

**MINUTES OF THE MEETING OF  
 THE BOARD OF THE EARTHQUAKE COMMISSION**

**Held via MS Teams  
 9.00am to 4.00pm, Wednesday 13 October 2021**

**Present:**

Mary Jane Daly (Chair)  
 Erica Seville  
 Alastair Hercus  
 Emma Dobson  
 Fiona Wilson  
 Scott Lewis  
 Ruth Dyson  
 Alister James

**In attendance:**

Sid Miller, Chief Executive Officer  
 Tina Mitchell, Chief Strategy Officer  
 Kate Antonievich, Chief People Officer  
 Fraser Gardiner, Chief Financial Officer  
 Jaron Shaw, Chief Data Officer  
 Josh Lindsay, Chief Readiness Officer  
 Jo Horrocks, Chief Resilience Officer  
 Kate Tod, Head of Canterbury Claims  
 Privacy ██████████, Head of Risk Financing  
 Hamish Wall, Head of Performance & Reporting  
 Privacy ██████████, Head of Communications  
 Privacy ██████████, Head of Policy and Government Relations  
 Privacy ██████████, External Legal Support  
 Privacy ██████████, Propero Observers  
 Privacy ██████████, Manager Office of the CE (Secretariat)

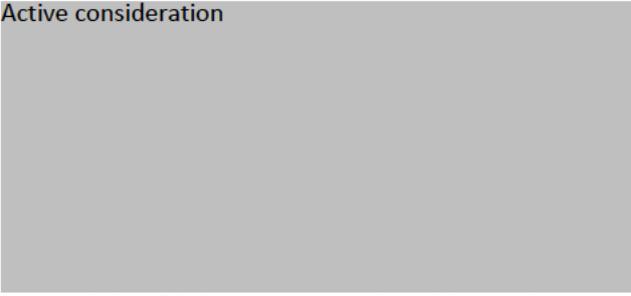
**Apologies:**

Nil

*The meeting was declared open at 9.00am*

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
<b>Section 1</b>	<b>Board Governance</b>		
<i>Commissioners joined the meeting at 9.00am</i>			
	<b>Board Only</b>		
<i>Sid Miller joined the meeting at 9.15am</i>			
	<b>Board and CE Only</b>		
<i>Tina Mitchell and Privacy ██████████ joined the meeting at 9.40am</i>			
<b>1.1</b>	<b>Present and Apologies</b> The Board: a) noted there were no apologies received.		
<b>1.2</b>	<b>Interests Register / Declaration of Conflicts of Interest</b> The Board: a) received an addition from Emma Dobson for the interests register;		

	<p>b) noted the potential conflict for Alastair Hercus for item '2.10 Southern Response Agreement' as his firm has done work on agreement for SRES. This is considered mitigated as Alastair has had no knowledge or involvement in this work; and</p> <p>c) noted the conflict for Alister James for item '2.10 Southern Response Agreement' as he is Chair of SRES. He excused himself from the discussion and any decisions.</p>		
1.3	<p><b>Confirmation of Board Minutes – 1, 8, 13 and 22 September</b></p> <p>The Board:</p> <p>a) approved the Board minutes from 1, 8, 13 and 22 September 2021 as true and accurate records subject to the amendments discussed.</p>		
1.4	<p><b>Ratification of eVote 8 September 2021</b></p> <p>The Board:</p> <p>a) Legally privileged</p>	Legally privileged	
1.5	<p><b>Matters Arising and Action Points</b></p> <p>The Board:</p> <p>a) noted the updates to the Action Points.</p>	Management to note that action B857 was not completed as initially reported, but was expanded into a wider review.	
1.6	<p><b>Proactive Release of Redacted Board Minutes – 1 and 28 July 2021</b></p> <p>The Board:</p> <p>a) approved the proactive release of redacted board minutes – 1 and 28 July 2021, subject to the amendments discussed.</p>		
<i>Kate Antonievich joined the meeting at 9.56am</i>			
1.7	<p><b>Health, Safety, Security and Wellbeing Performance Report</b></p> <p>a) noted the summary of HSSW incidents/near miss, Injuries Requiring Medical Attention (IRMA), and Lost Time Injuries (LTI), provided in this report for August;</p> <p>b) noted the update on HSSW Work Programme delivery; and</p>	<p>Management to update the Board in November on the recommended vaccination approach with EQC, contractors and insurance partners. Progress updates to be provided to the Chair at the weekly CE/Chair meetings.</p> <p>Management to report back on private insurers' approach</p>	

	c) noted the update on the EQC Covid-19 Response activity.	during alert level 3 for property assessments.	
<i>Kate Antonievich left the meeting at 10.23am</i>			
<b>Section 2</b>	<b>Strategic Priorities</b>		
<b>2.1</b>	<b>Chief Executive’s Report</b> The Board: a) noted the Chief Executive’s Report for August 2021.	Management to follow-up on the Dispute Resolution work with the Chair, Ruth Dyson and Alastair Hercus.  Management to arrange a tour for the Board of the new EQC office on 3 December with focus on on-site security.  Management to arrange a site health and safety visit on 3 December.	
<i>Commissioners breaked from 10.45am to 11.00am</i>			
<i>Kate Antonievich and Privacy joined the meeting from 11.00am</i>			
<b>2.2</b>	<b>EQC name change</b> The Board: a) noted the further information provided on the technology, branding and legal implications of a name change; b) discussed the transition roadmap outlined in this paper; c) discussed the options for re-branding during the transition phase (from late 2022); d) Active consideration e)  f) agreed that EQC adopts an updated logo when the name is changed, accompanied by a significant communications campaign.	Management to prepare a risk assessment of the transition plan including how this would be affected by a large event.	
<i>Privacy and Kate Antonievich left the meeting at 11.27am</i>			
<b>2.3</b>	<b>Draft Whāinga Amorangi plan</b> The Board:		

	<p>a) <b>approved</b> EQC's Whāinga Amorangi Plan for 2021-22 for submission to Te Arawhiti, subject to amendments discussed.</p>		
<p><i>Fraser Gardiner and Privacy [redacted] joined the meeting at 11.32am</i></p>			
<p><b>2.4</b></p>	<p><b>Act Modernisation</b></p> <p>The Board:</p> <p>a) <b>noted</b> the progress on the modernisation of the EQC Act, including the change in the expected introduction date for the Amendment Bill;</p> <p>b) <b>agreed</b> to recommend to the Minister:</p> <ul style="list-style-type: none"> <li>• Active consideration [redacted]</li> <li>• [redacted]</li> </ul> <p>c) <b>noted</b> that Treasury is seeking further policy decisions from the Minister on two technical issues Active consideration [redacted]</p> <p>d) <b>noted</b> that EQC is currently working with Treasury to review the first draft of Active consideration [redacted] in the Amendment Bill; and</p> <p>e) <b>agreed</b> that if required, subject to this review, EQC should seek further policy decisions from the Minister Active consideration [redacted]</p>	<p>Free and frank [redacted]</p>	
<p><i>Fraser Gardiner and Privacy [redacted] left the meeting at 11.50am</i>  <i>Privacy [redacted] and Pip Andrews joined the meeting at 11.50am</i></p>			
<p><b>2.5</b></p>	<p>Legally privileged [redacted]</p>	<p>Legally privileged [redacted]</p>	

	Legally privileged	Legally privileged	
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*Tina Mitchell, Privacy and Pip Andrews left the meeting at 12.43pm*  
*Commissioners broke from 12.43pm to 1.15pm*  
*Jaron Shaw and Josh Lindsay joined the meeting at 1.15pm*

<b>2.6</b>	<p><b>Transformation update</b></p> <p>The Board:</p> <p>a) <b>noted</b> the progress that has been made across the Transformation Portfolio in the attached dashboard;</p> <p>b) <b>noted</b> that the overall portfolio status is at amber due to:</p> <ul style="list-style-type: none"> <li>• schedule pressures and the recognition of associated change impacts on our people as we implement large system changes;</li> <li>• resourcing challenges in recruiting and retaining SMEs and project personnel with the</li> </ul>	<p>Management to provide link to IDC awards to Commissioners.</p> <p>Management to report back on the approach to key scenarios from information security incidents and cyber-attacks.</p> <p>Management to confirm timeframes for levy assurance using exposure data.</p>
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	<p>appropriate skill set required to deliver specialised work;</p> <ul style="list-style-type: none"> <li>• delay in commercial support agreements for the use of PRUE reinsurance renewal; and</li> <li>• risks associated with On-solds post settlement completion of building work.</li> </ul> <p>c) <b>noted</b> the updates provided in this paper covering:</p> <ul style="list-style-type: none"> <li>• successful completion of the Insurer Response Model early life support period;</li> <li>• the confirmed Technology Roadmap cost/benefit profile;</li> <li>• the FMIS project status including associated risks, issues and mitigations; and</li> <li>• the status of the Decommission, Security Enhancements, and Office365 projects; and</li> </ul> <p>d) <b>noted</b> that all portfolio risks are being managed with no Board intervention required.</p>		
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*Tina Mitchell joined the meeting at 1.43pm*  
*Jaron Shaw and Josh Lindsay left the meeting at 1.52pm*

<b>2.7</b>	<p><b>Speak Up Policy Review</b></p> <p>The Board:</p> <p>a) <b>noted</b> that the People and Culture Board Committee has endorsed the attached Speak Up Policy for Board approval;</p> <p>b) <b>approved</b> the revised Speak Up Policy; and</p> <p>c) <b>noted</b> the next steps that will be actioned, subject to Board approval for the revised Speak Up Policy.</p>	<p>Management to report back (via CE report) on the uptake/ use of the various SpeakUp channels.</p>	
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*Jo Horrocks joined the meeting at 1.54pm*

<b>2.8</b>	<p><b>Resilience Update</b></p> <p>The Board:</p> <p>a) <b>noted</b> the update provided and progress made on implementation of the EQC Resilience Strategy for Natural Hazard Risk Reduction.</p>		
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*Fraser Gardiner and Privacy joined the meeting at 2.16pm*

<b>2.9</b>	<p>Active consideration</p>		
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	Active consideration		
<p><i>Jo Horrocks, Fraser Gardiner and Privacy left the meeting at 2.24pm</i></p> <p><i>Commissioners broke from 2.24pm to 2.40pm</i></p> <p><i>Alister James excused himself for item '2.10 Southern Response Agreement' due to a conflict of interest</i></p> <p><i>Hamish Wall and Kate Tod joined the meeting at 2.40pm</i></p>			
<b>2.10</b>	<p><b>Southern Response Agreement</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) noted the single cohesive Crown settlement process that has been developed;</li> <li>b) noted the performance measures that will be implemented to monitor the performance of both parties;</li> <li>c) agreed to extending the Agreement for a further two years and EQC remaining as Agent to settle SRES claims;</li> <li>d) agreed to the proposed changes outlined in the amended Agreement;</li> <li>e) Legally privileged</li> <li>f) noted the Minister needs to be consulted before changes can be made to the current Agreement;</li> <li>g) delegated approval to the Chair to sign the amended Agreement once the Minister has been consulted; and</li> <li>h) noted the current Agreement expires on 21 October 2021.</li> </ul>		
<p><i>Alister James joined the meeting at 2.52pm</i></p> <p><i>Pip Andrews and Josh Lindsay joined the meeting at 2.52pm</i></p>			
<b>Section 3</b>	<b>Performance and Reporting</b>		
<b>3.1</b>	<p><b>EQC Performance Report to 31 August 2021</b></p> <p>The Board:</p>		

	<p>a) noted that this paper complements the EQC Performance Dashboard and the IRM Performance Report and provides qualitative commentary on performance to support the quantitative information shown in the documents noted under points 2a and 2b;</p> <p>b) noted that, the IRM Performance Report provides details of new claims lodged with insurer partners from 30 June 2021 (the commencement date of the NDRA). The EQC Performance Dashboard reports overall SoPE Performance and provides details of historical claims managed by EQC (including all Canterbury and Kaikoura event claims). We will continue to report on this basis for FY21-22;</p> <p>c) noted that because the scope of the IRM Performance Report is limited to claims loaded with our insurer partners from 30 June 2021, some of the metrics are not yet available due to the timeframe for measurement. Impacted measures have been assigned a grey status denoting that they are 'not yet reportable'. Refer to paragraph 30 for indicative timeframes for metrics that are not yet reportable;</p> <p>d) noted that the EQC Performance Dashboard                  Commercially sensitive                  [REDACTED] will be published on EQC's external website by 15 October 2021; and</p> <p>e) noted the exceptions and potential/realised issues outlined within both the EQC Performance Dashboard and IRM Performance Report.</p>		
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*Josh Lindsay, Kate Tod, Pip Andrews and Hamish Wall left the meeting at 3.05pm*

<b>Section 4</b>	<b>Financial and Risk</b>		
4.1	<p><b>Financial Reporting – August 2021</b></p> <p>The Board:</p> <p>a) noted the accompanying August 2021 Financial pack;</p> <p>b) noted the following comments on the August financial performance:</p>		

	<ul style="list-style-type: none"> <li>i. Reported Surplus is above forecast levels (\$6.8m);</li> <li>ii. Net premium revenues were below forecast levels (\$0.5m);</li> <li>iii. Net Claims expenses were \$4.4m below forecast, driven by lower BAU claim costs;</li> <li>iv. Net Corporate Centre costs (BAU) were below forecast (\$2.8m) as the August forecast included additional funds to align the forecast to the actual loss on transfer of GeoNet assets (YTD forecast loss now aligns to the actual loss incurred); and</li> <li>v. Cash and Investments held at 31 August were \$216m. The cash-flow forecast anticipates that On-Sold's claim payments will increase significantly over the next few months resulting in the NDF balance declining to below \$170m by the end of November.</li> </ul> <p>c) noted the Audit and Risk Committee endorsed the updated Statement of Investment Policies, Standards and Procedures at its 31 August 2021 meeting, noting management will review the policy again at the completion of the investment strategy work with the Board; and</p> <p>d) approved the updated Statement of Investment Policies, Standards and Procedures</p>		
<b>Section 5</b>	<b>Board Committee Updates</b>		
	No updates.		
<i>Sid Miller, Tina Mitchell and Privacy left the meeting at 3.10pm</i>			
<b>Section 6</b>	<b>Board Only</b>		
<b>6.1</b>	<b>Meeting review</b> The Board: <ul style="list-style-type: none"> <li>a) discussed the meeting and provided feedback to the Chair.</li> </ul>		
<i>Commissioners left the meeting at 3.15pm</i>			
<i>The meeting closed at 3.15pm</i>			
	The next meeting is to be held on 02 December 2021.		

	<p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ <u>02 Dec 2021</u></p> <p>Mary Jane Daly                      Date</p> <p>Board Chair</p>		
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