



## Terms of Reference for the NZCRS Advisory Committee

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July 2023

### A. Background

1. On 29 August 2022, Cabinet agreed to the establishment of the New Zealand Claims Resolution Service (the NZCRS) in response to a recommendation from the 2020 report of the Inquiry into the Earthquake Commission.
2. The NZCRS was established as a standing national mechanism to support homeowners with a Toka Tū Ake Earthquake Commission (Toka Tū Ake EQC) and/or private insurance claim against a residential property that has been damaged by any natural disaster event (a residential insurance claim), with no limit on the value of a claim.
3. These are the Terms of Reference (ToR) for the NZCRS Advisory Committee (the Committee).

### B. Objectives of the NZCRS

4. The objectives of the NZCRS are to:
  - a. support homeowners where required with a residential insurance claim;
  - b. assist homeowners to achieve fair, just, timely, and enduring resolution of their residential insurance claim; and
  - c. assist with the psychosocial recovery and support the wellbeing of the homeowner during the resolution of their residential insurance claim.
5. In addition, the broader aims of the NZCRS include contributing to consumer protection and education around residential insurance claims (including options for dispute resolution).

### C. Principles of the NZCRS

6. The following principles underpin the functioning of the NZCRS:
  - a. **Independent and fair:** Claims and disputes are managed and resolved in accordance with applicable law and natural justice. All claims resolution and dispute functions are, and are seen to be, carried out in an objective, fair, and unbiased way. The NZCRS is independent from Toka Tū Ake EQC and all insurance companies;
  - b. **Consumer-centricity:** The homeowner is at the centre of all aspects of the NZCRS service and will be supported by the NZCRS in the assessment, management, and resolution of their insurance claim. NZCRS is easy for homeowners to find, enter, and use, regardless of their capability and resources;
  - c. **Efficient and effective:** NZCRS processes are tailored to achieve the prompt and cost-effective settlement of outstanding insurance claims and disputes wherever reasonably possible. NZCRS provides value for money through appropriate, proportionate, and timely responses to issues.
  - d. **Wellbeing:** The successful resolution of an insurance claim includes the facilitation of the psychosocial recovery and wellbeing of the owner where necessary; and
  - e. **Accountable:** Subject to obligations around privacy and confidentiality, the NZCRS will be open with processes, decision making, and communication with homeowners and insurers, so as to instil public confidence in the service. Regular monitoring, assessment, and reporting will encourage ongoing improvement and better outcomes for homeowners.



#### **D. Role of the NZCRS Advisory Committee**

7. The Committee has been established to provide advice to assist the Ministry of Business, Innovation and Employment (MBIE) and the Director of the NZCRS to discharge their responsibilities in terms of management and governance of the NZCRS.
8. The Committee provides a forum to discuss NZCRS-related matters and issues, and for solutions to be suggested and facilitated where necessary. The role of the Committee includes providing advice and observations on matters relating to:
  - a. the strategic direction of the NZCRS and progress towards achieving strategic outcomes;
  - b. risks and emerging developments in the natural hazards, insurance, and dispute resolution landscape;
  - c. the quality, efficiency, and effectiveness of the NZCRS; and
  - d. service improvements and ways to enhance the experience of homeowners and other stakeholders who use the NZCRS.
9. The Committee will work closely with the advisory groups (Engineering, Legal, Wellbeing, and Homeowner), allocating work where appropriate and seeking, or proactively receiving, feedback on NZCRS-related issues.
10. The Committee is not a statutory board, has no legal standing, and is not a decision-making body. MBIE is responsible for the operation and oversight of the NZCRS, service performance and improvements, progress against objectives, and reporting to the Responsible Minister (Minister of Commerce and Consumer Affairs).
11. The Committee may report to MBIE on matters relating to the NZCRS.

#### **E. Meeting frequency**

12. The Committee will meet quarterly. Out-of-cycle or more frequent meetings may be convened as required, depending on the nature, magnitude, or number of events the NZCRS is responding to. Reports on current responses may be shared by correspondence with the Committee on a more frequent basis to provide updates.

#### **F. Membership**

13. The Committee will be made up of the following members:
  - a. A senior representative from MBIE (Chair);
  - b. the Director of the NZCRS;
  - c. A senior representative from Toka Tū Ake EQC;
  - d. A senior representative from the Insurance Council of New Zealand (ICNZ);
  - e. A national consumer or homeowner representative;
  - f. A local government representative;
  - g. A national Māori representative -either an MBIE Māori expert, Te Puni Kōkiri (TPK) or Te Arawhiti representative;
  - h. The NZCRS Engineering Advisory Group Chair;
  - i. The NZCRS Legal Advisory Group Chair;



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- j. A national health or wellbeing representative;
- k. Chairs of active NZCRS Homeowner Advisory Groups;
- l. Chairs of active NZCRS Wellbeing Advisory Groups; and
- m. A senior representative from Southern Response Earthquake Services Limited (while it remains in operation)

- 14. The Committee will elect a Deputy Chair by majority decision.
- 15. Each member will be appointed for the duration of two years, or shorter if circumstances dictate. Appointments can be renewed after the duration of two years.
- 16. This ToR does not bind any member or individual organisation. Participating agencies will retain their own accountability and decision rights. Nothing in this ToR shall make any member liable for the actions of any other member or constitute any legal relationship between the members or their respective organisations.

## **G. Protocols**

- 17. Members of the Committee agree that in dealing with each other they will at all times discuss matters in an open and collaborative manner, and work together constructively in the interests of homeowners and the NZCRS scheme.

## **H. Conflict**

- 18. The members of the Committee will disclose any real or potential conflict of interest to the other members of the group, and the Chair of the group will decide the best way to manage any such conflict. If the conflict of interest relates to the Chair, the deputy Chair will decide the best way to manage the conflict.

## **I. Confidentiality**

- 19. Members have a responsibility to treat all information with appropriate confidentiality, which includes matters tabled or discussed at the Committee meetings, as well as any information provided, or any discussion that takes place, outside of these meetings.
- 20. Members may not represent the Committee or the NZCRS in the media without prior approval from the Chair of the Committee and the Director of NZCRS. Members can share information that is not confidential through media channels if they choose, but this should be as individuals and not represented as the views of MBIE, NZCRS, or the Committee.

## **J. Administration**

- 21. If the Chair is unable to attend a meeting, they will delegate responsibility to the Deputy Chair. If the Deputy Chair is not available, the Chair will delegate responsibility to another member.
- 22. A quorum will be half the number of members, plus the Chair.
- 23. The Chair is responsible for approving a written agenda at least two working days before the meeting.
- 24. Draft minutes of meetings will be circulated to all members within 10 working days of the meeting.
- 25. Minutes will be published on the NZCRS website within 20 working days of the meeting.



26. Secretariat support will be provided by the NZCRS.

27. The ToR will be reviewed annually. Unforeseen issues may emerge, or the nature of events may change, as NZCRS operations continue. Therefore, there may be a need to update the ToR to ensure they are still fit for purpose. This ToR can only be amended with a majority agreement by the Committee.

**K. Funding and remuneration**

28. MBIE will enter into separate remuneration agreements with each member as required.