



Independent Oversight Committee

Independent Oversight Committee information release

May 2022

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- [36] 9(2)(h) - to maintain legal professional privilege

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Independent Oversight Committee – Meeting Minutes

Location:	Greater Christchurch Claims Resolution Service, MBIE Office, Grand Central Building, 145-161 Cashel Street, Christchurch and via MS Teams
Date:	13 August 2021
Time:	10.45am – 3.10pm
Present:	David Ayers (Chair), Nina Khouri (via MS Teams), Sandra Manderson and Fiona Mules
In attendance:	[23] (Secretariat and Minute taker) Southern Response Earthquake Services Limited (SR) – Casey Hurren (Chief Executive), Veronica Cress (General Counsel) and Daniel Hickling (Project Manager)

Agenda items

1. **Welcome, apologies and quorum** – David welcomed attendees and noted the quorum was met and there were no apologies.
2. **Committee members' interests** – No conflicts in relation to any agenda items were advised.
3. **Administrative matters** –
 - 3.1. IOC emails – Still not working as intended. Members require access on their preferred device (usually phone). **David/Secretary will contact** IT support (CASS) to check a possible workaround.
 - 3.2. Treasury advise that Diligent has been set up for IOC and should be up and running shortly. **Secretary will** follow up.
4. **Minutes of previous meeting** – Approval of Minutes (with agreed amendments) moved by David, seconded by Sandra and carried unanimously.
 - 4.1. Discussion here around SR attendees receiving Minutes. **It was agreed** that SR should receive a copy of the Minutes once approved by IOC.
 - 4.2. Brief discussion on OIA request for Minutes. **Secretary will** update as further information is available.
5. **Matters arising from the Minutes** – Committee **agreed** that advice to Crown and SR Board should be kept to Reports. If urgent advice is required by SR Board, IOC will provide inter-cycle Reports.
 - 5.1. Full discussion and agreement on how current issues should be addressed in the IOC August Report. **Secretary will** add to draft Report and send out for further consideration by Committee.
 - 5.2. Further discussion around IOC response to unsolicited emails. **David will** contact Treasury to suggest modification to make it clear that IOC welcome public queries.
 - 5.3. Short discussion about emails within IOC. **Agreed** that email chains generally be kept to IOC only and individual emails can be forwarded to other parties if appropriate.

6. **Matters for Committee approval** – There were no matters requiring Committee approval.
7. **Other business**
 - 7.1. After discussion about communications with various parties in different circumstances it **was agreed** that a Communications Policy document should be drafted. **Secretary will** create an initial draft based on this discussion and circulate to IOC for input.
 - 7.2. Discussion around issues raised by [23] via email to David. Some issues previously canvased but IOC will ask SR for information about other matters raised.
 - 7.3. Short discussion around KPMG Report.
8. **Welcome SR attendees and short break for lunch**
9. **General Matters**
 - 9.1. **Agreed that** SR attendees will receive an extract of the draft Minutes (as relates to SR section of the meeting) and the Action Items and will receive the final Minutes once approved by IOC. **Secretary will** send the approved Minutes to all attendees following the meeting at which they are approved.
 - 9.2. General discussion around desirability of making IOC views on certain issues public. Various options discussed with reference to ToR requirements.
10. **Company update** –

This section of the minutes is legally privileged as it relates to confidential and legally privileged information provided to the Committee by the General Counsel of Southern Response and/or legal advisors to Southern Response about significant litigation involving Southern Response and legal advice that has been received by the Company. This information has been provided to the Committee pursuant to a limited waiver of privilege on the basis that the confidential and privileged status of this information will be preserved.

- 10.1. **Legal update** – no new developments in *Ross*
 - 10.1.1. [23] has filed, but not yet served SR with, proceedings in the District Court. General discussion around responses to OOS only claims and how close the Package detail around this is to being completed. Potential impact of this proceeding was discussed, and SR supplied answers to IOC questions around related issues. **SRGC will** forward the documents relating to this proceeding to the IOC.
 - 10.1.2. Interest calculation issue raised in KPMG Report – SR provided an update on how this is being resolved and steps being taken to prevent reoccurrence. Committee suggested an automated control/flag was needed at the finance end to ensure any delay triggered a recalculation of interest. Committee suggested that KPMG could audit processes, procedures, manuals etc even in draft form and IOC would like to see final versions.
 - 10.1.3. Issues raised in a [23] email to the IOC were canvased. **SRCE will** provide a detailed response to IOC questions relating to the Preliminary and General issue raised by [23]
 - 10.1.4. **SRCE will** make enquiries to provide a response to questions put to the IOC relating to whether preliminary and general allowances and contractor's margin were included in the Company's estimates of the cost to repair earthquake damaged OOS items (such as fences, driveways, paths and swimming pools).

10.2. Operational progress

- 10.2.1. Live claims with legal representation – now number 81 with majority (76) overcap and 5 OOS. Ten claims have been declined and SRPM explained the reasons. Committee queried whether claims should be included in the numbers if they are rejected due to the policyholder never having held a SR policy. **SRPM will** investigate this.
- 10.2.2. General discussion around complex cases, work streams and preparation for dealing with policyholders directly.
- 10.2.3. To date, most settled claimants have been represented by [23] or Anthony Harper and both have a good understanding of simple over cap claims.
- 10.2.4. ApplyiD is working well and is being used by most policyholders.
- 10.2.5. Committee referred to KPMG report regarding timing of checking potential employee conflicts of interest. Subject to SR getting some advice from Buddle Findlay, SR will be changing its process to identify potential conflicts prior to any offer of employment.

SR attendees departed at 2.15pm followed by a 10-minute break

11. General Business –

- 11.1. Reporting – Members worked through draft of August Report. **(Fiona departed at 2.40pm)**
- 11.2. **It was agreed** that the Secretary will send the draft Report out at least two weeks before each relevant meeting and **IOC members will** send individual contributions to the secretary who will collate these into one tracked changes document and send with meeting papers the Friday before the relevant meeting.
- 11.3. **The Secretary will** ensure that an extra hour is added to meetings in reporting months.

12. **Next meeting** – 10 September 2021, 10.30am to 2.30pm

13. **Summary and close of meeting** – Meeting closed at 3.10pm.