

**MINUTES OF THE MEETING OF
THE BOARD OF THE EARTHQUAKE COMMISSION**
Held at Wairarapa Room, Majestic Centre / via Microsoft Teams
9am to 11.00am, Wednesday 3 February 2021

Present:

Mary Jane Daly (Chair)
Erica Seville
Alastair Hercus
Emma Dobson
Fiona Wilson
Scott Lewis

In attendance:

Sid Miller, Chief Executive Officer
Tina Mitchell, Chief Strategy Officer
Sharlene Taylor, Acting Chief People Officer
Fraser Gardiner, Chief Financial Officer
[REDACTED], Manager Office of the CE (Secretariat) [Privacy]

Apologies:

Nil

The meeting was declared open at 9.00am

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
Section 1	Board Governance		
<i>Commissioners joined the meeting at 9.00am</i>			
	Board Only		
<i>Sid Miller joined the meeting at 9.15am</i>			
	Board and CE Only		
[REDACTED] & Tina Mitchell joined the meeting at 9.20am [Privacy]			
1.1	Present and Apologies The Board: a) noted there were no apologies received.		
1.2	Interests Register / Declaration of Conflicts of Interest The Board: <ul style="list-style-type: none"> noted the interests register and received updates from Commissioners Erica Seville and Emma Dobson. 		
1.3	Confirmation of Board Minutes – 25 November 2020 The Board:		


	a) approved the Board minutes from 25 November 2020 as a true and accurate record subject to the amendments discussed.		
1.4	Matters Arising and Action Points The Board; a) noted the updates to the Action Points.		
<i>Sharlene Taylor joined the meeting at 9.37am</i>			
1.5	Health, Safety, Security and Wellbeing Report – November & December 2020 The Board: a) noted there were five (5) Health, Safety and Security incidents reported in November 2020; b) noted there were six (6) Health, Safety and Security incidents reported in December 2020; c) noted there were no Medical Treatment Injuries (MTI) during this reporting period; d) noted the update provided in this report on progress with delivery of the HSSW Work Programme; e) noted the update provided in this report on the EQC Covid-19 Response; and f) noted the high annual leave balances in the report and encouraged staff to use annual leave for regular breaks.	Management to prepare a session for the April Board meeting on: <ul style="list-style-type: none"> • lessons learned from the Readiness Exercise on 31 March 2021 • the Board’s role in determining strategic issues and stakeholder engagement after an event. 	
<i>Sharlene Taylor left the meeting at 10.02am</i>			
Section 2	Strategic Priorities		
2.1	Chief Executive’s Report The Board: a) noted the key focus areas outlined in the CE Report b) endorsed [REDACTED] to the range agreed by the Board in November 2020 [Commercial sensitivity]	Management to provide the FMA report on the NZX DDoS attacks and provide a summary of any implications for EQC in the CE report.	
2.2	Delegations Framework Update – Realignment Impact The Board: a) noted the updates to DFA outlined in the paper which arose from the realignment that was		

	<p>announced on 2 November 2020 and in line with principle 15 of the Framework; and</p> <p>b) approved the updates to DFA outlined in this paper which arose from the creation of new roles within the Readiness Business Unit, relating to the 2 November 2020 Insurer Response Model announcement.</p>		
<p><i>Fraser Gardiner joined the meeting at 10.27am</i></p>			
Section 3	Performance and Reporting		
3.1	<p>EQC Performance Report to 31 December 2020</p> <p>The Board:</p> <p>a) noted that the paper accompanied EQC's Executive Dashboard to 31 December 2020 and provided qualitative commentary on performance to supplement the quantitative information shown in the dashboard;</p> <p>b) noted that EQC's Executive Dashboard to 31 December 2020 (excluding the section pertaining to Kaikōura and information relating to near misses in the Privacy Breaches section) will be published on EQC's external website by 15 February 2021; and</p> <p>c) noted the exceptions and potential/realised issues outlined within the paper.</p>	<p>The Board requested that the ARC do a deep dive on privacy breaches, including any opportunities within new systems EQC is introducing.</p>	
Section 4	Financial and Risk		
4.1	<p>Financial Pack December</p> <p>The Board:</p> <p>a) noted the December 2020 Financial pack, which was presented in a revised format (as presented to ARC in November 2020)</p> <p>b) provided feedback on the revised reporting format to the CFO for incorporating into the next edition;</p> <p>c) noted the following comments on the December financial performance:</p> <ul style="list-style-type: none"> • Revenue for the month was above forecast (\$0.2m), largely due to higher premiums revenue. • Core operating costs (BAU) were largely in line with forecast. This is primarily due to lower workforce expenses (\$0.6m), offset by higher outsourced service provider costs (\$0.5m) and higher depreciation charges 	<p>The Board requested that the Chief Resilience and Research Officer consider the merits in researching the socio-economic profile and insurance penetration of different areas in New Zealand, to assess where risk exists for customers.</p> <p>Management to arrange sessions for Commissioners with Aon on:</p> <ul style="list-style-type: none"> • Reinsurance 101 • Alternative forms of capital. 	

	<p>(\$0.1m). The lower workforce expenses were driven by lower FTE levels and the impact of annual leave taken during the month, while the higher outsourced service provider costs relate to some IRM data support costs that were previously capitalised against the Information & Analytics project which have now been reclassified as OPEX.</p> <ul style="list-style-type: none"> • Event operating costs were below forecast for the month (\$0.7m). This is driven by lower resourcing costs in Canterbury (mainly lower than expected utilisation of contractors together with impact of leave taken during the month). • The YTD variance (\$10.9m) is largely driven by higher premiums revenue (\$1.1m), lower underwriting costs (\$7.3m) and lower net expenses (\$2.5m). • Cash & Investments held at 31 December were \$185m. A draw down of \$130 million has been made from the revolving loan facility that was executed in December 2020. <p>d) noted Management’s update on the January 2021 reinsurance renewals and possible implications to EQC.</p>		
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Fraser Gardiner left the meeting at 10.58am

Section 5	Confirmation of out of cycle Board minutes & eVotes		
5.1	<p>Confirmation of out-of-cycle Board Minutes – 19 October 2020</p> <p>The Board:</p> <p>a) approved the Board minutes from the out-of-cycle session held on 19 October 2020 as a true and accurate record.</p>		
5.2	<p>Confirmation of out-of-cycle Board Minutes – 20 October 2020</p> <p>The Board:</p> <p>a) approved the Board minutes from the out-of-cycle session held on 20 October 2020 as a true and accurate record.</p>		
5.3	<p>Confirmation of out-of-cycle Board Minutes – 17 November 2020</p> <p>The Board:</p>		

	a) approved the Board minutes from the out-of-cycle session held on 17 November 2020 as a true and accurate record, subject to the amendments discussed in item 2.1b.		
5.4	<p>Confirmation of out-of-cycle Board Minutes – 10 December 2020</p> <p>The Board:</p> <p>a) approved the Board minutes from the out-of-cycle session held on 10 December 2020 as a true and accurate record.</p>		
5.5	<p>Ratification of 26 November 2020 e-vote: Privacy policy update</p> <p>The Board:</p> <p>a) noted the proposed updates to the Privacy Policy have been endorsed by the Audit and Risk Committee; and</p> <p>b) approved the proposed updates to the Privacy Policy.</p>		
5.6	<p>Endorsement of Chair sign-off 25 November 2020: Insurer Finalisation – Settlement / Apportionment</p> <p>The Board:</p> <p>c) noted the settlement and apportionment of EQC's finalisation liabilities with IAG; and</p> <p>d) noted the settlement and apportionment of EQC's finalisation liabilities with Tower.</p>		
<p>Commissioners, Sid Miller, Tina Mitchell and [REDACTED] left the meeting at 11.16am</p> <p>The meeting closed at 11.16am [Privacy]</p>			
	<p>The next meeting is to be held on 3 March 2020.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p></p> <p><u>3 March 2021</u></p> <p>Mary Jane Daly Date</p> <p>Board Chair</p>		