

## Minutes of the meeting of the Board

8.00am – 4.30pm | 16 April 2025

Venue: NHC Toka Tū Ake, 53 Princess St, Christchurch

**Present:**

Chris Black (Chair)  
Ruth Dyson  
Alastair Hercus  
Andrea Brunner  
Erica Seville  
Fiona Wilson  
Scott Lewis  
Ziena Jalil

**Apologies:**

**In attendance:**

Tina Mitchell, Chief Executive  
Chris Chainey, Chief Financial Officer  
Catherine Taylor, Chief People Officer  
Jo Horrocks, Chief Resilience and Research Officer  
Rob Hodgson, Chief Data Officer  
Michala Beacham, Chief Strategy Officer  
Pip Andrews, Head of On-solds  
Kate Tod, Chief Readiness and Recovery Officer  
Hamish Wall, Chief Performance and Improvement Officer  
Zoe Morley, Director OCE, Secretariat  
s9(2)(a)

The meeting was declared open at 8.15am

|                                                             | Agenda items & key discussion points                                                           | Actions required | Responsibility and due date |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------|-----------------------------|
| <b>Section 1- Board Governance</b>                          |                                                                                                |                  |                             |
| <i>Commissioners joined the meeting at 8.15am</i>           |                                                                                                |                  |                             |
| 1.1                                                         | <b>Board only time</b>                                                                         |                  |                             |
| <i>Tina Mitchell joined the meeting at 8.30am</i>           |                                                                                                |                  |                             |
| 1.2                                                         | <b>CE only time</b>                                                                            |                  |                             |
| <i>Zoe Morley and s9(2)(a) joined the meeting at 8.45am</i> |                                                                                                |                  |                             |
| 1.3                                                         | <b>Present and Apologies</b><br><br>The Board:<br><br>a) <b>noted</b> there were no apologies. |                  |                             |

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| 1.4                                           | <b>Interest Register/Conflicts of Interest</b><br>Response and Recovery Aotearoa NZ can now be removed from the Conflicts of Interest Register for Erica Seville.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                 |                                                        |
| 1.5                                           | <b>Confirmation of 27 February 2025 and 27 March 2025 Board Minutes</b><br>The Board:<br>a) <b>approved</b> the minutes of 27 February 2025 and 27 March 2025 as true and correct, with minor amendments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                 |                                                        |
| 1.6                                           | <b>Matters arising</b><br>There were no matters arising from the minutes of 27 February 2025 and 27 March 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                 |                                                        |
| 1.7                                           | <b>Review actions</b><br>Progress on the seven action items was noted, with three action items approved for closure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                 |                                                        |
| <b>Section 2 - Key matters for discussion</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                 |                                                        |
| 2.1                                           | <b>Board performance review</b><br>The Board discussed: <ul style="list-style-type: none"> <li>the opportunity to apply a decision framework such as ARAC (Awareness, Reflection, Choices, Action Required) when working through more significant decisions and the benefits this framework could provide in an event or time-pressured situation</li> <li>the Board skills matrix and ensuring Board composition and professional development reflects the changing needs of the organisation, such as suitable investments and financial/ balance sheet management experience</li> <li>the need to reflect regularly on subcommittee composition.</li> </ul> The Board<br>a) <b>noted</b> the progress made on the 2024 actions for ongoing Board performance improvement<br>b) <b>agreed</b> the priorities for 2025/26 to continue enhancing Board performance and effectiveness. | PCGC to identify an appropriate decision framework for Board to trial<br><br>Reflections summary to be included as a Board standing agenda item | Z Morley<br>September 2025<br><br>Z Morley<br>May 2025 |

ELT joined online for the meeting at 9.26am

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| 2.2 | <p><b>CE Report</b></p> <p>The Board discussed:</p> <ul style="list-style-type: none"><li>RBNZ's recent stress test of the insurance industry based on an earthquake sequence in Wellington (magnitude 8.7 Hikurangi earthquake, tsunami, magnitude 7.7 aftershock one month later, plus a series of smaller earthquakes subsequently for up to 12 months after the main event). The report is expected to indicate aggregate insured losses of \$62bn, with NHC Toka Tū Ake losses reaching \$32bn, insurer losses of \$25bn and losses borne by policyholders of \$5bn</li></ul> <p>s9(2)(j)</p> | Invite RBNZ to a future Board meeting to talk about the stress test exercise, how it was performed, their assumptions and insights | Z Morley<br>30 September 2025 |
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ELT left the meeting at 10.02am

Catherine Taylor joined the meeting at 10.04am

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| 2.3 | <p><b>Health, Safety, Security &amp; Wellbeing</b></p> <p>The Board discussed:</p> <ul style="list-style-type: none"><li>the increase in reports of psychosocial harm following staff training on awareness and mitigations</li></ul> <p>s9(2)(a)</p> | s9(2)(a) | C Taylor<br>May 2025 |
|     | <ul style="list-style-type: none"><li>refining the definition of critical risks to ensure there is no overlap in concepts and reporting of data</li><li>minor errors in the reporting for correction.</li></ul> <p>The Board:</p>                     |          |                      |

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|                                                                                                                         | <p>a) <b>discussed</b> the critical health and safety systems, controls, and processes and that these are understood and being applied effectively at NHC Toka Tū Ake</p> <p>b) <b>noted</b> the update in the quarterly HSSW report for the period from 1 October to 31 December 2024.</p> |  |  |
| <p><i>Catherine Taylor left the meeting at 10.30am</i></p> <p><i>The Board took a break from 10.30am to 10.45am</i></p> |                                                                                                                                                                                                                                                                                             |  |  |
| 2.4                                                                                                                     | <p>s9(2)(g)(i)</p> <div></div>                                                                                                                                                                                                                                                              |  |  |
| <p><i>Rob Hodgson and Kate Tod joined the meeting at 11.47am</i></p>                                                    |                                                                                                                                                                                                                                                                                             |  |  |

## Section 4 - Other matters for discussion

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| 4.1 | <p><b>NDRM update including NIWE implementation plan, assurance settings, and approach to claims and invoice validation</b></p> <p>The Board discussed:</p> <ul style="list-style-type: none"> <li>the high level of engagement and support of the NIWE implementation plan by NDRM insurers</li> <li>balancing speed, cost, accuracy and quality of claims management, and options to achieve this through technology innovation, surge capacity and training</li> </ul> <p>s9(2)(j)</p> <ul style="list-style-type: none"> <li>progress implementing agency fees effective 1 July 2024, and the next fee review to occur in October 2026</li> <li>the cost-benefit of an independent external review of the NDRM, given the comprehensive nature of the NIWE review by Martin Jenkins.</li> </ul> <p>The Board:</p> <ol style="list-style-type: none"> <li><b>noted</b> the update on the Natural Disaster Response Model, including progress with assurance and data</li> <li><b>provided feedback</b> on the initiatives outlined in the paper and the overall direction of travel to strengthen the NDRM's performance based on the Martin Jenkins report and pending Grant Thornton review report</li> <li><b>agreed</b> that in light of the Martin Jenkins report and pending Grant Thornton report, which focusses on different aspects of the model, and related to this the drive to achieve full-maturity of the NDRM model by 30 June 2026, there would be limited value for the required investment in getting an external party to undertake an independent review of the overall model in 2026/27.</li> </ol> |
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Kate Tod and Rob Hodgson left the meeting at 12.41pm  
Board took lunch from 12.45pm to 1.15pm  
Chris Chainey joined the meeting at 1.20pm

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| 2.5                                           | <p><b>Funding and Risk Management Statement</b></p> <p>The Board discussed:</p> <p>s9(2)(g)(i)</p> <div style="background-color: #cccccc; height: 300px; width: 100%;"></div> <ul style="list-style-type: none"> <li>that some characteristics may only be fully addressed at the point at which a funding facility is actually required.</li> </ul> <p>The Board:</p> <ul style="list-style-type: none"> <li><b>noted</b> the new timeline for the review of levy and financial settings and potential second FRMS</li> <li><b>noted</b> further modelling is being undertaken on the potential size and operation of a Crown funding facility following discussions between NHC Toka Tū Ake and Treasury and will be brought to the 2 May Board Meeting.</li> </ul> |  |  |
| Chris Chainey left the meeting at 2.42pm      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| Section 3 - Key matters for approval          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| Catherine Taylor joined the meeting at 2.45pm |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| 3.1                                           | <p><b>Values</b></p> <p>The Board:</p> <p>a) <b>approved</b> the refreshed values and descriptors, which will be launched and implemented during June 2025, and</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |

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|                                               | <p>b) <b>approved</b> removing the 2014 values from all policies except the 'Policy on Creating and Maintaining Corporate Policies' which will be updated to include a new principle that vision and the new values apply to all policies.</p>                                                                                                                                                                                                                                                                                                                                                      |  |  |
| 3.2                                           | <p><b>Employee Engagement</b></p> <p>The Board discussed:</p> <ul style="list-style-type: none"> <li>the very high staff participation level and positive uplift to almost 80%, recognising the five year journey to get there</li> <li>whether NHC Toka Tū Ake should now be benchmarking itself against the top 10% of New Zealand organisations rather than just the public sector.</li> </ul> <p>The Board:</p> <p>a) <b>noted</b> the high-level results from the survey, next steps including action planning, and areas identified for improvement with some of this work underway.</p>      |  |  |
| 3.3                                           | <p><b>Performance Framework and Remunerational Framework</b></p> <p>The Board discussed:</p> <ul style="list-style-type: none"> <li>the strong alignment of the frameworks to Crown expectations and the frameworks required for a high performing organisation</li> <li>the well timed introduction of the framework, with engagement very high.</li> </ul> <p>The Board:</p> <p>a) <b>approved</b> the Performance Framework for implementation from 1 July 2025, and</p> <p>b) <b>approved</b> the Remuneration Framework to be implemented for the performance year commencing 1 July 2026.</p> |  |  |
| <b>Section 5 – Other matters for approval</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
| 5.1                                           | <p><b>Standards of integrity and conduct policy</b></p> <p>The Board:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |

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|                                                                                                                    | a) <b>approved</b> the updated Standards of Integrity and Conduct.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
| <p><i>Catherine Taylor left the meeting at 3.14pm</i></p> <p><i>Chris Chainey joined the meeting at 3.15pm</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
| 5.2                                                                                                                | <p><b>Delegations framework update</b></p> <p>The Board:</p> <p>a) <b>approved</b> the following changes:</p> <ul style="list-style-type: none"> <li>○ appointment of the Head of On-Solds and the Head of Legal as Attorneys to the limited Power of Attorney in respect of real property and registerable instruments</li> <li>○ rename the 'General Manager Internal Partners' role to 'Chief Financial Officer' in the limited Power of Attorney in respect of real property and registerable instruments</li> </ul> <p>b) <b>approved</b> additional delegations to allow the Natural Hazards Commission Toka Tū Ake to be able to pursue the recovery of monies and to accept payment plans within the On-sold Government Directive delegations</p> <p>c) <b>noted</b> the Bank mandate changes approved by the CE and the Board since the last update in August 2023</p> <p>d) <b>noted</b> the regular report on DFA changes approved by the Chief Executive (CE) under principle 15 of the Delegations Framework, with this report covering the period since 1 July 2024.</p> |  |  |
| 5.3                                                                                                                | <p><b>Asset management policy</b></p> <p>The Board:</p> <p>a) <b>approved</b> the retirement of the current <i>Asset Management Policy</i> and <i>Capital Expenditure and Fixed Assets Accounting Policy</i></p> <p>b) <b>approved</b> the new <i>Financial Asset Management Policy</i> and <i>Operational Asset Management Policy</i>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
| <b>Section 6 – Matters for noting</b>                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
| 6.1                                                                                                                | <p><b>Quarterly Organisation Risk Profile Update</b></p> <p>The Board:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |

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|     | a) <b>noted</b> this update on NHC Toka Tū Ake's risk profile.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
| 6.2 | <b>Monthly SoPE performance dashboard – February 2024</b><br>The Board:<br>a) <b>noted</b> the dashboard.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
| 6.3 | <b>NDRM performance report – February 2024</b><br>The Board:<br>a) <b>noted</b> the report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
| 6.4 | <b>Financial reporting</b><br>The Board:<br>a) <b>noted</b> the following comments on the February 2025 financial performance: <ul style="list-style-type: none"> <li>• The reported surplus for the month was \$26.0 million, unfavourable to month budget by \$4.1 million. This result was largely driven by: <ul style="list-style-type: none"> <li>○ Underwriting movements above budget (-\$6.3 million), partly offset by</li> <li>○ Interest revenue above budget (+\$0.3 million)</li> <li>○ Operating expenses were below budget (+\$1.9 million).</li> </ul> </li> <li>• Bank &amp; Investments held at 28 February 2025 were \$425 million (Natural Hazard Fund \$397 million and Non-fund cash \$28 million).</li> <li>• NHF investments were compliant with all policies.</li> </ul> |  |  |

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| 6.5                                                                                                                                                                                                                                  | <b>Verbal updates by Board sub-committee chairs</b> <ul style="list-style-type: none"> <li>PCGC: the March 2025 meeting covered the people items considered at today's Board meeting, alongside CE succession planning.</li> <li>ARC: the items considered at February 2025 ARC meetings were to Board in March and April, alongside the Statement of Investment Policy &amp; Objectives which is developing well.</li> <li>MoRF: the April 2025 MoRF covered the loss modelling strategy, progressing a possible new FRMS, s9(2)(g)(i) and the reinsurance renewal.</li> </ul> |  |  |
| 6.6                                                                                                                                                                                                                                  | <b>Correspondence</b><br>Noted there was no new correspondence since the last Board meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
| <b>Section 7 – Other Business</b>                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| Tina Mitchell, Zoe Morley and s9(2)(a) left the meeting at 3.40pm                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| 7.1                                                                                                                                                                                                                                  | <b>Reflections</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
| 7.2                                                                                                                                                                                                                                  | <b>Any other business</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| 7.3                                                                                                                                                                                                                                  | <b>Karakia</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| <b>Meeting closed at 3.45pm</b>                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| The next Board meeting is scheduled for 2 May 2025 online in Wellington.<br>These minutes were approved by the Board as a true and correct record.<br><br><div> <div>Chris Black</div> <div>Date</div> </div> <div>Board Chair</div> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |