

**Minutes of the Claimant Reference Group (CRG) Meeting,
held at L2, 161 Cashel Street, Christchurch
Monday 30 November 2020, commencing 9.30am, and
Thursday 3 December 2020, commencing at 9.00am**

CRG Members present	Ali Jones (AJ) - Chair, Tom McBrearty TM, Dean Lester (DL), Phillipa Moore (PM), David Townshend (DT), Jo Petrie (JT), Linda Ngata (LN)
In Attendance	Jo Mattingly (Minute taker) In Part: EQC: Sid Miller, CE, EQC Kate Tod (KT) Pip Andrews (PA) Jane Bryden (JB) Olivia Payne (OP) EngNZ: Richard Templar (RT) CEO, Helen Davidson (GM)
Apologies	No apologies noted.
Welcome	AJ welcomed everyone to the meeting.
Confirm Agenda	The agenda confirmed as presented with some minor changes to timings.
	Kate Todd, Pip Andrews and Jane Bryden joined the meeting.
On-Sold Claims	<p>Pip Andrews (PA) provided a summary of the On-Sold claims as follows:</p> <p>Claim Statistics effective 27 November 2020:</p> <ul style="list-style-type: none"> ➤ On-Sold claims 5945, 852 resolved, 130 ex-gratia payments, 48 settled with Homeowners, 144 resolved which were under-capped, 192 ineligible, 38 withdrawn by Homeowners, 2094 waiting for further information. ➤ Current focus on triage with letters sent to Homeowners re sending documentation to EQC for eligibility criteria assessing. ➤ PM question the reason around ineligibility – PA advised a range of reasons but along others, the main reason was they were over cap. ➤ PA advised that those that have withdrawn, the vast majority were due to having sold their house since, so there could be future risk. Assessments have not been completed, so they may not be eligible in any case. ➤ Training sessions been held on Wellbeing for staff. <p>Real Estate Roadshows:</p> <ul style="list-style-type: none"> ➤ PA has completed roadshows with the major real estate (RE) agents re process which will help their clients. KT advised they are planning to do the same in the NY. <ul style="list-style-type: none"> • AJ suggested that they also liaise directly with the REI, as in her opinion, REI has in the past been inconsistent. • Education to include ‘whole education’ i.e. sellers to advise RE agents of potential areas of concerns so that the buyers are fully aware up front, putting increased responsibility on RE agents. • TM suggested contacting Lynette McFadden from Harcourts to see if she would be interested in being involved to help with the process. • Disclosure protects future Homeowners and RE agents. • CRG suggested a request/message from the Minister would be very helpful. <p>Staffing:</p> <ul style="list-style-type: none"> ➤ Current staffing level at 55 and accommodation is an issue. LN suggested that Oranga Tamariki have recently vacated a whole floor which could be an option. ➤ New recruiting being held off until the NY to allow analysis of workflow v staff levels.

	<p>Data on rebuild/repairs:</p> <ul style="list-style-type: none"> ➤ Rebuilds sitting at 30-40, with a number taking up the co-funding option. <p>Q&A:</p> <ol style="list-style-type: none"> 1. DT suggested that further education around assignments would also be required. 2. PM asked about the process if Homeowners missed the On-Sold deadline. PA confirmed that a process is in the early stages of being written and relatively informal at this stage. PM to advise PA specific details/criteria of the situation she raised and she will advise the best way forward. 3. AJ asked if PA has had any discussions with the Canterbury Builders Association. PA has meet with EngNZ and has asked that they approach their members to see what work is coming up so PAs team can foresee any upcoming bottlenecks. Contractors are more difficult. PA to touch base with Master Builders. 4. AJ asked PA for an update on the Webinars. PA confirmed one should be released prior to Christmas and another in the NY around the On-Sold process. It was suggested having someone from the team who knows what to ask and to ask those questions as Homeowners 'do not know what they don't know'.
<p>Canterbury Claims</p>	<p>Kate Tod provided a summary of the Canterbury claims as follows:</p> <p>Claims Statistics effective 27 November 2020:</p> <ul style="list-style-type: none"> ➤ Open Claims at 1919, 500 settled, inflow this month 664. There is 75% less than six months old. Currently the team is focusing on 'aged claims'. At the end of October there were 391 over 12 months. The goal is to have this number under 200 by mid-February. As at today, another 50 have been settled. AJ asked how many claims are settling fully, and asked for clarification on how many are fully settled with Southern Response on the over-caps. KT advised that 'Aged claims' are mostly due to two separate views ie the Homeowner v EQC. KT is currently drilling down to the granular level to understanding how far apart financially the differences of views are. <p>Initiatives</p> <ul style="list-style-type: none"> ➤ There has been a number of initiatives rolled out including a Contractor Statement of Damage which is live on the website. ➤ The Customer Representative draft form has been sent out and waiting feedback. Note: there is no reference to what a 'reasonable timeframe for payment' is. This needs to be included in the feedback. <p>Engineers Reports</p> <ul style="list-style-type: none"> ➤ Engineers are extremely busy and therefore there are some delays. Generally, 4-6 weeks is the standard timeframe for receiving a report post site visit. ➤ PA advised that they are flagging with the Ministry that engineers are in short supply. ➤ CRG is concerned that there appear to be a lot of engineering reports which haven't been completed properly, ie. no LoE or other formal process in place prior to site visit. ➤ There are a number of documents currently being worked on to give clearer information /guidelines for Homeowners and Contractors. <p>Engineers Review</p> <ul style="list-style-type: none"> ➤ KT advised they are in the early stages of the engineering review which is looking at claims over the past 12 months. KT listed the areas of concerns being reviewed and if there had been changes and why changes had been made, etc. The review is based on a Company as opposed to individual engineers. After discussion KT clarified that although the review is on a Company, they are able to identify engineers so if there is movement between companies, learnings will be able to be transferred. ➤ DL asked to have an offline discussion with KT around this area.

	<p>Lower level claims:</p> <ul style="list-style-type: none"> ➤ With regards to lower level claims the contractors arrange for the engineers themselves. Some engineers may not necessarily adhere to the NZ brief. DL advised issues arise when builders are liaising with the structural engineer rather than the structural engineer liaising with the Homeowner. The builder should be there to build, not to project manage. PA stated that the Homeowners are being advised to invest in a project manager so they liaise with the different relationships. <p>Training and Staffing:</p> <ul style="list-style-type: none"> ➤ Formal ‘manual’ training is being undertaken in the New Year. Good updates within the ‘system’ have been made and training is being undertaken prior to Christmas. ➤ There are compulsory modules and non-compulsory modules. Staff are required to choose two non-compulsory modules over a six-week period for continued learnings. ➤ AJ questioned if there is consistency in the Land and the Residential manuals between Canterbury and EQC BAU manuals. KT confirmed there is. ➤ Staff fatigue is an issue. KT held an offsite meeting for 145 staff with feedback indicating staff are fragile, compounded by high leave balances. Her department is closing 24 Dec – 11 January which will help and managers have been asked to look into those staff with high leave balances and fatigue issues, suggesting they take long weekends between now and Christmas. ➤ QA team review of Canterbury claims will be bi-monthly going forward with a focus on ensuring processes are right, including customer communication etc., good for training purposes and not being seen as a discipline process. KT to work with JB to make available for HOAG. <p>Q&A / Note:</p> <ol style="list-style-type: none"> 1. DL raised concerns around the ‘to-pay’ issues and SLAT. For example, when an agreement for payment has been approved by EQC, invoices have been sent, however payment has not been made. EQC revised their policy and advised that they would reimburse on paid invoices only. Is there training being undertaken to upskill staff as to the correct procedures to follow and what “to pay” actually means? KT noted that there were specific areas in SLAT that were of concern, however, DL and DT confirmed that it was a general issue and not solely relating to SLAT. 2. EQC should be checking that what is being paid, is being completed to the standard required. This should be included in the training. KT asked DL to forward some examples so they can be used as examples for training. DL also questioned what is the process if someone is having a different view with lawyers or insurers, what is the process for them to check that they are correct? <p>DL and DT to raise off-line issues direct with KT.</p> <p>AJ thanked KT and PA for the work they are doing specifically and very positive the work in general.</p>
	Kate Tod and Pip Andrews left the meeting.
Action Items	Action items listed at the end of minutes.
	Jane Bryden left the meeting.
IRM Response	<p>Given the wind-up of the CRG, DT recommended that the CRG write to the Minister with a briefing and include significant outcomes and issues that the CRG has experienced over the past ten years. Ensure dates of reports are correct and note that the IRM does not attend to these issues. Noted that EQC mission is “what do we do to reduce the stress on people and property”. EQC is in a prime position to be a leader with Insurers, to be a Leader of ‘Trust’. Letter to be carefully worded.</p> <p>CRG in support of AJ writing to the Minister, draft to be circulated.</p>

Government On-Sold support package – information for Contractors	<p>The CRG reviewed the document presented and after discussion and agreement, made amendments directly to the document at the meeting. However, there were some areas that needed to be reworded in its entirety. DL and DT to action and liaise with PA.</p> <p>It was noted that the document should be retitled to included “Homeowners” i.e. “Government On-Sold support package – information for Contractors and Homeowner”.</p>
On-Sold Application Assessment Pathways	The document was tabled and discussed. No changes noted.
The On-Solds Process for Eligible Homeowners	<p>The document was tabled and discussed. The following was noted:</p> <ul style="list-style-type: none"> ➤ Phase 1: to reflect that a Homeowner may need to provide approval for an advocate/support person will be acting on their behalf. ➤ We have a good relationship with PA and it would be very useful to liaise with her back and feedback to her. ➤ Phase 2: You and your builder should work together. ➤ The engagement of a builder may be too early in the process. And the engagement of specialists should be made by the Homeowner not the builder. ➤ The step process should state ‘these are a list of specialists that you need to consult regarding your repair’. <p>Ongoing discussing with PA on day two of this Committee meeting.</p>
	The meeting closed at 3.31pm.
	The meeting recommenced on Thursday 3 December 2020 at 9.15am.
Minutes of Previous Meeting	<p>The minutes of the CRG Meetings held on 8 October 2020, 2 and 5 November 2020 were presented and discussed with some minor changes noted and agreed. The minutes were then approved as a true and correct record of the meeting.</p> <p>The Banks delay issue to be raised with OP later in the day.</p>
Confirm Agenda	<p>The agenda was confirmed with minor changes noted along with topics for RT was discussed. AJ apologised for delays in some areas that she had been delegated to complete. There had been extenuating situations which were out of her control however they were progressing.</p>
Review of Day 1	No items raised.
	Jane Bryden joined the meeting.
Action Log – final review	<p>Jane Bryden summarised and updated the meeting on action items.</p> <p>AJ advised that there were some items marked as complete but we are still experiencing some issues with. JB agreed some issues appropriate carried forward for HOAG consideration and she would be happy to discuss and agree with the HOAG Chair.</p> <p>AJ updated spreadsheet directly at the meeting, however the following items were noted for specific importance to the meeting (numbers’ references removed as subsequently renumbered):</p> <p>Issues around EQC training. All the manuals, modules, apps, toolbox trainings introduced by EQC appears to show EQC is listening to CRG advice. However, there is no visibility to see the outcomes, that they are correctly being understood, embedded and consistently actioned. PM noted that if EQC staff training is correct and right, CRG wouldn’t be needed. This is a repetitive issue over the previous years. DL to raise with KT.</p> <p>AJ raised the website ‘settled.govt.nz’ and suggested EQC could aligned to this as it is very useful tool.</p> <p>[] JB to note this. CRG thought there has been no proof of changes in a lot of areas.</p> <p>CRG requested a copy of the legal guidance be made available as part of our final minutes online. Question: the description of damage in the legal guidance should be used in the On-</p>

	<p>Solds communications package description of damage, cognisant of case law since it was drafted. However, this now transfers to HOAG as CRG finishes today.</p> <p>JB to ask “In what circumstances can EQC use full and final”?</p> <p>JB to review and update list and agree with HOAG Chair items to be carried forward.</p> <p>AJ to email the CRG the list as at today’s close of meeting.</p>
	<p>Pip Andrews joined the meeting.</p>
<p>On-Solds Information package</p>	<p>Noted that DT met with PA last night and those discussions will be taken as updated.</p> <p>The On-Solds Process for Eligible Homeowners:</p> <p><i>Phase 1:</i></p> <ul style="list-style-type: none"> ➤ Need to be a box that a claimant/owner or support person needs to work with them. <p><i>Phase 2:</i></p> <ul style="list-style-type: none"> ➤ Hyperlink to NZILE. ➤ Homeowner needs to engage the specialist directly not through the builder so the Homeowner owns the reports. ➤ Engage a builder etc - note some items need to be re-ordered, PA to look at this. ➤ No. 5 add “ready for the building consent to be submitted”. <p><i>Phase 3:</i></p> <ul style="list-style-type: none"> ➤ AJ noted that QS should sit alongside the builder not separately. ➤ There is no mention of rebuild so change wording to ‘reinstatement’. <p><i>Phase 4:</i></p> <ul style="list-style-type: none"> ➤ Glossary would be helpful and make it clear and noted at the beginning of the document that it’s on the back for reference. Consideration needs to be given to all relating documentation. ➤ Remove “your” and add “once the building consent has been issued”. ➤ If you as the Homeowner wants to do any variations, you need to liaise with the builder and EQC. This needs to be added further up in the process and should also include co-funding. <p>Government on-sold support package – information for contractors</p> <ul style="list-style-type: none"> ➤ PA advised that this would go out with the Homeowners package to give to their specialists. PM stated that the heading needs to be changed to “Homeowners’ instructions/guidelines to give to specialists” or the likes. The wording within the document needs to be then pitched to the audience, a re-word needs to take place. ➤ Settlement Specialists external to EQC have no responsibility to the EQC Act, wording needs to be careful how this is written so no push back from specialists. ➤ Discussion around payment of invoices and discussion around payments that the Homeowner should discuss with EQC if they have any concerns to help clarify. ➤ A Glossary would be helpful in this document. ➤ Add a fee-proposal when going to contractors for them to forward to EQC for approval. ➤ Page 4 area needs to be written. DL spoke to specific clarifications and how this area needs to be correct and the examples need to be clearer and layout order to be rearranged. HOAG to follow up. <p>AJ to email document to PA with other review items noted.</p> <p>On-Sold application Assessment Pathways</p> <ul style="list-style-type: none"> ➤ The note at the bottom in blue, needs to be highlighted and moved to the top ➤ DL asked that ‘if passed from related parties it’s not eligible’ – to be added into the Eligibility area. ➤
	<p>Sid Miller joined the meeting</p>
<p>IRM, CRG voice going forward</p>	<p>SM advised that EQC was committed to the GCCRS HOAG process going forward, and noted that GCCRS had confirmed the format of HOAG as one meeting bi-monthly for two hours. JB confirmed that any issues that need more time, will be reviewed on a case by case basis and can be raised via Darren when Agenda items are called for. HOAG has its own Terms of Reference, however EQC will consider issues that the ex-CRG members raise.</p>

	<p>JB asked that the CRG members engage genuinely in the agreed process and take it one meeting at a time and see how it plays out.</p> <p>IRM – SM raised his concern regarding the John Goddard article and its lack of accuracy and endorsed the ICNZ response as more accurate. He further noted that nothing changes in terms of the EQC Board responsibility under the EQC Act. Understanding all the detail is hugely important along with lessons learned over years of experience, and that the claimant has been at the heart of it all. It won't be perfect, no process can be, but it will be better than we have had in the past.</p> <p>SM discussed the overall process and the avenues for customer complaint and review, and protection.</p> <p>General discussions with SM and the CRG:</p> <p>The 'old' claim numbers are coming down; there are pockets of areas that still concern, which EQC is working on and challenging the theories behind such and how we get a resolution for the claimants.</p> <p>TM questioned the monitoring of behaviour. SM confirmed that monitoring is progressed through surveys and this is visible right through to Board level. There is a clear audit framework in relation to settlement processes, and specific settlement specialists' processes will be included and therefore there will be good oversight in tracking what EQC are doing within the Act.</p> <p>TM raised the flooding issue and EQC. SM advised that the article which TM was referring to was work completed by the Government and the change in the 1/100-year to 1/20-year flooding issues. It's now up to Government to respond to that and the report.</p> <p>PM queried regarding what if the insurer under the new IRM model fails to perform and after repeated inquiring did not improve. What are the consequences and how would it be handled? SM confirmed that there are processes in place to deal with such a scenario, including that EQC has the ability to take those claims back and handle them in-house.</p> <p>AJ thanked SM for all his attendance at the CRG meetings and also noted that KT and PA appear to be working together well and the training focus is pleasing to see.</p> <p>SM thanked the CRG for its input over the past two years into improved EQC performance.</p>
	<p>Sid Miller left the meeting and Olivia Payne joined the meeting.</p>
<p>Southern Response / EQC Claims Management Process</p>	<p>Olivia provided a summary of the Southern Response (SR) EQC Claims Management process as follows:</p> <ul style="list-style-type: none"> ➤ 1051 where SRES is the insurer, of those 389 are On-Solds, 114 are Over-cap and 101 in November are in OP's space. EQC space equates to 78 and remaining come from SRES claims when they came across in January. Post settlement 52. ➤ OP's department are paying Cap where possible and working out the SR liability separately. There are some issues around these but are being working through. ➤ Aged claims in OP's space are at 86 which is approximately 67% of target for February. ➤ Pre 2017 are now settled leaving 'Aged claims' between post 2017 pre 12 months. PA asked for an in-depth dispute breakdown and OP will provide this. ➤ AJ asked if the Government is going to communicate any information to the public around the class action as CRG members are receiving a lot of questions around it. OP will feed this back but is not in a position to speak for the Government. ➤ No feedback received regarding the Banks hold up. EQC putting funds into a Trust Account in interim. ASB is taking approximately 3-4 weeks and if they are not satisfied what the claimant is doing with the funds, the bank is withholding funds. DT advised that Insurers are going to look at withdrawing insurance if the work required is not taken out. <p>Christmas Break – SRES staff back 5 January.</p>
	<p>Olivia Payne left the meeting.</p>
<p>National Reference Group (NRG)</p>	<p>JB gave an update on progress of the NRG:</p> <ul style="list-style-type: none"> ➤ The EQC Board has agreed a draft Terms of Reference.

	<ul style="list-style-type: none"> ➤ Stakeholder engagement process is progressing. ➤ Calls for nominations for members is progressing, along with her recommendations. ➤ CRG input in consideration. ➤ First meeting likely to be first quarter 2021.
	Jane Bryden left the meeting and Richard Templar and Helen Davidson joined the meeting via Zoom. Difficulties with technology meant that RT joined by phone and HD was able to hear the conversation but not able to comment.
Engineering NZ (EngNZ)	<p>AJ welcomed and congratulated RT on the new role and gave a brief update on the purpose of the meeting and introduced attendees.</p> <p>DL gave a brief update over the past 18 months and around the engineering issues and engineering response on claims and how CRG have been trying to assist the EngNZ Executive with a template and the Letter of Engagement. EQC are advertising the template on their platforms also. CRG would like to help EngNZ with their brand and suggested organising a webinar to give visibility of issues that engineers are still struggling with.</p> <p>RT agreed with CRG that constructive communications to help settle claims and welcomed a proposal for a webinar along such discussions.</p>
General Business	AJ thanked the Committee for their work over the past two years.
Closure	The meeting closed at 3.30pm.