

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

**Held via MS Teams
9.00am to 4.00pm, Thursday 2 December 2021**

Present:

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

Apologies:

Nil

In attendance:

Sid Miller, Chief Executive Officer
Tina Mitchell, Chief Strategy Officer
Kate Antonievich, Chief People Officer
Fraser Gardiner, Chief Financial Officer
Jaron Shaw, Chief Data Officer
Josh Lindsay, Chief Readiness Officer
Jo Horrocks, Chief Resilience Officer
Kate Tod, Head of Canterbury Claims
Privacy ██████████, Head of Risk Financing
Hamish Wall, Head of Performance & Reporting
Privacy ██████████, Head of Health Safety Security and Wellbeing
Privacy ██████████, Head of Risk and Assurance
Pip Andrews, Head of On-Solds
Privacy ██████████, GCCRS
Privacy ██████████ External Legal Support
Propero representatives
Aon representatives
Privacy ██████████, Manager Office of the CE (Secretariat)

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		
	a)		
<i>Sid Miller left the meeting at 9.40am</i>			
<i>Propero joined the meeting at 9.40am</i>			
	The Board had a session with Propero to receive the feedback from their review of the Board.		
<i>Propero left the meeting at 10.40am</i>			
<i>Sid Miller, Tina Mitchell and Privacy ██████████ joined the meeting at 10.40am</i>			

1.1	<p>Present and Apologies</p> <p>The Board:</p> <p>a) noted there were no apologies received.</p>		
1.2	<p>Interests Register / Declaration of Conflicts of Interest</p> <p>The Board:</p> <p>a) noted no changes to the Interests Register</p> <p>b) noted that Erica Seville is an Executive Director of Resilient Organisations which was a recipient of funding noted in CE report.</p>		
1.3	<p>Confirmation of Board Minutes – 13 October 2021 and 19 October 2021</p> <p>The Board:</p> <p>a) approved the Board minutes from 13 October and 19 November as true and accurate records subject to the amendments discussed.</p>		
1.4	<p>Matters Arising and Action Points</p> <p>The Board:</p> <p>a) noted the updates to the Action Points.</p>		
1.5	<p>Proactive Release of Redacted Board Minutes – 1 September 2020</p> <p>The Board:</p> <p>a) approved the proactive release of redacted board minutes 1 September 2020.</p>		
1.6	<p>Health, Safety, Security and Wellbeing Performance Report</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 September and October 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>Management to include time for Board only at Strategy Day for Board to discuss their key focus areas of 2022/23</p>	

Commissioners breaked from 10.55am to 11.05am

Josh Lindsay and Jo Horrocks joined the meeting at 11.05am

Section 2	Strategic Priorities		
2.1	<p>Chief Executive’s Report</p> <p>The Board:</p> <p>a) noted the Chief Executive’s Report for November 2021.</p>		
<p><i>Josh Lindsay and Jo Horrocks left the meeting at 11.22am</i></p> <p><i>Jaron Shaw joined the meeting at 11.22am</i></p>			
2.2	<p>Transformation update</p> <p>The Board:</p> <p>a) noted the progress that has been made across the Transformation Portfolio in the attached dashboard;</p> <p>b) noted that the overall portfolio status moves to Green due to:</p> <ul style="list-style-type: none"> • Our Financial Management Information System (Āwhina) successfully launching on 15 November 2021; • RiskScape moving into production, enabling EQC to use this loss modelling solution for our annual reinsurance renewal; <p>c) noted the inclusion of the Cultural Capability workstream into the portfolio reporting dashboard;</p> <p>d) noted the updates provided in this paper; and</p> <p>e) noted that all portfolio risks are being managed with no Board intervention required.</p>		
<p><i>Jaron Shaw left the meeting at 11.35am</i></p>			
Section 5	Board Committee Updates		
5.1	<p>People & Culture Committee Update</p> <p>The Board:</p> <p>a) received a verbal update from the Chair of the People & Culture Committee.</p>		
5.2	<p>Audit & Risk Committee Update</p> <p>The Board:</p> <p>a) received a verbal update from the Chair of the Audit & Risk Committee.</p>		

Section 2	Strategic Priorities		
<p>Privacy and Pip Andrews joined the meeting at 11.45am</p>			
2.3	<p>Legal and OnSolds update</p> <p>The Board:</p> <p>a) Legally privileged</p> <p>b)</p> <p>c) Negotiations</p> <p>d) noted management will update Treasury on the forecast expectations in Appendix A; and</p> <p>e) Legally privileged</p>		
<p>Privacy and Pip Andrews left the meeting at 12.45pm</p> <p>Commissioners broke for lunch from 12.45pm to 1.15pm</p> <p>Josh Lindsay joined the meeting at 1.15pm</p>			
2.6	<p>Readiness/IRM update</p> <p>The Board:</p> <p>a) noted the Executive Steering Committee of the Natural Disaster Response Model (NDRM) have approved the Joint Event Response Guide;</p> <p>b) noted the work completed to date on the Hawke’s Bay Mw 7.6 Event Response Strategy and the engagement activities that have occurred within the wider recovery sector, including our response to the recent Gisborne floods;</p> <p>c) noted the planned work programme for co-design of operational policies and operating instructions;</p>		

	<p>d) Active consideration</p> <p>e) note the progress relating to new insurers joining the Natural Disaster Response Agreement; and</p> <p>f) note the decisions that will be presented to the Board for approval in the coming months.</p>		
<p><i>Josh Lindsay left the meeting at 1.35pm</i></p>			
<p>2.8</p>	<p>PC&C Policies</p> <p>The Board:</p> <p>a) noted the updated Disclosure of Conflict of Interest, Diversity and Inclusion, and Bullying and Harassment Policies at Appendix A, B and C, respectively;</p> <p>b) noted the updates made to the above-mentioned policies were endorsed by the People and Culture Board Committee on 27 October 2021;</p> <p>c) approved the Disclosure of Conflict of Interest Policy at Appendix A;</p> <p>d) approved the Diversity and Inclusion Policy at Appendix B; and</p> <p>e) approved the Bullying and Harassment Policy at Appendix C.</p>		
<p>Section 4 Financial and Risk</p>			
<p>4.2</p>	<p>Annual review of Policies and Practices</p> <p>The Board:</p> <p>a) noted the current policies and procedures that are scheduled for approval by either the Board or Chief Executive. This includes the addition of the Third Party Claims Recovery policy as a Board approved policy; and</p> <p>b) approved the administrative changes to the Corporate Policy Framework Policy that ensures all policies are developed, applied, monitored and reviewed consistently across EQC.</p>		

Section 2	Strategic Priorities		
Privacy ██████████ GCCRS joined the meeting at 1.45pm			
2.5	The Board meet with Privacy ██████████ the Greater Christchurch Claims Resolution Service, Privacy ██████████ to receive an update on their work.		
Privacy ██████████ GCCRS left the meeting at 2.18pm Fraser Gardiner and Privacy ██████████ joined the meeting at 2.18pm			
2.4	<p>Risk Financing Update and Strategy Review</p> <p>The Board:</p> <p><i>Risk Finance Strategy</i></p> <p>a) noted that management consider that there are several core principles that underpin EQC’s overall Risk Finance Strategy which are set out in Appendix 1;</p> <p>b) agreed that management continue to work with the Board and with Treasury to agree these core principles as the basis for the Minister’s risk statement which will likely be required under the new EQC Act;</p> <p>c) noted that management is working to develop processes to measure the trade-offs and impact of operational spending decisions relative to the core principles of the Risk Finance Strategy;</p> <p>d) agreed that management report back to the Board in April 2022 with a refreshed Risk Finance Strategy consolidating the work on the reinsurance and investment strategies for approval;</p> <p><i>Investment Strategy</i></p> <p>e) Active consideration ██████████</p> <p>f) ██████████</p>	<p>Management to include a session on alternative risk financing with Aon in the 2022 work programme.</p>	

g)	Active consideration		
h)			
i)			
	<p><i>Reinsurance Strategy</i></p> <p>j) noted that management consider the core principles that have underpinned EQC’s long-term reinsurance strategy focused on managing severity risk to the Crown balance sheet through a diverse range of high-quality financial counterparts remains fit for purpose;</p> <p>k) agreed that management finalise the refresh of the reinsurance strategy for Board approval at the February 2022 meeting;</p>		
	l) Active consideration		

Fraser Gardiner and Privacy left the meeting at 2.58pm
Commissioners breaked from 2.58pm to 3.15pm
Kate Antonievich joined the meeting at 3.15pm

2.7	<p>People Strategy</p> <p>The Board:</p> <p>a) noted the rationale for a thorough revision of EQC’s People Strategy at this point in EQC’s evolution;</p> <p>b) noted that the People and Culture Board Committee (Committee) has endorsed the revised People Strategy at Appendix A;</p>		
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	<p>c) noted the inclusion of the Te Tiriti O Waitangi section in the review People Strategy, and minor wording adjustments, following Committee endorsement of the revised People Strategy; and</p> <p>d) approved the revised People Strategy.</p>		
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Kate Antonievich left the meeting at 3.20pm

Hamish Wall, Pip Andrews, Kate Tod and Josh Lindsay joined the meeting at 3.20pm

Section 3	Performance and Reporting		
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3.1	<p>EQC Performance Report to 31 October 2021</p> <p>The Board:</p> <p>a) noted that this paper provides qualitative commentary on performance to support the EQC Performance Dashboard and the IRM Performance Report (which provides quantitative information);</p> <p>b) noted that, the IRM Performance Reports provide details of new claims lodged with insurer partners from the commencement date of the NDRA. The EQC Performance Dashboards report overall SoPE Performance and details of historical claims managed by EQC (including all Canterbury and Kaikoura event claims). Reporting on this basis will continue for FY21-22;</p> <p>c) noted that because the scope of the IRM Performance Reports 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>d) noted that the EQC Performance Dashboards Commercially sensitive will be published on EQC's external website by 17 December 2021; and</p> <p>e) noted the exceptions and potential/realised issues outlined within both the EQC Performance Dashboards and IRM Performance Reports.</p>		
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Hamish Wall, Pip Andrews, Kate Tod and Josh Lindsay left the meeting at 3.32pm

Fraser Gardiner joined the meeting at 3.32pm

Section 4	Financial and Risk		
4.1	<p>Financial Reporting – October 2021</p> <p>The Board:</p> <ul style="list-style-type: none"> a) noted the accompanying October 2021 Financial pack; b) noted the following comments on the October financial performance: <ul style="list-style-type: none"> i. Reported Surplus is above forecast levels (\$4.0m); ii. Net premium revenues were below forecast levels (\$0.5m); iii. Net Claims expenses were \$4.5m below forecast, driven by lower BAU claim costs; iv. Net Corporate Centre costs (BAU) were above forecast (\$0.1m) driven by timing of project spend; v. Cash & Investments held at 31 October were \$252m. The next quarterly reinsurance payment is due to be made in November, resulting in the NDF balance declining to around \$200m by the end of December; c) discussed the Delegated Authority around authorisation of OnSolds ex gratia payments. 		
4.3	<p>Commercially sensitive, Free and frank</p> <ul style="list-style-type: none"> a) noted that development of this policy has been endorsed by the ARC at their 2 July 2021 meeting; b) Commercially sensitive, Free and frank c) d) 		

	Commercially sensitive, Free and frank f) approved the Third Party Claim Recovery Policy, to be reviewed annually.		
<i>Sid Miller, Tina Mitchell, Fraser Gardiner and Privacy left the meeting at 3.55pm</i>			
Section 6	Other Business		
6.1	Board meeting review.		
<i>Commissioners left the meeting at 4.00pm</i>			
<i>The meeting closed at 4.00pm</i>			
	<p>The next meeting is to be held on 17 February 2021.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ <u>17 February 2022</u></p> <p>Mary Jane Daly Date</p> <p>Board Chair</p>		