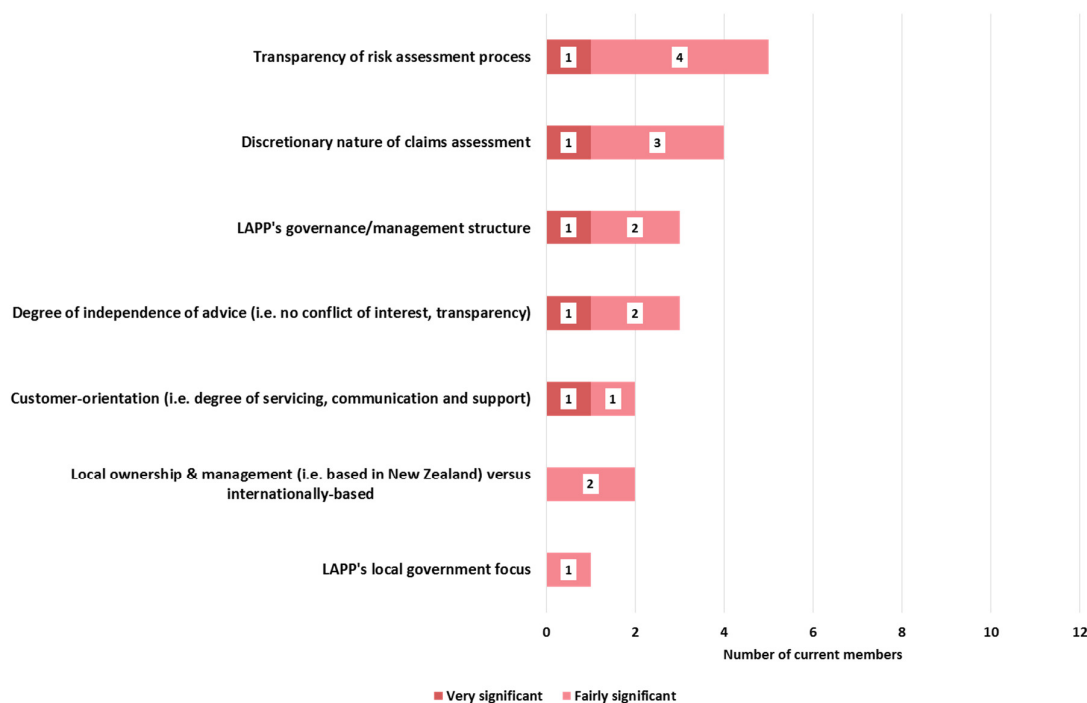


Table 41 through Table 56 overleaf provide a detailed breakdown of the significance ratings provided by the 12 current members whose councils had considered exiting the LAPP in the last two years.



## Chapter 3 – Supplementary tables

### Significance of product-related factors as reasons for remaining in the LAPP

**Table 25:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Amount of premium/contribution per annum*

Base =	Total 20**
Not at all significant	1
Slightly significant	2
Significant	5
Fairly significant	3
Very significant	9
Don't know	0

The base numbers shown are unweighted counts.  
This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 26:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Stability of pricing and deductible amounts over time*

Base =	Total 20**
Not at all significant	1
Slightly significant	0
Significant	7
Fairly significant	8
Very significant	4
Don't know	0

The base numbers shown are unweighted counts.  
This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 27:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Nature of co-insurance/reinsurance structure*

Base =	Total 20* **
Not at all significant	1
Slightly significant	0
Significant	9
Fairly significant	7
Very significant	3
Don't know	0

The base numbers shown are unweighted counts.  
This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.



**Table 28:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Re-insurance product underwriter(s)*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		0
Significant		7
Fairly significant		9
Very significant		3
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 29:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Financial surety/sufficiency of cover*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		0
Significant		1
Fairly significant		6
Very significant		12
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 30:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Transparency of Trust Deed terms*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		1
Significant		7
Fairly significant		8
Very significant		3
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.



**Table 31:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Previous claims experience with the LAPP*

	Base =	Total 20* **
Not at all significant		2
Slightly significant		2
Significant		6
Fairly significant		8
Very significant		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 32:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Degree of risk/exposure of your council's infrastructure assets*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		1
Significant		3
Fairly significant		9
Very significant		6
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 33:**

*Q13. How would you rate the significance of each of the following 'product' related factors as being a reason why your council continues to be a member of the LAPP? – Sharing your council's infrastructure risks with that of other councils*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		3
Significant		5
Fairly significant		9
Very significant		2
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.



### Significance of provider/service-related factors

**Table 34:**

*Q15. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council continues to be a member of the LAPP? – Local government/knowledge specialisation (i.e. community-oriented)*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		1
Significant		4
Fairly significant		7
Very significant		7
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 35:**

*Q15. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council continues to be a member of the LAPP? – Local ownership & management (i.e. based in New Zealand) versus internationally-based*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		4
Significant		8
Fairly significant		6
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 36:**

*Q15. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council continues to be a member of the LAPP? – Degree of independence of advice (i.e. no conflict of interest, transparency)*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		1
Significant		6
Fairly significant		8
Very significant		4
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.



**Table 37:**

*Q15. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council continues to be a member of the LAPP? – Governance/management structure*

	Base =	Total 20* **
Not at all significant		2
Slightly significant		3
Significant		8
Fairly significant		5
Very significant		2
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 38:**

*Q15. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council continues to be a member of the LAPP? – Customer-orientation (i.e. degree of servicing, communication and support)*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		0
Significant		8
Fairly significant		8
Very significant		3
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

**Table 39:**

*Q15. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council continues to be a member of the LAPP? – Trustee flexibility/discretion in claims assessment*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		0
Significant		7
Fairly significant		8
Very significant		4
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.



**Table 40:**

*Q15. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council continues to be a member of the LAPP? – Length of relationship with the provider*

	Base =	Total 20* **
Not at all significant		1
Slightly significant		6
Significant		6
Fairly significant		4
Very significant		3
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who are current members of the LAPP

\*\*Caution: low base number of respondents - results are indicative only.

*Product related factors for considering exiting the LAPP*

**Table 41:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Amount of premium/contribution per annum*

	Base =	Total 12* **
Not at all significant		1
Slightly significant		0
Significant		2
Fairly significant		5
Very significant		4
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 42:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Stability of pricing and deductible amounts over time*

	Base =	Total 12* **
Not at all significant		1
Slightly significant		0
Significant		3
Fairly significant		6
Very significant		2
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 43:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Coinsurance versus reinsurance structure*

	Base =	Total 12* **
Not at all significant		0
Slightly significant		3
Significant		5
Fairly significant		3
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 44:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Insurance product underwriter(s)*

	Base =	Total 12* **
Not at all significant		0
Slightly significant		0
Significant		7
Fairly significant		4
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 45:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Financial surety/sufficiency of cover*

	Base =	Total 12* **
Not at all significant		0
Slightly significant		0
Significant		2
Fairly significant		5
Very significant		5
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.





**Table 46:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Transparency of contract terms*

	Base =	Total 12* **
Not at all significant		0
Slightly significant		1
Significant		4
Fairly significant		6
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 47:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Previous claims experience*

	Base =	Total 12* **
Not at all significant		1
Slightly significant		3
Significant		1
Fairly significant		5
Very significant		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 48:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Degree of risk/exposure of your council's infrastructure assets*

	Base =	Total 12* **
Not at all significant		0
Slightly significant		0
Significant		2
Fairly significant		5
Very significant		5
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 49:**

*Q17. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has considered exiting the LAPP? – Exposure to other councils' infrastructure risks*

	Total Base = 12* **
Not at all significant	0
Slightly significant	1
Significant	2
Fairly significant	4
Very significant	5
Don't know	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

*Provider/service-related factors for considering exiting the LAPP*

**Table 50:**

*Q17. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council has considered exiting the LAPP? – LAPP's local government focus*

	Total Base = 12* **
Not at all significant	6
Slightly significant	2
Significant	3
Fairly significant	1
Very significant	0
Don't know	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 51:**

*Q17. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council has considered exiting the LAPP? – Local ownership & management (i.e. based in New Zealand) versus internationally-based*

	Total Base = 12* **
Not at all significant	6
Slightly significant	3
Significant	1
Fairly significant	2
Very significant	0
Don't know	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 52:**

*Q17. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council has considered exiting the LAPP? – Degree of independence of advice (i.e. no conflict of interest, transparency)*

	Base =	Total 12* **
Not at all significant		3
Slightly significant		4
Significant		2
Fairly significant		2
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 53:**

*Q17. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council has considered exiting the LAPP? – LAPP's governance/management structure*

	Base =	Total 12* **
Not at all significant		2
Slightly significant		6
Significant		2
Fairly significant		1
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 54:**

*Q17. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council has considered exiting the LAPP? – Customer-orientation (i.e. degree of servicing, communication and support)*

	Base =	Total 12* **
Not at all significant		2
Slightly significant		3
Significant		5
Fairly significant		1
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 55:**

*Q17. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council has considered exiting the LAPP? – Discretionary nature of claims assessment*

	Base =	Total 12* **
Not at all significant		5
Slightly significant		1
Significant		2
Fairly significant		3
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 56:**

*Q17. How would you rate the significance of each of the following 'provider' related factors as being a reason why your council has considered exiting the LAPP? – Transparency of risk assessment process*

	Base =	Total 12* **
Not at all significant		2
Slightly significant		5
Significant		0
Fairly significant		4
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose council has considered exiting the LAPP in the last two years.

\*\*Caution: low base number of respondents - results are indicative only.



## 4.0 Past members' reasons for exiting the LAPP

In this section, we outline the opinions of **past** members of the LAPP and, in particular, their council's reasons for exiting the LAPP.

### 4.1 Ex-members' current infrastructure insurance arrangements

As of 17 November 2015, there were 22 councils that were former members of the LAPP. Eight of these councils agreed to provide feedback on their views of the LAPP through the survey, while five were interviewed as part of the pre-research stage, meaning more than half of ex-members' views have been canvassed as part of the research study.

The spokesperson for each ex-member was asked to confirm that their council was no longer a member of the LAPP, and to describe what infrastructure insurance arrangements their council currently had in place (Table 57).

Four of the eight ex-members reported their council currently uses a commercial insurance option for their infrastructure insurance needs, while two reported their council was part of a LASS. One council is currently using a combination of arrangements, while another has opted to self-insure.

**Table 57:**

*Q25. Which one of the following best describes how your council currently insures its underground infrastructure?*

	Total 8* **
A Local Authority Service Suppliers arrangement (LASS)	2
An informal regionally-based arrangement with other Councils	0
A commercial insurance option	4
Self-insure	1
A combination of the above	1
Don't know	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

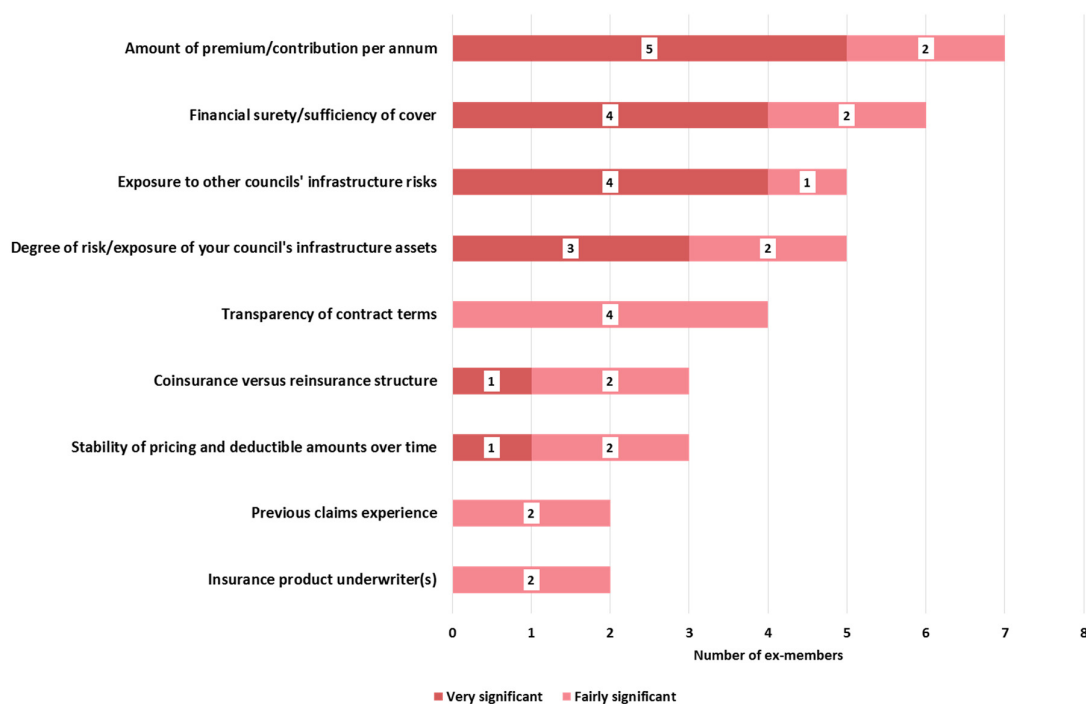


### 4.1.1 Significance of product-related factors in decision to exit the LAPP

Respondents that reported their council had exited the LAPP were asked to rate the significance of a number of various product-related factors that had previously been identified during the pre-research stage as reasons for exiting the scheme. Of note, the four factors that were rated as having the greatest significance in relation to exiting the LAPP, are the same four factors noted in the previous chapter by current members who have considered leaving (Figure 7):

- ◆ The amount of premium/contribution per annum (rated as being fairly/very significant by seven of eight ex-members, with five reporting premium/contribution costs were a very significant factor).
- ◆ Concerns regarding financial surety/sufficiency of cover (rated by six of eight ex-members as being fairly/very significant)
- ◆ Exposure to other councils' infrastructure risks (rated as being fairly/very significant by five ex-members).
- ◆ The degree of risk/exposure of councils' own infrastructure assets risks (also rated as being fairly/very significant by five ex-members).

**Figure 7: Significance of product-related factors in decision to exit the LAPP (n=8)**



It should also be noted that all five of the ex-members that were interviewed during the pre-research stage identified the same factors as being reasons for their council exiting the LAPP.

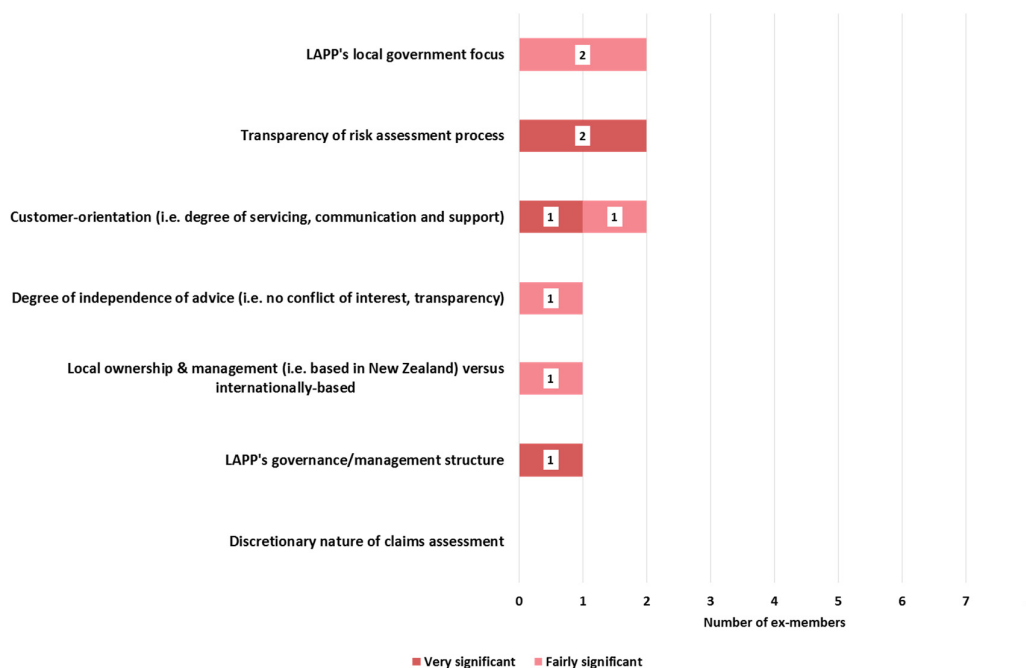


Respondents that reported their council had exited the LAPP were asked to rate the significance of a number of provider/service related factors that had previously been identified during the pre-research stage as reasons for exiting the scheme (Figure 8).

The survey results suggest that provider/service-related factors did not play as significant a role in councils' decisions to exit the LAPP; though two councils did rate issues with the transparency of LAPP's risk assessment process as being a very significant factor.

Of note, the discretionary nature of the LAPP's claims assessment processes was not flagged in the survey by any ex-members as being a fairly or very significant factor in their council's decision to exit the scheme. This is despite the fact that current members that have considered exiting the LAPP in the last two years have noted this as a potentially significant factor.

**Figure 8: Significance of provider/service-related factors in decision to exit the LAPP (n=8)**





On a positive note, three of the eight ex-members reported that their council has considered re-joining the LAPP (Table 58).

**Table 58:**

*Q26. Has your council ever considered re-joining the LAPP?*

	Base =	Total 8* **
Yes		3
No		2
Don't know		3

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents...

\*\*Caution: low base number of respondents - results are indicative only.

This combined with the above results, suggests that if those product-related factors that played a significant role in councils' decisions to exit the LAPP were dealt to by Civic Assurance (i.e. pricing, surety of cover and the degree of exposure to other councils' risk), the LAPP could play a role in some ex-members' infrastructure insurance arrangements.

Table 59 through Table 74 below and overleaf provide a detailed breakdown of ex-members' ratings of the significance that various product and provider/service related factors played in their council's decision to exit the LAPP.

## Chapter 4 – Supplementary tables

### Significance of product-related factors in decision to exit the LAPP

**Table 59:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Amount of premium/contribution per annum*

	Base =	Total 8* **
Not at all significant		0
Slightly significant		0
Significant		1
Fairly significant		2
Very significant		5
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.





**Table 60:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Stability of pricing and deductible amounts over time*

	Base =	Total 8* **
Not at all significant		2
Slightly significant		0
Significant		3
Fairly significant		2
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 61:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Coinsurance versus reinsurance structure*

	Base =	Total 8* **
Not at all significant		2
Slightly significant		2
Significant		1
Fairly significant		2
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 62:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Insurance product underwriter(s)*

	Base =	Total 8* **
Not at all significant		3
Slightly significant		2
Significant		1
Fairly significant		2
Very significant		0
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 63:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Financial surety/sufficiency of cover*

Base =	Total 8* **
Not at all significant	1
Slightly significant	1
Significant	0
Fairly significant	2
Very significant	4
Don't know	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 64:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Transparency of contract terms*

Base =	Total 8* **
Not at all significant	1
Slightly significant	1
Significant	2
Fairly significant	4
Very significant	0
Don't know	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 65:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Previous claims experience*

Base =	Total 8* **
Not at all significant	3
Slightly significant	2
Significant	1
Fairly significant	2
Very significant	0
Don't know	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 66:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Degree of risk/exposure of your council's infrastructure assets*

	Base =	Total 8* **
Not at all significant		1
Slightly significant		0
Significant		1
Fairly significant		2
Very significant		3
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 67:**

*Q22. How would you rate the significance of each of the following 'product' related factors as being a reason why you council exited the LAPP? – Exposure to other councils' infrastructure risks*

	Base =	Total 8* **
Not at all significant		1
Slightly significant		1
Significant		1
Fairly significant		1
Very significant		4
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

### Significance of provider-related factors in decision to exit the LAPP

**Table 68:**

*Q23. How would you rate the significance of each of the following 'provider' related factors as being a reason why you council exited the LAPP? – LAPP's local government focus*

	Base =	Total 8* **
Not at all significant		5
Slightly significant		1
Significant		0
Fairly significant		2
Very significant		0
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 69:**

*Q23. How would you rate the significance of each of the following 'provider' related factors as being a reason why you council exited the LAPP? – Local ownership & management (i.e. based in New Zealand) versus internationally-based*

	Base =	Total 8* **
Not at all significant		4
Slightly significant		2
Significant		1
Fairly significant		1
Very significant		0
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 70:**

*Q23. How would you rate the significance of each of the following 'provider' related factors as being a reason why you council exited the LAPP? – Degree of independence of advice (i.e. no conflict of interest, transparency)*

	Base =	Total 8* **
Not at all significant		4
Slightly significant		3
Significant		0
Fairly significant		1
Very significant		0
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 71:**

*Q23. How would you rate the significance of each of the following 'provider' related factors as being a reason why you council exited the LAPP? – LAPP's governance/management structure*

	Base =	Total 8* **
Not at all significant		3
Slightly significant		0
Significant		3
Fairly significant		0
Very significant		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 72:**

*Q23. How would you rate the significance of each of the following 'provider' related factors as being a reason why you council exited the LAPP? – Customer-orientation (i.e. degree of servicing, communication and support)*

	Base =	Total 8* **
Not at all significant		3
Slightly significant		3
Significant		0
Fairly significant		1
Very significant		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 73:**

*Q23. How would you rate the significance of each of the following 'provider' related factors as being a reason why you council exited the LAPP? – Discretionary nature of claims assessment*

	Base =	Total 8* **
Not at all significant		3
Slightly significant		4
Significant		1
Fairly significant		0
Very significant		0
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 74:**

*Q23. How would you rate the significance of each of the following 'provider' related factors as being a reason why you council exited the LAPP? – Transparency of risk assessment process*

	Base =	Total 8* **
Not at all significant		3
Slightly significant		2
Significant		0
Fairly significant		0
Very significant		2
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents who councils are ex-members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



## 5.0 Non-members' infrastructure insurance arrangements

In this section we outline the current infrastructure arrangements of **non-members** of the LAPP, as well as their consideration of joining the LAPP.

### 5.1 Infrastructure insurance arrangements of councils that have never been part of the LAPP

Currently, there are 14 existing local councils that have never been part of the LAPP scheme. Spokespersons from seven of the councils in question agreed to participate in the survey, while a further three were interviewed during the pre-research stage.

In the case of two of the three councils that had never been members, the pre-research found that the councils in question did not have sufficient underground infrastructure and related risks to merit the costs of participating in the LAPP or procuring commercial insurance – that is, the councils have opted to 'self-insure'. While the third council did have sufficient underground infrastructure, the perceived levels of risk were relatively low, and as such the council had opted to self-insure as well.

As detailed in Table 75, five of the seven non-member councils that participated in the survey reported self-insuring their underground assets, while a sixth council uses a combination of self-insurance and commercial insurance.

**Table 75:**

*Q27. Which one of the following best describes how your council currently insures its underground infrastructure? Please select only one option*

	Base =	Total 7* **
A commercial insurance option		1
Self-insure		5
A combination of the above		1
Don't know		0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



### 5.1.1 Significance of product related factors in decision to not join the LAPP

Despite the above findings, four of the seven non-members that completed the survey reported that their council has considered joining the LAPP (Table 76). Therefore, there may be some opportunity for Civic Assurance to provide some non-members with infrastructure insurance in the future (assuming the product, price and service offering can meet their needs).

**Table 76:**

*Q28. Has your council ever considered joining the LAPP? Please select only one option*

Base =	Total 7* **
Yes	4
No	2
Don't know	1

The base numbers shown are unweighted counts.

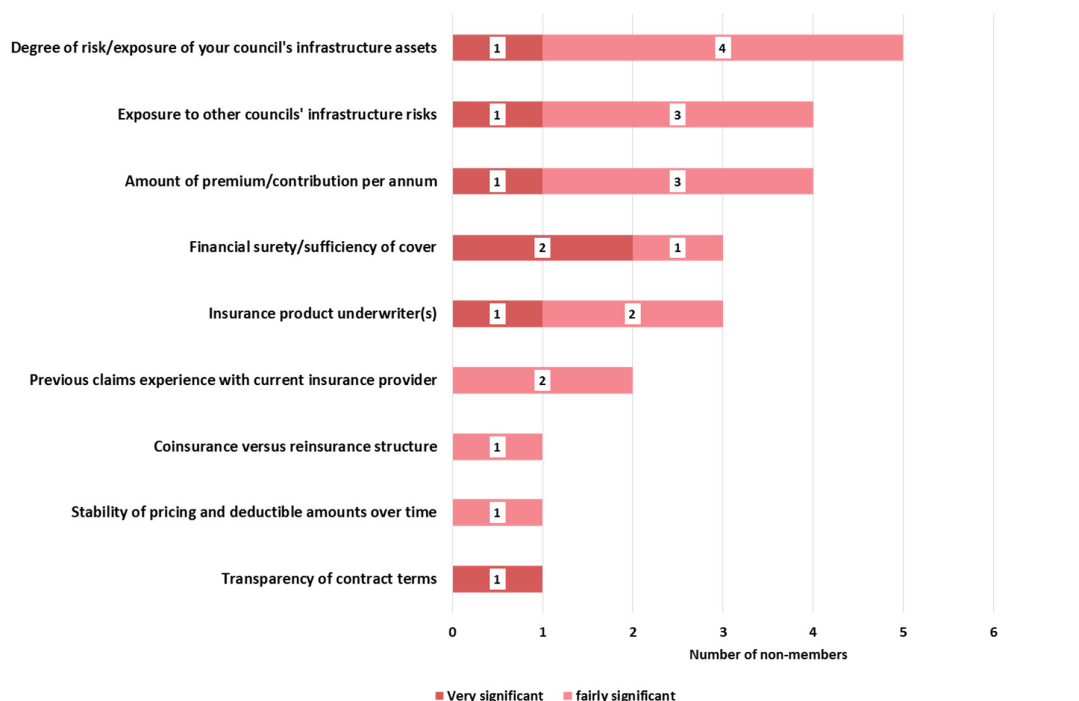
This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

With this in mind, the following product related factors were identified by non-member councils that had never been part of the LAPP as reasons for not joining the scheme to date (Figure 9).

**Figure 9: Significance of product-related factors in decision to not join the LAPP (n=7)**



These results suggest that, other than the degree of risk/exposure of non-members' infrastructure assets, the primary product-related factors inhibiting non-members from joining relate to concerns regarding exposure to other councils' infrastructure risk (noted as fairly/very significant by five of the



seven non-members), followed by premium/contribution amounts and concerns regarding surety of cover.

Of note, non-members generally rated provider/service related factors as being of little significance in relation to their council's decision to not join the LAPP.

Table 77 through Table 92 below and overleaf provide a detailed breakdown of non-members' ratings of the significance that various product and provider/service related factors played in their council's decision to have not joined the LAPP previously.

## Chapter 5 – Supplementary tables

### Significance of product-related factors in decision to not join the LAPP

**Table 77:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has never been a member of the LAPP? – Amount of premium/contribution per annum*

	Total Base = 7* **
Not at all significant	0
Slightly significant	1
Significant	1
Fairly significant	3
Very significant	1
Don't know	1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 78:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has never been a member of the LAPP? – Stability of pricing and deductible amounts over time*

	Total Base = 7* **
Not at all significant	3
Slightly significant	0
Significant	2
Fairly significant	1
Very significant	0
Don't know	1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.





**Table 79:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Coinsurance versus reinsurance structure*

	Base =	Total 7* **
Not at all significant		2
Slightly significant		0
Significant		3
Fairly significant		1
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 80:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Insurance product underwriter(s)*

	Base =	Total 7* **
Not at all significant		2
Slightly significant		0
Significant		1
Fairly significant		2
Very significant		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 81:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Financial surety/sufficiency of cover*

	Base =	Total 7* **
Not at all significant		1
Slightly significant		1
Significant		1
Fairly significant		1
Very significant		2
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 82:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Transparency of contract terms*

	Base =	Total 7* **
Not at all significant		2
Slightly significant		0
Significant		3
Fairly significant		0
Very significant		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 83:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Previous claims experience with current insurance provider*

	Base =	Total 7* **
Not at all significant		2
Slightly significant		0
Significant		2
Fairly significant		2
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 84:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Degree of risk/exposure of your council's infrastructure assets*

	Base =	Total 7* **
Not at all significant		0
Slightly significant		0
Significant		1
Fairly significant		4
Very significant		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 85:**

*Q29. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has never been a member of the LAPP? – Exposure to other councils' infrastructure risks*

	Base =	Total 7* **
Not at all significant		0
Slightly significant		1
Significant		1
Fairly significant		3
Very significant		1
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

*Significance of provider/service-related factors in decision to not join the LAPP*

**Table 86:**

*Q30. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has never been a member of the LAPP? – LAPP's Local government focus*

	Base =	Total 7* **
Not at all significant		3
Slightly significant		1
Significant		2
Fairly significant		0
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 87:**

*Q30. How would you rate the significance of each of the following 'product' related factors as being a reason why your council has never been a member of the LAPP? – Local ownership & management (i.e. based in New Zealand) versus internationally-based*

	Base =	Total 7* **
Not at all significant		4
Slightly significant		1
Significant		0
Fairly significant		1
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 88:**

*Q30. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Degree of independence of advice (i.e. no conflict of interest, transparency)*

	Base =	Total 7* **
Not at all significant		5
Slightly significant		0
Significant		0
Fairly significant		1
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 89:**

*Q30. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – LAPP's governance/management structure*

	Base =	Total 7* **
Not at all significant		3
Slightly significant		1
Significant		1
Fairly significant		1
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 90:**

*Q30. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Customer-orientation of current insurance provider (i.e. degree of servicing, communication and support)*

	Base =	Total 7* **
Not at all significant		3
Slightly significant		2
Significant		0
Fairly significant		1
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 91:**

*Q30. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Discretionary nature of claims assessment*

	Base =	Total 7* **
Not at all significant		4
Slightly significant		1
Significant		1
Fairly significant		0
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 92:**

*Q30. How would you rate the significance of each of the following 'product' related factors as being a reason why you council has never been a member of the LAPP? – Transparency of risk assessment process*

	Base =	Total 7* **
Not at all significant		4
Slightly significant		1
Significant		1
Fairly significant		0
Very significant		0
Don't know		1

The base numbers shown are unweighted counts.

This table contains frequencies.

\*Sub-sample based on those respondents whose councils have never been members of the LAPP.

\*\*Caution: low base number of respondents - results are indicative only.



## 6.0 Developing the LAPP

In this section we outline the opinions of **council representatives** in relation to certain options for enhancing the LAPP.

During the pre-research stage, a number of council spokespersons made suggestions as to certain enhancements that they felt would make the LAPP more attractive to their council.

In order to test the appetite for these improvements, survey respondents were asked to use a five point scale to indicate how much they agreed or disagreed that the different propositions would be of interest to their council (Figure 10).

Of note, the survey findings suggest that Civic Insurance has opportunities to develop the LAPP in relation to all four options discussed, with interest in working collaboratively to assess councils' risk being rated as of greatest interest (76 percent of council spokespersons agreed this would be of interest to their council).

Improvements to service support and communications enhancements were also noted as being of interest (72 percent of surveyed councils agreed this would be of interest to them), as well as providing insurance coverage for other types of council assets that are not currently insurable.

More than half also expressed interest in the idea of separate LAPPS for urban versus rural councils.

**Figure 10: Perceptions of potential value of enhancements to the LAPP (n=35)**

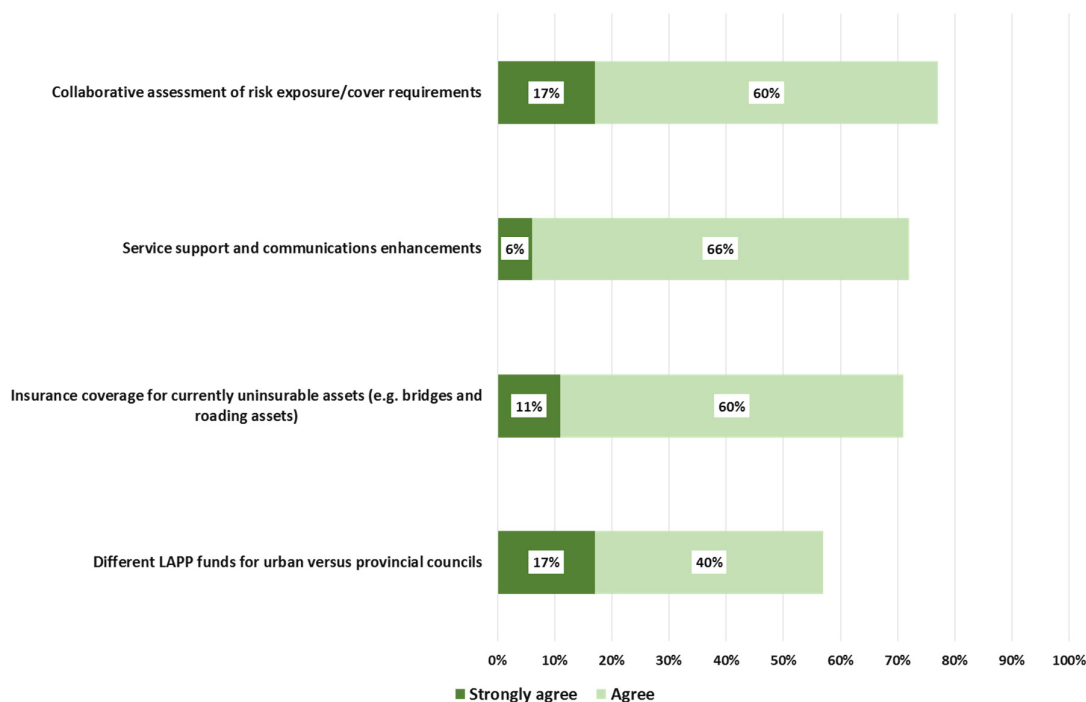




Table 93 through Table 96 below and overleaf provide a detailed breakdown of survey participants' agreement ratings as to attractiveness to their council of the different options.

## Chapter 6 – Supplementary tables

**Table 93:**

*Different LAPP funds for urban versus provincial councils*

Base =	Total 35	My council is a current member of the LAPP 20**	My council is a past member of the LAPP 8**	My council has never been a member of the LAPP 7**
Strongly Disagree	1	0	0	1
Disagree	5	3	1	1
Neither	8	4	2	2
Agree	14	9	2	3
Strongly agree	6	3	3	0
Don't know	1	1	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 94:**

*Insurance coverage for currently uninsurable assets (e.g. bridges and roading assets)*

Base =	Total 35	My council is a current member of the LAPP 20**	My council is a past member of the LAPP 8**	My council has never been a member of the LAPP 7**
Strongly Disagree	1	0	1	0
Disagree	2	2	0	0
Neither	6	5	0	1
Agree	21	9	6	6
Strongly agree	4	3	1	0
Don't know	1	1	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.



**Table 95:**

*Collaborative assessment of risk exposure/cover requirements*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Strongly Disagree	2	0	1	1
Disagree	0	0	0	0
Neither	6	3	2	1
Agree	21	13	4	4
Strongly agree	6	4	1	1
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.

**Table 96:**

*Service support and communications enhancements*

		My council is a current member of the LAPP	My council is a past member of the LAPP	My council has never been a member of the LAPP
Base =	Total 35	20**	8**	7**
Strongly Disagree	0	0	0	0
Disagree	1	0	0	1
Neither	9	2	3	4
Agree	23	16	5	2
Strongly agree	2	2	0	0
Don't know	0	0	0	0

The base numbers shown are unweighted counts.

This table contains frequencies.

\*\*Caution: low base number of respondents - results are indicative only.





## **Appendix A: Interview guides**

---



## **Local Authority Protection Programme (LAPP)**

### **Members**

#### **Background/Introduction**

- How long they've been a member?
- Where does responsibility for this sit?
- How regularly is membership reviewed?
- Who's views count in this regard?
- Who is/are the decision-makers, and who is/are the influencers?

#### **Advantages and disadvantages**

- What are considered to be the benefits of being a member? What's the most important advantage?
- Are there any disadvantages?
- In summary, how satisfied are they with LAPP?
  - As a product?
  - The provider – Civic Assurance

#### **Alternatives/options**

- Have they ever considered any alternatives/options?
- Which alternatives/options have they considered? For example, regional group purchasing organisations called Local Authority Service Suppliers (LASS).
- How seriously have they considered these alternatives/options?
- Who's been promoting these alternatives/options (e.g. external insurance providers such as AON)?
- What have been the key benefits of these alternatives/options over the Local Authority Protection Programme (LAPP)?



### **The future**

- What's likely to happen to their membership of LAPP in the future? That is, how secure is it?
- Are there any changes that would help reinforce continued membership?
  - Changes/improvements to the product?
  - Changes/improvements affecting the provider – Civic Assurance.



## **Local Authority Protection Programme (LAPP)**

### **Ex-Members**

#### **Background/Introduction**

- Where does responsibility for decisions about insurance for the council's infrastructure sit?
- How regularly are the Council's infrastructure insurance needs assessed/reviewed?
- Who's views count in this regard?
  - Who is/are the decision-makers, and who is/are the influencers?

#### **Reasons for Exiting LAPP**

- How long was [Council] a member of the LAPP?
- Why did they choose to exit the LAPP?
  - Was it the fund's performance?
  - The provider's (Civic Assurance) performance?

#### **Advantages and disadvantages**

- What infrastructure insurance arrangement(s) did they opt to go with?
- What are the main benefits of this alternative form of insuring relative to LAPP?
- What are considered to be the benefits of the council's current infrastructure insurance arrangements?
  - What's the most important advantage?
- Are there any disadvantages?



- In summary, how satisfied are they with their current infrastructure insurance arrangements?
  - As a product?
  - The provider?

#### **LAPP and the future**

- What improvements would benefit the LAPP Fund as a product?
  - To what extent would they reconsider membership in the LAPP Fund if such improvements to the Fund were made?
- What improvements would benefit Civic Assurance's performance as a provider?
  - To what extent would they reconsider membership in the LAPP Fund if such improvements to Civic Assurance's performance were made?



## **Local Authority Protection Programme (LAPP)**

### **Non-Members**

#### **Background/Introduction**

- Where does responsibility for decisions about insurance for the council's infrastructure sit?
- How regularly are the Council's infrastructure insurance needs assessed/reviewed?
- Who's views count in this regard?
  - Who is/are the decision-makers, and who is/are the influencers?

#### **Advantages and disadvantages**

- What infrastructure insurance arrangement(s) did they currently have in place?
- What are the main benefits of this alternative form of insuring relative to LAPP?
- What are considered to be the benefits of the council's current infrastructure insurance arrangements?
  - What's the most important advantage?
- Are there any disadvantages to the current arrangements?
- Have they used some other type of infrastructure insurance arrangements in the past?
  - If so what were these?
  - Why did they change to their current arrangements?
- In summary, how satisfied are they with their current infrastructure insurance arrangements?
  - As a product?
  - The provider?

#### **Reasons for not participating in LAPP**

- Why did they choose to not get involved with the LAPP?



- Was it perceptions of the fund's performance?
- Was it perceptions of Civic Assurance?

### **LAPP and the future**

- What improvements would make the LAPP Fund a more attractive product for their Council?
  - To what extent would they reconsider membership in the LAPP Fund if such improvements to the Fund were made?
- What improvements would benefit perceptions of Civic Assurance's performance as a provider?
  - To what extent would they reconsider membership in the LAPP Fund if such improvements to Civic Assurance's performance were made?



## **Appendix B: Pre-notification letter and survey questionnaire**

---





Date

Name

Title

Address 1

Address 2

Address 3

### Local Authority Protection Programme (LAPP)

Dear Saluation,

Civic Insurance has recently begun a process to develop a picture of what motivates or inhibits membership of LAPP. To ensure this process is as objective as possible, we have commissioned Research New Zealand, an independent Wellington-based research company, to conduct research with council officials who are decision makers with regard to infrastructure insurance and risk management.

The objective of this research is to better understand what motivates or inhibits councils' membership of LAPP, with the aim of optimising the LAPP offering so that it is fit-for-purpose and of possible value for all councils.

Participation in the research is **voluntary and confidential**, but we would greatly value your input. All that is involved is completing a 10-minute survey. You can access the survey by going to the following website and typing in the following username and password:

<https://surveys.researchnz.com/LAPP2015>

**Username:**

**Password:**

Research New Zealand will be reporting back to Civic Assurance on a summarised basis, after aggregating all survey responses, and as anonymised comments. That is, the response from any individual council will **not** be identifiable, unless the council formally provides its consent to release its response. You can find out more about Research New Zealand by visiting their website ([www.researchnz.com](http://www.researchnz.com)).

The survey will remain open until **Thursday, 10 December 2015**. We would very much value your input into this research, and thank you in advance for your participation.

Regards

**Alistair Hanning**  
**Head of Insurance**  
**Civic Assurance**

**RNZ:**



## OPINIONS ABOUT THE LOCAL AUTHORITY PROTECTION PROGRAMME

---

### Purpose of survey

Less than one-half of the 78 councils in New Zealand are members of the Local Authority Protection Programme (LAPP). Recent feedback suggests that while some councils value their membership, other councils which are current members are considering exiting the Programme.

The trustees and Civic Assurance, which administers the Programme fund, wish to optimise the Programme so that it is fit-for-purpose and of possible value for all councils and to this end, have commissioned Research New Zealand (an independent Wellington-based research company, [www.researchnz.com](http://www.researchnz.com)) to seek all councils' opinions on a **confidential** basis.

The survey questions are based on responses from a cross-section of councils that recently provided their input as part of the 'pre-research' to this survey.

### Confidentiality

Research New Zealand is a member of the Research Association of New Zealand Inc. and abides by its Code of Practice. This Code has stricter requirements in terms of confidentiality than the Privacy Act (1993).

Research New Zealand will only report back to the trustees and Civic Assurance on a summarised basis, after aggregating all survey responses, and as anonymised comments. That is, the response from any individual council will **not** be identifiable, unless the council formally provides its consent to release its response.

### Who should complete this questionnaire?

This questionnaire has been specifically **sent to you** on the basis that you are identified as Civic Assurance's main contact person in your council with regard to the LAPP (or the insurance of underground infrastructure).

The questionnaire should take about 10-15 minutes to complete. As you move through the survey, please use the "save and continue" buttons - do not use your browser buttons. Using the **direct link** that was provided in the email that was sent to you, you may complete the survey over a number of

visits. If you wish to view the complete list of questions before beginning this online survey, please download a copy [here](#).

**Any questions?**

If you would like to speak to someone at Civic Assurance about this survey, please contact Alistair Hanning by email ([Alistair.Hanning@civicasurance.co.nz](mailto:Alistair.Hanning@civicasurance.co.nz)).

If you have any technical difficulties completing the survey, please contact Pip Sutton at Research New Zealand on 0800 500 168 (or 04 462 6437 if you are in Wellington) or by email ([pip.sutton@researchnz.com](mailto:pip.sutton@researchnz.com)).

Locations from sample:

- a current member of the LAPP
- a past member
- never been a member of the LAPP Ex-member

## SECTION 1: ABOUT YOU AND YOUR COUNCIL

The results to the following questions will help us to analyse the answers you provide to the other questions in this survey.

Q1. First of all, which of the following best describes your **position role**?

*Please select only one option*

- 1 ..... Chief Executive
- 2 ..... Chief Financial Office
- 3 ..... Asset/Infrastructure Manager
- 4 ..... Business services manager
- 5 ..... Corporate services manager
- 96 ..... Other, please specify: \_\_\_\_\_

Q2. Which of the following people are responsible for **approving recommendations** relating to infrastructure insurance-related matters (e.g. water, sewage, flood control and other essential services)?

*Please select as many options as apply*

- 1 ..... Chief Executive Officer
- 2 ..... Chief Financial Officer
- 3 ..... Mayor
- 4 ..... Councillors
- 96 ..... Other, please specify: \_\_\_\_\_

Q3. **Recommendations** about these infrastructure insurance-related matters are made by which of the following people?

*Please select as many options as apply*

- 1 ..... Yourself
- 2 ..... Asset manager(s)
- 3 ..... Property and insurance officer(s)
- 4 ..... Corporate services officers
- 5 ..... Finance manager
- 6 ..... Independent brokers
- 96 ..... Other, please specify: \_\_\_\_\_

Q4. **How frequently** are your council's infrastructure insurance arrangements reviewed?

*Please select only one option*

- 1 ..... Annually
- 2 ..... Every 2 years
- 3 ..... Every 3 years
- 4 ..... Less frequently
- 96 ..... Other, please specify: \_\_\_\_\_

- Q5. Thinking specifically about your council's underground infrastructure. As you know Central Government requires your council to cover 40% of these assets to receive the 60% government contribution. What percentage of the total (replacement) value of this infrastructure is currently insured through an insurance broker or other insurance/assurance provider?

*Please select only one option*

- 1 ..... None
- 2 ..... 1-10%
- 3 ..... 11-20%
- 4 ..... 21-30%
- 5 ..... 31-40%
- 6 ..... 41-50%
- 7 ..... 51-60%
- 8 ..... 61-70%
- 9 ..... 71-80%
- 10 ..... 81-90%
- 11 ..... 91-100%
- 98 ..... Don't know

- Q6. How important are each of the following **'product' related factors** in the decision-making process surrounding these reviews of your infrastructure insurance needs?

*Please provide a rating for each using the scale along the top of the table*

	Not at all important	Unimportant	Neither	Important	Very important	Don't know
a. Amount of premium/contribution per annum	1	2	3	4	5	98
b. Stability of pricing and deductible amounts over time	1	2	3	4	5	98
c. Nature of coinsurance versus reinsurance structure	1	2	3	4	5	98
d. Insurance product underwriter(s)	1	2	3	4	5	98
e. Financial surety/sufficiency of cover	1	2	3	4	5	98
f. Transparency of contract terms	1	2	3	4	5	98
g. Previous claims experience	1	2	3	4	5	98
h. Degree of risk/exposure of your council's infrastructure assets	1	2	3	4	5	98
i. Exposure to other councils' infrastructure risks	1	2	3	4	5	98

- Q7. If there are other product-related factors that your council considers important in its decision-making, please list them here.

---



---

**Q8.** How important are each of the following **'provider' related factors** in the decision-making process surrounding these reviews?

*Please provide a rating for each using the scale along the top of the table*

	Not at all important	Unimportant	Neither	Important	Very important	Don't know
a. Local government/knowledge specialisation (i.e. community-oriented)	1	2	3	4	5	98
b. Local ownership & management (i.e. based in New Zealand) versus internationally-based	1	2	3	4	5	98
c. Degree of independence of advice (i.e. no conflict of interest, transparency)	1	2	3	4	5	98
d. Governance/management structure	1	2	3	4	5	98
f. Customer-orientation (i.e. degree of servicing, communication and support)	1	2	3	4	5	98
g. Discretionary nature of claims assessment	1	2	3	4	5	98
h. Length of relationship with the provider	1	2	3	4	5	98

**Q9.** If there are other provider-related factors that your council considers important in its decision-making, please list them here.

---



---

## SECTION 2: THE LOCAL AUTHORITY PROTECTION PROGRAMME

The answers to the following questions will help us better understand councils' current opinions of the Local Authority Protection Programme (LAPP); that is, its strengths and weaknesses.

Q10. According to Civic Assurance's information, your council [from sample location: is a **current member** of the LAPP/is a **past member**/has **never** been a member of the LAPP]. Can you confirm this is correct?

*Please select only one option*

- 1 ..... My council is a **current member** of the LAPP
- 2 ..... My council is a **past member** of the LAPP
- 3 ..... My council has **never** been a member of the LAPP

## SECTION 2a: CURRENT MEMBERS OF THE LAPP

Q11. **If code 1 Q10 “current member” ask, else skip** About **how long** has your council been a member of the LAPP?

*Please select only one option*

- 1.....From the beginning (the LAPP was established in 1993)
- 2.....Up to and including 10 years
- 3.....More than 10 years
- 98.....Don't know

~~Q12. Deleted~~

Q13. How would you rate the significance of each of the following ‘product’ related factors as being a reason why your council continues to be a member of the LAPP?

*Please provide a significance rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. Amount of premium/contribution per annum	1	2	3	4	5	98
b. Stability of pricing and deductible amounts over time	1	2	3	4	5	98
c. Nature of co-insurance/reinsurance structure	1	2	3	4	5	98
d. Re-insurance product underwriter(s)	1	2	3	4	5	98
e. Financial surety/sufficiency of cover	1	2	3	4	5	98
f. Transparency of Trust Deed terms	1	2	3	4	5	98
g. Previous claims experience with the LAPP	1	2	3	4	5	98
h. Degree of risk/exposure of your council's infrastructure assets	1	2	3	4	5	98
i. Sharing your council's infrastructure risks with that of other councils	1	2	3	4	5	98



**Q14.** How would you rate the significance of each of the following **'provider' related factors** as being a reason why your council continues to be a member of the LAPP?

*Please provide a rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. Local government/knowledge specialisation (i.e. community-oriented)	1	2	3	4	5	98
b. Local ownership & management (i.e. based in New Zealand) versus internationally-based	1	2	3	4	5	98
c. Degree of independence of advice (i.e. no conflict of interest, transparency)	1	2	3	4	5	98
d. Governance/management structure	1	2	3	4	5	98
f. Customer-orientation (i.e. degree of servicing, communication and support)	1	2	3	4	5	98
g. Trustee flexibility/discretion in claims assessment	1	2	3	4	5	98
h. Length of relationship with the provider	1	2	3	4	5	98

**Q15.** If there are other factors that your council considers important in its decision to continue to be a member of the LAPP, please list them here.

---



---

Q16. Has your council **considered exiting** the LAPP in the last two years?

*Please select only one option*

- 1.....Yes
- 2.....No
- 98.....Don't know

**Q17. If code 1 Q16 ask, else skip.** How would you rate the significance of each of the following '**product**' **related factors** as being a reason why your council has considered exiting the LAPP?

*Please provide a significance rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. Amount of premium/contribution per annum	1	2	3	4	5	98
b. Stability of pricing and deductible amounts over time	1	2	3	4	5	98
c. Coinsurance versus reinsurance structure	1	2	3	4	5	98
d. Insurance product underwriter(s)	1	2	3	4	5	98
e. Financial surety/sufficiency of cover	1	2	3	4	5	98
f. Transparency of contract terms	1	2	3	4	5	98
g. Previous claims experience	1	2	3	4	5	98
h. Degree of risk/exposure of your council's infrastructure assets	1	2	3	4	5	98
i. Exposure to other councils' infrastructure risks	1	2	3	4	5	98

**Q18. If code 1 Q16 ask, else skip.** How would you rate the significance of each of the following ‘**provider**’ **related factors** as being a reason why your council has considered exiting the LAPP?

*Please provide a significance rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. LAPP's local government focus	1	2	3	4	5	98
b. Local ownership & management (i.e. based in New Zealand) versus internationally-based	1	2	3	4	5	98
c. Degree of independence of advice (i.e. no conflict of interest, transparency)	1	2	3	4	5	98
d. LAPP's governance/management structure	1	2	3	4	5	98
e. Customer-orientation (i.e. degree of servicing, communication and support)	1	2	3	4	5	98
f. Discretionary nature of claims assessment	1	2	3	4	5	98
g. Transparency of risk assessment process	1	2	3	4	5	98

Q19. If there are other factors that your council has taken into account as part of its consideration to exit the LAPP, please list them here.

---



---

Q20. If your council exited the LAPP, which **one** of the following best describes what it would likely do in terms of insuring its underground infrastructure?

*Please select as many options as apply*

- 1..... Through a Local Authority Service Suppliers (LASS) arrangement
- 2..... An informal regionally-based arrangement with other councils
- 3..... A commercial insurance option
- 4..... Self-insure
- 5..... A combination of the above
- 96..... Other, please specify \_\_\_\_\_)
- 98..... Don't know

## SECTION 2b: PAST MEMBERS OF THE LAPP

Q21. **If code 2 Q10 “past member” ask, else skip to Q27.** About how long had your council been a member of the LAPP before it exited?

*Please select only one option*

- 1.....From the beginning (the LAPP was established in 1993)
- 2.....Up to and including 10 years
- 3.....More than 10 years
- 98.....Don't know

Q22. How would you rate the significance of each of the following ‘product’ related factors as being a reason why your council exited the LAPP?

*Please provide a significance rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. Amount of premium/contribution per annum	1	2	3	4	5	98
b. Stability of pricing and deductible amounts over time	1	2	3	4	5	98
c. Coinsurance versus reinsurance structure	1	2	3	4	5	98
d. Insurance product underwriter(s)	1	2	3	4	5	98
e. Financial surety/sufficiency of cover	1	2	3	4	5	98
f. Transparency of contract terms	1	2	3	4	5	98
g. Previous claims experience	1	2	3	4	5	98
h. Degree of risk/exposure of your council's infrastructure assets	1	2	3	4	5	98
i. Exposure to other councils' infrastructure risks	1	2	3	4	5	98

**Q23.** How would you rate the significance of each of the following ‘**provider**’ related factors as being a reason why your council exited the LAPP?

*Please provide a significance rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. LAPP's local government focus	1	2	3	4	5	98
b. Local ownership & management (i.e. based in New Zealand) versus internationally-based	1	2	3	4	5	98
c. Degree of independence of advice (i.e. no conflict of interest, transparency)	1	2	3	4	5	98
d. LAPP's governance/management structure	1	2	3	4	5	98
f. Customer-orientation (i.e. degree of servicing, communication and support)	1	2	3	4	5	98
g. Discretionary nature of claims assessment	1	2	3	4	5	98
h. Transparency of risk assessment process	1	2	3	4	5	98

**Q24.** If there are other factors that your council has taken into account as part of its decision to exit the LAPP, please list them here.

---



---

**Q25.** Which **one** of the following best describes how your council currently insures its underground infrastructure?

*Please select as only one option*

- 1 ..... A Local Authority Service Suppliers arrangement (LASS)
- 2 ..... An informal regionally-based arrangement with other councils
- 3 ..... A commercial insurance option
- 4 ..... Self-insure
- 5 ..... A combination of the above
- 6 ..... Other, please specify \_\_\_\_\_)
- 98 ..... Don't know

**Q26.** Has your council ever considered **re-joining** the LAPP?

*Please select only one option*

- 1 ..... Yes
- 2 ..... No
- 98 ..... Don't know

## SECTION 2c: NON-MEMBERS OF THE LAPP

**Q27. If code 3 Q10 “never been a member” ask, else skip to Q32.** Which **one** of the following best describes how your council currently insures its underground infrastructure?

*Please select as only one option*

- 1 ..... A Local Authority Service Suppliers arrangement (LASS)
- 2 ..... An informal regionally-based arrangement with other councils
- 3 ..... A commercial insurance option
- 4 ..... Self-insure
- 5 ..... A combination of the above
- 6 ..... Other, please specify \_\_\_\_\_)
- 98 ..... Don't know

**Q28.** Has your council ever considered **joining** the LAPP?

*Please select only one option*

- 1 ..... Yes
- 2 ..... No
- 98 ..... Don't know

**Q29.** How would you rate the significance of each of the following ‘**product**’ related factors as being a reason why your council has never been a member of the LAPP?

*Please provide a significance rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. Amount of premium/contribution per annum	1	2	3	4	5	98
b. Stability of pricing and deductible amounts over time	1	2	3	4	5	98
c. Coinsurance versus reinsurance structure	1	2	3	4	5	98
d. Insurance product underwriter(s)	1	2	3	4	5	98
e. Financial surety/sufficiency of cover	1	2	3	4	5	98
f. Transparency of contract terms	1	2	3	4	5	98
g. Previous claims experience with <u>current insurance provider</u>	1	2	3	4	5	98
h. Degree of risk/exposure of your council's infrastructure assets	1	2	3	4	5	98
i. Exposure to other councils' infrastructure risks	1	2	3	4	5	98

**Q30.** How would you rate the significance of each of the following ‘provider’ related factors as being a reason why your council has never been a member of the LAPP?

*Please provide a significance rating for each reason using the scale along the top of the table*

	Not at all significant	Slightly significant	Significant	Fairly significant	Very significant	Don't know
a. LAPP's Local government focus	1	2	3	4	5	98
b. Local ownership & management (i.e. based in New Zealand) versus internationally-based	1	2	3	4	5	98
c. Degree of independence of advice (i.e. no conflict of interest, transparency)	1	2	3	4	5	98
d. LAPP's governance/management structure	1	2	3	4	5	98
f. Customer-orientation of current insurance provider (i.e. degree of servicing, communication and support)	1	2	3	4	5	98
g. Discretionary nature of claims assessment	1	2	3	4	5	98
h. Transparency of risk assessment process	1	2	3	4	5	98

**Q31.** If there are other factors that your council has taken into account as part of its decision to not be a member of the LAPP, please list them here.

-----

-----

### SECTION 3:

#### DEVELOPING THE LOCAL AUTHORITY PROTECTION PROGRAMME

The answers to the following questions will help us better to understand councils' expectations that would help develop the Local Authority Protection Programme (LAPP) so that it is fit-for-purpose and of possible value to all councils.

Q32. A number of councils that were involved in the pre-research to this survey provided suggestions that would, in their opinion, help develop the LAPP.

How much do you agree or disagree that each of the following **might be of interest** to your council?

*Please provide a rating for each reason using the scale along the top of the table*

	Strongly Disagree	Disagree	Neither	Agree	Strongly agree	Don't know
a. Different LAPP funds for urban versus provincial councils	1	2	3	4	5	98
b. Insurance coverage for currently uninsurable assets (e.g. bridges and roading assets)	1	2	3	4	5	98
c. Collaborative assessment of risk exposure/cover requirements	1	2	3	4	5	98
d. Service support and communications enhancements	1	2	3	4	5	98

Q33. If there are other suggestions that your council has that would help develop the LAPP so that it is fit-for-purpose and of possible value to your council, please list them here.

---

---



## SECTION 4: CONCLUSION

Q34. Thank you for completing this survey. If there are any other comments you'd like to provide about the LAPP, please list them here.

---

---

Q35. Are you willing to give your consent to Research New Zealand to release your personal results to this survey to Civic Assurance?

1 ..... Yes, I give my consent

2 ..... No, I do not give my consent

If you have given your consent, please enter your name and the name of your council below.

Your name: \_\_\_\_\_

Your council's name: \_\_\_\_\_

Thank you for taking the time to participate in this survey. Your responses have now been submitted.  
You can now close this browser window.