



Independent Oversight Committee

Independent Oversight Committee information release

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Independent Oversight Committee

Terms of Reference

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Introduction

General Principles

The Crown and Southern Response Earthquake Services Limited (**Southern Response**) may agree to provide a proactive package for certain Southern Response policyholders following the decision in the *Dodds* proceedings (**Package**). The Crown will agree certain matters with Southern Response in relation to the implementation and delivery of the Package.

Under the Package, some Southern Response policyholders may receive payments from the Crown and/or Southern Response.

Southern Response and the Crown have discussed the operational and governance arrangements that would need to be put in place for implementation and delivery of a Package. Both parties wish to ensure that there is independent oversight and assurance that any Package is implemented and delivered:

- in accord with the principles and processes for the Package agreed between Southern Response and the Crown; and
- with due consideration being given to the interests of affected policyholders.

Both parties consider that the operational and governance arrangements for implementation and delivery of the Package may include:

- The creation of a new operational unit within Southern Response separate from Southern Response's business as usual operations to implement and deliver the Package (**Unit**).
- The appointment by the Crown of an Independent Oversight Committee to oversee the implementation and delivery of the Package and report to both to the Board and the Crown in accordance with this Terms of Reference (**Committee**).
- The appointment of a manager to manage the day to day operations of the Unit who reports to the Southern Response General Manager and the Committee in accordance with this Terms of Reference (**Unit Manager**).

These Terms of Reference set out the role, responsibilities, membership, powers, and procedures of the Committee (if appointed by the Crown).

Purpose and Scope

The purposes of the Committee are to provide independent oversight, make recommendations to the board of directors of Southern Response (**Board**) and report significant issues to the Crown. In particular, the Committee will:

- provide independent oversight of Southern Response's decision-making in respect of the implementation and delivery of the Package;
 - seek independent advice or peer review on key issues;
 - conduct an independent periodic review of Southern Response's processes and decision-making in respect of the implementation and delivery of the Package;
 - provide advice and recommendations to the Board and the Crown on matters relating to the interests of Southern Response policyholders relevant to the implementation and delivery of the Package;
 - report to affected policyholders on the Package as provided for in the Reporting Publicly section of these Terms of Reference; and
 - report directly to the Board and the Crown as contemplated by these Terms of Reference.
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Terms of Reference – Membership, Meetings and Authorities

Members

The membership of the Committee shall comprise up to four persons appointed by the Crown. The members of the Committee will be appointed by the Crown under separate letters of appointment.

The members of the Committee will together have a mix of expertise and experience (including on governance matters) sufficient to enable the Committee to be able to fulfil its role effectively.

The terms of appointment of members of the Committee may provide for a finite term for their appointment. Members, including the Chair, are eligible for re-appointment.

Fees for the members of the Committee will be set in accordance with the Cabinet Fees Framework.

Restrictions on Committee Membership

The members of the Committee must not be directors or employees of Southern Response.

Each member of the Committee must be independent of Southern Response and be free of any conflicting roles, duties, or responsibilities. Members of the Committee should not have any open insurance claim with Southern Response or any other disqualifying conflict of interest during the term of their appointment as a member of the Committee.

Each member of the Committee will disclose any conflicting roles, duties, or responsibilities to the Chair in accordance with protocols notified to the Committee by the Crown and Southern Response from time to time.

Chair

The Chair of the Committee shall be appointed by the Crown.

Meetings

The Committee shall meet at least once every calendar month and on an as required basis to discharge its responsibilities.

Meetings shall also be held if so requested by the Crown to consider specific matters in relation to the Package.

Business of the Committee may be conducted by means other than physical meetings, for example, by telephone conference or video conference or circular resolution.

Quorum and voting

The quorum for a meeting of the Committee shall consist of a majority of the Committee. If the Committee Chair is unavailable, the other members of the Committee will appoint another member to act as Chair of a meeting.

While it is anticipated that the Committee will seek to reach consensus on any decisions, including any matters to be reported to the Crown, should a vote be required then decisions will be made by majority vote and the Committee Chair will hold the casting vote.

Other meeting Attendees

The Committee can invite other parties to attend meetings, or parts of meetings, from time to time as circumstances require.

Secretarial

The Crown will make available to the Committee a person to act as Secretary of the Committee.

The Secretary, in conjunction with the Committee Chair, shall draw up an agenda, which shall be circulated, together with supporting papers, to the members of the Committee at least one week before each meeting (or any shorter period accepted by the members).

Minutes of all meetings of the Committee shall be kept. Minutes shall be reviewed and approved by the Committee at its next meeting.

Committee papers and Committee minutes shall be made available to the Crown on request.

The Secretary will also work closely with the Committee Chair on any reports that are to be written by the Committee, with the Secretary's role being to prepare initial drafts for consideration by the Committee Chair.

Powers

The Committee is an advisory and supervisory committee appointed by the Crown, which has no delegated authority or power to bind Southern Response, the Board, the Unit, or the Crown.

The Committee may only:

- make recommendations to the Board and the Crown;
- report to the Board and Crown; and
- publicly issue a statement or report, or provide public information to policyholders to whom the Package is or will be available,

as described in these Terms of Reference.

Authority

The Committee is authorised within the scope of its role and responsibilities, to:

- obtain any relevant information it needs from the Unit Manager or any other Southern Response employee and/or (with prior notification to Southern Response) any external party (subject to the external party's legal obligation to protect confidential or legally privileged information);
- require the Unit Manager to come before the Committee to provide information and answer questions;
- request the attendance of any Southern Response director or employee at Committee meetings to provide information and answer questions;
- obtain external legal, accounting or other professional advice as considered necessary to meet its responsibilities, at Southern Response's expense; and
- report specific matters to the Crown as described in these Terms of Reference.

Terms of Reference - Responsibilities

Amendments to the Package

- The Committee may provide recommendations to the Board and Crown on any proposed modifications to the implementation and delivery of the Package.
 - However, any amendments to the Package must be determined by agreement between the Board and the Crown.
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- The Committee will independently review and exercise oversight of Southern Response's processes and decision-making in relation to the implementation and delivery of the Package (including the dispute resolution and complaints procedures applicable to the Package). This review and oversight function is to ensure that Southern Response is implementing and delivering the Package in accordance with the principles and processes agreed between Southern Response and the Crown, and giving due consideration to the interests of affected policyholders. The Committee shall express its view on whether Southern Response is meeting this objective in the Committee's reporting to the Board and the Crown.
 - In achieving the review and oversight function of ensuring Southern Response considers the interests of affected policyholders, the Committee will consider:
 - Information it receives, or requests, from Southern Response; and
 - Independent advice or peer reviews received on key issues, including an independent periodic review of Southern Response's processes and decision-making in relation to the implementation and delivery of the Package.
 - The Committee will not exercise management responsibility in relation to the implementation and delivery of the Package. Such ultimate responsibility rests with Southern Response.
 - The Board will continue to oversee the implementation and delivery of the Package in accordance with their duties as directors of Southern Response and receive regular reports on the operation of the Unit.
 - The Committee will receive regular reports from Southern Response relating to the implementation and delivery of the Package (including the dispute resolution and complaints procedures applicable to the Package).

Advice and reporting to the Board

The Committee will consider and make recommendations to the Board in relation to proposals by the Board or the Unit concerning implementation and delivery of the Package.

- The Committee will report to the Board on the following matters:
 - a. **Implementation and delivery of the Package:** progress on Southern Response's implementation and delivery of the Package as it relates to affected policyholders;
 - b. **Process:** the extent to which the Committee considers that Southern Response has or has not implemented or delivered the Package in a manner consistent with, and having due regard to, the interests of affected policyholders and the Package, principles and processes agreed to by Southern Response and the Crown; and
 - c. Any other matters relating to the interests of affected policyholders that the Committee believes merits the Board's attention.
 - The Board must consider fully and give due regard to any report, advice or recommendation received from the Committee.
 - If the Board decides to depart in a material way from advice or recommendations of the Committee, it will provide full reasons for such departure to the Committee and the Crown and, unless specific circumstances necessitate urgency, allow the Committee and the Crown a reasonable time to consider them and respond.
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Reporting to the Crown

The Committee will report to the Crown on any matter within its Purpose and Scope from time to time in a form agreed between the Crown and the Committee. These reports should include:

- any report, advice, or recommendation given by the Committee to the Board, particularly in relation to implementation and delivery of the Package (including exercise of discretion by Southern Response on matters of policy affecting a number of policyholders), and the process of delivery;
- a summary of the work the Committee performed to discharge its responsibilities; and
- the Committee's recommendation for the Crown's approval for any changes to these Terms of Reference.

The Committee will also consider and report on other specific matters relating to the implementation and delivery of the Package that the Crown (with notice to the Board) may request from the Committee from time to time.

In addition to its other notification powers under these Terms of Reference, the Committee may, at any time, report to the Crown or the Board on other matters it deems of sufficient importance to do so.

Reporting publicly

- The Committee may, after consultation with the Board and Crown, publicly issue a statement or report or provide public information to policyholders to whom the Package is or will be available. The Committee may request that a copy of the statement or report or information be placed on Southern Response's website.
- It is not intended that the Committee will communicate directly and privately with individual policyholders.
- Any public reports by the Committee will take into account any requirements of privacy, protection of privileged or confidential information, and natural justice obligations.
- The members of the Committee will not make any public comment in relation to the work of the Committee, other than to confirm their appointment, except as contained in public reports of the Committee or as otherwise agreed with the Board and the Crown. Public communications should always go through the Committee Chair, who will liaise as appropriate with the Crown.

Other matters

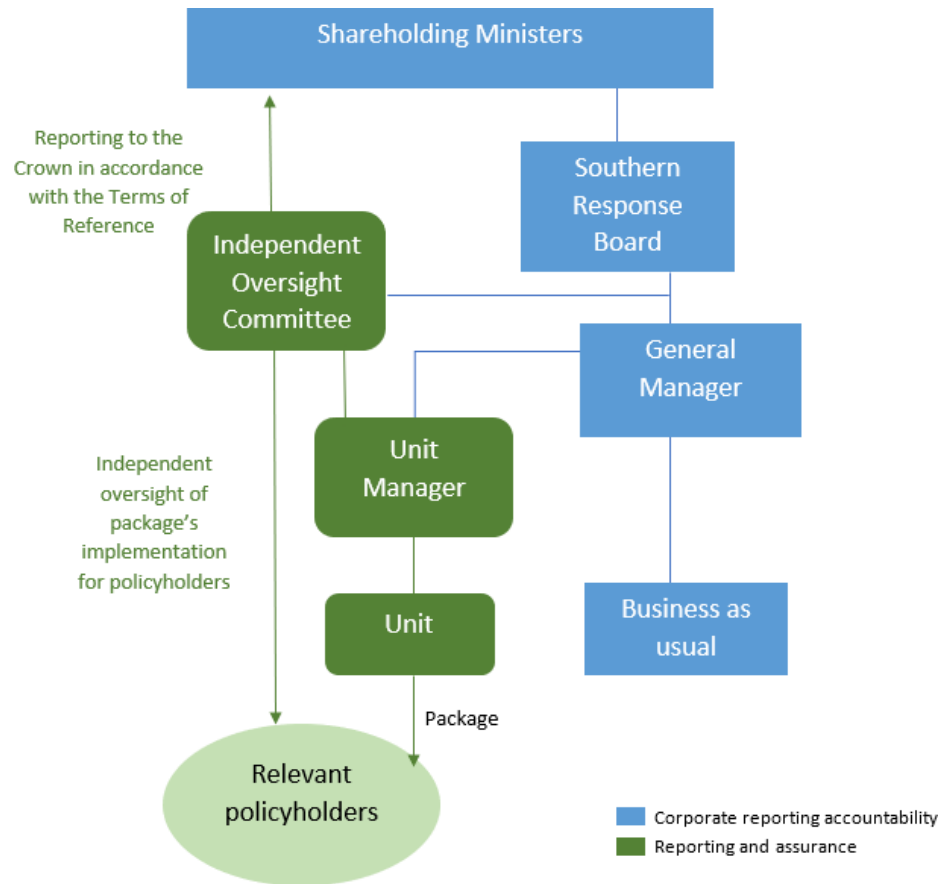
- The role of the Committee is not to consider individual policyholder complaints or provide a dispute resolution body.
- The Committee will operate consistently with any confidentiality protocols advised to the Committee by Southern Response and the Crown from time to time.
- A review of the Committee's role and performance will be conducted periodically by the Crown in consultation with the Board.
- The members of the Committee acknowledge that the Official Information Act 1982 applies to all information held by the Committee and will assist the Board and/or the Crown to respond to any request under that Act where requested to do so.

Amendments

These Terms of Reference may be amended by the Crown following consultation with the Committee and the Board.

Relevant Links

Relevant References and Resources



Version Control

Version	Date	Author	Description
0.1			
0.2	June 2022		Minor amendment to the independent oversight responsibilities