

Claimant Reference Group Agenda

19th September & 20th September 2019

Date: 19th September 2019

Time: 9am - 4pm

Location: Ministry of Business, Innovation and Employment, 161 Cashel Street, Christchurch

Attendees

CRG Members:
Tom McBrearty
Mel Bourke - 10.10am left the meeting & returns at 12.10pm
Dean Lester
Phillipa Moore
David Townshend
Jo Petrie
Ali Jones
Linda Ngata

Guests: Renee Walker, Pou Havea, Sid Miller, Rachael Walkinton, Baden Ewart

Minute Taker: Linda Ngata for the first agenda item & Pou Havea for the remainder of the day

Agenda Items – THURSDAY 19th September 2019

#	Item	Time	Notes
1.	Welcome & housekeeping Reminder of Conflicts of Interest		
1.1	Confirm today's agenda	9.00am	
2	Approve August meeting minutes	9.05am	
3	Renee and Sid business update	9.30am	- ex-gratia for on-solds update - any other updates from the business
	Morning Break	11am	
4.	Rachael – Public ed and TOV update	11.15am	
5.	Record of advice document	11.30pm	CRG Only
	Lunch	1pm	
6.	Review of year to date	1.30pm	Tom to facilitate – groups review of work completed and record of advice document
	Afternoon break	2.30pm	
7.	Looking back – Tom to cont. Review of year to date	2.45pm	Tom to facilitate – groups review of work completed and record of advice document
8.	Meeting closure	4pm	

Minutes 19th September 2019

1. Confirm today's agenda – Linda Ngata as minute taker

After a brief discussion regarding the email sent to EQC from Dean Lester on 16th September 2019 re: assessment costs (CHE) vs repair costs" the meeting agreed that this item be added to the agenda and be raised with Sid Miller and Renee Walker during their session

The meeting also agreed to the following:

- That time be put aside on today's agenda for the CRG to structure the questions to Chris Sommerville
- That Ali Jones forward these questions to Chris Sommerville by the close of business to day

2. Approve August meeting minutes

The meeting resolved that these minutes be accepted as a true and correct record

Moved: Ali Jones

Seconded: Phillipa Moore.

Carried

The meeting confirmed that the Matters Arising from these minutes will be addressed in the current Agenda. No additional matters to add.

3. Renee and Sid Business update – Pou Havea as minute taker

Renee Walker, Sid Miller and Pou Havea enter meeting at 09.35am

- Ali advises that the meeting will be recorded as Linda is taking minutes on behalf of the group and they would like to ensure everything is captured
- Ali that the group feel like they have been forgotten and undervalued due to a minute taker not being made available for their meeting
- Pou apologised for this and advised that Hudson, who sorts this for them have found it hard this month due to Angela and Annika resigning from being able to take minutes
- Pou offered to take minutes for the group as previously offered to Tom
- Group happy with this

On-Sold – over-cap Policy

Renee advised that herself and Sid met with the Minister yesterday and have met several times over the last month.

Summary of discussion between Renee and members:

Renee provided update on the EQC being able to now administer the On-Sold property as they had received the ministerial direction to allow the EQC to do so.

- Team Leader of the On-Sold team that has been set up in the past week: Pip Andrews who has come from Vero with a vast amount of experience
- To date, EQC have received 270 registrations of interest
- The EQC see this as a social policy that is about ensuring that the work is done
- EQC are still working through the details of how the policy will be administered. It may be through a project manager as they're not wanting to get too involved in the building side of it
- Renee mentioned that this is about leveraging third party assessors, using a range of models with people we trust
- The EQC are trying to make the process as easy as possible for homeowners. They will work with homeowners to get an agreed methodology and figuring out the way forward from there. The EQC accept that they won't be able to get to agreement with some homeowners and or resolve their issues through this policy
- The EQC are looking at the possibility of using Kingston to review the quality of work – this is the company that IAG used but will need to be looked into further
- The EQC have a lot of customer groups, majority of people want to be lead through the process. We need to be able to lead different and accommodate to different customer groups. For the homeowner and understanding what are their needs. Claim managers are going through negotiation training this week. It is about figuring out what is right for the customer
- Renee confirmed: Ex-gratia (the Policy) covers under-scoped and/or mis-scoped damaged
- Renee confirmed: Temporary Accommodation: EQC currently does this and will cover this: as long you meet the ex-gratia policy

Dean - Explanation of what Renee has described as the process to help the understanding of the group: the cracks of it is having a PM that sit on the project and they are providing fortnightly report and they are not involved in risks, in Health and Safety(HS). Really important that the Project Manager(PM) is not touching HS. That is the builders job. They have a basic set up, fortnightly reporting, building submitting their costs, meeting every two weeks , updates in relation to timeline, confirming with homeowner, variation and prices and possible any further information that EQC needs.

Questions that exists:

- how do we get that visibility to the homeowner? It may be that every second meeting
- Question for EQC or insurer, how do we get this information?
- Where does the cost lie?
- Does the insurer need to be involved as well? Do they need to be in contact if there s already homeowner who understands and has been on site

Action: No actions from Renees On-Sold update

Sid: Reinsurance update

Sid has recently returned from meeting with reinsurers overseas for their 6monthly update which has been really positive. There was a big focus on this on-solds issue

Mel 10.10am left the meeting

Sid talks through the following points:

- We buy 6 billion dollars' worth of reinsurance
- Positive story – they (reinsurers) like the open and transparent approach. We provide them examples of our loss modelling
- RMS – AIR: two models – try predict EQ and their impact (loss modelling). RMS and AIR are international, cover all-natural hazards and are for all reinsurers
- We (EQC) have our own loss models for planning, estimate claims and cost (Minerva) which focuses on Earthquakes
- The model is only an indicator – then they try put a price on what the annual premium is and then look at the return
- When I say looking good means we are retaining confidence that they (reinsurers) are still going to support EQC

David: what you said is inconsistent to what someone has reported in court (the lawyer)

Sid: the way reinsurance works is that they will look at NZ whether they will support it. Some will have a low risk tolerance, they will come in and out

- 4 billion work of reinsurance for Canterbury
- our reinsurance programme is at 6 billion today

Dean: We shouldn't focus on what a lawyer is saying. It is not "fact"

Group thanks Sid for his update

CHE vs. Repair Costs:

Dean: we have addressed this issue 8months ago – my frustration is that we have addressed this and it is still going on.

- Limitations in reports
- Professional indemnity insurer
- Structural engineer can only be engaged by one person and cannot cover both

Renee: In the last restructure, we moved the technical people into teams but it is not working. I want the builder model in place. I am sorry.

Phillippa: is it worth a communication to staff that structural reports by EQC cannot be used by the homeowner?

Renee: the dispute is the methodology. If the dispute is over it, this is where it becomes an issue. I am sorry, I acknowledge this is still an issue.

Sid: we are not shying away from the adversity that comes with downsizing or creating a Canterbury programme that actually works for homeowners

Renee: What we have focused on is enduring settlements, the issue was the way they tried to close the programme in the past. I can see that people are getting tired in this space and how we manage this

Phillippa: What is the capacity that EQC allows for smaller events?

Renee: 5000 internally, 100,000 externally – ensuring that our future model is able to do this in the high complex area

Renee advised that she needs to be at another meeting at 11am but has confirmed that the Board Meeting is on the 30th September at the EQC offices. Renee acknowledged the groups 12 months is nearing in October and Sid can talk more to this.

Pou confirmed that invite will be sent to group for 12pm for the Board Meeting on the 30th.

Action: Pou to send invite to group for Board Meeting on 30th September

Morning Tea: 11am – Renee Walker Exits and Rachael Walkinton enters meeting

Meeting recommences at 11.20am

Post October

Sid provides update to the group post October. It is time we take a future focus as HOAG will focus on Canterbury but we need to start thinking at a more national level.

Sid covers and asks the group the following:

- How do we do this moving forward?
- We are open to your input
- We're looking at a more national context as HOAG has a very Canterbury focus
- We need to pull together a scope for that, will be similar but more focused
- Other bit is then linking to research, broader EQC, public education
- Our thoughts are to move to that space (above)
- We need to run a process of selection to come on to that group – we need to look to get representation to cover a broader context
- We need to ensure that we cover the broad context

Tom: In Auckland, is there an under-representation of insurance

Rachael: Nielson may be able to provide this information– will ask team member

Ali: there is a need for something to balance ICNZ. I believe that there should be a department of insurance. They have an insurance commissioner

Sid: For us, we cannot become a lobby group and perform that role.

Phillippa: are there pockets of different ethnicities that are insuring with insurers back home and getting left out of the EQC realm?

Sid: not sure we have that data. We would need to work with them to figure out the best way forward

Linda: The muslim community is an example of how we had to learn and figure out how to work and take their culture into consideration when working with them

Sid: Can I ask you of a group to think about this as a natural perspective and think about the scope that could possibly be in place?

Ali: we only have one meetings left. Some of the group wont be part of that & then there will be a loss of knowledge

Sid: there will be a seamless transition into the next group

Linda: if those that do not want to be part of it, can we part of the interview group?

- Do we extend for 3months?
- Do you have any thoughts?

Phillippa: I don't think relying on the HOAG will address the issues we raise

Ali: this groups needs to remain Canterbury focused for the next 6months

Sid: how do we not lose focus on the current issues.

- What would a proposal for a transition be?
- How do we do that?

Dean: if there was a transition, it needs to go into March

- We have always struggled to do two day meetings
- Could be a national focus in November

Phillippa: what experience and expertise will a natural level group bring?

Phillippa: will Minvera be available to the public?

Sid: To council yes at one point, but there is a risk at sharing it on a micro level. How applicable is it at a individual level?

David: my core issue is that we have raised issues and it hasn't changed

Sid: it takes time to transition things down at levels and we acknowledge this

Sid Miller exits meeting at 12pm

Action: Group to think about where they see the group heading post October and what this looks like and what this looks like using questions from Sid and other points raised via CRG:

- How do we do this moving forward?

- We are open to your input
- We're looking at a more national context as HOAG has a very Canterbury focus
- We need to pull together a scope for that, will be similar but more focused
- Other bit is then linking to research, broader EQC, public education
- Our thoughts are to move to that space (above)
- We need to run a process of selection to come on to that group – we need to look to get representation to cover a broader context
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4. Rachael – Public ed and TOV update

On-Sold Public Education and Tone of Voice – Rachael Walkinton

- Rachael and Phillippa: there will be three different campaigns
 1. People who might be in already
 2. 12month lodgement period – ends 14th August 2020
 3. Conducting due diligence: we need to work with partners with this and get buy in from law society (property section), ICNZ (eng nz, master builders). We want to work with a small group to craft a message and then use their networks to distribute the messages

Mel returns: 12pm

Ali: we need to focus the messages on the buyer and the impact of not doing due diligence

- Recommendation: propose that this extends to all areas that have had EQC act as their agents Dean moves & David seconds

Dean: Includes ANY reports, not just EQC reports, not just drainage or building reports should be queried and examined

- Homeowners need to know what questions to ask
- Non-disclosure agreements – looks like there is still a claim but there is not a claim
- EQCs role needs to be saying 'this is our liability' and this is where it stops
- Missing link is the real estate agents
- "Buyer beware" vs. due diligence

Lunch: 1.20pm – Rachael exit

Group recommenced at 2.12pm

- David raised that there were a lot of outstanding issues that EQC have yet to respond to and the group would like a response as October is coming near
 - Michael Hayward: OIA response – Renee to respond – media article
 - Update on figures – reopening vs closing – to provide to the group
- Pou advised that she would follow up on these for the group

Action: Pou to provide response for outstanding actions list

5. Record of advice document

Record of Advice

- On-sold letters: no name, generic email, generic phone-number
- Something new happens that they have to do quickly and they revert back to what they did so badly.
- There will be people that find that they need to fix their homes
- Group asked who created the document – Tom confirmed that it was created by himself and Pou
- Pou advised that the document was created using the actions list and the previous
- Dean advised that the document should reflect the actions and Pou advised that the reason the document was created was because the group had asked for something that they could share publicly and didn't see the value in including the action list numbers as no one would know what these meant
- Mel advised that previous minutes were quite hard to identify what the issues raised were and acknowledged that this may be why the advice section of the document was copied and pasted
- Pou advised that the value that the group can bring to this document is clarifying what the key issues were and inputting where they think the progress from EQC currently sits. The document is just at a very draft stage and we are open for input and feedback

Election process – are we confident that this is still being offered?

- Non-disclosure settlement that EQC does: couple offered full and final settlement 3days before the policy announcement.
- *Group then went through the document and the changes requested are listed on the document itself. Some key points raised as follows:*
 - For the group to be able to follow the document, include the action list number the issue relates to and reference the date of the minutes
 - It should be made clear which issues were brought to CRG by EQC and which issues the CRG raised themselves

Jo made comment to the agenda item tomorrow where Chris Somerville is coming to present to the group and that they group should move to focus on this so that they are prepared

6. Review of CRG progress

Ali: Do we have a media release to speak about the on-sold work? Perhaps a joint media release with key messages to support

- Group agreed

Action: Ali to draft media release tonight and then bring back for the group to review tomorrow. This can then be shared with Rachael

Group then moved to discuss questions for Chris Somerville for tomorrow's meeting.

1. How many cases has he heard
2. Where have they come from? Courts?
3. Do you think you need to be resourced to promote uptake and visibility?
4. How do you get there? Costs? Willing or forced?
5. Ramifications with relation to appeal?
6. How are points of law going? Any instances?
7. Elect and repair costs – how would you address this?
8. At what stage of the process are they settling?
9. What is the benefit in no hearing?
10. What mechanisms are there in the choice of experts?
11. Are you relying on the panel or are you seeking professional advice more broadly and if so, where from?

The meeting closed at 4pm

Claimant Reference Group Minutes

Date: Friday 20th September 2019

Time: 9am-3.45pm

Location: Ministry of Business, Innovation and Employment, 161 Cashel Street, Christchurch

Attendees

CRG Members:
Tom McBrearty
Mel Bourke – joined at 11.20am
Dean Lester
Phillipa Moore
David Townshend
Jo Petrie – left at 1.50pm
Ali Jones
Linda Ngata – left at 1.05pm

Minute Taker: MC Nahe

Guests: Baden Ewart, Martin Connell, Greg Wilson

Apologies: Pou Havea

Agenda Items

#	Item	Time	Notes
1.	Welcome & housekeeping		
1.1.	Confirm today's agenda	9.00am	
2.	Tribunal update – Chris Somerville	9.45am	
	Morning Break	10.45am	
2.	Tribunal update – Chris Somerville cont.	11.05am	11.20am Mel joins the meeting
	Lunch	1.05pm	Jo/Linda left the meeting
3.	Letter of Engagement – review	1.45pm	
3.1	Letter of Engagement – Discussion with EQC	2pm	Baden, Martin & Greg Wilson
4.	Drainage update	3.15pm	Baden, Martin & Greg Wilson
	Meeting closure	3.45pm	

Tracking for future meetings

Item outline	Action required	Person or group responsible & Action Date for reply
Future of CRG	EQC to advise	Renee/Sid
Tone Of Voice	Will these training sessions be linked to Performance management?	Renee/Sid
Meeting actions	Any actions/issues to be recorded, timeframes added and followed-up	CRG
Letter of Engagement	CRG to give further feedback	CRG
Workshop between Baden & CRG	Workshop to be organised	Baden

Drainage data	CRG to be provided info	Baden/Greg
Next meeting	Meeting to be organised on 30/09	Tom

Minutes 20 09 2019

7. Welcome & Housekeeping

a. Confirm today's agenda

Future

What is the future of CRG? What will happen after this meeting?

These questions need to be answered by EQC quickly

Reflections on yesterday

o *David* advises that EQC does not give directions, people do not know what to do

Ali wonders if these are staff related issues = too many of them and too many not skilled enough

David 'You're paid a lot, so you need to provide results'

EQC needs to meet the ACT – the only basic thing to do

o Regarding Tone of Voice – are these behavioural training sessions linked to performance management?

Because the results are not here. When customers reopen a claim, the homeowner always has to be push for results.

EQC is fixing the culture with Tone of Voice but the results are still not there

In all the time CRG group has existed, results should have shown by now.

Ali asks *Dean* if you were in charge, what would you do differently?

- He would recognise the point of CRG-Customer focused advisory group
- Retrain the EQC staff and ensure they consistently deliver

Few ideas listed on how to be more Solution-Focused

o There is a need for CRG to keep a clear list of what issues have been addressed previously

o Out of all the issues actions provided to EQC, how many were addressed?

- Relying on *Tupou*, she manages the project but does not have the authority to hold people accountable in the business. We need someone with *Renee's* authority as a project manager
- Who is keeping track of them?
- Which issues have been sorted?

o CRG to not repeat their mistakes, need to be more proactive in any future iteration

o Issues to be made clearer, actions attached to issues noted

o CRG to work through the issues, present them clearly and add a timeframe + always follow-up

o CRG needs a project manager, not only a conduit, with a degree of authority to take the issues up

o EQC do not want to say no but there is no follow through, very good at agreeing → reflective of the EQC culture

o *DCE* says yes to everything, sorts issues but she is limited in her powers and work load constraints

o Address the **core** issues, but also the **broad** issues – a project manager with authority is needed (MSH?)

→ *Renee* for 4 hours per meeting would work or someone with her authority

o EQC to make decisions, they can say NO if they provide a reason; if they say YES, then it needs to be addressed in a timely manner

o Tom has requested *Pat Bowler* to be present, this never happened

o Record issues, actions and timeframes

Handling claims:

o This is an Insurance principle – staff have not been educated properly on what happens next

- As a group, did we insist on an answer?

Project manager

- Could we get a resource from EQC? There is a budget allocated for it
- Deal with the top 3 issues, follow-up and make it effective
 - 2015 document
 - Engineering brief
 - CHE's

8. Group in session with Chris Somerville

Due to sensitivity and in respect to Claimants this open discussion was not for Public Record. It (discussion) was used to explain how this judicial approach assisted Claimants and obtained resolution without incurring huge expense by the Claimant.

9. Letter of Engagement

Discussion around the amended EQC letter of engagement

What changes between last discussion and today?

- Feedback we got was great document, happy to adopt it,
 - Baden advises the few changes made were mostly to update the document to EQC and the definitions
- This is an EQC document, Engineering NZ are happy for EQC to use it, Essentially the same template letter

Dean giving his opinion:

- Modified for EQC – good purpose and clarity
- Used for purpose of assessment not to do the work
- Exactly the same template tailored for EQC and their engineers

David – this letter can't be enforced so you feel free to use it or not

Baden's job is to instruct the guys to get the report in the first place

Any engineer report needs to be within the Act

If the HO wants to use the Engineer NZ instructions, EQC will accommodate this.

Baden advises that the plan is to move to a Future operating management – Spend more time upfront and avoid difficulties later on → Move to a more inclusive assessment

Strategy to be transferable after engineer provide the report

Mel interested to know what would the instructions to professionals be in case of a future event in Auckland?

Scope limitations

The true extent of the costs won't be known until you start repairing/ fixing the first issue

Martin agrees that they know while doing this assessment that there are unknowns

It's pretty usual to make allowance for this. If unforeseen issues arise while doing an assessment, the engineer should be contacted. As an organisation we should talk about it more.

Mel – Shift the culture :it's not about the money grab but about the actual repairs needed, keep the trust between the parties

Phillipa wonders if a HO discovers another issue, can EQC provide a timeframe on how long it will take to come and check it out?

All agree that people are forgiving and if you take 2 steps of progress it is seen as action
Not about perfection, it's about coming to the party.
Improve the relationship through consistent process and approach

Document itself – To be updated

Engineering NZ at the bottom of each page

Page 5 – Engineering NZ is stated

+ CRG to provide further feedback as letter was provided quite late

Dean asks why it took so much time to get this letter done.

Martin replies that there was a lot of back and forth e.g. *Martin* contacting Engineering Nz, *Baden* on leave.

A lot of effort is going into trying to educate people at the front end into the limits and avoid taking actions that are outside their authority.

EQC has not had a discipline policy in place, they need QAs, we need to fill the gaps

e.g. Write stuff down, business education

→ *Baden* advises they are moving to a more disciplined way of working but it will take some time

Mel – some reports have outrageous costings vs others. Why so much back and forth with EQC? A lot of money is wasted. How much time do EQC need to use best-practice?

Baden's commitment – as the accountable manager he has a role to play

Onsolds programme

Are EQC doing anything differently with the onsolds programme?

Greg – starting looking at the business process, very customer centric approach, keep the customer happy, efficient/sensible/ good system

CRG – Is there anything we can help you out?

Greg – not at the moment, but you might be needed to give feedback on some decisions

CRG are keen to engage with each other, e.g on how to do it differently

Baden suggests whiteboard sessions, workshop to be organised.

10. Drainage update

8000 claimed for (cash settled) – EQC currently doing a piece to see what has not been repaired

What is the current EQC dataset?

75% of drains checked (62% SCIRT/50% CCC)

EQC have asked for registrations of from contractors, they can only fund up to 100 properties.

Applications close today at 5pm. It should be a 6 – 8 weeks project.

○ Are the range of pvc drains able to stand ground level?

- Vectoring – where do we look? Council have provided infiltrations info
 - *Tom* – asking about the Red Zone – Baden advised all mains have been capped although they do not know if the Public laterals have been capped.
 - *Mel* – asking about contamination. Faecal contamination under veggie garden is not a big deal unless sanitary items are deposited in the toilet.
 - What needs to be done with laterals?
A bit difficult to answer as Council is responsible for connection to the mains
 - *Dean* suggests looking into claims recently lodged (around 70 a month). Baden/Greg advised they are already looking at this.
- Is it possible to get feedback from this research? Yes but not to be disclosed to the public Yes, on a confidential basis as it would all require verification

Baden's notes for the two days:

- What does election mean? (question from *Dean*)
- Baden took into account comments about educational process
- *Ali* asking if it would be considered by EQC to spend time, maybe ½ day, with CRG people working on a specific agenda. Baden agrees to a workshop.
- CRG a bit disappointed that the money went to Tone of Voice, which is great too, but it should have gone more into the claims area, to upskill staff.
- Recording and delivering timeframes

Tom would like to have another meeting on 30/09 and get the tech team attend the morning session. He advised Baden.

The meeting closed at 3.45pm