



# Independent Oversight Committee

## Independent Oversight Committee information release

**November 2023**

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Independent Oversight Committee  
Quarterly REPORT to the Crown  
September 2023

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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

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## A. Introduction

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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

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The Committee refers to its previous Reports to the Crown.

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

The Committee recently published an updated Policyholder Report on its web page.

The Committee discussed the internal audit reports prepared by KPMG and confirmed to SRES how valuable these reports were in gaining assurance about SRES internal systems and controls.

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

## C. Summary of work performed

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The Committee met formally in July, August and September 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 is continuing to focus on the large numbers of out-of-scope (OOS) policyholders yet to be contacted and the few remaining over-cap applications.

As of 31 August 2023, Southern Response had paid \$253,653,075 to policyholders across 4,536 Package applications. Of these, 2,433 related to over-cap applications. This represents over 90% of the estimated number of over-cap policyholders that may be eligible for the Package and is a significant achievement. A key focus now is SRES's processing of OOS applications and the issues arising as these applications are worked through. The Committee is working with SRES to ensure that OOS applications 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 applications.

SRES continues to update staff training, streamline processes, and develop systems to process OOS applications as efficiently as possible without jeopardising the quality of the process.

The Committee continues to monitor SRES reporting on over-time applications and policyholders SRES is yet to connect with and notes the steady progress that SRES is making in both areas.

SRES provides monthly updates on applications under the Package Review Process, recent discretionary decisions, current legal issues (including litigation relating to the Package) and

compliance with privacy requirements 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.

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.

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

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The Committee has prepared and published its second report to policyholders (the first being in April 2022).

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

Committee members met with the Honourable Dr Deborah Russell, Minister Responsible for the Earthquake Commission, on 3 August 2023 and provided an overview of the work of the Committee.

The Communications and Document Release policies continue to work well with publication of Reports and minutes well within expected timeframes. Minutes and Crown Reports to July 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 June 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

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No changes recommended this quarter.

Signed by



Committee Chair, David Ayers

Date: 28 September 2023