

**MINUTES OF THE MEETING OF
 THE BOARD OF THE EARTHQUAKE COMMISSION**
 Held in the Wairarapa Room, Majestic Centre, 100 Willis Street, Wellington
 11.00am – 4.00pm, Monday 24 June 2019
AGENDA

Present:

Sir Michael Cullen (Chair)
 Alison O’Connell
 Paul Kieranowski
 Tim Hurdle
 Erica Seville
 Toni Ferrier

Apologies:

Mary-Jane Daly
 Paul Jepson, DCE – Operations

In attendance:

Sid Miller, Chief Executive
 Chris Chainey, Chief Financial Officer
 Renee Walker, Deputy Chief Executive – Canterbury and External Affairs
 Jayne Lapin, General Manager - People, Culture and Change
 Benesia Smith, Head of EQC Inquiry Team
 9(2)(a) Deputy Head of EQC Inquiry Team
 9(2)(a) Senior Advisor
 9(2)(a) Senior Advisor
 9(2)(a) Treasury
 9(2)(a) QC - via VC
 9(2)(a) Manager Insurer Finalisation/Dispute Resolution
 9(2)(a) Executive Assistant to the Chief Executive (Minutes)

The meeting was declared open at 11:00am

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
Section 1	Board Governance		
	<i>Commissioners only (in committee) at 11:00am</i>		
	<i>Commissioners and Chief Executive only at 11:10am</i>		
	9(2)(a) (EQC) joined the meeting at 11.15am.		
1.1	Present and Apologies The Board: a) noted the apologies received.		
1.2	Interests Register/Declaration of Conflicts of Interest The Board: a) noted the updated interests register and confirmed there were no other conflicts not declared;		
1.3	Board Governance Manual The Board: a) noted that the Board Governance Manual has been updated to reflect the Earthquake	<ul style="list-style-type: none"> Management to incorporate the minor amendments from the Board and redistribute by evote.. 	

- Commission's current strategic, operating, statutory and policy environment;
- b) **noted** that there have been no fundamental changes to the content and structure of the Board Governance Manual;
 - c) **approved** the updated Board Governance Manual;
 - d) **noted** that the Board Governance Manual will be added to the Corporate Policies Register and reviewed on an annual basis.

1.4 Health, Safety and Wellbeing Report

The Board:

- a) **noted** there were 31 incidents reported in May, none of a critical nature;
- b) **noted** there were no Medical Treatment Injuries (MTI) in EQC;
- c) **noted** the ongoing progress of mental health and wellbeing initiatives;
- d) **noted** the update and actions taken and planned to improve our peoples safety
- e) **noted** that the Board will receive updates on the progress of the management actions via the monthly Health, Safety and Wellbeing report.

Section 2 Strategic Priorities

2.1 Chief Executive's Report

The Board:

- a) **noted** the contents of the paper provided on:
 - i. EQC Act Review
 - ii. Statement of Performance Expectations Update
 - iii. Claimant Reference Group update
 - iv. Event Readiness – Cabinet paper
 - v. Organisational Change proposal
 - vi. Wellington Insurance Forum
 - vii. Review of Ministerial Directions
 - viii. Meeting with Chinese officials
 - ix. Summary of Minister's Earthquake-Related Meetings on her recent overseas trip

9(2)(a) (Treasury) and Chris Chainey (EQC) joined the meeting, at 11:40am.

2.2 EQC Strategic Framework

The Board:

- Management to incorporate minor amendments from the Board discussion.

	<p>a) noted the newly developed draft strategic work programme documents; and</p> <p>b) provided feedback on the identified workstreams, key milestones and the usefulness of these documents</p>	<ul style="list-style-type: none"> For strategic projects management to provide budget tracking to align with Strategic Milestones. 	
<p><i>Benesia Smith and Renee Walker entered the meeting at 12.28pm, Benesia (EQC) left the meeting at 12.37pm</i></p>			
2.3	<p>Canterbury Claims Settlement Update</p> <p>The Board:</p> <p>a) noted the update on claims settlement;</p> <p>b) endorsed the new reporting approach;</p> <p>c) noted the update on initiatives; and</p> <p>d) noted the ongoing optimisation of the Claims Operating Model.</p>	<ul style="list-style-type: none"> Management to segment each of the categories of reopened claims and show historical and future trending by individual category. Management to provide a detailed drainage paper to next Board Meeting in July. 	
<p>9(2)(a) and 9(2)(a) joined the meeting at 12.55pm.</p>			
2.4	<p>Insurer Finalisation Update</p> <p>The Board:</p> <p>a) noted the current work underway in the Insurer Finalisation programme;</p> <p>b) noted the status of each insurer within Insurer Finalisation programme; and</p> <p>c) noted the recent review by one of the reinsurers of our Insurer Finalisation programme.</p>		
2.5	<p>Southern Response update</p> <p>The Board:</p> <p>a) noted the contents of this paper;</p> <p>b) Endorsed the goals described in this paper; and</p> <p>c) Adopted the assumptions related to achieving the goals.</p>	<ul style="list-style-type: none"> Management to confirm meeting between EQC and Southern Response Boards at the 26 August EQC Board Meeting. 	
2.6	<p>Legal Update on key Legal Issues</p> <p>The Board:</p> <p>a) Approve the Gibling case being settled on a “without admission of liability” basis, so that its</p>	<ul style="list-style-type: none"> Management to work with Treasury to develop a Policy approach for implementing the 	

particular circumstances do not distort sound decision which have a wider impact on customers.

decision to settle the Gibbling Case.

b) noted that Treasury have provided separate advice to the Minister Responsible for the Earthquake Commission on the issue of on-solds.

Benesia Smith, 9(2)(a) and 9(2)(a) (EQC) and 9(2)(a) (QC) joined via VC at 2.38pm. 9(2)(a) left the meeting at 2.49pm.

2.7 Inquiry Update – closing submission

The Board:

- a) noted the update on the Public Inquiry;
- b) noted the top 12 lessons that we have identified from the Canterbury earthquake sequence, which will inform the drafting of EQC's closing submission; and
- c) noted the updated draft outline for EQC's closing submission to the Public Inquiry for discussion and feedback from the Board;

9(2)(a) (QC), Benesia Smith, 9(2)(a) and 9(2)(a) (EQC) left the meeting at 3.13pm.

Section 3 Performance and Reporting

3.1 EQC Performance Report – May 2019

The Board:

- a) noted that this paper accompanies the EQC's Board Dashboard to 31 May 2019 and provides qualitative commentary on performance to supplement the quantitative information shown in the dashboard; and
- b) noted that the EQC's Board Dashboard to 31 May 2019 (excluding the Kaikōura sections as well as taking out the near misses information in the Privacy Breaches section) will be published on EQC's external website by 30 June 2019.

Renee Walker and 9(2)(a) (EQC) left the meeting at 3.22pm

Section 4 Financial and Risk Reporting

4.1 Financial Reporting

The Board:

- a) noted the accompanying May 2019 Financial pack;

	<p>b) noted the financial pack provides a summarised view of the month's financial results, with a more detailed financial pack also available in the Resource centre;</p> <p>c) noted that the following comments on the May financial performance:</p> <ul style="list-style-type: none"> i. Month revenue above budget (\$45.5m), largely driven by Crown funding received during the month (\$45.0m). ii. Core costs below budget (\$0.2m) for the month. This is mainly driven by lower workforce expenses (\$0.4m); partly offset by higher Office services costs (\$0.1m) and higher GeoNet costs (\$0.1m). iii. Event costs below budget for month (\$1.2m), mainly due to lower consultancy costs in Canterbury (\$0.6m) combined with the timing of invoicing by private insurers in Kaikoura (\$0.6m). iv. Cash & Investments held at 31 May were \$145m (which includes the latest \$45m of funds received from the Crown). <p>d) approved drawdown of \$40m (plus GST) under section 16 of the EQC Act for the 1st August 2019.</p>		
<p>4.2</p>	<p>Review of Statement of Investment Policies, Standards and Procedures (SIPSP)</p> <p>The Board:</p> <ul style="list-style-type: none"> a) approved the minor changes proposed for the SIPSP; b) noted that no external review of the SIPSP is required this year (2018-19) on the basis that EQC is currently operating from the drawdown of the Crown Guarantee and no investment is occurring. 		
<p>4.3</p>	<p>All of Government Travel Management Services</p> <p>The Board:</p> <ul style="list-style-type: none"> a) noted the contents of this paper; b) approved the Chief Executive's Financial Delegation be able to sign the 'Form of Accession', which will provide EQC with continued access to the 'Generation Two', 		

Travel Management Services Memorandum
of Understanding (TMS).

Section 5 Board Committee Updates

5.1 Reinsurance and Resilience Committee

The Board:

- a) **noted** the verbal update.

5.2 Review of Canterbury Insurance Interactions

The Board:

- a) **noted** the high level overview of the review provided in this paper along with the full list of recommendations;
- b) **noted** that the full report was discussed at the 17 June RRC and can be provided to other Board members upon request;
- c) **noted** that Management will provide the RRC with regular updates on progress against the recommendations made by Aon.

5.3 Review of EQC's Research Programme

The Board:

- a) **noted** the Review of EQC University Research Capability Programmes undertaken by 9(2)(a) and 9(2)(a);
- b) **noted** that following the recent reviews undertaken by 9(2)(a) and 9(2)(a) Management is reviewing the Resilience Strategy and plans to provide an update at the September Reinsurance and Resilience Committee.

5.4 Audit and Risk Committee

The Board;

- a) **noted** the verbal update.

Section 6 General Business

6.1 Matters Arising and Action Points

The Board;

- a) **noted** the updates to the Action Points.

6.2 Confirmation of Board Minutes

The Board;

- a) **confirmed** the draft minutes of the Board meeting held on 27 May 2019 as a true and accurate record.

6.3 Proactive Release of Redacted Board Minutes

The Board:

- a) **noted** that at its meeting in November 2018, the Board indicated a desire to release as much information as possible as part of the proactive release of Board Minutes;
- b) **approved** the public release of the redacted Minutes for its meetings on 30 April 2019;
- c) **noted** that since June 2018 when the Board Minutes began being published on the EQC website there have been 527 page views, with 244 from external sources;
- d) **noted** that since May 2018 when Minutes were first proactively released, EQC has received no specific requests for Board Minutes under the Official Information Act 1982 (OIA); and
- e) **noted** that Management monitors the traffic on the EQC web page in relation to Board Minutes and will continue to provide regular updates to the Board on this.

The meeting closed at 3.35pm

The next meeting is to be held on Monday 29 July 2019 in Wellington.

The Meeting closed at 3:35pm. These minutes were approved by the Board as a true and correct record.

 29/7/19

Sir Michael Cullen
Board Chair

Date

