



Independent Oversight Committee

Independent Oversight Committee information release

May 2022

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- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [36] 9(2)(h) - to maintain legal professional privilege

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Southern Response Earthquake Services
Limited - Independent Oversight Committee
REPORT to 1 June 2021

Introduction

The Independent Oversight Committee (the Committee) was established to ensure that any Package (as that term is defined in the Committee Terms of Reference) is implemented and delivered in accordance with the principles and processes for the Package agreed between Southern Response Earthquake Services Limited (SRES) and the Crown; and with due consideration being given to the interests of affected policyholders.

It is the view of the Committee that SRES is meeting this objective as far as it is legally able to do at this time.

Reports, advice and recommendations given to the Board

The Committee has not yet provided any advice or recommendation to the Board, given that implementation of the Package has been delayed by the current court proceedings. The Committee and SRES Board have agreed that the Committee will provide reports to the Board every two months.

Summary of work performed

The Committee had informal meetings with Treasury representatives, SRES management and SRES Board between September 2020 and December 2020 with the first formal monthly meeting taking place on 5 February 2021. In addition, the Committee Chair was involved in the interview and selection process for the SRES Unit Manager position at the invitation of SRES.

In March, [23] was interviewed by the Chair and Fiona Mules and was employed as Secretary for the Committee (through Treasury).

The Committee has met formally in each of February, March and April and May as required by the Terms of Reference.

At these meetings, the Committee has invested time familiarising itself with the principles of the Package and anticipated issues with its implementation, and establishing communication and governance procedures.

At each meeting the Committee has received operational reports from the SRES General Manager and Project and/or Unit Manager as to the steps SRES is taking to prepare to implement the Package once the current court proceedings permit SRES to contact policyholders. The Committee recommended that SRES undertake an internal audit review of the process and outputs of the customer contact details refresh process. This review has been undertaken by KPMG.

The Committee has also received reports from SRES General Counsel and external legal advisers on the ongoing court proceedings and how these may impact implementation of the Package.

The Committee has recommended a review of similar processes in New Zealand and overseas where compensation packages have been established to resolve large numbers of civil claims. Bell Gully Solicitors have been instructed to complete this research.

The Committee is satisfied that SRES is using this time to ensure that it is as prepared as possible for the time when affected policyholders can be contacted and claims can be processed.

The Committee is satisfied that the steps SRES is taking in the court proceedings are consistent with implementation of the Package in accordance with its principles.

The May meeting was followed by a Risk Workshop attended by the Committee together with SRES Board Chair Alister James and Board member Anne Urlwin and facilitated by KPMG. The purpose of this workshop was to proactively identify risks to the implementation of the Package in accordance with its principles and how those risks can be mitigated.

The Committee notes its appreciation for the quality of reports provided by SRES and its legal advisers and the level of cooperation shown so far.

Recommendation for changes to Terms of Reference

No recommendations at this time.

Signed by
Committee Chair, David Ayers

Date: 3 June 2021

A handwritten signature in blue ink, appearing to read 'D. Ayers', is positioned below the signature line.