



**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held at Majestic Centre, 100 Willis Street, Wellington  
Tuesday 1 May 2018 commencing at 9:30am**

**Present:**

Dame Annette King (Chair)  
Mary-Jane Daly  
Alison O'Connell  
Gordon Smith  
Paul Kiesanowski  
Tim Hurdle

**Apologies:**

Roger Bell

**In attendance:**

Sid Miller, Chief Executive  
Trish Keith, Chief Customer Officer  
Scott McHardy, Acting for the General Counsel  
Chris Chainey, Chief Financial Officer  
Heidi Barlow, GM Canterbury Business Unit  
Renee Walker, GM Govt Relations & Strategic Partnerships  
Jayne Lapin, GM People, Culture and Change  
Hugh Cowan, GM Resilience  
Paul Jepson, GM Technology  
9(2)(a) [REDACTED], Senior Legal Advisor  
9(2)(a) [REDACTED] (by phone) & 9(2)(a) [REDACTED] (Aon Benfield)  
9(2)(a) [REDACTED], Treasury  
Hon Megan Woods, Minister for the EQC  
9(2)(a) [REDACTED] Private Secretary to Minister Woods  
9(2)(a) [REDACTED] DPMC  
9(2)(a) [REDACTED] (EA to CE) – Minutes

The meeting was declared open at 10:54am

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
<b>Section 1</b>	<b>Board Governance</b>		
	<i>Commissioners only (in committee) at 9.30am</i>		
	<i>Commissioners and CE at 9:50am</i>		
	<i>Hugh Cowan, Trish Keith, Chris Chainey, Renee Walker, Heidi Barlow, Paul Jepson, Jayne Lapin, Scott McHardy, 9(2)(a) [REDACTED] and 9(2)(a) [REDACTED] joined the meeting at 10.54am. 9(2)(a) [REDACTED] joined the meeting at 10.56am by phone.</i>		
<b>1.1</b>	<b>Present and Apologies</b> The Board: a) <b>noted</b> that an apology was received from Roger Bell 9(2)(a) [REDACTED]		
<b>1.2</b>	<b>Interests Register/Declaration of Conflicts of Interest</b> The Board:		

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	<p>a) <b>noted</b> the updated interests register;</p> <p>b) <b>noted</b> that Paul Kiesanowski is now Company Secretary for City Care Ltd and is no longer Acting CFO; and</p> <p>c) <b>confirmed</b> there were no other conflicts of interest advised for matters on the agenda for the meeting.</p>		
<p><b>1.3</b></p>	<p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) <b>noted</b> the information provided in the report including the details of each incident (where provided);</p> <p>b) <b>noted</b> there has been one incident of major significance reported in March 2018 for EQC recorded incidents, with critical risk rating;</p> <p>c) <b>noted</b> the verbal update on measures underway, and being planned, to address staff wellbeing and stress;</p> <p>d) <b>noted</b> that Management will look at organising a day in Kaikoura for Board members to both conduct a health and safety visit and join in community meetings.</p>	<ul style="list-style-type: none"> <li>• Management to look at organising a day in Kaikoura for Board members to both conduct a health and safety visit and to join in planned community meetings.</li> <li>• Management to clarify the differences in Table 1 and Table 2 of the Health and Safety Report and advise Board members.</li> </ul>	
<p><b>Section 2</b></p>	<p><b>Strategic Priorities</b></p>		
	<p><b>9(2)(a)</b> [REDACTED] and <b>9(2)(a)</b> [REDACTED] joined the meeting at 10.54am and 10.56am respectively</p>		
<p><b>2.1</b></p>	<p><b>Firm Order Terms for Reinsurance Programme (moved up the agenda)</b></p> <p>The Board:</p> <p>a) <b>noted</b> the consultation with Treasury and Management’s review of placement assumptions for risk financing undertaken since March to inform the reinsurance premium budget and likely terms for programme placement;</p> <p>b) <b>9(2)(j)</b> [REDACTED]</p> <p>c) [REDACTED]</p>		

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	<p>9(2)(j)</p> <p>d)</p> <p>e)</p> <p>f)</p> <p>g) <b>acknowledged</b> the effort of the Aon Benfield team and Management in putting together this proposal; and</p> <p>h) 9(2)(j)</p>		
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9(2)(a) and 9(2)(a) left the meeting at 11.18am

<p><b>2.2</b></p>	<p><b>CE Report</b></p> <p>The Board:</p> <p>a) noted the contents of the CE Report;</p> <ul style="list-style-type: none"> <li>i. Proactive Release of Board Minutes;</li> <li>ii. GeoNet Advisory Panel;</li> <li>iii. 9(2) (f) (iv)</li> <li>iv. Technology Update;</li> <li>v. Loss Modelling Capability Development Programme; and</li> <li>vi. Government Relations and Strategic Partnerships Update.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to provide a paper updating the GeoNet Advisory Panel’s work on governance and administration to the 28 May 2018 Board meeting. <b>28.5.18</b></li> <li>• Management to provide a Stakeholder Relationship Report at the 28 May 2018 Board meeting. <b>28.5.18</b></li> <li>• Management to provide a updated Technology report advising progress on the recommendations in the Tenzing Review at the 28 May 2018 Board meeting. <b>28.5.18</b></li> <li>• 9(2) (f) (iv)</li> <li>• Management to consider an external review of scenario testing with EQC and private insurers.</li> </ul>	
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		<ul style="list-style-type: none"> <li>• 9(2)(f)(iv) [REDACTED]</li> <li>• Management to review and revise the redacted minutes from the Board meeting held on 26 March 2018 and re-circulate to the Board before uploading to the EQC website.</li> <li>• Management to review the impact of releasing Board minutes to the EQC website at the end of November 2018.</li> </ul>	
<p><i>The meeting broke for lunch at 12.20pm.</i></p>			
<p><i>The meeting resumed and Minister Woods, 9(2)(a) [REDACTED] (Private Secretary to Minister Woods) and 9(2)(a) [REDACTED] (DPMC) joined the meeting at 12.38pm.</i></p>			
	<p><b>Attendance at the Board Meeting by Hon Megan Woods</b></p> <p>The Board;</p> <p>a) <b>noted</b> the verbal update provided by Minister Woods on issues affecting EQC.</p>	<ul style="list-style-type: none"> <li>• Management to write to the Minister regarding our requirements on timing for proposed changes to the EQC Act.</li> </ul>	
<p><i>Minister Woods, 9(2)(a) [REDACTED] and 9(2)(a) [REDACTED] left the meeting at 12.56pm and 9(2)(a) [REDACTED] joined the meeting.</i></p>			
<p><b>2.3</b></p>	<p><b>On-Sold Properties Update</b></p> <p>The Board</p> <ul style="list-style-type: none"> <li>• 9(2)(h) [REDACTED]</li> <li>• <b>noted</b> that management will be meeting with Treasury and Crown Law officials on Tuesday 24 April 2018 to progress this issue;</li> <li>• <b>noted</b> that management have offered Treasury all necessary support to help it through the development of policy options including, but not limited to, our external</li> </ul>		


	<p>legal and actuarial advisors;</p> <ul style="list-style-type: none"> <li>• 9(2)(g)(i)</li> <li>•</li> </ul>		
<p><b>2.4</b></p>	<p><b>Insurer Finalisation Update</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) 9(2)(j)</li> <li>b)</li> <li>c)</li> <li>d)</li> </ul>	<ul style="list-style-type: none"> <li>• Management to provide a report to the Minister on the direction that negotiations with Insurers on finalisation are heading.</li> </ul>	
<p><b>2.5</b></p>	<p><b>Statement of Intent and Statement of Performance Expectations</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) <b>noted</b> that following feedback at the March Board meeting Management has reconsidered the wording of the strategic outcomes and is presenting options for each outcome for the Board’s consideration;</li> <li>b) <b>agreed</b> which wording should be used for each of the strategic outcomes. This will then be included in the Sol and SoPE;</li> <li>c) <b>noted</b> that an extension in timeframe for the Sol and SoPE documents is no longer available following further Treasury advice on 16 April.</li> </ul>		

	<p>This means that EQC is bound by the timeframes in the Crown Entities Act and is required to provide the Minister with a draft by 1 May and a final version by 30 June;</p> <p>d) <b>noted</b> that Management, with the Chair's agreement, has established a revised timetable requiring the Board to undertake an initial review of the documents at the 1 May meeting, ahead of distributing a draft to the Minister the same day; and</p> <p>e) <b>provided</b> feedback on the initial drafts of the Sol and SoPE.</p>		
<b>2.6</b>	<p><b>Information and Communication Technology Update</b></p> <p>The Board:</p> <p>a) <b>noted</b> the findings of this report by management on the understanding that an update complete with a plan to address the gaps in the key capability areas will be presented at the June Board meeting;</p> <p>b) <b>endorsed</b> the use of the IT CMF framework as a base to assess and track the development of EQC's ICT capability going forwards;</p> <p>c) <b>noted</b> the recommended next steps; and</p> <p>d) <b>noted</b> that there will be regular updates on information and communication technology noting the risks, timeframes and tracking of progress will provided at Board meetings</p>	<ul style="list-style-type: none"> <li>• Management to provide a regular update on information and communication technology which notes the risks, timeframe and tracking of progress.</li> </ul>	<b>28.5.18</b>
<b>Section 3</b>	<b>Financials and Risk</b>		
<b>3.1</b>	<p><b>Delegations Framework Review and Update</b></p> <p>The Board:</p> <p>a) <b>approved</b> the amendments to the Claims Delegations to reflect the implementation of the Canterbury Business Unit ("CBU");</p> <p>b) <b>approved</b> the General Counsel to authorise mediation and alternative dispute resolution ("ADR") up to their current settlement limit for payments to mitigate a genuine risk of liability;</p> <p>c) <b>approved</b> the wider amendments to the Corporate, Legal and Communications Delegations Framework in relation to mediation and ADR; and</p> <p>d) <b>noted</b> that the General Manager Canterbury Business Unit now has full General Manager</p>		

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	delegations and specific delegations previously delegated exclusively to the Chief Customer Officer.		
<b>3.2</b>	<b>Update on Section 16 Discussions with Treasury</b> The Board: a) 9(2)(g)(i) b) c) d) e) f) g) h) i) j)	<ul style="list-style-type: none"><li>• 9(2)(g)(i)</li></ul>	<b>28.5.18</b>



	<p>9(2)(g)(i)</p> 		
<p><i>Paul Kiesanowski left the meeting at 2.35pm</i></p>			
<p><b>3.3</b></p>	<p><b>Financial Reporting</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) <b>noted</b> the accompanying March 2018 Financial pack &amp; Investment Report;</li> <li>b) <b>noted</b> the actual financial results are compared against the BEFU budget approved by the Board in March 2018;</li> <li>c) noted the pack includes a new page titled “Claim Related Non-Standard Payments” which details Claim Related non-standard payments this financial year; and</li> <li>d) <b>noted</b> that the following comments on March’s financial performance: <ul style="list-style-type: none"> <li>i. Month revenue is higher than budget (\$0.1m) mainly due to higher premiums revenue.</li> <li>ii. Core costs are lower than budget (\$0.3m) for the month. This is mainly driven by lower workforce expenses (\$0.5m) partly offset higher IT spend (\$0.3m).</li> <li>iii. Event costs lower than budget for month (\$1.3m). This is mainly due to lower than planned resourcing levels in Canterbury (\$0.5m) and Kaikoura (\$0.1m); together with underspend on engineering costs in Canterbury (\$0.6m).</li> <li>iv. Cash &amp; Investments held at 31 March were \$314m.</li> </ul> </li> <li>e) <b>notes</b> that the cash flow format has been updated to reflect the proposed cash flow template provided to Treasury in the Section 16 Funding agreement.</li> </ul>		
<p><b>Section 4 Performance</b></p>			
<p><b>4.1</b></p>	<p><b>EQC Performance Dashboards</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>b) <b>noted</b> that following feedback at the March meeting, Management have revised the</li> </ul>	<ul style="list-style-type: none"> <li>• Management to change the format of the Dashboard so that the data is visually larger.</li> </ul>	<p><b>28.5.18</b></p>



	<p>performance reporting to provide one overall dashboard which provides information on how the organisation is tracking against its operational and Enterprise change objectives;</p> <p>c) <b>noted</b> that the Enterprise Change Programme section of the dashboard is the reporting tool to the Board on EQC’s change activities;</p> <p>d) <b>note</b> that this paper accompanies the EQC’s Executive Dashboard to 31 March 2018 and provides qualitative commentary on performance to supplement the information shown in the dashboard;</p> <p>e) <b>noted</b> that as the transition from CMS v4 to v8 occurs and continuing progress is made in regards to data management, the dashboard will be revised. This is predominantly expected to be in regards to Canterbury data; and</p> <p>f) <b>provided</b> feedback on the new format and requested that the Dashboard data be larger to make it more readable.</p>		
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9(2)(a) joined the meeting at 3.15pm.

<p>4.2</p>	<p><b>Legal and Litigation Report</b></p> <p>The Board:</p> <p>a) 9(2)(h)</p> <p>b)</p> <p>c)</p> <p>d)</p> <p>e)</p>	<ul style="list-style-type: none"> <li>• 9(2)(h)</li> <li>•</li> <li>•</li> </ul>	<p>28.5.18</p>
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9(2)(a) left the meeting at 3.39pm

<p><b>5.1</b></p>	<p><b>Matters Arising and Action Points</b></p> <p>The Board:</p> <p>a) <b>noted</b> all action points</p>		
<p><b>5.2</b></p>	<p><b>Confirmation of draft minutes for Board meeting held on Tuesday 26 March 2018</b></p> <p>The Board:</p> <p>a) <b>confirmed</b> the draft Minutes of the meeting held on Tuesday 26 March 2018 as a true and accurate record;</p> <p>b) <b>requested</b> Management to release these minutes to the EQC website once the appropriate redactions have been made.</p>		
<p><b>6.</b></p>	<p><b>Correspondence of Interest</b></p>		
<p><b>6.1</b></p>	<p><b>Correspondence of Interest</b></p> <p>The Board:</p> <p>a) 9(2)(g)(i)</p> <p>b)</p>		
	<p>The next meeting is to be held on 28 May 2018 in Wellington</p> <p>The Meeting closed at 3.44pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____</p> <p>Dame Annette King      Date</p> <p>Interim Board Chair</p>		