

The Treasury

Earthquake Commission Amendment Regulations 2019 Information Release

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No Information has been withheld

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Office of the Minister Responsible for the Earthquake Commission

Chair, Cabinet Legislation Committee

Earthquake Commission Amendment Regulations 2019

Proposal

1. This paper seeks agreement to amend the Earthquake Commission Regulations 1993 to make some minor consequential changes arising from changes to the Earthquake Commission Act that result from enactment of the Earthquake Commission Amendment Bill 2019 (the Bill). The consequential changes reflect policy previously agreed by Cabinet and included in the Bill.

Policy

2. The Earthquake Commission Amendment Bill 2019 (the Bill) was enacted on 18 February 2019.
3. The amendments reflect the Cabinet agreement (CAB-18-MIN-0081 refers) to make four high priority amendments to the EQC Act, namely:
 - 3.1. *Remove EQC insurance cover for personal property (household contents).*
 - 3.2. *Increase the monetary cap on EQC residential building cover to \$150,000 (plus GST).*
 - 3.3. *Enable EQC to accept claim notifications for up to two years after a natural disaster, rather than the current inflexible, three-month time limit for such notifications.*
 - 3.4. *Clarify EQC's authority to share information to support effective implementation of the EQC Act and settlement of insurance claims and publish other information, including information about natural disaster damage to property covered by EQC, where this is in the public interest, including to prevent or lessen a threat to public health, public safety, or to the life or health of any person.*
4. Under the now-enacted Bill, the first two changes apply to insurance contracts entered into from 1 July 2019, and the second two changes take effect on 18 February 2019, that being the day following Royal assent.

5. Implementing these changes also requires minor consequential amendments to the Earthquake Commission Regulations 1993 made under the Earthquake Commission Act (the Act). The proposed amendments to regulations:
 - remove now-redundant references in regulations to “personal property” (household contents);
 - remove a superseded regulation that provides for the previous three month claims lodgment deadline; and
 - provide transition provisions for these regulation changes that are consistent with the relevant transitional provisions of the recently-enacted Bill.
6. Making these regulations does not require any new policy decisions.

Timing

7. It is proposed that the amendments to the regulations that relate to the parts of the amendment Act that will commence on 1 July 2019 will commence on that date, and that the rest of the amendments will commence 28 days after the regulations are notified in the Gazette.

Compliance

8. The proposed regulations comply with:
 - 8.1 the principles of the Treaty of Waitangi;
 - 8.2 the rights and freedoms contained in the [New Zealand Bill of Rights Act 1990](#) or the [Human Rights Act 1993](#);
 - 8.3 the principles and guidelines set out in the [Privacy Act 1993](#);
 - 8.4 relevant international standards and obligations;
 - 8.5 the [Legislation Guidelines](#) (2018 edition), which are maintained by the Legislation Design and Advisory Committee.

Certification by Parliamentary Counsel

9. The Parliamentary Counsel Office (PCO) has certified the draft regulations as being in order for submission to Cabinet.

Impact analysis

10. A regulatory impact analysis was submitted when Cabinet policy approval was sought for the Bill that these proposed amendments are consequential to (CAB-18-SUB-0081 and CAB-18-MIN-0081 refer).

Publicity

11. Once the Regulations have been promulgated, the Earthquake Commission (EQC) will publicise them as appropriate, as part of publishing the changes stemming from enactment of the Bill.

Proactive Release

12. I propose that this paper be proactively released in its entirety within 30 business days of final decisions being taken by Cabinet.

Consultation

13. The Earthquake Commission and Parliamentary Counsel Office were consulted on the proposed changes to regulations.

Recommendations

1. I recommend that the Cabinet Legislation Committee:
 - 1.1 **note** that on 12 March 2018 Cabinet agreed to four changes to Earthquake Commission (EQC) cover, namely that EQC cease to offer contents cover, the monetary cap on EQC building cover be increased to \$150,000 (plus GST), the claims lodgement deadline be extended to 2 years, and information sharing provisions be improved (CAB-18-MIN-0081 refers);
 - 1.2 **note** that on 22 March 2018 Cabinet Legislation Committee approved the resulting Earthquake Commission Amendment Bill (the Bill) for introduction (LEG-18-MIN-0029 refers);
 - 1.3 **note** that the Bill received Royal assent on 18 February 2019;
 - 1.4 **note** that the attached Earthquake Commission Amendment Regulations 2019 will give effect to minor consequential amendments to the Earthquake Commission Regulations 1993 that will be required as a result of the enactment of the Bill; and
 - 1.5 **authorise** the submission to the [Executive Council](#) of the attached Earthquake Commission Amendment Regulations 2019.

Authorised for lodgement

Hon Dr Megan Woods

Minister Responsible for the Earthquake Commission