

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

**Held via MS Teams  
9.00am to 4.00pm, Thursday 17 February 2021**

**Present:**

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

**In attendance:**

Tina Mitchell, Chief Executive Officer  
Emily Watt, Chief Strategy Officer (acting)  
Kate Antonievich, Chief People Officer  
Fraser Gardiner, Chief Financial Officer  
Jo Horrocks, Chief Resilience and Research Officer  
Privacy ██████████, Head of Risk Financing  
Privacy ██████████, Head of Health Safety Security and Wellbeing  
Pip Andrews, Head of On-Solds  
Privacy ██████████, Head of Risk Modelling  
Privacy ██████████, Head of Policy & Government Relations  
Privacy ██████████, Specialist Advisor  
Privacy ██████████, Manager Office of the CE (Secretariat)

**Apologies:**

Nil

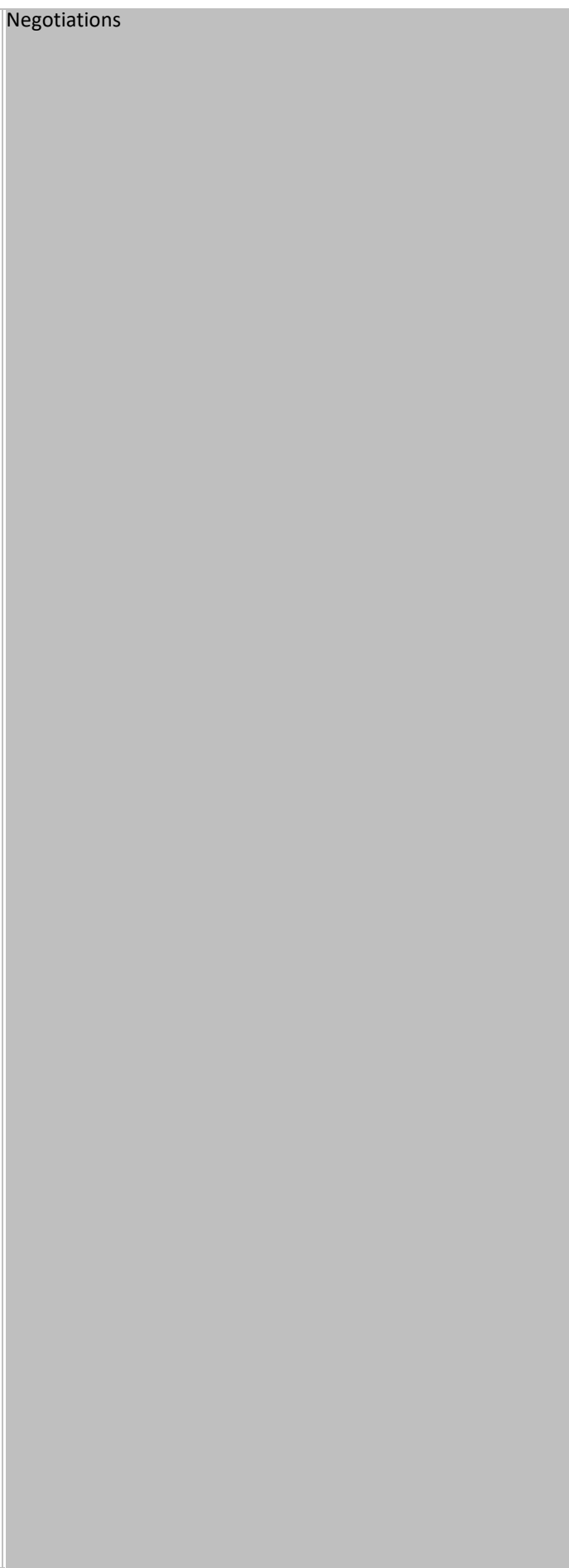
*The meeting was declared open at 9.00am*

|   | AGENDA ITEMS & KEY DISCUSSION POINTS   | ACTIONS REQUIRED | DUE DATE |
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| <b>Section 1</b>  | <b>Board Governance</b>  |                  |          |
| <i>Commissioners joined the meeting at 9.00am</i>                     |  |                  |          |
|   | <b>Board Only</b>  |                  |          |
| <i>Tina Mitchell joined the meeting at 9.10am</i>                     |  |                  |          |
|   | <b>Board and CE Only</b>   |                  |          |
| <i>Emily Watt and Privacy ██████████ joined the meeting at 9.36am</i> |  |                  |          |
| <b>1.1</b>  | <b>Present and Apologies</b><br>The Board:<br>a) noted there were no apologies.  |                  |          |
| <b>1.2</b>  | <b>Interests Register / Declaration of Conflicts of Interest</b><br>The Board:<br>a) noted no changes to the Interests Register. |                  |          |
| <b>1.3</b>  | <b>Confirmation of Board Minutes – 2 December 2021</b><br>The Board:   |                  |          |

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|   | a) approved the Board minutes from 2 December as a true and accurate record subject to the amendments discussed.  |  |  |
| 1.4   | <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 report back to Board with update on GNS funding and improvements since EQC raised queries in 2021.   |  |
| 1.5   | <p><b>Proactive Release of Redacted Board Minutes–13 October 2021.</b></p> <p>The Board:</p> <p>a) approved the proactive release of redacted Board minutes 13 October 2021 subject to the amendments discussed.</p>  |  |  |
| <p><i>Kate Antonievich and Privacy joined the meeting at 9.48am</i></p> |   |  |  |
| 1.6   | <p><b>Health, Safety, Security and Wellbeing Performance Report</b></p> <p>The Board:</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 November and December 2021;</p> <p>b) noted the update on HSSW Work Programme delivery; and</p> <p>c) noted the update on the EQC Covid-19 response activity.</p> |  |  |
| <p><i>Kate Antonievich and Privacy left the meeting at 10.10am</i></p>  |   |  |  |
| <b>Section 2</b>  | <b>Strategic Priorities</b>   |  |  |
| 2.1   | <p><b>Chief Executive’s Report</b></p> <p>The Board:</p> <p>a) noted the Chief Executive’s Report for December 2021 and January 2022.</p>   | <p>Management to provide update on floods in CE report in April instead of as a stand-alone paper.</p> <p>Free and frank advice</p> <p style="background-color: #cccccc; height: 40px; width: 100%;"></p> <p>Management to include Board in an event exercise once</p> |  |

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|  |   | Board has reached its full complement of members. |  |
| <p><i>Commissioners adjourned from 10.25am to 10.45am</i></p> <p>Privacy ██████, Fraser Gardiner and Pip Andrews joined the meeting at 10.45am</p> |   |   |  |
| 2.2  | <p><b>Legal update</b> – Legally privileged ██████</p> <p>Legally privileged ██████</p>   |   |  |
| <p>Privacy ██████ and Pip Andrews left the meeting at 11.50am</p> <p>Privacy ██████ and Privacy ██████ joined the meeting at 11.50am</p>           |   |   |  |
| 2.3  | <p><b>Seeking Board Mandate for 2022/23 Reinsurance Renewal</b></p> <p>The Board:</p> <p><i>External factors affecting the 2022/23 renewal</i></p> <p>a) <b>noted</b> that management and our brokers Aon have been closely monitoring developments in the global reinsurance markets which have continued to harden in the wake of ongoing loss activity in 2021 and growing concerns over the impacts of inflation on losses;</p> <p>b) <b>noted</b> that the increase in the EQC cap from 1 October 2022 will have a substantial impact on EQC’s expected liabilities, including the impact of a large-scale natural hazard event such as a M7.5 Wellington earthquake;</p> <p>c) <b>noted</b> that the cap changes will impact EQC’s renewal strategy over the coming three years as the changes flow through to home insurance premiums over the 12 months from October 2022;</p> <p>Negotiations ██████</p> | <p>Negotiations ██████</p>                        |  |

Negotiations



Fraser Gardiner, Privacy [redacted] and Privacy [redacted] left the meeting at 12.58pm  
 Commissioners adjourned from 12.58pm to 1.30pm  
 Jo Horrocks joined the meeting at 1.30pm

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| <b>2.4</b> | <p><b>Including EQC’s Risk and Resilience Portal with the National Adaptation Plan</b></p> <p>The Board:</p> <p>Free and frank advice</p> <div style="background-color: #cccccc; height: 200px; width: 100%;"></div> <p>c) <b>endorsed</b> a partnership approach with MfE.</p>   | <p>Management to bring any future agreement with MFE on including the portal in the National Adaptation Plan to Board for agreement.</p> |
| <b>2.5</b> | <p><b>Communications and Engagement Strategy</b></p> <p>The Board:</p> <p>a) <b>noted</b> the communications and engagement objectives outlined in this paper;</p> <p>b) <b>discussed</b> the questions provided at the end of each communications category; and</p> <p>c) <b>provided feedback</b> on the proposed coverage of the Communications and Engagement Strategy.</p> |  |
| <b>2.7</b> | <p><b>Introducing a new name for EQC</b></p> <p>The Board:</p> <p>a) <b>noted</b> the timelines for introducing a new name for EQC;</p> <p>b) <b>noted</b> the risk assessment information provided; and</p> <p>c) <b>agreed</b> the transition roadmap outlined in this paper.</p>   |  |

Privacy [redacted] joined the meeting at 2.09pm

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| <p>2.6</p> | <p><b>Act Modernisation: Natural Hazard Insurance Bill Update</b></p> <p>The Board:</p> <p>Legally privileged</p> <p>b) noted the Bill renames the Earthquake Commission to Toka Tū Āke – the Natural Hazard Commission;</p> <p>c) noted the Bill is expected to be submitted to the Cabinet Legislation Committee by 24 February 2022 for discussion at the Committee meeting on 3 March 2022;</p> <p>d) noted any further EQC feedback and further changes to the Bill will be proposed as part of the Select Committee process; and</p> <p>Free and frank advice</p> |  |  |
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Jo Horrocks and Privacy left the meeting at 2.17pm  
 Hamish Wall, Kate Tod and Pip Andrews joined the meeting at 2.17pm

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| <p><b>Section 3</b></p> | <p><b>Performance &amp; Reporting</b></p>  |  |  |
| <p>3.1</p>              | <p><b>EQC Performance Report to 31 December 2021</b></p> <p>The Board:</p> <p>a) noted the contents of this paper, the EQC Performance Dashboard, and the NDRM Performance Report;</p> <p>b) noted that because the scope of the NDRM Performance Report is limited to claims managed by partners from 30 June 2021, some of the metrics are not yet available and have been assigned a grey status;</p> <p>c) noted that the EQC Performance Dashboard Dec-21 will be published on EQC’s external website by 4 March 2022 Commercially sensitive</p> <p>and</p> |  |  |

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|  | d) provided feedback on elements of the report which required clarification.   |  |  |
| <p><i>Hamish Wall, Kate Tod and Pip Andrews left the meeting at 2.24pm</i><br/><i>Fraser Gardiner joined the meeting at 2.24pm</i></p> |  |  |  |
| <b>Section 4</b>   | <b>Financial &amp; Risk</b>  |  |  |
| <b>4.1</b>   | <p><b>Monthly financial pack – December 2021</b></p> <p>The Board:</p> <p>a) noted the accompanying December 2021 financial pack;</p> <p>b) noted the following comments on the December financial performance:</p> <p style="padding-left: 20px;">i. Reported Surplus of \$18.7m is above forecast levels (\$2.2m);</p> <p style="padding-left: 20px;">ii. Net premium revenues were below forecast levels (\$0.2m);</p> <p style="padding-left: 20px;">iii. Net Claims expenses were \$3.9m below forecast, driven by lower BAU claim costs;</p> <p style="padding-left: 20px;">iv. Net Corporate Centre costs (BAU) were above forecast (\$1.8m) driven by timing of project spend and I&amp;A project costs being treated as opex rather than capex; and</p> <p style="padding-left: 20px;">v. Cash &amp; Investments held at 31 December were <span style="background-color: #cccccc;">Commercially sensitive</span> The next quarterly reinsurance payment is due to be made in February, resulting in the NDF balance declining to <span style="background-color: #cccccc;">Commercially sensitive</span> by the end of February and remaining at that level until May 2022.</p> <p>e) noted the update on the Investment Strategy;</p> <p>f) noted the update on investments recently placed with banks. A new slide on investments has been added to the attached financial pack on slide 10;</p> <p>g) approved the attached resolution enabling the Chief Executive and Chief Financial Officer to complete the opening of bank accounts <span style="background-color: #cccccc;">Commercially sensitive</span><br/><span style="background-color: #cccccc;">Commercially sensitive</span></p> <p>h) authorised the attachment of each Commissioner’s electronic signature to the resolution.</p> |  |  |

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| <b>4.2</b>       | <p><b>Delegations Framework Update</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) <b>noted</b> the Chair of the Board was required to provide an approval for the payment of non-resident withholding tax (NRWT) to Inland Revenue on 3 February 2022 as the value exceeded the CE’s delegation;</li> <li>b) <b>endorsed</b> the Chair’s approval of the NRWT payment;</li> <li>c) <b>noted</b> the On-Solds team have been reviewing their delegation structure and processes to manage the increased workload;</li> <li>d) <b>approved</b> the replacement of the existing two tax-related delegations with a single delegation for the payment of PAYE, GST and NRWT to Inland Revenue, authorising the Chief Executive, Chief Financial Officer to approve all relevant payments;</li> <li>e) <b>approved</b> the Tier 3 delegation <span style="background-color: #cccccc; font-size: 0.8em;">Prevent improper gain/advantage</span> for the On-Sold over-cap payments be approved for the <span style="background-color: #cccccc; font-size: 0.8em;">Prevent improper gain/advantage</span> On-Solds; and</li> <li>f) <b>approved</b> the <span style="background-color: #cccccc; font-size: 0.8em;">Prevent improper gain/advantage</span> On-Solds group have delegation to approve On-Sold over-cap payments <span style="background-color: #cccccc; font-size: 0.8em;">Prevent improper gain/advantage</span> for the Crown scheme.</li> </ul> |  |  |
| <b>Section 5</b> | <b>Committee Updates</b>  |  |  |
| <b>5.1</b>       | <p><b>2021 Annual Report of the Audit and Risk Committee</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) <b>noted</b> the annual review of the ARC’s operation and activities for the period 1 January 2021 to 1 December 2021 as assessed by the Committee Members;</li> <li>b) <b>noted</b> that the Committee agreed it has met its obligations under the ToR for the period;</li> <li>c) <b>approved</b> the proposed administrative changes to the ToR, as endorsed by the ARC in its December 2021 meeting; and</li> <li>d) <b>noted</b> that ARC have reviewed and approved the attached 2022 work plan during the December ARC meeting.</li> </ul>  |  |  |



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| <i>Fraser Gardiner left the meeting at 2.35pm</i>                       |  |  |  |
| <b>Section 6</b>  | <b>Correspondence</b>  |  |  |
| 6.1   | <p><b>Response letter to EQC on the NDF Ministerial Direction</b></p> <p>The Board:</p> <p>a) noted Response letter to EQC on the NDF Ministerial Direction.</p>   |  |  |
| 6.2   | <p><b>Letter from</b> Privacy</p> <p>The Board:</p> <p>a) noted Privacy letter.</p>  |  |  |
| 6.3   | <p><b>Letter of Expectations 2022/23</b></p> <p>The Board:</p> <p>a) noted the Letter of Expectations 2022/23.</p>   |  |  |
| <i>Tina Mitchell, Emily Watt and Privacy left the meeting at 2.40pm</i> |  |  |  |
| <b>Section 7</b>  | <b>Other business</b>  |  |  |
| 7.1   | <b>Meeting review</b>  |  |  |
| <i>Commissioners left the meeting at 3.00pm</i>                         |  |  |  |
| <i>The meeting closed at 3.00pm</i>                                     |  |  |  |
|   | <p>The next meeting is to be held on 5 April 2022.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ <u>5 April 2022</u></p> <p>Mary Jane Daly                      Date</p> <p>Board Chair</p> |  |  |