



# Assurance of EQC's response to the Public Inquiry

**Earthquake Commission**

November 2021

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# Contents

1. Context for this report	1
2. A new operating model, data sharing partnerships and Act	2
3. Review of EQC's Public Inquiry implementation activities	3
4. Detailed findings and recommendations	5

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The report dated November 2021 was prepared based on the information available at the time. KPMG have no obligation to update our report or revise the information contained therein due to events and transactions occurring subsequent to the date of the report.

# 1. Context for this report

New Zealand, and EQC, changed irrevocably when a magnitude 7.1 earthquake struck near Darfield on 4 September 2010. This began a decade of the most destructive seismic activity that New Zealand had seen for more than 75 years. EQC scaled significantly, in a short space of time, to face those challenges, including almost half a million claims from the Canterbury earthquake sequence across nearly 200,000 properties.

Reviews over the years since have found EQC was ill-equipped to manage the scale of the disaster due to the demand for services, the difficulty in safely undertaking comprehensive assessments while the land was still shaking and the managed repairs programme that was implemented. EQC was not alone: the whole of government's preparedness was less than ideal.

In November 2018, the Government appointed Dame Silvia Cartwright to undertake a Public Inquiry into EQC. The purpose was to ensure lessons were learnt from people's experiences following recent natural disaster events in New Zealand. As part of responding to the Public Inquiry, EQC reflected on all of the reviews and learnings that had occurred since the Canterbury events. This resulted in the identification of 12 key themes for improvement.

EQC shared the 12 themes with the Public Inquiry team and those themes have guided a range of recommendations, ranging from clarifying roles and responsibilities and policy issues across government to EQC's operational settings and approach to communication. EQC has used the themes to guide all of its strategic improvements from 2019 onwards.

The Inquiry's report was publicly released on 9 April 2020. The report was formally accepted by the Government in August 2020, with responsibility for implementing the 70 recommendations allocated across a range of agencies:

1. Clarifying roles and responsibilities – Government
2. Approach to claimants – EQC
3. Assessment of damage – EQC
4. Managed repair – Government
5. Processes for settling claims – EQC
6. Data and information management – EQC
7. Advance planning and preparedness – EQC
8. Resolution of disputes - Government

EQC has been implementing the Public Inquiry recommendations since the report was released in 2020, incorporating the recommendations into change workstreams it already had underway from the 12 themes identified.

## 2. A new operating model, data sharing partnerships and Act

Learning from the experience of the Canterbury earthquakes, EQC implemented a revised response model for the Kaikōura events in 2016. This saw private insurers standing in the shoes of EQC for the lodgement, assessment and settlement of claims and using processes already familiar to the customer from their other private insurance dealings. This meant the customer had one point of contact regardless of whether the claim was covered by EQC's or the insurer's policy. Customer satisfaction measures improved considerably as a result of this approach.

The 2016 agency model led to the EQC and private insurers launching the Natural Disaster Response Model (NDRM) in 2021. This is a world-first partnership between public and private disaster insurers based on streamlining the customer journey, improving the experience and, by leveraging existing capability in sector, ensuring scalability to respond to an array of future natural disasters.

The NDRM commenced on 30 June 2021. Changes which address recommendations from the Inquiry include:

- Established partnerships with private insurers
- Complaints processes co-designed and documented with insurers
- Ongoing monitoring and assurance activities established
- Insurer policies on customer care, including vulnerable customer policies, reviewed and part of ongoing measurement
- Events communications plan developed to provide guidelines for communicating to the public and customers after events
- Co-designed an assessment manual for insurers to use in when events occur
- Co-design of a reinstatement and replacement guide which is nearing completion.

EQC and insurers have also partnered on data sharing which will ensure EQC has accurate and complete information to check that claims are managed fairly, transparently and in a timely manner. Outside an event response, EQC can use policy and claim data to inform more accurate reinsurance pricing, Government policy and loss modelling. Enhanced claims data will also facilitate research, education and prevention activities to build New Zealand's community resilience.

Finally, the Government is in the process of reviewing and modernising the Earthquake Commission Act. The NDRM and proposed changes to the Act incorporate many of the recommendations from the Public Inquiry, but also involve a broader scale of change and improvement.

## 3. Review of EQC's Public Inquiry implementation activities

EQC engaged KPMG and Simon Mount QC to provide an independent view on whether the recommendations it is leading have been implemented effectively and efficiently, at an operational level. Simon Mount QC assisted EQC with its response to the Public Inquiry and worked closely with the Public Inquiry team to understand the areas of recommendation.

The EQC of 2020 bears little resemblance to the organisation that scaled significantly, in a short space of time, to face the challenges of 2010 and 2011. This report therefore outlines assessments of EQC's actions to implement the recommendations of the Public Inquiry against the backdrop of other changes EQC has made since 2010 and 2011. A large proportion of the 41 recommendations EQC has been asked to lead are addressed by the NDRM and proposed changes to the Act.

To provide that wider context, the report is broken into five chapters focusing on the areas where EQC was asked to lead the change. Each chapter outlines:

- The overall theme Dame Silvia Cartwright sought to address
- Dame Silvia Cartwright's recommendations for specific actions
- KPMG's assessment of whether the actions have been completed
- Other work completed by EQC to support improvement in this area
- Simon Mount QC's assessment of how effectively the above interventions have addressed the overall theme highlighted by the Public Inquiry.

### KPMG's Assessment of Implementation Completion

KPMG has now completed two rounds of reviews to assess EQC's implementation of initiatives designed to address the recommendations made by the Public Inquiry.

In early 2021, KPMG complete an initial review that confirmed EQC had established specific initiatives to address all of the recommendations for which it was accountable.

The second KPMG review, covered by this report, assessed the delivery progress of these initiatives, focusing on which are already complete, which are on track for on-schedule completion, and which require intervention. KPMG used a combination of

interviews with recommendation owners and delivery teams, and document review to complete its evaluation and assessment.

At a summary level, KPMG believes that EQC has been highly committed to fulfilling the recommendations of the Public Inquiry. Each initiative has had active oversight of an EQC Executive Team member and has been specifically designed to address the recommendations of the Public Inquiry. Most initiatives that were due to be completed by this time have been delivered on schedule, even where EQC has depended upon complex external stakeholder relationships.

Of those initiatives that are still to be completed, our view is that EQC remains wholeheartedly committed to complete and timely delivery. Completion of the majority of remaining initiatives is largely reliant on the modernisation of the EQC Act.

### Assessment by Simon Mount QC

From December 2018 to March 2020, I assisted EQC to respond to the Public Inquiry, and have reviewed EQC's implementation steps in light of my understanding of the Public Inquiry process and report.

Several points should be mentioned at the outset:

- The Public Inquiry emphasised the need for all entities in the natural disaster recovery system to have clear roles and responsibilities spelled out before a major event. In particular, the Inquiry saw it as a flaw that EQC's preparedness for the 2010-11 earthquakes did not match up with the roles it was allocated from 2011.
- The Inquiry saw modernising the Act as an important part of providing role clarity to EQC and the other players in the recovery system.
- Other key decisions include deciding which agency or agencies will be responsible for any future large-scale managed repair programme, and how this will be co-ordinated.

Against that background, many of the Inquiry's recommendations could be described as strategic and relational. That is, they identify ongoing strategic priorities for EQC,

and are designed to ensure EQC's role is clear in relation to the other entities and agencies with a role in natural disaster preparedness and recovery. There are also operational recommendations, some of which are 'one off' changes, but most of which will require longer-term commitments, continuous improvement and adaptation, and will never be "finished" as such.

Many of the recommendations presuppose that the broader work on roles and responsibilities is addressed as part of the implementation process, for example in relation to managed repair. The Inquiry would not have expected EQC to sit back and wait for these things to occur before making changes. But I think the Inquiry would have accepted that some recommendations will remain work in progress until the broader system decisions are made and implemented, including the new legislation.

I agree with KPMG's assessment that EQC has actively and genuinely committed to the change programme to address the Inquiry recommendations. I comment under each theme in the sections below, but as an overall view I am comfortable that EQC has responded to the Inquiry's recommendations appropriately and reasonably, and the areas in which there is 'work in progress' do not detract from the overall conclusion that EQC has responded with a robust implementation programme to ensure the Public Inquiry's recommendations are embraced and fully implemented.

# 4. Detailed findings and recommendations

## Chapter 1 Role and responsibilities

Area to be Addressed		1.1 Clarity of role			
Overall Recommendation		Greater clarity of EQC's role is urgently required, as is a clear mandate and mechanism for its post-disaster operations. For example, it is unsatisfactory that the discretion in its governing legislation—the EQC Act—was relied upon in pursuing a managed repair programme in 2011. EQC appears well placed to be the “systems integrator” or coordinating body for the residential insurance response to ensure housing recovery following a major natural disaster. It can build on the expertise and experience it has acquired since 2010 to undertake this role, but it would need the authority to do so and its powers and role would need to be specified. If not EQC, then another agency needs to be identified.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
1.1.1	Provide a mandate to enable EQC to govern the residential insurance response following a natural disaster	Tina Mitchell	Ministerial conversations are ongoing to decide on the roles and responsibilities of different agencies following a natural disaster.  EQC is preparing an information pack covering lessons learnt, frameworks, etc. that will ensure they are able to effectively handover to a new lead agency if that is the outcome.	NEMA, the Treasury, and EQC have worked with other relevant agencies to determine EQCs future role and mandate in the emergency management system. The outcome has informed the modernisation of the EQC Act.	Recommendation is on track to be completed within planned timeframes. Relies upon the modernisation of the EQC Act.
1.1.3	Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC's role in a managed repair	Tina Mitchell	As above	EQC's role in an all of government managed repair programme is clear and plans are in place for executing the programme if and when it is required.	Recommendation is on track to be completed within planned timeframes. Relies upon the modernisation of the EQC Act.

	or rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.				
1.1.5	Develop a mechanism that identifies the threshold for a "major natural disaster", which triggers the coordination of a residential insurance response to ensure housing recovery.	Tina Mitchell	EQC has documented a definition of a natural disaster in the EQC Claims Manual – Residential Buildings.  However, it does not clearly articulate the threshold for a "major natural disaster", which triggers the coordination of a residential insurance response to ensure housing recovery. This is a cross-government policy issue being led by Treasury, NEMA and EQC.	A mechanism has been developed to enable a threshold of a major natural disaster to be identified, having taken into account the risks, resources and stakeholders involved.	Recommendation is on track to be completed within planned timeframes.  Relies upon continued work with Treasury and NEMA.
<b>Other work completed by EQC to support these recommendations</b>		Recommendations 1.1.1 – 1.1.3 involve Ministerial decisions on the roles and responsibilities of different agencies following a natural disaster, including EQC. This will enable progress on other initiatives, such as recommendation 7.1.1			
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>		This first set of recommendations was primarily directed to the Government, and EQC's role is largely to support the strategic policy-development work that Government is undertaking. EQC is playing an active and constructive part in the implementation of these recommendations.			

<b>Area to be Addressed</b>		<b>1.7 Multi-unit and mixed-use buildings</b>			
<b>Overall Recommendation</b>		There are a number of issues relating to the practicality and fairness of EQC cover for buildings that combine residential and other uses. A thorough analysis is needed of the cover for multi-unit and mixed-use buildings. This should address issues such as having different insurers of property for the same structure, lack of cover for some areas within buildings and confusion over what EQC's responsibility for these buildings is.			
<b>No</b>	<b>Detailed Recommendation</b>	<b>EQC owner</b>	<b>Description of EQC intervention</b>	<b>Definition of 'Done' for the EQC intervention</b>	<b>KPMG assessment of completeness of EQC intervention</b>
1.7.2	Provide property owners in multi-unit and mixed-use buildings with certainty, as far as is possible, about their building's status as it relates to EQC cover.	Tina Mitchell	This issue is being addressed through the modernisation of the EQC Act.	Collateral information on the cover available for multi-unit and mixed-use buildings has been made available to customers, insurers, and staff members.	Not yet complete due to dependency on the modernisation of the EQC Act. EQC expects to be able to publish communications before the end of 2022.
<b>Other work completed by EQC to support these recommendations</b>		Policy decisions on the amended definition of a residential property have been released publicly, but the changes to the Act will not be confirmed until it has been through the legislative process in 2022.			
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>		The primary recommendation (1.7.1) on this topic is for the Government and requires legislative change. EQC is actively contributing to the development of the legislation, and I believe EQC has done everything that could be reasonably expected of it to date.			

## Chapter 2 – Approach to Claimants

Area to be Addressed		2.1 Treatment of People			
Overall Recommendation		Claimants should be dealt with respectfully, fairly and professionally and with a sensitivity to the post-disaster pressures they might be facing. EQC's operational practices must put the needs of claimants first and at the centre of what it does and ensure people get what they are entitled to.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
2.1.1	Embed into operational practices a commitment to treating claimants with sensitivity, respect, fairness and dignity to ensure improvements are made to the claimants' experience.	Josh Lindsay	<p>EQC has reviewed all insurers' policies for dealing with vulnerable customers and confirmed they are fit for purpose. Work has commenced on an EQC policy with an expected completion date of February 2022 (Board consideration). An EQC SME stakeholder group has been established and is contributing to the policy's development.</p> <p>EQC has set customer experience performance measures that will be used to hold EQC and insurers account for an improved claimant experience. These will be assessed via a customer survey conducted by an independent party.</p> <p>The customer survey process has been updated to gain insights on customer experiences throughout their claims journey, rather than just at the end. Benchmarks for the performance measures have been set</p>	Results from customer surveys are achieving the principles established in the customer code and service level agreements.	<p>Largely complete.</p> <p>EQC will receive its first customer survey results in December 2021 / January 2022 in relation to recent Westport events. Based on evaluation of this survey, we will be able to determine whether the implemented treatments have resulted in a customer experience at or above the defined levels.</p>

			<p>based on previous customer experience results.</p> <p>EQC will also seek community sentiment feedback through the NRG.</p>		
2.1.2	<p>Ensure claimants are aware of their entitlements under the EQC Act.</p>	<p>Josh Lindsay</p>	<p>EQC has delivered training for insurers that included understanding claimants' entitlements, to ensure insurers are armed with appropriate information to guide customers. Understanding was checked via an assessment, which all trainees have passed to date.</p> <p>The website has been refreshed to ensure information on entitlements is easily accessible and provides direction on who to contact for more information. EQC is planning further work including a communications campaign to increase the awareness of the New Zealand public on what is covered with EQCover.</p>	<p>EQC has provided training, guides, key message sets and knowledge base to insurers and EQC staff are available to answer questions when necessary. All information on entitlements is available online for claimants to access and it is engrained in insurers' direct communications with customers, where it makes sense. Ensuring the right information is readily available for claimants will be an area of continual focus.</p>	<p>Recommendation is complete.</p> <p>Customer experience surveys will be used to assess the effectiveness of the change. EQC should implement continuous improvement approaches to enhance processes based on feedback.</p>
2.1.3	<p>Ensure continuity of staff and supporting processes, when dealing with claimants, adopting a case management approach, when possible.</p>	<p>Josh Lindsay</p>	<p>Commitment to a claims management approach was agreed with insurers as part of the Natural Disaster Response Agreement. Evidence of this working in practice will be sought through the customer experience survey feedback. EQC also have staff located in some insurer's offices and on site with them to gather real-time feedback and</p>	<p>A case management approach is adopted as default, when possible (depending on scale and the circumstances of the claimant).</p>	<p>Recommendation is complete.</p> <p>Customer experience surveys will be used to assess the effectiveness of the change. EQC should implement continuous improvement approaches to enhance processes based on feedback.</p>

			observations of the process to enable agile process improvement.		
2.1.4	Seek advice from agencies with experience in trauma and psychosocial services and support, develop clear guidance for its staff on dealing with people affected by disasters and loss and ensure its staff are properly trained and refreshed on the guidance that is developed.	Kate Antonievich	<p>EQC has developed the following:</p> <ul style="list-style-type: none"> <li>• Customer Code (sets up 5 principles for customer interactions)</li> <li>• Guidelines for front-line staff to deal with 'vulnerable' customers (which includes references to other support services, agencies, and groups). These are published on the EQC website.</li> </ul> <p>EQC has delivered the following training to its staff:</p> <ul style="list-style-type: none"> <li>• Psychological resilience (for people leaders)</li> <li>• Better customer relationships (half-day workshop)</li> <li>• Improving written communication to customer (two-hour workshop).</li> </ul> <p>Psychological resilience training is now available for all staff through an online module which includes a focus on 'Managing Challenging Conversations', and 'Supporting our</p>	<p>EQC staff have received resilience training and guidelines are available.</p> <p>Insurer staff are prepared and trained.</p> <p>Insurer and EQC staff act in accordance with the Customer Code as set out in the terms of the agreement with EQC.</p> <p>Customer survey results show positive customer feedback or trigger continuous improvement activity.</p>	<p>Actions plan in progress; recommendation is on track to be completed within scheduled timeframes. Some actions are complete including the implementation of an on-line Psychological Resilience training model for all staff. EQC has a delivery schedule for the other initiatives.</p>

			<p>customers in challenging times' programme.</p> <p>For private insurers: EQC evaluates the extent to which the private insurers comply with the Customer Experience expectations and requirements of the NDRA. Through this assurance programme, EQC has ensured that the insurers:</p> <ul style="list-style-type: none"> <li>- Have relevant internal policies</li> <li>- Provide relevant staff training</li> <li>- Have relevant reporting mechanisms regarding vulnerable customers</li> </ul>		
2.1.5	Using advice from appropriate agencies, develop a policy for classifying claimants as vulnerable and review processes to ensure they are easier for vulnerable claimants.	Tina Mitchell	<p>EQC has completed an assessment of the insurer's policies for dealing with claimants with vulnerabilities. All insurers' processes and procedures were assessed as fit for purpose and did not require EQC intervention. Recommendations for improvements to their processes were made where appropriate.</p> <p>Work has commenced on an EQC policy with an expected Board consideration in February 2022. This takes into account recent guidance issued by the FMA. An EQC SME stakeholder group has been</p>	<p>Appropriate processes are in place to ensure customers classified as vulnerable are supported through the process by EQC and their agents. EQC's operational guidance articulates a commitment to vulnerable customers and our processes and procedures are reviewed periodically.</p>	<p>Complex work with insurers that will run into 2022.</p> <p>EQC has started the development of the EQC policy for how to classify claimants as vulnerable. This is due to be complete in February 2022. EQC will then work with insurers to ensure their policies and procedures are updated.</p> <p>This recommendation will be complete when EQC has reviewed the insurers'</p>

			established and is contributing to the policy's development.		updated policies, likely to be mid-2022.
2.1.6	Provide training for staff in dealing with a range of needs, which respects cultural and language differences.	Kate Antonievich	<p>In addition to the training initiatives described in 2.1.4 above, EQC has provided the following training:</p> <ul style="list-style-type: none"> <li>- Unconscious bias training (for people leaders, and staff trained to provide this training ongoing when required.</li> <li>- Tone of Voice in communications</li> <li>- FRESH communications workshops, with a focus on how to better communicate with customers.</li> </ul> <p>The following initiatives are to be completed in the future:</p> <ul style="list-style-type: none"> <li>- Te Reo Maori lessons for staff</li> <li>- Adopting the Accessibility Charter</li> <li>- Building inclusive, diverse, and safe workplace culture</li> <li>- Benchmarking against best practice levels of inclusion and diversity</li> <li>- Considering Intercultural Capability training by the Office of Ethnic Communities</li> <li>- Considering Yavu: Foundations of Pacific</li> </ul>	Every EQC staff member has completed a training programme on unconscious bias. Rollout of EQC's Diversity & Inclusion Strategy (phase two) by December 2021 will have included organisational initiatives targeted to building a more diverse and inclusive workforce. EQC's 2020/21 Culture Internal Communications Strategy includes a focus on values, FRESH approach, and the key pillars of our culture (including diversity and inclusion). Insurer and EQC staff act in accordance with the Customer Code, and customer survey results show positive customer feedback, or trigger continuous improvement activity.	<p>Scheduled for completion by December 2021.</p> <p>To further address the recommendation, EQC is extending its cultural focus beyond Māori language and culture, including initiatives relating to Pasifika and other cultures.</p>

			<p>Engagement from the Ministry for Pacific Peoples.</p> <ul style="list-style-type: none"> <li>- The initial focus of EQC's actions is on Māori and Pasifika, but the overall plan encompasses a wide range of cultures.</li> </ul> <p>EQC has also established a National Reference Group as a connection between EQC and a broad range of communities. This group has a nationwide and diverse representation which will give EQC input on dealing with people with a range of needs, cultures, and languages.</p>		
<p><b>Other work completed by EQC to support these recommendations</b></p>		<p>Customer engagement has been an area of significant growth for EQC over the last 10 years. Putting the customer at the heart of everything we do is now a cornerstone of our culture and approach to delivery.</p> <p>Even before the Public Inquiry report was released, providing fast, fair and transparent claims resolution services has been a key focus for all EQC staff in recent years, including using a case management approach. The improved experience for customers is reflected in EQC's customer satisfaction survey results which have seen 76 per cent of customers reporting satisfaction with the quality of service they received in 2020/21, compared to 49 per cent three years earlier.</p> <p>These expectations for customer engagement have been carried over to the NDRM, with additional training and support provided to EQC staff who will be responsive for ensuring standards are maintained. An EQC Customer Code was put in place in July 2020 as part of EQC's promise to customers. This is incorporated in the NDRM and informs the claims experience measures that EQC monitors and reports to the Board on.</p> <p>EQC has developed relationships with the Privacy Commissioner, Human Right Commission, Ombudsman and FMA to ensure it is meeting all required standards and leading the insurance industry in treating customers fairly. EQC also notes legislative reforms are in train to regulate conduct across all financial institutions, which will support the standards agreed by insurers and EQC in the NDRM.</p>			

<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>	The recommendations in this suite go to the heart of the claimant experience, which was a key focus for the Public Inquiry. I believe the steps EQC has taken to date are consistent with the Inquiry's intention. Implementation of the recommendations is not a 'point in time' exercise, but will require ongoing commitment including among other things well-designed operational practices once the new Act has been passed, the right organisational culture, well-functioning integration with other entities, and clear communication. Inevitably, some aspects will remain work in progress until the new Act is passed, and I think EQC's actions to date are consistent with the Inquiry's recommendations.
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<b>Area to be Addressed</b>		<b>2.2 Communications</b>			
<b>Overall Recommendation</b>		Better planning is required by EQC for communications directly with claimants and with wider audiences, particularly in the event of a major disaster resulting in large numbers of claims. EQC's communications planning should be based on honesty, transparency and an empathy for those affected by natural disasters			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
2.2.1	Commit to sharing information that provides an honest assessment of the post-disaster challenges and shortcomings of its response to ensure that claimants are given realistic timeframes.	Josh Lindsay	A Communications Working Group has been established across EQC and insurers. The group is co-developing an event response plan which outlines the communications approach following an event. This includes timelines, key information and key messages.  This plan is a live document that will be updated periodically to ensure it remains fit for purpose.  The EQC Customer Code, which is aligned to the Fair Insurance Code notes that EQC will "act transparently". This guides all communications and the need for transparency is specifically noted in the	Policy of transparency of information post-disaster. Processes in place for communicating clearly to the public and to claimants during their claims journey and the overall event response.	While EQC has stated its intention to be transparent in its communication, this is not yet formally embedded in EQC policy. We believe this step is necessary for this initiative to be assessed as complete.  A formal policy will ensure the delivery of post-disaster information is transparent.  EQC should also continue to refine its communication plan, particularly reviewing its effectiveness after major events occur.

			Media Policy and FRESH communications guidelines.		
2.2.2	Ensure information is clearly communicated to all customers, considering the post-disaster context claimants are experiencing.	Josh Lindsay	<p>The FRESH communications and Tone of Voice training modules sets out the language and manner staff should use when communicating with customers. This is based on clear and concise communication techniques. EQC's communication policies include quality assurance mechanisms to ensure consistent messaging.</p> <p>The events response communication plan prioritises event approaches, based on past experience and customer segmentation needs. EQC does not have a completion date for this as it is a live document.</p>	Clear communication channels are in place to provide information to customers and we have communications policies and key messages in place to ensure communications are sensitive to post-disaster contexts.	<p>Recommendation is complete.</p> <p>Customer experience surveys will be used to assess the effectiveness of the change. EQC should implement continuous improvement approaches to enhance processes based on feedback</p>
2.2.3	Develop a communication plan for situations where ordinary channels are not accessible.	Josh Lindsay	<p>A communications plan is under development which includes a diverse list of channels EQC, ICNZ and the insurers have available to them following an event.</p> <p>The plan links potential key messages to certain channels for some events, however these are currently focused on media and social media releases. The complete first draft of the plan is</p>	Plan in place, and tested, for engaging and communicating with the public and specific community stakeholder audiences using a variety of channels to ensure messages get through in an event situation.	EQC has started to develop a communications plan, but this is not yet complete. The plan could be strengthened by creating a more detailed approach to delivering key messages, using more channels, and being clear who would own the communications via each channel.

			<p>intended to be completed in the next 12 months.</p> <p>EQC's cultural capability plan also includes a focus on developing an engagement framework and planning to integrate community/iwi/hapū needs into preparing for and responding to disasters.</p>		
2.2.4	Build stronger relationships with media outlets so they understand EQC's mandate, disaster responses, and EQC's research available to them.	Tina Mitchell	<p>EQC's media policy has been adjusted since the recommendation was made to ensure interactions with the media are open, transparent, and responsive.</p> <p>EQC assess their strengthening relationship with the media via a monthly analytical report. This report is circulated across the EQC leadership team and actions are taken where appropriate.</p> <p>EQC provide the media with access to all research and are proactively approaching media outlets to pitch potential stories.</p>	Media outlets understand EQC's mandate and disaster response and have access to EQC's research	Recommendation is complete.
<p><b>Other work completed by EQC to support these recommendations</b></p>		<p>As part of its wider commitment to putting the customer at the heart of everything we do, EQC has put a significant focus on clear, concise, accessible customer communications in recent years. EQC recognises that insurance processes are complex and customers are using them during times of stress. Clear, timely communication is therefore key to establishing trust in EQC (and insurer) processes.</p> <p>The success of this approach has resulted in improving metrics in customer surveys. Our website is also in the process of being refreshed. EQC uses Kantar to assess performance on customer satisfaction based on the experiences and perceptions of EQC</p>			

	<p>claimants. Kantar 2020/21 Q4 noted over the last financial year, overall satisfaction with the service received from EQC has significantly improved.</p> <ul style="list-style-type: none"> <li>• Consistent with trends in overall satisfaction, key indicators such as - kept well informed, and satisfaction with the time taken to settle – have improved year on year.</li> <li>• Scores from Customer Care are maintaining a strong performance while Canterbury claims continue to see ongoing improvement.</li> </ul> <p>EQC also recognises one of the benefits of partnering with insurers under the NDRM is that insurers invest heavily in ensuring their customers receive clear communications and a positive experience, as a necessity for retaining customers in a competitive market.</p> <p>Analysis by iSentia of media and social media coverage has seen a steady rise in our media impact score in the last 2.5 years.</p>
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>	<p>These recommendations focus particularly on communication following a major disaster generating a large number of claims. That will very likely involve a managed repair exercise, and it will not be possible to finalise a communication plan until the Government has settled the approach to managed repair including which entity will carry out or oversee the repairs. The commitment to transparency and realistic timeframes recommended by the Inquiry will be an important part of the event response plan that is under development. There will inevitably be tensions after a major event between genuine optimism and the need to give honest assessments of the timeframes ahead. The experience in Canterbury may inform public expectations of likely timeframes, depending on how much time passes before the next major disaster. In the meantime, I am comfortable that EQC has done all that could be expected of it at this time, and has committed to the principles identified by the Public Inquiry.</p>

<b>Area to be Addressed</b>		<b>2.3 Community advice and input</b>			
<b>Overall Recommendation</b>		It is essential EQC listens to the experiences and insights of communities, particularly those affected by significant disasters, and responds in a practical way to that feedback. It should have in place whatever advisory groups or bodies best serve affected communities and encourage feedback that is representative. All of this needs to be done in partnership with locally led recovery efforts.			
<b>No</b>	<b>Detailed Recommendation</b>	<b>EQC owner</b>	<b>Description of EQC intervention</b>	<b>Definition of 'Done' for the EQC intervention</b>	<b>KPMG assessment of completeness of EQC intervention</b>
2.3.1	Ensure a suitable advisory group or body is in place to provide	Tina Mitchell	EQC has established a National Reference Group (NRG) to provide a range of community views with	EQC advisory group has been established to enable representative	Largely complete.

<p>representative community input into its work and associated responsibilities. EQC must consider the advice and act upon it appropriately. Following a major natural disaster, a specific group or body should be established that reflects communities affected by that event.</p>		<p>members from across various customer groups, iwi and ethnic communities.</p> <p>NRG members are currently working with EQC to establish a range of networks and an 'induction pack' in anticipation of local groups being formed once an event occurs.</p>	<p>community input into EQC's work and responsibilities</p>	<p>EQC still needs to develop detailed plans on how specific reference groups will be established in the event of a natural disaster.</p>
<p><b>Other work completed by EQC to support these recommendations</b></p>	<p>EQC considers the recommendation has been met as follows:</p> <ul style="list-style-type: none"> <li>• The National Reference Group has been established</li> <li>• EQC has ongoing involvement with a local community group in Canterbury (noted below)</li> <li>• EQC is working with the NRG to plan a framework for involving other local groups in future.</li> </ul> <p>Following the Independent Ministerial Advisor's recommendations to the then-Minister Responsible for the EQC, EQC re-established a Claimant Reference Group (CRG) in Canterbury. This group was in place from October 2018 to November 2020 to represent the interests of Canterbury claimants affected by the 2010-2011 events. The membership of the CRG is substantially similar to the membership of the Homeowners Action Group hosted by the Greater Christchurch Claims Resolution Service, which is ongoing. EQC has a standing agenda item on the HOAG meetings.</p> <p>EQC considers future local community representative groups will take a similar format to these Canterbury groups. Terms of reference and meeting agendas from the CRG and HOAG could be re-purposed relatively quickly if an event were to occur.</p>			
<p><b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b></p>	<p>I am comfortable that this recommendation has been taken as far as is reasonable at this stage. The particular composition of community reference groups will have to be addressed swiftly after each major event, and I think it is reasonable for the National Reference Group to be given time to develop the induction pack and other materials described.</p>			



## Chapter 3 – Assessment of Damage

Area to be Addressed		3.1 Setting processes and roles			
Overall Recommendation		To ensure the integrity and fairness of the entire process for managing claims, it is critical that assessment of property damage after a natural disaster is thorough, consistent, and accurate from the outset, whether carried out by EQC, its contractors or private insurers. EQC must have clear processes in place and draw on suitable expertise to properly identify and document damage and determine what emergency repairs are necessary. Assessment standards and roles must be clearly defined and homeowners need to have a clear understanding of the process and their part in it. Quality assessment is equally as important to cash settlement as it is to a managed repair.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
3.1.1	Develop clear guidelines about what an assessment entails and the respective roles of EQC, its staff and contractors, and claimants in the assessment process and ensure this information is widely available.	Josh Lindsay	<p>As part of the NDRM, EQC has developed an Assessment Manual which outlines how to assess a residential building or land claim on EQC's behalf.</p> <p>EQC has also completed training with the insurers and assessed their competency against a base criterion. Ongoing training is scheduled to occur via quarterly forums (including updates relating to any changes that have occurred and a practice case study assessment) and a quarterly quiz refresher.</p> <p>Information on the claims process and the respective roles and responsibilities of the agencies involved is also set out for claimants on EQCs website.</p>	A set of guidelines about the assessment process have been developed and training has taken place, so all relevant parties are clear about their role and expectations	Recommendation is complete.

3.1.2	Provide clarity for homeowners as early as possible after a major natural disaster about who will be managing claims and conducting assessments—whether it is led by EQC, third-party contractors, or private insurers—and its responsibilities to cover the cost of expert reports and professional services.	Josh Lindsay	<p>EQC has developed guidance for claimants noting that in most cases their insurer will be managing their claim. This is available on insurers' websites and EQC's website as a downloadable resource "A Guide to your EQCover Claim".</p> <p>The guide covers key information on what a claimant may action themselves prior to a claim, how to document evidence, and who to contact.</p> <p>Evidence on how well this is working will be collected as part of the customer experience survey.</p>	<p>Guidelines have been developed and information is made publicly available to ensure that homeowners are aware of who is managing their claim and conducting the assessment following a major natural disaster.</p>	<p>Recommendation is complete.</p> <p>Customer experience surveys will be used to assess the effectiveness of the change. EQC should implement continuous improvement approaches to enhance processes based on feedback</p>
3.1.3	After a major natural disaster, provide for suitable initial assessment of damage to land and housing in order to develop a comprehensive plan for full assessment that includes a clear process and realistic timeframes for homeowners.	Josh Lindsay	<p>EQC has established a strata model which will group potential claimants based on the level of damage sustained in an event. This model is intended to guide insurers by informing the appropriate plan of action for claimants in the relevant areas. The criteria for assessment are currently strongly aligned to an earthquake and are less applicable to other natural disasters.</p> <p>The Assessment Manual sets out the process for the assessment of damage, alongside the EQC Claims Manuals which set out how the EQC Act should be applied.</p>	<p>Insurers and EQC has been trained and have access to all relevant information available to enable a comprehensive plan for each assessment and provide clear process and timeframe information to the claimant.</p>	<p>Recommendation is complete.</p> <p>The future model should be expanded to consider major events other than earthquakes.</p>

3.1.4	In the initial assessment of damage, identify any need for emergency repairs to ensure temporary shelter and essential services, and share this information with other relevant agencies to act on.	Josh Lindsay	<p>The Urgent Works Guide has been co-designed, signed off and is now complete with the material loaded onto the Knowledge Hub.</p> <p>The need for emergency repairs is being delivered through the Reinstatement and Replacement Guide which is currently under review.</p> <p>The completion is pending final sign-off between EQC and the private insurers. In the interim there is an agreed process to follow.</p>	EQC and insurers have agreed process with insurers dealing with emergency repair needs in an initial event response. Relevant contractual agreements are in place to supply temporary services.	Recommendation is on track to be completed within planned timeframes, only relying on final agreement with insurance providers. .
3.1.5	Take the time to complete thorough, consistent, and accurate assessment of properties from the outset, carefully documenting progress and involving the homeowner through the process as much as is practical to avoid confusion and minimise disputes.	Josh Lindsay	The EQC Assessment Manual sets out the process to complete an assessment, and insurers have been trained on the assessment process in line with this manual. Evidence of improvements to this process will be sourced through the customer experience survey and continuous improvement opportunities will be actioned. EQC has also implemented additional audit processes to ensure the quality of assessment including insurer attendance at a minimum percentage of insurer assessments to check quality, and a three-month audit cycle for the first year.	Processes are in place to ensure that assessments of each property are thorough, accurate, and documented properly in consultation with the claimant. An assurance model is in place to provide oversight that the customer code is being adhered to and customers are being kept informed in the process.	<p>Recommendation is complete.</p> <p>Customer experience surveys will be used to assess the effectiveness of the change. EQC should implement continuous improvement approaches to enhance processes based on feedback</p>

3.1.6	Clearly define the expectations of workers involved in the assessment process from the outset of a disaster response and share this information with homeowners.	Josh Lindsay	At the beginning of the assessment process claimants receive an information pack including details on who their case manager is, what the process will be and the timing expectations. The EQC Customer Code and the assessment manual clearly outlines what to expect from EQC and/or insurer workers.	EQC and insurers have published guidelines to inform homeowners of what they can expect from workers involved in the assessment process.	Recommendation is complete.  Customer experience surveys will be used to assess the effectiveness of the change. EQC should implement continuous improvement approaches to enhance processes based on feedback
3.1.7	Ensure the assessment process is transparent so that claimants have a clear understanding of the process, including how invasive an assessment will be, and access to all relevant information and documentation.	Josh Lindsay	Details on the claims process are documented in the Assessment Manual and EQC Claims Manuals. Training has been provided to insurers to ensure there is a clear understanding of the process and what should be communicated to claimants. Improvement achieved via this work will be provided via the customer experience survey.  Claimant lodgement letter provided as additional evidence.	Processes are in place to guide communications and provide information to ensure that claimants feel they have been fully informed about the assessment process and understand what is involved.	Recommendation is complete.  Customer experience surveys will be used to assess the effectiveness of the change. EQC should implement continuous improvement approaches to enhance processes based on feedback
<b>Other work completed by EQC to support these recommendations</b>		<p>The quality and consistency of assessments was a key theme in the Public Inquiry and has been the focused on comprehensive learnings by EQC and insurers over the last decade. Issues for the Canterbury earthquakes affected not only customers, but the clarity of liabilities between EQC and insurers.</p> <p>This NDRM introduces a single lodgement, assessment and settlement pathway for the customer, regardless of which insurance scheme covers the loss. This optimises the customer experience by offering a clearer and simpler process. There is one point of lodgement, a consistent point of contact throughout the lifecycle of the claim and streamlined claims management and assessment activity, regardless of which policy is activated (EQC or insurer).</p>			

	This is a critical element in the NDRM. By using one consistent approach, supported by better data and science, EQC would expect the issues with assessment from the Canterbury sequence to be significantly ameliorated.
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>	I am comfortable that EQC has taken these recommendations as far as is reasonable at this time.

## Chapter 5 – Processes for settling claims

Area to be Addressed		5.1 Cash Settlement			
Overall Recommendation		Cash settlement was EQC's preferred option for settling claims prior to the Canterbury earthquakes, but a managed repair was pursued for various reasons given the severity and scale of these events. Cash settlement should remain as part of EQC's discretionary approach to managing its work and will be most useful in day-to-day events.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
5.1.1	Develop policies for what related reinstatement or repair costs will be covered by cash settlements and communicate these to claimants.	Josh Lindsay	This is being delivered through the Reinstatement and Replacement Guide which is currently under review.  The completion is pending final sign-off between EQC and the private insurers. In the interim there is an agreed process to follow for one-off situations where reinstatement may be necessary.	Processes and written policies are developed to ensure we have consistency in messaging and approach on what is primarily covered by cash settlements.	Recommendation is on track to be completed within planned timeframes.
5.1.2	Make clear to claimants, wherever cash settlements are made, the implications of not using the cash for the purpose for which it is provided, including how this might affect future claims.	Tina Mitchell	The EQC Act includes a mechanism for excluding future claims from customers who do not use cash settlements for repairs.  Currently information is included within letters sent to the claimants on the risk of not using cash for the purpose for which it was provided, as well as on the EQC website and is communicated to claimants verbally in the process.	EQC has published information to make claimants aware of the implications of not using cash settlements and how this might affect future claims. EQC has provided guidance to all staff (EQC and insurers) communicating with customers on what key messages they need to include to ensure customers understand this.	Recommendation is on track to be completed within planned timeframes. This relies on the modernisation of the EQC Act.

5.1.3	Conduct a detailed assessment of the impacts of cash settlement of claims in the example of the Kaikōura/Hurunui earthquake, including the longer-term impact on quality of the housing stock.	Jo Horrocks	Commission an external study into cash settlement of claims in the Kaikōura/Hurunui earthquake.	A detailed assessment outlining the impacts of cash settlement of claims in the Kaikōura/Hurunui earthquake. This information is able to inform future decision-making and further studies.	On target to be complete by December 2022.
5.1.4	Incorporate the findings of the detailed assessment of cash settlement for the Kaikōura/Hurunui earthquake into a larger and ongoing study that tests the advantages and disadvantages of cash settlement, the results of which could be drawn on when deciding the best response to future natural disaster events.	Jo Horrocks	This recommendation follows on from 5.1.3 (owned by MBIE).	A completed study on the advantages and disadvantages of cash settlement is and able to be used to inform future decision-making.	On target to be complete by June 2023.
<b>Other work completed by EQC to support these recommendations</b>		EQC and insurers have based the NDRM on the expectation that a significant proportion of claims will be cash settled. However, flexibility remains to offer a managed repair in one-off cases where the claimant's individual circumstances require it. Where the Government determines that a managed repair programme is required due to the size and scale of the event, EQC would co-ordinate with the agency leading the managed repair, as required.			

**Simon Mount QC's  
assessment of how  
effectively these  
interventions have addressed  
the overall recommendation**

The actions to implement this group of recommendations will need to integrate with the changes made in the EQC Act, the decisions made about managed repair, and the work being undertaken by other agencies. I am satisfied that EQC's actions to date represent a proper and reasonable implementation of the Public Inquiry's recommendations.

## Chapter 6 – Data and information management

Area to be Addressed		6.1 Access to information			
Overall Recommendation		The collation and management of property-based data by EQC must reflect the basic principle that the homeowner is entitled as of right to all information held by EQC concerning their property and EQC should be responsive to claimants.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
6.1.1	Ensure that its data and information systems are adequate to fulfil claimants' rights to readily access their full property information held by EQC, in accordance with official information and privacy legislation.	Jaron Shaw	<p>Claimants are able to access their data and information by making a request to EQC, and having the information collated by an EQC team.</p> <p>EQC has looked into whether this process could be automated. Although it is possible, is likely to be excessively expensive due to the multiple systems used across the lifespan of EQC.</p> <p>The timeframe for the provision of information to claimants is 20 working days, which is outlined on EQC's website. The website also provides information of the process and specific guidance for customers looking to sell their property.</p>	Claimants are currently able to access their full property information held by EQC by lodging a request. We will continue to seek ways to make this easier and more automated as EQC data and information management maturity improve.	<p>Recommendation complete.</p> <p>We recommended that technology could be used to reduce the timeframe for a request for information to be investigated. However, EQC has informed us that such a solution would not be cost effective in their context.</p>
6.1.2	Regularly seek advice from the Privacy Commissioner, the Office of the Ombudsman, and the Human Rights Commissioner to ensure	Tina Mitchell	<p>EQC has held meetings with the Privacy Commissioner, Office of the Ombudsman and the Human Rights Commissioner.</p> <p>The expectations for these relationships on an ongoing basis have</p>	EQC seeks advice from and maintains relationships, where practical, with the Privacy Commissioner, the Office of the Ombudsman, and the Human Rights Commissioner. The purpose of these relationships is to ensure EQC	<p>Recommendation complete.</p> <p>Meeting with Human Rights Commissioner and ongoing relationship confirmed on 28 September 2021.</p>

	that its relationships with claimants are fair, reasonable, and transparent.		been set. This will also involve engagement with the Office of the Ombudsman and consultation with the Privacy Commissioner when there is an issue.	receives guidance on maintaining fair, reasonable, and transparent relationships with the public.	
6.1.3	Develop and roll out a nationwide online register that provides EQC information on claims specific to individual residential properties. This should be free and simple to access for users such as prospective home buyers and should provide basic information about a claim and its status.	Jaron Shaw	A web portal solution is currently under development to address this recommendation. A paper detailing the concept has been approved by the Board and the business case to develop the tool is underway.	A simple way for prospective home buyers to access basic natural disaster claim information for residential properties. This may involve working with other government and local government entities to ensure this information is available.	The target completion date is now December 2022.
<b>Other work completed by EQC to support these recommendations</b>		EQC processes requests for information in accordance with official information and privacy legislation. We receive significant volumes of requests for property related information. Our compliance rate has improved significantly over the last few years, even despite Covid-19 related business disruptions:			
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>		I am comfortable that EQC's actions to date represent a reasonable implementation of the Inquiry recommendations. This area, as with others, is not a 'point in time' exercise but will require ongoing work – in combination with the next recommendation.			

Area to be Addressed		6.2 Data systems			
Overall Recommendation		Internal and external reviews of EQC's data systems have emphasised various shortcomings. EQC must invest adequately in its data technology to ensure that it never again finds itself with systems that are unfit for purpose when it needs them most. This includes negotiating with private insurers as well as other agencies and governmental bodies to share relevant information, support efficient processes for managing claims and identify and respond appropriately to claimants.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
6.2.1	Commit to constant and sufficient investment in data and information systems to guarantee that these can support efficient and reliable day-to-day operations and have sufficient capacity and capability to support processes for managing claims following a large-scale disaster.	Jaron Shaw	EQC's continued investment of data and information systems will occur through to 2024/25.  EQC has allocated significant investments in 2020 through to 2022 to uplift the data and information systems to support operations. Further provisional per annum investments of \$8 million have been allocated to continued data platform development and resilience projects.	Data and information systems can support operations and have sufficient capacity for managing claims following a large-scale disaster.	Recommendation complete.  EQC has invested \$30m in technology and data management over a two-year period and has approved BEFU submissions of \$8m annually to support efficient and reliable day-to-day operations. It has secured sufficient capacity and capability to support processes for managing claims following a large-scale disaster.
6.2.2	Consider how changes made to the EQC Act in 2019 can be used to enable better information sharing between it and private insurers.	Jaron Shaw & Tina Mitchell	Implementation of the 2019 changes has been an ongoing operational matter for EQC, with the key constraints being measured to ensure the protection of personal information. Cabinet agreed to progress proposals to clarify and strengthen EQC's information gathering and sharing powers.	An assessment of improvements to the information sharing arrangements between EQC and private insurers completed by the end of 2020. Opportunities for further information sharing have been included in the scope of the EQC Act modernisation.	Recommendation complete subject to EQC Act modernisation.  Information sharing improvements have been established as part of developing data exchange agreements with insurers. Future opportunities for improving information sharing will be

					including in the modernisation of the EQC Act.
<b>Other work completed by EQC to support these recommendations</b>	As EQC transitions out of direct claims settlement, we will have a renewed focus on the value we can add through collation and analysis of claims data, research into natural hazards, and further development of predictive loss modelling and analysis to support EQC's risk financing. EQC's significant investment in technology, people and governance supports this future. This investment is currently supported by data sharing agreements with private insurers, but we are hoping to also have enhanced information sharing provisions added to the modernisation of the EQC Act.				
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>	I am comfortable that EQC's actions to date represent a reasonable implementation of the Inquiry recommendations. Again, this recommendation requires ongoing commitment not a 'point in time' exercise, and will need to integrate with decisions made about future managed repair.				

<b>Area to be Addressed</b>		<b>6.4 Land information</b>			
<b>Overall Recommendation</b>		EQC has gained extensive knowledge on land stability from research and its past work. Thought should be given to how this might be shared widely. Consideration should include whether further detailed land information should be made more widely available (for example, on Land Information Memorandum (LIM) records or other records). In addition, EQC personnel might be appropriate independent experts in advising or giving evidence in land-use planning issues. This could avert some of the issues resulting from a lack of independent expertise faced by local authorities when land-use proposals are presented.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
6.4.3	Proactively share up-to-date local area information about land and hazards with relevant local authorities.	Jo Horrocks	Scoping and development of a resilience portal. MOU for data sharing with LINZ, including promotion of open source sharing of hazards information.	Local authorities are informed about land and hazards within their local area and contribute to community resilience.	Recommendation complete.

<p><b>Other work completed by EQC to support these recommendations</b></p>	<p>EQC is currently sharing local area information about land and hazards with local authorities as this is requested. EQC's Resilience Strategy outlines further opportunities to provide data and research based evidence with central and local government partners.</p>				
<p><b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b></p>	<p>The primary recommendations in this area were to Government, including possible legislative reform, and may form part of the current process to replace the Resource Management Act. In the meantime, I am satisfied EQC has taken reasonable steps to date to implement the Inquiry's recommendation.</p>				

## Chapter 7 – Advance planning and preparedness

Area to be Addressed		7.1 Relationship building			
Overall Recommendation		It is evident that a greater degree of relationship building is needed to prepare for future major natural disasters. The events in Canterbury in 2010-2011 illustrate how the greatest disaster risks may lie in unexpected places, requiring a flexible and collaborative approach			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
7.1.1	Coordinate an ongoing relationship with key partners, who will be necessary to the residential insurance response following the threshold for a "major natural disaster" being met, to establish the roles and responsibilities of each entity. These partners might include The Treasury, the Ministry of Building, Innovation and Employment, the National Emergency Management Agency, Te Puni Kōkiri, Land Information New Zealand and the Ministry of Social Development.	Tina Mitchell	<p>The completion of this recommendation is dependent on the outcomes of recommendation 1.1.1, clarifying the roles and responsibilities after a natural disaster.</p> <p>It is unlikely this dependency will be complete prior to the due date of December 2021 because recommendation 1.1.1 has been delayed.</p> <p>EQC maintains relationships across key partners and is considering implementing a formal relationship management tool.</p>	Preparedness planning in place including working with key partners to establish roles and responsibilities and develop constructive working relationships to support emergency response to future events.	Scheduled for completion by December 2021.

7.1.2	Build significantly improved cooperative relationships with private insurers operating in New Zealand, including ensuring sharing of data that is critical for EQC's work following a natural disaster.	Josh Lindsay	The multilateral disaster response and data agreements between EQC and private insurers has formalised the relationships between these parties. A governance structure and engagement model are in place and operational. The strength and value placed in the relationships will be assessed via staff surveys	Contractual arrangements and established governance structures are in place to manage and grow insurer relationships and information sharing arrangements. Strength of relationships is being checked at regular intervals for opportunities to better partnerships. These checks find that both EQC and partners put high value in their relationships.	Recommendation largely complete.  EQC should ensure staff surveys are conducted on a regular basis to audit the relationship between EQC and private insurers.
<b>Other work completed by EQC to support these recommendations</b>		EQC's Statement of Intent 2021-2025 recognises that the key to delivering our strategy is truly reciprocal partnerships and collaboration across all aspects of our work. Our focus is on strong partnerships with private insurers, communities and Government.  This includes the way we engage with Māori customers and partners, and all of the other communities we serve. EQC has begun developing its own cultural capability and familiarity with te ao Māori so that our services reflect our commitment.			
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>		I am comfortable that EQC's actions to date represent a reasonable implementation of the Inquiry recommendations. Ongoing work will be required once key decisions are made by Government.			

Area to be Addressed		7.2 Research and risk modelling			
Overall Recommendation		Research conducted or commissioned by EQC has been a significant asset not only to satisfy reinsurers but also to provide invaluable information on the level, type, and location of risks to residential property in New Zealand. EQC's research capability and expertise should be encouraged and supported, but a commitment is also needed to social science research on the impacts on homeowners following a major natural disaster.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
7.2.1	Ensure that the range of research it sponsors encompasses new opportunities in relevant fields and includes disasters other than earthquakes.	Jo Horrocks	EQC last updated their Research Priorities Statement in May 2021, which outlines EQC's priorities to have research over a wide range of areas including a range of hazards and other areas such as empowering people and governance and economics. EQC currently has more than 18 research programmes underway focusing on areas other than earthquakes, including landslides, volcanic risks, and tsunamis.	The research conducted by EQC is extensive and encompasses new opportunities and a range of disasters. Key linkages between our hazard scenario assessment approach and driving the research landscape will support this recommendation.	Recommendation complete.
7.2.2	Support social science research that will help it build a greater understanding of the impacts on communities following a major natural disaster.	Jo Horrocks	The updated EQC Research Investment Priorities includes 'empowering people' as a priority area for EQC research going forward. This resulted in 25% of the biennial grant applications and 50% of the shortlisted application for this year's application round being focused on this theme.	An increase in the number of social science research commissions that contribute to the understanding of the community impacts of natural disasters. These should be relevant to the work stream of EQC with regard to natural hazards research.	Recommendation complete.

7.2.3	Cooperate with the research community in New Zealand and internationally to disseminate as widely as possible the research findings in all fields it supports.	Jo Horrocks	The annual stakeholder survey EQC conducts includes a question on the perceived value of EQC's research. 84% of participants thought that EQC's information and outputs were of good or excellent quality, which was an improvement from 72% last year. EQC has increased its engagement with the research community through a number of activities including supporting conferences which share research and ensuring the research it funds is publicly available in some form.	Research undertaken by EQC is disseminated widely and leveraged by other research communities.	Recommendation complete.
7.2.4	Commit to and resource the ongoing development of scenario planning and modelling of major natural disasters and their consequences for buildings and land. This should focus on preparing it as far as possible for previously unanticipated disaster outcomes, locations, and circumstances unique to different events.	Jo Horrocks	EQC is in the process of developing a scenario database. Scenarios for a number of key hazards have been completed and plans are in place to continue to add to the database – the intention being to add several scenarios each year. The primary audience for the database is currently EQC. The Readiness Team use the scenarios with private insurers to test readiness. The long-term goal for the scenarios is to make them publicly available for all organisations to use in their natural hazard preparation and readiness.	EQC has scenario plans and modelling of major natural disasters and feel prepared in the case of an event. Key deliverable: Natural Hazard Scenario Database, this work crosses many EQC business partners and PI owners.	Recommendation complete.

<p><b>Other work completed by EQC to support these recommendations</b></p>	<p>EQC's focus on research into natural hazards and social impacts, combined with the collation and analysis of claims data, and further development of predictive loss modelling and analysis supports the insights it can share with other agencies to influence policy setting and EQC's risk financing portfolio.</p> <p>EQC contributes to the broader natural hazard risk management system by participating in policy and practice initiatives, such as:</p> <ul style="list-style-type: none"> <li>• national risk assessment, Crown risk financing, and loss modelling capability;</li> <li>• regulation and performance standards of the building, construction and engineering sectors;</li> <li>• land-use planning for mitigating hazard risk;</li> <li>• the development of national science capability in natural disaster risk management;</li> <li>• national and local natural hazard risk management policy and planning; and</li> <li>• sharing reinsurance expertise to support the wider Crown balance sheet.</li> </ul>
<p><b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b></p>	<p>I am comfortable that the steps taken by EQC constitute a reasonable implementation of the Public Inquiry Recommendations. The Inquiry emphasised this area, and I believe would see this as an ongoing process requiring commitment into the future. EQC's contributions to the Act modernisation project ought to assist with this.</p>

Area to be Addressed		7.3 Education			
Overall Recommendation		It is critical that homeowners understand EQC's mandate and responsibilities following a natural disaster. Increased education and information are needed in this area. Innovative approaches need to be developed and applied so that the information reaches people and resonates with them.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
7.3.1	Consult and work with relevant government and community agencies and private insurers to ensure the most engaging and effective means of educating homeowners about the risks associated with natural disasters and how to minimise damage.	Jo Horrocks	EQC works with a number of government and community groups to engage and educate the public on the risks associated with natural disasters including museums, schools, and groups such as Plunket, the Real Estate Authority, and Tenancy Services. EQC are measuring the effectiveness of their work in this area through a quarterly survey of New Zealanders testing their awareness of natural hazard, and their preparedness. The last two surveys have shown an increase in awareness and preparedness.	EQC has published guides and manuals, in collaboration with relevant agencies, to ensure that homeowners feel educated about the risks of natural disasters and how to minimise damage. This includes collaboration with key agencies as noted in the Public Inquiry Report.	Recommendation complete.
7.3.2	Promote awareness among homeowners of the opportunity for direct access to purchase disaster-only insurance, as provided for in the EQC Act.	Jo Horrocks	Information on Direct EQCover is included on the EQC website and in the Insurer's Guide to enable insurers to answer questions. EQC are taking an 'as required' approach to increase homeowner awareness of Direct EQCover rather than promoting it to mitigate the risk of discouraging	EQC has published guides and manuals to ensure that homeowners are aware that they have the option to purchase disaster-only insurance.	Recommendation complete.

			<p>people from full insurance. Targeted campaigns have been run (e.g. in Canterbury) to promote awareness of the need to complete due diligence in terms of hazards prior to buying a home in order to reduce the number of people who may require the Direct EQCover product.</p>		
<p><b>Other work completed by EQC to support these recommendations</b></p>		<p>Leveraging its investments in research and data, EQC is continuing to consider ways in which it can educate the public on how they can mitigate risks associated with individual properties. EQC is also considering broader education on natural disaster insurance and this approach is supported by the NRG.</p>			
<p><b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b></p>		<p>I am comfortable that the steps taken by EQC constitute a reasonable implementation of the Public Inquiry Recommendations. When the new Act is passed EQC will have further work to do to assist in public understanding as recommended by the Inquiry.</p>			

Area to be Addressed		7.4 Workforce recruitment and training			
Overall Recommendation		EQC needs to work on developing staff capability and a structure that handles day-to-day work, while also anticipating its needs in the event of a major natural disaster and a sharply increased workload. This means keeping an eye to sources of key professional workforces that can be called upon in a response to a major event.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
7.4.1	Develop further and, where necessary and appropriate, formalise relationships with key workforces such as engineers and loss adjusters.	Josh Lindsay	Contractual relationships with key workforces such as engineers and loss adjusters are now held primarily by the private insurers under the new system. The insurers have contracted previous EQC suppliers from a continuity perspective. EQC still holds a number of contracts with key suppliers from a contingency perspective and to supply audit and assurance services on EQC's behalf.	EQC has contractual relationships with key workforces such as engineers and loss adjusters. An independent review of EQC's capacity and capability has been conducted.	Recommendation complete.
7.4.2	Ensure access to a suitably qualified and trained workforce to manage claims and undertake assessments, including retired personnel, in anticipation of a sudden and significant increase in workload.	Josh Lindsay	EQC has completed capability training across insurers to appropriately manage claims. An assessment has been completed to ensure all insurers have a process in place should surge capacity be required.  Quarterly audits of insurers' capability are scheduled over the next year, and the first of these occurred in September. EQC has also planned a staff survey on insurer confidence in	EQC has completed capability development and training with internal staff and insurers to ensure we have a qualified and trained workforce who feel confident and prepared to manage claims and undertake assessments and surge capacity is available. Audit has been completed on insurers capacity and an independent review of EQC's capacity and capability has been conducted	Recommendation largely complete. EQC should complete the audit and staff survey to ensure appropriate capacity to manage claims and undertake assessments.

			their ability to appropriately manage claims based on the training provided.		
7.4.3	Work with its staff to review what is being done to support their wellbeing.	Kate Antonievich	EQC has scheduled a number of additional initiatives, such as the roll out of Psychological Resilience training to all staff, which will complete the actions to address the recommendation.	Staff engagement surveys continue to show that staff feel as though their wellbeing is prioritised in the workplace. Employee sick leave and turnover rates are at or above government benchmarks, and uptake of the EQC Employee Wellbeing Fund remains at or above 75% of current employee headcount.	Recommendation complete.  The rollout of the Psychological Resilience modules has now been implemented.
7.4.4	Build channels for its staff to provide views to management and governance so that people are heard, views and proposals are seriously considered, and, where appropriate, acted upon.	Kate Antonievich	EQC has put in place the following communication channels for staff: <ul style="list-style-type: none"> <li>- Speak Up inbox (only accessed by the Speak Up officer and internal authorities)</li> <li>- Regular staff surveys - Culture champions roles across the business</li> <li>- Intranet for internal communications and feedback/comments</li> <li>- ELT roadshows with Q&amp;A sessions available to all staff</li> <li>- Leadership forums (for all People leaders).</li> </ul> <p>Staff feedback and views collected through these channels is considered</p>	A channel is established for staff to voice their views. Staff members feel as though they are heard, and their views will be considered.	Recommendation complete.

			by EQC's management and Board (where necessary). For example, the recent Reward and Recognition initiative was a direct result from the feedback received through the above communication channels.		
7.4.5	Evaluate the skills and attributes required of a workforce to engage with claimants following a natural disaster and apply these as criteria in the recruitment process.	Kate Antonievich	<p>EQC has defined the skills that are required of their staff dealing with claimants. Their understanding has been articulated through a set of Skills Matrices. The Matrices cover the three 'tiles': BAU operations, On-solds claims and Insurers.</p> <p>The skills include:</p> <ul style="list-style-type: none"> <li>- Customer service and communications</li> <li>- Manage and process claims</li> <li>- Relationship and stakeholder management.</li> </ul> <p>The skills matrices form the basis for competency assessment of candidates during the recruitment process, prepared interview questions and competency assessment online tests.</p> <p>Private insurers are required to comply with EQC's 'People Capability' and 'Customer Experience' requirements as part of the NDRA. EQC has developed a formal ongoing process to evaluate the level of insurers'</p>	We have a contractual arrangement with insurers that requires insurer staff to possess the critical skills and attributes required to engage appropriately with claimants following a natural disaster. When recruiting to customer facing roles internal to EQC, EQC's recruitment processes include consideration of the core competencies required of staff when engaging with claimants following a natural disaster, which are supported by aspects of our internal induction processes.	Recommendation complete. EQC committed to ongoing assurance over insurer compliance.

			compliance with NDRA requirements through the IRM Assurance Framework.		
<b>Other work completed by EQC to support these recommendations</b>		<p>A commitment to workforce capability is included in the EQC Customer Code (which applies to both EQC and insurer staff managing EQC claims):</p> <p>We're committed to ensuring our staff are appropriately trained and skilled to fulfil our responsibilities to you. Their training will include the requirements of the EQC Act, service to the public, collaboration with other public entities and may also include principles of insurance and relevant consumer laws.</p>			
<b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b>		<p>I am comfortable that the steps taken by EQC constitute a reasonable implementation of the Public Inquiry Recommendations. As with other recommendations, ongoing commitment will be required and further evaluation once key decisions have been made regarding other entities in the broader system.</p>			

## Chapter 8 – Resolution of disputes

Area to be Addressed		8.1 Dispute processes and advice			
Overall Recommendation		It is inevitable that some disputes will arise between EQC and claimants. A standing dispute resolution mechanism is required that is simple and responsive to claimants and their advocates and that can cope with a significant volume of complaints. Claimants' access to legal advice is also fundamental.			
No	Detailed Recommendation	EQC owner	Description of EQC intervention	Definition of 'Done' for the EQC intervention	KPMG assessment of completeness of EQC intervention
8.1.4	Ensure that its complaints procedures for both staff and claimants are professional and fit for purpose, with periodic independent assessment of their suitability and effectiveness.	Hamish Wall	<p>EQC has completed a refresh of its complaints management process.</p> <p>The complaints information for customers has been updated on EQC's website, including expected timeframes and other details on the complaints process. Guidelines for how to handle customer complaints are documented in the Complaints Resolution Guide.</p> <p>A Toolbox Talk has recently been held for Canterbury Claims staff about staff claims but specific processes and information for staff outlining the new process for any future claims are yet to be completed.</p> <p>In general, staff are well aware of the new Natural Disaster Response Model (NDRM) and that all customers will now make their EQC claims directly to their insurer.</p>	EQC and private insurers have documented processes, policies and other guidance to facilitate a consistent dispute resolution approach. An independent review of complaints processes has been completed. Staff are aware of channels for raising concerns.	Recommendation complete.

<p><b>Other work completed by EQC to support these recommendations</b></p>	<p>EQC's approach to managing complaints is to offer the most accessible, easy to navigate process for the customer. Under the NDRM, complaints about conduct, process or claims entitlements in relation to EQC claims are lodged with the customer's private insurer. The private insurer will first attempt to resolve the complaint internally. If the complaint cannot be resolved internally, the complaint will be referred to EQC for review. From there, the complaint may be referred to:</p> <ul style="list-style-type: none"> <li>• Industry dispute resolution schemes - the Insurance and Financial Services Ombudsman (IFSO) or Financial Services Complaints Ltd (FSCL) - for complaints about decisions on claims; or</li> <li>• The Ombudsman for complaints about EQC's interpretation of the Act and conduct.</li> </ul> <p>EQC is supporting MBIE's work on the other recommendations related to dispute processes and advice in chapter 8.1</p>
<p><b>Simon Mount QC's assessment of how effectively these interventions have addressed the overall recommendation</b></p>	<p>I am comfortable that EQC has taken reasonable steps to implement this recommendation. As with others, this will remain work in progress as the Government considers its response to the over-arching recommendation 8.1.1. (to develop a standing dispute resolution mechanism), and as the NDRM matures.</p>

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