



Independent Oversight Committee

Independent Oversight Committee information release

July 2023

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Independent Oversight Committee
Quarterly REPORT to the Crown
June 2023

Report of the Committee providing independent oversight in relation to the implementation and delivery of the Southern Response Earthquake Services Limited Pre-October 2014 Payment Package

A. Introduction

The Independent Oversight Committee (the Committee) provides independent oversight of the implementation and delivery of the Southern Response Earthquake Services Limited (SRES) pre-October 2014 Payment Package. The Committee works to ensure that SRES is carrying this out in accordance with the principles and processes agreed between it 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.

B. Reports, advice and recommendations

The Committee refers to its previous Reports to the Crown.

The Committee provided a Report to the SRES Board in March 2023.

The Committee reviewed the research completed by Bell Gully about how comparable schemes have been brought to an end. Given the large numbers of Out of Scope (OOS) policyholders to be worked through, the Committee understands that SRES's priority at this stage is moving forward with these applications as efficiently as possible. However, the Committee has requested that SRES work towards developing a list of objectives to be met before any winding down steps can be contemplated.

The Committee provides SRES Management with minor recommendations and advice at each monthly meeting. These are summarised in the minutes of the meetings.

The Committee acknowledges the responsiveness of SRES to the Committee's recommendations and advice.

C. Summary of work performed

The Committee met formally in April, May and June 2023 as required by the Terms of Reference.

At each monthly meeting, the Committee received operational reports from SRES management as to the steps SRES is taking in implementing the Package.

SRES continues to provide additional data each month to enable the Committee to monitor progress with settlements on a more detailed level. This is now focused on the few remaining over-cap claims and the large numbers of OOS policyholders yet to be contacted.

Over 2,365 over-cap claims and over 1,425 OOS claims have now settled. The Committee is particularly pleased that such a high proportion (88%) of over-cap claims have been settled. A key focus now is SRES's processing of OOS applications and the issues arising as these claims are worked through. The Committee is working with SRES to ensure that OOS claims are processed and settled in accordance with the principles and processes agreed between SRES and the Crown and with due consideration being given to the interests of affected policyholders. This includes reviewing information provided to policyholders about eligibility criteria for OOS claims.

SRES provides monthly updates on applications under the Package Review Process, recent discretionary decisions, and current legal issues (including litigation relating to the Package) as these are matters of ongoing interest to the Committee and are permanent Agenda items.

The Committee receives regular updates on adherence to business processes and compliance with Package procedures, including quarterly reviews completed by KPMG as internal auditor. SRES also

provides the Committee with its in-house compliance reports. A particular focus of the April 2023 meeting was to review SRES approach to privacy breaches.

The Committee is now being informed of all privacy breaches relating to the Package as agreed in the last reporting period. The Committee continues to provide feedback to SRES in relation to its response to minor privacy breaches and will be provided with the updated privacy breach processes when they are finalised.

The Committee is using its Key Performance Indicator Checklist to evaluate the information it receives and to identify, and fill, any gaps in the information provided. This enables the Committee to focus on any specific matters of concern during meetings with SRES.

SRES continues to update staff training, streamline processes, and develop systems to address complex issues affecting multiple policyholders as they arise. This is enabling Package applications to be progressed more efficiently without jeopardising the quality of the process.

The Committee continues to note its appreciation for the quality of reports and level of cooperation provided by SRES and its advisers.

D. Administrative matters

The Committee is pleased to welcome Felicity Caird as a new member replacing Fiona Mules who resigned at the end of October 2022. Pending Felicity's appointment, Fiona was contracted on a temporary basis to support the Committee. The Committee is grateful to Fiona and to the Treasury for facilitating this and to Fiona for her valued work on behalf of the Committee.

The Communications Policy continues to be followed, including in the Committee's response to a letter from a policyholder in May 2023.

The Committee worked with the Treasury and SRES to respond to an Ombudsman's Investigation relating to an Official Information Act request in August 2021.

The Document Release Policy continues to work well with publication of Reports and minutes well within expected timeframes. Minutes and Crown Reports to April 2023 have now been published on the Committee web page.

The Committee's preference is for as much information to be publicly released as possible, restricted only by privilege and confidentiality considerations, thereby enhancing the transparency of the Committee's work.

The Committee filed its March 2023 Report to the Crown with the High Court to comply with the judgment of Osbourne J in *Ross v Southern Response Earthquake Services Limited* [2021] NZHC 3497.

E. Recommendation for changes to Terms of Reference

No changes recommended this quarter.

Signed by



Committee Chair, David Ayers

Date: 29 June 2023