

Claimant Reference Group Minutes

Date: 28 November 2019

Time: 9am -3pm

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

Attendees

CRG Members:
Tom McBrearty
Dean Lester
Phillipa Moore
David Townshend
Jo Petrie
Ali Jones
Linda Ngata

Minute Taker: Renee Dooley

Guests:

Renee Walker, Bou Havea

Apologies:

Meeting commencement time: 9.10am

Ali arrived: 9.52am

David left the meeting at: 12.10pm and returned at 1.20pm

Agenda Items

#	Item	Time	Notes
1.	Welcome & housekeeping		
1.1	Confirm today's agenda	9.00am	
2	Continue list of achievements	9.05am	
3	Update on education	9.30am	
3.1	Matters arising from CRG members	10.00am	
5.	Poor and deficient assessments	10.20am	
	Morning Break	10.45am	
6.	Jo Presentation	11.15am	
7.	Renee Walker	12.30pm	
	Lunch	1.15pm	
8.	Focus for 2020	2.00pm	
	Meeting closure	3.00pm	

Minutes 28 November 2019

1. Confirm today's agenda

- Addition of last-minute communication from Renee Walker which included 3 attachments. The group agreed to leave it to Renee Walker to discuss when she comes into the meeting later today.
- Update on education programme from Rachel / Phillipa
- Draft media release produced by Ali on behalf of CRG.
- Discussion regarding on-solds prior to Renee's arrival.

2. Continue list of achievements

- Further discussion regarding actions log and process on working on a live document at the CRG meetings in order to correctly capture the achievements. Agreed by group that in its present state, the process involved in the upkeep of the actions list is very time consuming and dealing with things at the time of the meeting is the way forward.

Action: To ensure access to projector / screen for sharing/viewing live action list and updating accordingly at meeting.

- Item 106: response received regarding email of 25 November regarding Pat Bowler was "Please articulate the advice you would like to Pat Bowler". We articulated in email already sent on Monday. This is a soft push away response. Did we provide the right information?

3. Matters arising from CRG members

On-sold discussion prior to Renee joining meeting

- Questions to ask EQC are, is the team the right size and are they the right people? Are there resourcing issues? Are there blockages in the process, is speed an issue?
- EQC appearing to do a lot of work but not what is needed at coalface. Not sure if EQC understanding what happens at coalface.
- What are EQC doing to understand what that enduring and lasting settlement looks like?
- EQC's priority seems to be settlement of 1000 claims. What CRG want and what EQC want is not the same.
- Example of Vero/IAG model discussed – they use their best / highest priority staff in insurance underwriting staff to deal with the largest brokerage companies. Showing trust in stakeholder relationship. This is a long-standing insurance model of matching capability with capability across the board. EQC need to be following this model.

2015 legal guidance reference document for discussion

- The CRG agreed there is a lot of stuff in EQC document – great we have it – it appears that we have achieved a lot because of the work from Monday and recommendations of CRG group.
- Good document, needs to be more widely distributed between staff but needs to be updated. The document and EQC’s interpretation of their Act is good. Is this or could this be an open document?
- Encourage EQC to be transparent with document, not to be afraid to have that conversation with claimants. EQC need to clarify its position with claimants – speed up claims process to clear blockages and resolve claims faster. It is beneficial for both parties to have this and some sort of agreement.
- The last paragraph of the document states that EQC will roll this out in front of the CRG. The CRG agreed it is not acceptable this information has been given one day before this meeting after being left unaddressed for 6 months.
- Should we market document ourselves but say to EQC can we market it together. Tell EQC you haven’t worked with us on this – we can say we will put this out with a press release, claimants need to know this. This is essential information for claimants, and we want to get it to them.

Action: Tom to email EQC as per below

“we have given an email, here is a copy of the email, we have now decided two options either engage or discuss the document with people or we separately submit document as it is. We prefer option 1 – provides transparency, speed up claims handling, may remove blockages, efficient and longer lasting resolution”.

- It seems EQC don’t want to have the discussion or change of focus. EQC focus has become political and results driven for government reporting.

4. Education update

- Phillipa had an informal meeting/catch up with Rachael to speak about the education programme.
- The information given by Rachel was that there would be advertising through radio and press with reminders regarding ex-gratia payments. These will be followed up at 6 months, 3 months and 2 weeks before the cut off deadline.
- There was discussion that this education should be open to any place in New Zealand where there is a natural disaster. It cannot be city specific. The education needs to have a national approach.

- There are to be ad campaigns regarding EQC assessments and marketing. In particular, the difference between EQC scope assessments and pre-purchase assessments by the buyers. The ad campaigns are due to begin in the first week of December and will include content in the Press, banners and video. The duration of the campaign is to be 12 months and will be working with consumer protection regarding adequate pre-purchase due diligence.
- There was general discussion in the group that the important issue is the misunderstanding of the general public as to what is in each assessment and the misrepresentation by some real estate agents, that because the property has had an EQC assessment that is all you need to rely on and the property is in good condition, which is often not the case.
- The question was raised by the group as to the input or lack thereof of the CRG into Phillipa's meeting with Rachael. It was confirmed that the contact with Rachael was discussed at a previous meeting. At the time, the chair believed it was a separate issue rather than part of GCCRS. Phillipa advised it was not a formal meeting but more a push to get feedback before the CRG meeting. It was discussed that Sid had previously asked for Phillipa, Mel and Jo to look at this as part of the action register.
- There was no disagreement between the group about the content of the meeting. But it is important that communication is given to CRG when connecting with a member of EQC or other third parties.
- Jo and Phillipa have followed up with Sid regarding the resilience project and have received feedback from Dr Jo Horricks. A tentative meeting is scheduled for 5 December, when she is next in Christchurch, and provide feedback to the group. There was discussion amongst the group as to what the agenda for the meeting would be, what type of resilience is this? Is it social resilience? Could this link to emergency preparedness? Should Lucy be involved? Would it be better for Dr Jo Horricks to present to the entire CRG? It was agreed that this was an EQC project that CRG needed to have more information about.
- Tom said, Sid asked the group at the time, I am OK that Jo and Philippa take the initial meeting. It has taken time to get this meeting. Can we all meet with her at some stage or we have her at a CRG meeting.
- There was then general discussion surrounding the need to get some understanding/rules about communication with EQC and that it should be done through the CRG. Also, getting third parties to come and present/talk to the group first.

3.1 Poor and deficient EQC assessments

- The group noted Phillipa's comments that Rachael said the on-sold issue has been discussed with MP electorate staff, the Law Society but more work to be done with real estate agents and Real Estate Institute.

- The CRG agreed they could go direct to Real Estate Institute and discuss with them. Get a list of things that people should be looking for regarding damage in a house. Emphasise that they need to know the risk they are taking on and consequences. People don't know what to look for. There is not enough time - 10 working days to get building reports completed. Often due diligence not done because of high cost to purchaser.
- Phillipa advised that she had initial discussion with Rachael on this topic where she advised Rachael that CRG have people with this expertise. The group noted Philippa's initial discussion with Rachael but agreed now the response to this needs to come from CRG. Solve these issues or we will put out a media release to resolve them. We communicated with EQC on 24 Aug 2019 that when are you going to advertise the fact that people need to do due diligence.
- The group discussed and agreed that the group needs to see what they (EQC) are saying and then give a written response to what they are releasing. The CRG should ask for copies of the presentations given to the public, Real Estate agents and the Law society. Ali's media release to be used as a template for the response to be issued from CRG.
Action: Tom to send an email to EQC "we are disappointed not to see these communications and need to see this immediately. this is aimed at homeowners we represent homeowners we need to see these presentations ASAP".
- There could be the assumption that all damage was properly found, repaired or need to know what is to be repaired. EQC need to acknowledge that they got it wrong. They can't push it on the public or Real Estate agents.
- EQC should be saying ...this why on-sold programme exists. The EQC scope doesn't identify all the damage that may have occurred as a result.
- There is no category for enduring and lasting settlement not recognised as being a way to have the claim resolved. No way before the election that these claims will be solved. Need to have category included being "we have dealt with those claims".
- EQC settling outside of the Act
- EQC sees enduring settlements because full and final settlement. Have EQC twisted enduring to mean full and final settlement?
- are on-solds on the 1000 claims.
- are they doing cash settlements, or are the works being completed by claimant?

Draft media release produced by Ali on behalf of CRG and emailed to CRG for review

- Ali sent email to CRG group with a draft media release.

- Reason for draft release was because Renee is meeting with CRG today. It seems that EQC's entire focus has turned to 1000 claims. The CRG believes there has been an obvious change of focus on the part of EQC to the detriment of the claimant.
- The group discussed the media release at length and amendments and typographical errors were noted. The draft release was updated during the meeting.
- Thought was given to the emphasis on "enduring settlements" and what that means to claimants and EQC. EQC settlements should be enduring so that the house is correctly and fully repaired, and it doesn't return as a re-repair.
- It was agreed not to release the media release until the CRG have seen the EQC's presentations.

4. Presentation by Jo

5. Renee Walker

- Talking points for Renee and CRG are the attachments to Renee's email sent to the CRG on 27 November.
- The group advised Renee that the monthly dashboard seems to have relevance. Renee advised the dashboard available on website.
- Renee - the reinsurers, on behalf of Lloyds, completed a spot audit and found no issues. Renee has done her own spot audit and come to the same conclusion. The only thing that reinsurers have concern about is that they will not continue to support claims expenses. Not concerned about numbers, re-opening or insurance finalisation. Concerned about level of resource and claims handling expenses. Message was keep going way you are versus message from Board that it is going too long, shut it down, set up 1000 claim to focus on this.
- Renee - Not paying more to fight versus settlement. Tribunal takes 8 months to get a result which is not a good outcome for Crown. Full and final settlement is best for the customer and Crown. Importance is net closures and enduring claims. The number of re-opening claims is decreasing and claim settlements increasing.
- Renee responded to the CRG questions on aged claim reviews – the Ministry is saying that it is what is being done to help customers move on and get them on settlement pathway. Not about closing claims and expected closures.

- CRG asked can we be assured closed claims are being correctly closed? Can we have visibility that this not rushed. Renee – The auditor is confident to go to London to say he is confident to carry on claims closing process. We can share audit report with you.
- CRG are concerned with houses being fixed as an outcome for the majority of claims. Cash settlement means housing stock remains unfixed. Homes not repaired correctly become housing stock creating legacy for future. Renee – agreed that best result is repair but said it is not what homeowners want. Renee- settlement specialists are saying “if there is no way to settle claim then put it into construction”. That number is not going up...customers don’t want it. There are very few open claims in construction.
- The CRG asked Renee about the survey process. What happens when information they have is incorrect? How does that get reported to EQC? Renee – the survey is completed by a market research company in another region, she agreed their method was sloppy.
- Are on-solds included in the figures provided on the dashboard? Renee – no, not until over cap it is in there.
- The CRG asked Renee... do you record on open claims profile the number of open claims that are in the settlement phase and is there any way that it is recorded the claims are construction or cash settlement. Renee - Board do not go into that depth anymore. Board want to know higher level.
- CRG noted major shift in focus. CRG has major concerns on new direction and on return to what was being done before
- CRG worried enduring for EQC is “off the books” not enduring for the customer. Renee – that’s not EQC intention.
- Renee – feel CRG group feedback overly negative. MPs offices and all other audiences seem to be positive.
- Renee - there is no pressure from government to take harder stance. On-solds will cost what they cost. EQC erring on side of customer.
- insurance companies have had rough dealings with homeowners. Public have lumped EQC with insurance dealings.
- Do EQC have claimants that have had a positive experience that will agree to endorse the EQC experience that CRG can market? How do CRG support EQC in a way that does not dismiss its role for the homeowner.
- Renee – how do we give you visibility? This is why we are providing the dashboards.

- Renee - eligibility criteria for on-sold. The discussion from last meeting led to immediate change. Media around eligibility criteria is driven by treasury.
- CRG noted EQC difficulty reaching out to Real Estate Agents and lawyers. We have experience and network. We could have helped.
- onsold – what is the difference between EQC assessment/pre-purchase? EQC need to be a bit more upfront “there is a mixture, not all bad, but not all good”.
- CRG noted that we will support and help you to do better, but we need to be involved at an earlier stage.

Update on onsolds

- Renee - More resourcing has been put in place.
- Renee – inquiry report to be received by EQC by 17 December, response due January 2020.
- Board meeting January 2020 to discuss strategic priorities, timeframes, roadmap (what is happening and when)

6. Review focus for next few months

- Look at dates for January/February. Next meeting date pencilled in for 27 January 2019.
- Pat Bowler – dates for meetings check availability for Pat Bowler. Discussion amongst the group that we need to get someone to look over the document and discuss with us. This has been requested but the feedback was we need to provide some questions for them to consider and answer.
- Letter from group to EQC (possibly involve MBIE and CCC) ... we as a group are unanimous with relation to enduring the information we have is about repair and that we continue to believe that it is a pathway that should be followed. We need to support and compliment the areas that are good and highlight areas that need to be addressed. We need to do it in a way that is supportive of the culture with consistent application of EQC to the act and its obligations to the claimant.
Action: Tom to draft letter and send to group to review.
- Impact the public by giving them the knowledge. Put information out there so people have the choice. “We strongly recommend you have your house checked regardless” We need to get the coverage. Claimants have not heard our wisdom. Look at 5 years down the track. This is what you must do. We know the information, but a claimant doesn’t know. Need to convey that message to the public.
- Look at a road map for homeowners doing repairs and buyers beware. General discussion was that this is happening in lots of different places (MBIE, Consumer NZ, GCCRS, EQC etc.) and none of these roadmaps are touching base with anything new.

- Get a copy of the report and EQC response Renee referred to. We know that the report is coming, we need to give momentum to what is right. Renee said there is to be a board meeting between Christmas and New Year. Should the CRG meet in December? That is dependent on getting an advanced position. Ask for response to board before then. If we could get a copy of the report when it becomes available on 17 December, the CRG could hold a meeting on 18 December. If we are unable to get a copy of the report or letter of response from EQC then CRG meeting in December not worthwhile.
- They confirmed that they are moving forward via recommendation with “one EQC”. Ali – politicians taking over. P – what is the point if public are taking cash. We need to educate.
- The question arose and was discussed within the group that “with the current settlements that EQC are progressing with claimants, if the claim is settled under the Act up to the cap, and then there are ex gratia payments outside the Act, does the claimant still have the ability to return to EQC for additional repair costs”. The group agreed that CRG should raise this question with Renee.

Action: Tom to email question outlined below to Renee.

Having heard you have achieved this outstanding result, could you please advise, of those settlements from November how many were full and final? Also, how many of those allow for the claimant to return should repair costs exceed what EQC has paid?

The meeting closed at 3.00pm