

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

**Held at the Wairarapa Room, Wellington  
9.00am to 3.40pm, Thursday 12 May 2022**

**Present:**

Mary Jane Daly (Chair)  
Chris Black  
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  
Lars Piepke, Chief Strategy Officer  
Fraser Gardiner, Chief Financial Officer  
Kate Tod, Chief Readiness Officer  
Kate Antonievich, Chief People Officer  
Jaron Shaw, Chief Data Officer  
Jo Horrocks, Chief Resilience Officer  
Bernadette McDougall, Head of Canterbury Claims  
Pip Andrews, Head of On-Solds  
Hamish Wall, Head of Performance and Reporting  
Privacy ██████████, Head of Legal  
Privacy ██████████, Head of Risk Financing  
Privacy ██████████, Communications Advisor – Māori  
Aon representatives  
Privacy ██████████ Manager Office of the CE (Secretariat)

**Apologies:**

*The meeting was declared open at 9.00am*

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
<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 9.13am</i>			
	<b>Board and CE Only</b>		
<i>Lars Piepke and Privacy ██████████ joined the meeting at 9.20am</i>			
<b>1.1</b>	<p><b>Present and Apologies</b></p> <p>The Board:</p> <p>a) <b>noted</b> there were no apologies.</p>		
<b>1.2</b>	<p><b>Interests Register / Declaration of Conflicts of Interest</b></p> <p>The Board:</p> <p>a) <b>received</b> an update for MJ Daly that she has been appointed Chair of AIG Insurance.</p>		

<b>1.3</b>	<p><b>Confirmation of Board Minutes – 5 April 2022</b></p> <p>The Board:</p> <p>a) <b>approved</b> the Board minutes from 5 April 2022 as a true and accurate record, subject to the amendments discussed.</p>		
<b>1.4</b>	<p><b>Matters Arising and Action Points</b></p> <p>The Board:</p> <p>a) <b>noted</b> the updates to the Action Points.</p>		
<i>Kate Antonievich joined the meeting at 9.28am</i>			
<b>1.5</b>	<p><b>Health, Safety, Security and Wellbeing Performance Report</b></p> <p>The Board:</p> <p>a) <b>noted</b> the update on HSSW work programme delivery against the HSSW Strategy;</p> <p>b) <b>noted</b> the summary of HSSW incidents/near misses, injuries requiring medical attention, and lost time injuries provided in this report for March 2022;</p> <p>c) <b>noted</b> the quarterly critical risk dashboard at <b>Appendix B</b>;</p> <p>d) <b>discussed</b> the critical risks and the areas that the Safe Plus review will focus on; and</p> <p>e) <b>approved</b> the revised HSSW Policy at <b>Appendix C</b>.</p>	Free and frank advice	
<i>Kate Antonievich left the meeting at 9.47am</i>			
<i>Kate Tod, Jo Horrocks, Pip Andrews and Privacy joined the meeting at 9.49am</i>			
<i>Privacy Joined the meeting at 10.12am</i>			
<b>Section 2</b>	<b>Strategic Priorities</b>		
<b>2.1</b>	<p><b>Chief Executive’s Report</b></p> <p>The Board:</p> <p>a) <b>noted</b> the Chief Executive’s Report for May 2022; and</p> <p>b) <b>received</b> an update from Chief Resilience &amp; Research Officer on Ruapehu and the likelihood of a large eruption in the immediate future (which is currently assessed as low).</p>	<p>Management to circulate any suitable articles for Commissioners on the insurance response to volcanic eruptions.</p> <p>Management to ensure EQC refers to Hollard as the licensed insurer, rather than Ando.</p>	

*Kate Tod, Jo Horrocks, Pip Andrews, Privacy [redacted] and Privacy [redacted] left the meeting at 10.25am*  
*Commissioners adjourned from 10.25am to 10.30am*  
*Jo Horrocks and Fraser Gardiner joined the meeting at 10.30am*

**2.2**

**Update on GeoNet funding and strategic options for future funding**

The Board:

- a) **noted** the update on GeoNet funding and governance issues that were raised in 2021;
- b) **expressed** their thanks to management for all the work that has been done in improving the Geonet reporting and governance;

Free and frank advice, Active consideration

Free and frank advice, Active consideration

*Jo Horrocks left the meeting at 11.11am*  
*Kate Tod joined the meeting at 11.12am*

**2.3**

**NDRM – Fees Forecasting for SoPE measure**

Commercially sensitive

Commercially sensitive

	Commercially sensitive		
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*Kate Tod left the meeting at 11.17am*

Privacy [redacted] *joined the meeting at 11.18am*

<b>2.4</b>	<b>Reinsurance Programme Update</b> The Board: a) <b>noted</b> that a number of key capacity providers have already agreed capacity and pricing for Firm Order Terms, and the remainder are due by Friday 13 May 2022; Commercially sensitive	Commercially sensitive	
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	Commercially sensitive		
	<p>d) <b>noted</b> it is expected that the expiring programme (\$6.75b XS \$1.75b) will be fully secured, but it is still too early to estimate how much additional capacity EQC will be able to secure for the 2022/23 renewal.</p>		

*Fraser Gardiner and Privacy left the meeting at 11.24am*  
*Kate Tod, Jaron Shaw and Jo Horrocks joined the meeting at 11.25am*

<b>2.5</b>	<p><b>Insurer engagement strategy</b></p> <p>The Board:</p> <p>a) <b>noted</b></p> <p style="padding-left: 20px;">i. EQC's and the insurers' progress to date under the NDRM and the areas for optimisation in coming years;</p> <p style="background-color: #cccccc;">Commercially sensitive</p> <p style="padding-left: 20px;">v. a correction from the published paper which is the reference to the July Board meeting should be a reference to the August Board meeting;</p> <p>b) <b>discussed</b> and <b>provided feedback</b> on the proposed strategic priority areas for the Board's future consideration and approval; and</p> <p>c) <b>endorsed</b> the process proposed by management to seek the input and approval of the Board to an insurer engagement strategy in August 2022,</p> <p style="background-color: #cccccc;">Commercially sensitive</p>	<p>Management to include the NDRM governance reference documents in Diligent resource centre.</p> <p>Management to report back on what EQC is progressing with insurers to provide better customer outcomes.</p>	
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*Jaron Shaw left the meeting at 12.00pm*  
*Hamish Wall joined the meeting at 12.00pm*

<b>2.6</b>	<p><b>Catastrophic Event Response</b></p> <p>The Board:</p> <p style="background-color: #cccccc;">Commercially sensitive</p>	Commercially sensitive	
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	b) <b>endorsed</b> management undertaking further analysis to ascertain how the current Natural Disaster Response Model could be enhanced to support customers after a catastrophic event.	Commercially sensitive	
<p><i>Hamish Wall left the meeting at 12.17pm</i></p> <p><i>Kate Antonievich joined the meeting at 12.17pm</i></p>			
<b>2.7</b>	<p><b>Cultural Capability Update</b></p> <p>The Board:</p> <p>a) <b>noted</b> the progress EQC has made against its Whāinga Amorangi plans 2021-22 by building capability in te ao Māori and Māori-Crown relations; and</p> <p>b) <b>noted</b> the recent survey responses from staff indicating growing levels of confidence with te ao Māori capability.</p>	Management to revert back to the Board in November with another update on Cultural Capability.	
<p><i>Kate Tod, Kate Antonievich, Jo Horrocks and Privacy left the meeting at 12.23pm</i></p> <p><i>Commissioners adjourned for lunch at 12.30pm</i></p> <p><i>Fraser Gardiner, Privacy, Privacy and Aon representatives joined the meeting at 1.10pm</i></p>			
<b>2.8</b>	<p><b>Catastrophe Bonds/Alternative Risk Finance</b></p> <p>The Board:</p> <p>a) <b>received and discussed</b> a presentation from Aon representatives on Alternative Capital (with the focus on Catastrophe Bonds).</p>		
<p><i>Fraser Gardiner, Privacy, Privacy and Aon representatives left the meeting at 2.30pm</i></p> <p><i>Commissioners adjourned from 2.30pm-2.45pm</i></p> <p><i>Hamish Wall, Pip Andrews, Bernadette McDougall, Kate Tod and Privacy joined the meeting at 2.45pm</i></p>			
<b>Section 3</b>	<b>Performance &amp; Reporting</b>		
<b>3.1</b>	<p><b>EQC Performance Report to 31 March 2022</b></p> <p>The Board:</p> <p>a) <b>noted</b> the contents of this paper, the EQC Performance Dashboard, and the NDRM Performance Report;</p> <p>b) <b>noted</b> 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; and</p>	Management to revert back to the Board in June with an update on insurer NDRM performance.	

	<p>c) noted that the EQC Performance Dashboard for March 2022 will be published on EQC’s external website by 27 May 2022 (Commercially sensitive [redacted])</p>		
<p><i>Hamish Wall, Pip Andrews, Bernadette McDougall and Kate Tod left the meeting at 3.06pm</i> <i>Fraser Gardiner joined the meeting at 3.07pm</i></p>			
<b>Section 4</b>	<b>Financial &amp; Risk</b>		
<b>4.1</b>	<p><b>Financial Reporting – March 2022</b></p> <p>The Board:</p> <p>a) noted the accompanying March 2022 Financial pack;</p> <p>b) noted the following comments on the March financial performance:</p> <ul style="list-style-type: none"> <li>i. reported surplus is above forecast levels (\$4.1m);</li> <li>ii. net Claims expenses were \$2.5m below forecast, driven largely by lower BAU claim costs;</li> <li>iii. the risk margin amortisation was favourable to forecast (\$1.3m) following adoption of December 2021 ILVR;</li> <li>iv. net corporate centre costs (BAU) were below forecast (\$0.4m) driven by timing of project spend;</li> <li>v. cash and investments held at 31 March were \$271m;</li> <li>vi. the cash-flow forecast anticipates that the NDF balance will remain above this level through to June; Commercially sensitive [redacted] when the next reinsurance quarterly payment is paid; and</li> </ul> <p>c) authorised the Chair to sign the attached letter to Hon Dr Clark seeking an extension of the Section 16 Funding Deficiency Deed with the Crown.</p>		
<p><i>Fraser Gardiner left the meeting at 3.09pm</i></p>			

<b>4.2</b>	<p><b>Proactive Release of Redacted Board Minutes 17 February 2022</b></p> <p>The Board:</p> <p>a) approved the public release of the redacted minutes from its meeting on 17 February 2022 subject to the amendments discussed.</p>		
<b>Section 5</b>	<b>Committee Updates</b>		
<b>5.1</b>	<p><b>People &amp; Culture Board Committee</b></p> <p>The Board:</p> <p>a) received a verbal update from Erica Seville on the People &amp; Culture Committee meeting held on 11 May 2022.</p>		
<b>Section 6</b>	<b>Correspondence</b>		
<b>6.1</b>	<p><b>Carbon Neutral Government Programme – notification to Crown Agents of a whole of Government direction</b></p> <p>The Board:</p> <p>a) noted joint letter from Hon Robertson and Hon Hipkins; and</p> <p>b) noted the Whole of Government direction to Crown agents.</p>		
<p><i>Tina Mitchell, Lars Piepke and Privacy left the meeting at 3.32pm</i></p>			
<b>Section 7</b>	<b>Other business</b>		
	None.		
<p><i>Commissioners left the meeting at 3:40pm</i></p> <p><i>The meeting closed at 3.40pm</i></p>			
	<p>The next meeting is to be held on 21 June 2022.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ <u>21 June 2022</u></p> <p>Mary Jane Daly                      Date</p> <p>Board Chair</p>		