



ICNZ Insurance Council
of New Zealand

INSURANCE COUNCIL OF NEW ZEALAND

ANNUAL REVIEW 2017



INSURANCE COUNCIL OF NEW ZEALAND BOARD 2017

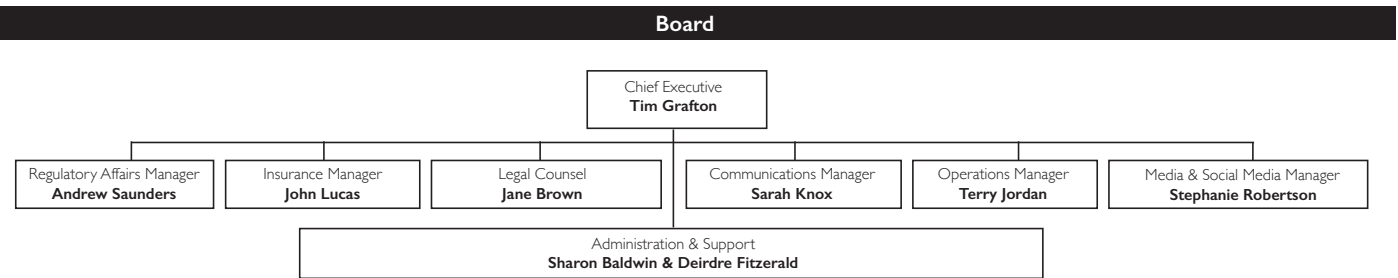
LEFT TO RIGHT

BACK ROW: John Lucas (ICNZ), Bill Donovan (QBE), Craig Olsen (IAG), Andrew Brooks (Chubb), Chris Curtin (AA Insurance), Terry Jordan (ICNZ), Jane Brown (ICNZ).

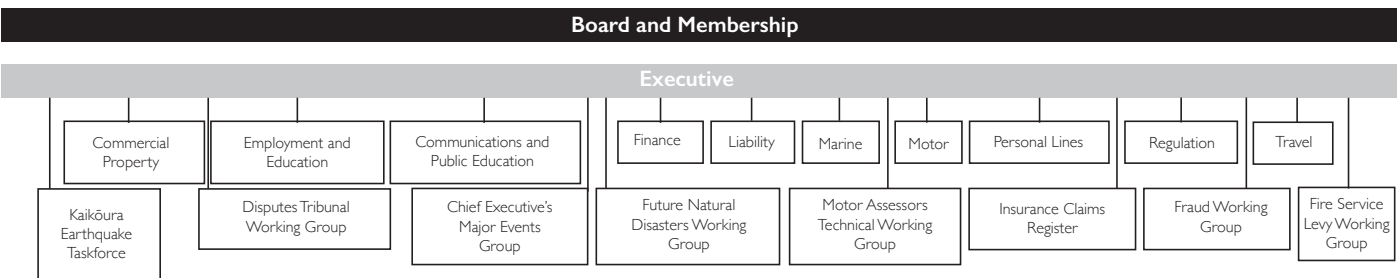
FRONT ROW: Paul Smeaton (Vero), Tim Grafton – Chief Executive (ICNZ), Chris Black – President (FMG), Martin Stokes – Vice President (Medical Assurance Society), Marc Guppy (Allianz), Mat Spears (Munich Re).

INSET: Richard Harding (Tower), Sarah Knox (ICNZ).

COUNCIL STRUCTURE



COMMITTEE STRUCTURE



MISSION: Promoting and shaping a responsive and sustainable insurance industry to safeguard New Zealand.

VISION: New Zealanders have trust and confidence in insurance.

VALUES: Doing what's right, setting and maintaining high standards, working constructively with all stakeholders, making things happen, and foster awareness and understanding.

STRATEGIC INTENT: Creating a strong and vibrant insurance industry.



PRESIDENT'S REPORT

The past year presented the general insurance sector and ICNZ with some of its biggest challenges in recent times.

2017 was the most expensive claims year for extreme weather-related events since records began in 1968. A case in point was Edgecumbe, which was inundated after heavy rain and the partial collapse of the town's stop-bank. Insurers placed a high priority on settling these claims and, pleasingly, by the end of the year, 90% of all Edgecumbe claims had been settled.

Following the Kaikōura earthquake event in November 2016, ICNZ and EQC came to an arrangement whereby insurers would act as agents for EQC in respect of the lodgement, assessment, management and settlement of EQC-related claims. This new approach has worked extremely well, helping to avoid duplication and unnecessary delays in the settlement of claims. As a result, 87% of all Kaikōura earthquake claims had been either fully or partially settled by the end of 2017. In contrast, due to the complexity of the process, insurers are still receiving over-cap claims from EQC in respect of the 2010-2011 Canterbury earthquake series. 793 new Canterbury earthquake claims were passed from EQC to insurers during last year, reinforcing the need to cement the revised model used for Kaikōura earthquake claims before another natural disaster strikes.

The satisfactory settlement of a policyholder's claim is the ultimate proof-point in an insurance

relationship. In light of this and the on-going over cap transfer issue between EQC and insurers, the industry remains committed to achieving closure of the residual Canterbury claims as soon as practicable. ICNZ will continue to work constructively with EQC and the new Government to this end in 2018.

ICNZ has actively participated in a number of regulatory and legislative reviews this year. Notably, ICNZ established a working group to contribute to the new Fire and Emergency New Zealand regulations to help ensure they are not overly complicated. ICNZ also played an important role this year working with the Reserve Bank of New Zealand as it scoped the issues to be considered in its review of the Insurance Prudential Supervision Act (IPSA) 2010. ICNZ will continue to advocate for sensible legislation and regulation that adds value to business and consumers without imposing complexity and unnecessary administrative costs, which ultimately are borne by policyholders.

ICNZ and its members take pride in the high standards they set themselves through the Fair Insurance Code (FIC). All members must comply with the Code, which is overseen by an independent Code Compliance Committee. 2018 sees the triennial review of the FIC and we welcome submissions from interested stakeholders in the spirit of further enhancing the public's trust and confidence in the insurance sector.

The Board undertook a strategic review this year to provide a clear blueprint for ICNZ for the next 3-5 years. This included revisiting ICNZ's membership offering, which paved the way for welcoming two new associate members in December: the reinsurance brokers, Guy Carpenter and Willis Re, both of whom will add another dimension to ICNZ. At about the same time, Co-operative Insurance resigned from ICNZ after it sold its insurance book to another member. At the end of 2017, membership stands at 27.

The strategic review also included a comprehensive rethink of the ICNZ's rules to better reflect today's operating environment and revision of both ICNZ's

levy structure and reserves policy. The Board feels the changes implemented as a result of the review put ICNZ on a sound and sustainable footing in the context of the future development of New Zealand's general insurance industry.

In summary, 2017 was an extremely demanding year for the industry. On behalf of the Board, I would like to acknowledge and thank Tim Grafton, our Chief Executive, and his team at ICNZ for the excellent work they have done to advance matters of importance to the sector and at the same time support members in many different ways. A lot of the work ICNZ carries out is through various standing committees and working groups; sincere thanks to the chairs and members of these for their time and commitment throughout the year.

We had one change on the Board during the year. Kai Dwyer stood down from leading Zurich Insurance's team in New Zealand in July. I would like to thank him for his positive and valuable contribution to the Board during his tenure, including in the important area of public education about the value of good risk management and insurance. We welcomed Richard Harding, the Chief Executive of Tower Insurance, to the Board as Kai's replacement.

This is my last year as President of ICNZ after a term of over two and a half years, following three years as Vice-President. It has been an honour and privilege to lead ICNZ in conjunction with our Vice President, Martin Stokes, through what has been a period of considerable disruption, challenge, and change to advance the important role ICNZ plays on behalf of the industry and New Zealand business and society more broadly. Throughout, I have been grateful for the support of my fellow Board members who I would like to thank for their commitment, extra effort and constructive contribution in the best interests of the industry and the stakeholders it supports. Particular thanks to Tim Grafton who in my view has made an invaluable contribution to the industry over recent years and has been a pleasure to work alongside for the last three.



Chris Black
President
Insurance Council of New Zealand



2017 was the most expensive claims year for extreme weather-related events since records began in 1968.

A case in point was Edgumbe which was inundated after heavy rain and the partial collapse of the town's stop-bank. Insurers placed a high priority on settling these claims and, pleasingly, by the end of the year, 90% of all Edgumbe claims had been settled.



CHIEF EXECUTIVE'S REPORT

2017 was notable for the volume and cost of claims managed as a result of natural disasters.

The full impact of the Kaikōura earthquake of November 2016 saw insurers managing more than 40,000 residential and commercial claims with losses of more than \$2 billion. The year was also the most expensive for insured losses from extreme weather events since our records began in 1968, with total losses of \$243 million.

Insurers can be justifiably proud of their response to these events with the vast majority of claims arising from them settled by the end of the year. The team at ICNZ played an important role in support of our members at public meetings, working with local councils, coordinating communications and the provision of information to vulnerable people within affected communities, and keeping local and central government informed of issues critical to recovery efforts.

Although these were testing times, I believe private insurers' capability to respond has proven its worth in protecting New Zealanders when they are most in most need.

Fair Insurance Code

Members of ICNZ set high standards in their dealings with customers through adherence to the Fair Insurance Code.

ICNZ continues its commitment to report transparently on complaints raised about breaches of the Code. During 2017, insurers received 1.2 million claims. Of those, 0.3% (3,446) of complaints were managed by insurers' internal dispute resolution processes. Of the 243 complaints that were then lodged with external dispute resolution schemes, it is noteworthy that only 19 were upheld – just 0.001% of the total number of claims made for the year.

Towards the end of the year, ICNZ wrote to more than 60 organisations and advertised seeking public submissions on the triennial review of the Fair Insurance Code. Substantial changes were made in the last review three years ago, setting a high bar for standards in dealing with residential customers and small-medium enterprises. One area the current review may pick up feedback on is the adoption of new technology, which is an integral feature of a lot of members' business models these days.

“The full impact of the Kaikōura earthquake of November 2016 saw insurers managing more than 40,000 residential and commercial claims with losses of more than \$2 billion. The year was also the most expensive for insured losses from extreme weather events since our records began in 1968, with total losses of \$243 million.”

FAIR INSURANCE CODE
2017 REPORT ON CLAIMS,
COMPLAINTS AND BREACHES

During 2017, insurers received nearly 1.2 million complaints, of which only 19 were upheld by external dispute resolution (DR) schemes.

No. of Claims	No. of complaints to internal DR process	No. of complaints to external DR schemes	No. of complaints upheld by external DR schemes	No. of significant breaches	No. of unresolved significant breaches
1,199,347	3,446	243	19	0	0



Regulatory submissions

ICNZ had a busy year on the regulatory front too, making 24 submissions as well as being involved in extensive engagement with government agencies outside of the official submission process – a key part of the value proposition ICNZ offers.

Disaster management

Substantial progress has been made over the past two years engaging with The Treasury on the review of the EQC Act. ICNZ is supportive of The Treasury's conclusions on the need to raise the EQC cap from the current \$100,000 while retaining both a modified Land and Building cover and removing contents claims from EQC cover.

Two critical issues remain unresolved, however, both of which we have raised with the new Government. The first is that, in ICNZ's view, insurers should be responsible for the lodgement of all claims and the subsequent management and settlement of those claims. We are hopeful that an enquiry into EQC in 2018 will reference the significant benefits delivered to policyholders as a result of the way the Kaikōura earthquake response was managed. After this event, insurers successfully lodged, managed and settled the majority of claims, including many on behalf of EQC under a partnership model agreed with EQC.

It is notable that in 2017, a further 793 Canterbury claims were transferred from EQC to private insurers – more than seven years after the first earthquake in the 2010-2011 Canterbury Earthquake series. In contrast, in a little over one year from the 2016 Kaikōura earthquake, insurers have fully- or partially settled 85.7% of all residential building claims and expect to have the balance largely completed in the first quarter of 2018.

The second issue is that EQC cover should respond in the same way as the policy purchased by the customer from their insurer. This would ensure there is no difference in interpretation of reinstatement standards between what the EQC Act says and what various private insurers offer in their policies.

Given New Zealand is experiencing a period of increased seismic activity, it is important that changes are made to the current EQC model as quickly and as practically possible. Equally, it is important we have an EQC Act that both benefits from the lessons learned from the Canterbury Earthquake recovery experience while it is still fresh in our minds and provides certainty about the responsibilities of EQC and private insurers in responding to further natural disasters.

We are pleased with the constructive engagement we have had with the new Government on these matters and remain supportive of changes that help to bring a timely and proper conclusion to the settlement of outstanding claims in Canterbury.

Fire and Emergency New Zealand

Substantial work has gone into addressing the complexities that have arisen from the Fire and Emergency New Zealand Act. There are still major concerns, however, that insurers will be unable to comply with the regime from the planned levy implementation date of 1 January 2019.

We have sought an urgent extension of the date of implementation because many of the regulatory issues we have raised will not be clarified until later in 2018, leaving insufficient time for insurers to make the necessary, and costly, IT system changes required. We have proposed a new levy implementation date of 1 July 2019.

IPSA review

A third workstream, which will flow through the next two years, is the review of the Insurance Prudential Supervision Act by the Reserve Bank of New Zealand. It will be important to steer a path that balances encouragement of offshore support for the New Zealand market with ensuring, wherever possible, that there is competitive neutrality between offshore and local insurers.

We are also keen to see greater emphasis placed on transparency around decision making and an ability to

have an independent review of the merits of certain decisions. Clarity around which entities are entitled to use terms like 'insurance company' would be welcomed too.

Events

ICNZ has been a member of the Global Federation of Insurance Associations (GFIA) for the past two years. I attended its annual conference and the accompanying Insurance Europe Conference on digitalisation, which was a valuable experience in the context of representing New Zealand in an international forum and contributing some of the

experiences we have had around natural disasters and our financial capability initiatives. The networking opportunities also brought back ways in which we can enhance the value proposition for our members. There were also important learnings to bring back to members from developments in new technology and the implications those developments bring.

The annual ICNZ conference this year attracted 343 attendees, a record number. It focused on uncertainty, risk and how to build resilience in responses. Attendees' evaluations show they find this to be an important and valuable event.

Alistair Newton, an international advisor and expert on international geo-political issues, was a keynote speaker at the ICNZ conference on 8 November in Auckland. He talked about the impact of geo-political issues on financial markets and gave insights on the US-China dynamic for the Asia Pacific and New Zealand under the Trump administration.



Our broader contribution to risk reduction and resilience saw ICNZ, in conjunction with EQC and the Building Research Association of New Zealand, organise a symposium for over 160 people in Wellington focused on improving awareness of vulnerabilities in commercial buildings. This event was significant given the number of structural failures in Wellington resulting from the Kaikōura earthquake.

I have also taken the opportunity at a governance level to support the interests of members by taking up the Chair of the Representative Users Group for the Deep South National Science Challenge. The Group informs researchers into climate change impacts of what sectors like insurance need to be informed about.

I have also taken up a role on the Advisory Board at Victoria University's Chair in the Economics of Disasters on behalf of ICNZ.

Support and education

ICNZ continues its proud record of encouraging emerging young leaders through its funding of the annual ICNZ-ANZIIF scholarship. This year's winner was IAG's Matthew Botur who wrote on the implications of new technology on customer experience, regulation and the insurance sector. As the winner, Matthew received a \$10,000 grant to further his development within the sector.

Additionally, our efforts to encourage greater awareness of insurance among journalists saw us sponsor an award for the top business journalist in Massey University's Postgraduate Diploma in Journalism course. Laree Taula won this year's award. We plan to extend this initiative to a second journalism school in 2018.

We delivered 240 downloads of Level 2 and 3 financial capability unit standards through our partnership with Young Enterprise (YES), exceeding

our target of 220. YES is also providing ten short insurance tip videos which will be distributed through social media in 2018.

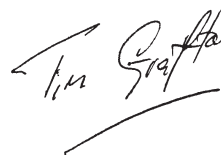
Banquer, one of our financial capability partners for risk and insurance in primary and intermediate schools, continued to show strong growth. 439 classrooms and 11,287 students are using the house insurance module, with the resource downloaded 843 times.

Thanks

I am proud of the efforts of the ICNZ team, who have accomplished a lot in what has been one of our busiest years. It was sad to say goodbye to our Regulatory Affairs Manager and Legal Counsel, Nick Mereu, who contributed so much in his time here. He moves on to advance his career and we back his decision.

I am grateful the Board supported the need to increase ICNZ's staff resources so we can do a better job on behalf of our members. To that end, we welcomed Jane Brown as our Legal Counsel and Stephanie Robertson as our Media and Social Media Manager in October. Andrew Saunders joins us in the new year as our Regulatory Affairs Manager.

I want to acknowledge the strong support and counsel of the President, Vice President and the Board of ICNZ. It has been particularly demanding on their time working through the reviews of the ICNZ Rules and the ICNZ Levy Structure.



Tim Grafton
Chief Executive
Insurance Council of New Zealand



CHRISTCHURCH CITY COUNCIL NEWSLINE

2017 was the most expensive year on record for weather-related losses, with total insured losses of more than \$242 million.

The most expensive event of the year was the remnants of Cyclone Debbie, which struck in early April. That event resulted in 5,470 claims totalling \$91.5 million in insured losses. Flooding was also a big contributor to these figures, with insurers paying out \$94.6 million across 11,455 claims for flood events.

ICNZ data shows house and contents claims made up over half of all insured losses for the year, with a total cost of \$154.2 million paid out by insurers.

Each year, across a number of extreme weather events, the Council works to promote community preparedness and resilience.

Before, during and after extreme weather events, Council staff work with media and affected community members to promote the importance of insurance, educate consumers on insurance processes, and help communities get back on their feet.



STUFF / TARANAKI DAILY NEWS

COUNCIL ACTIVITIES 2017

The following list of activities identifies the specific work outcomes of the Council and its standing committees and working groups. Some of the activities were extensive in nature, others were relatively minor, but all contribute to delivering the strategic priorities set down by members and the Board.

Submissions to and work with Government

Submissions were made to

- The Treasury on the structure of New Zealand's future natural disaster scheme
- the Department of Prime Minister and Cabinet on a ministerial review on better responses to natural disasters and other emergencies in New Zealand
- Fire and Emergency New Zealand (FENZ) on the issue of fire safety and evacuations offences and penalties in their regulations
- FENZ on the issue of transitional relief and calculation of insurance covering different types of properties in their new regulations
- the Minister of Internal Affairs to grant an exemption for travel insurance from FENZ levies
- the Reserve Bank of New Zealand (RBNZ) on the Issues Review paper considering the content for a review of the Insurance Prudential Supervision Act
- RBNZ on audit requirements for insurer data returns
- RBNZ on their consultation papers: Insurance Statistics – Request for Feedback and Document Sign Offs for Insurer Data Returns – Request for Feedback
- the Ministry of Business, Innovation and Employment (MBIE) on exposure drafts of the new Financial Advice Regime and exposure draft of the Financial Services Legislation Amendment Bill

- the Financial Markets Authority on the proposal to facilitate an exemption for the provision of personalised robo-advice
- the Productivity Commission on its Low Emissions Economy enquiry
- the Governance and Administration Select Committee on the Residential Tenancies Amendment Bill (No. 2) regarding tenants' liability for damage to landlords' property
- MBIE on the review of the Unit Titles Act 2010
- MBIE on fire safety proposal changes to the Building Code and alternative solutions to fire safety design
- Standards New Zealand on the testing and decontamination of methamphetamine contaminated properties
- the New Zealand Transport Agency on the setting of speed limits.

Submissions can be found online at

www.icnz.org.nz/submissions

Discussions were also had with

- the Department of Internal Affairs and FENZ on simplifying and minimising the regulatory costs of implementing the FENZ Act
- the Financial Advice Code Working Group about the drafting of a Code of Professional Conduct
- MBIE's Consumer Protection Unit about how insurers can support improving financial capability among vulnerable communities
- the National Building Financial Capability Charitable Trust about how insurers can support improving financial capability among vulnerable communities
- RBNZ to discuss prudential regulation of insurers and speak to submissions.

Canterbury earthquake-related matters

- Facilitated quarterly Chief Executive meetings involving ICNZ, the Earthquake Commission (EQC), the Ministry for Business, Innovation and Employment, and the Department of Prime Minister and Cabinet to assist where any complications or delays impacting claims may have occurred.
- Collected and published progress statistics on a quarterly basis.
- Worked with members and EQC to report on and monitor monthly claims that remain unsettled with EQC, including those that might become over cap, as part of the Joint Accelerated Review Team.
- Participated in the Shared Property Programme to resolve complex issues around multi-unit buildings and cross-lease properties.
- Attended the Governance Board of the Residential Advisory Service.

Kaikōura earthquake-related matters

- Led several working groups to implement the memorandum of understanding governing private insurers' response to the earthquake while agents of the EQC for under cap claims.
- Coordinated the Insurer Operations Group to respond to recovery efforts.
- Attended the EQC Steering Group overseeing the response for under cap claims.
- Attended public meetings and meetings with local councils to assist in the recovery response.
- Collected and published progress statistics monthly.



Insurers are advocating for the model that was used for the Kaikōura earthquake to be the model for the future – where private insurers manage claims from start to end for their customers.

Edgcumbe disaster response

- Attended public meetings and liaised with local councils to facilitate recovery efforts.
- Developed with EQC an agreed approach to respond to land damage.
- Collected and published progress data.
- Coordinated Bay of Plenty Regional Council and Whakatane District Council meeting with insurers to seek information on the territorial authority's proposed flood mitigation works.

Presentations

Council staff made presentations on

- cyber risks to the NZILA Discussion Group
- issues facing the insurance sector to the New Zealand Insurance Law Association Conference

- difficult disputes to the Arbitrators and Mediators Institute of New Zealand
- insurance and climate change to the Deep South National Science Challenge Symposium
- insurance, its role and risk reduction to the Massey University Journalism School
- insurance and the long view to the Victoria University Natural Disaster Workshop
- insurance to Hamilton Probus
- insurance, housing and climate change to the Deep South Science Challenge Workshop
- Victoria University's Adaptation Funding Workshop
- Insurance and climate change risk to Local Government New Zealand's Mayoral Briefing.



BRANZ, ICNZ, Wellington City Council and EQC hosted the Open for Business seminar in July 2017 which brought together people across the building, design and construction sectors to discuss the critical issue of reducing non structural fit out failure in buildings during an earthquake. Modern building structures are designed to provide life safety in a moderate to severe earthquake, but the risk around non-structural elements like suspended ceilings, water pipes, air conditioning and wall partitions gets less attention. After the 2013 Seddon and 2016 Kaikōura earthquakes, many buildings remained closed because some of these non-structural elements had failed. Presenters at Open for Business talked about what can happen inside buildings in an earthquake and ways to reduce the risk of internal fit out failure.

OTHER COMMITTEE AND WORKING GROUP ACTIVITIES

Commercial Property Committee

- Facilitated a seminar jointly with the Building Research Association of New Zealand, the Earthquake Commission (EQC) & Wellington City Council for the construction industry highlighting issues with the seismic performance of internal fit out in buildings in New Zealand.
- Provided data to Fire and Emergency New Zealand (FENZ) showing collective industry property sums insured.
- Monitored flammable building cladding issues internationally and in New Zealand.
- Jointly facilitated with Insurance Brokers Association of New Zealand a Fire Service Levy issues workshop for insurers and brokers.
- Developed coordination with the New Zealand Institute of Valuers for property valuation changes that will be required for the new Fire Service Levy collection system that will take place in 2019.

Communications and Public Education Committee

- Monitored reputation and media issues across the industry.
- Awarded the Massey University-ICNZ prize for business journalism to the top student in the Journalism School.

- Promoted teacher and student resources to support four Personal Financial Management Unit Standards at Levels 2 and 3.
- Hosted a Money Week event for South Auckland Pasifika schools with partners Banquer and Young Enterprise.

Employment and Education Committee

- Produced the insurance sector's annual Remuneration Survey.
- Reviewed and changed supplier for the annual F&G Remuneration Survey for 2018 onwards.
- Monitored and discussed Health and Safety best practice.
- Acted as a key reference point for ANZIIF in New Zealand, including supporting and having input into education, conferences and research initiatives.

Finance Committee

- Held training courses in conjunction with CPA for finance staff on the topic of "Reserve Bank – Insurance Regulator".
- Collected statistics on levels of paid claims for home, contents and vehicles.



Laree Taula won the Massey University-ICNZ prize for business journalism. The award is designed to give journalism students an understanding of risk management and awareness of emerging insurance issues.

- Managed the collection of ICNZ members' quarterly stats.
- Commenced collection of data on the cost of regulation for the insurance industry.

Liability Committee

- Jointly facilitated four Liability Discussion Groups with the New Zealand Insurance Law Association.
- Provided feedback to the Ministry of Business, Innovation and Employment on a home warranty scheme proposal.

Marine Committee

- Updated the Marine Large Loss statistics for New Zealand.
- Discussed Fire Service Levy issues for marine cargo with the Fire Service Levy Working Group.
- Updated the Marine Cargo Open Policy Handbook to provide guidance on writing marine insurance contracts in non-admitted countries.

Motor Committee

- Monitored vehicle rental credit hire.
- Developed and implemented a new Knock for Knock agreement.
- Facilitated Disputes Tribunal training
- Discussed Fire Service Levy issues for motor insurance with the Fire Service Levy Working Group.
- Renegotiated member access to the New Zealand Transport Agency (NZTA) Motor Register.
- Maintained a watching brief on any bodily injury claims from the Sentencing Amendment Act 2014 introduction.
- Took part in an NZTA educational video on awareness of impaired driving from using prescription and over-the-counter medicines.

Personal Lines Committee

- Represented the industry on the NZ Standards Committee which developed NZS 8510 – Testing and Decontamination of Methamphetamine Contaminated Properties.

Travel Committee

- Worked with Colmar Brunton to conduct market research into the travel insurance industry and trends.
- Fielded considerable media interest, particularly on cover for travellers with down syndrome, the impact of Korean hostilities, coverage of prostheses under policy wordings, the jet fuel shortage, and the Bali volcano.

Regulation Committee

- Hosted Professor Rob Merkin and Rebecca Sellers who gave a seminar on case law and regulatory issues.
- Facilitated and advised on submissions for a range of regulatory issues.
- Monitored regulatory developments that may have an impact on the insurance sector.

Insurance Claims Register

- Implemented several upgrades to the Insurance Claims Register (ICR), including search algorithms and functionality.
- Increased membership of the ICR with Medical Assurance Society joining as a licensee member.
- Provided consistently reliable service with no operational outages reported during the year.

INDUSTRY STATISTICS

Year ended 30 September 2017

All Business

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	4,770,148,673	5,258,213,477	5,260,803,452	5,345,220,235	5,727,157,999
Net Written Premium	3,652,556,360	4,018,404,458	3,880,463,935	3,425,022,923	3,975,655,149
Net Earned Premium	3,506,529,351	3,912,441,162	3,895,768,305	3,366,482,641	3,784,224,340
Claims Incurred	2,174,942,392	2,350,393,425	2,546,016,620	1,968,592,517	2,710,849,427
Loss Ratio %	62.03%	60.07%	65.35%	58.48%	71.64%
Business Costs (Staff etc)	1,200,746,602	1,315,241,975	1,367,165,689	1,186,539,400	1,236,198,791
Combined Ratio %	96.27%	93.69%	100.45%	93.72%	104.30%

Commercial Material Damage and Business Interruption

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	598,432,282	684,399,324	687,192,670	680,630,993	720,886,662
Net Written Premium	325,879,410	369,583,445	346,431,648	357,611,986	375,638,036
Net Earned Premium	322,693,671	358,734,362	369,677,595	360,357,963	365,001,083
Claims Incurred	192,309,752	227,168,439	208,771,487	243,994,226	266,340,393
Loss Ratio %	59.60%	63.32%	56.47%	67.71%	72.97%

Domestic Buildings and Contents

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	1,342,027,881	1,477,326,975	1,522,053,535	1,560,818,092	1,653,980,584
Net Written Premium	1,082,408,518	1,219,945,738	1,210,698,365	1,149,372,792	1,248,972,005
Net Earned Premium	1,002,937,356	1,168,935,364	1,186,680,158	1,129,099,427	1,201,103,163
Claims Incurred	582,828,477	609,645,684	634,005,780	624,059,237	716,800,290
Loss Ratio %	58.11%	52.15%	53.43%	55.27%	59.68%

Motor Commercial and Private

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	1,410,050,905	1,509,389,417	1,564,349,422	1,644,119,117	1,833,142,184
Net Written Premium	1,393,761,828	1,487,114,169	1,477,793,120	1,422,592,371	1,568,885,993
Net Earned Premium	1,366,159,713	1,441,718,227	1,444,274,566	1,377,217,656	1,475,665,889
Claims Incurred	886,385,444	951,461,076	1,003,957,760	1,023,576,910	1,132,804,218
Loss Ratio %	64.88%	65.99%	69.51%	74.32%	76.77%

Marine Hull and Cargo

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	137,235,745	140,528,421	137,394,192	126,516,762	134,650,106
Net Written Premium	112,054,232	116,508,142	107,813,364	93,028,019	101,443,977
Net Earned Premium	111,737,383	118,685,913	108,805,543	92,816,802	99,540,458
Claims Incurred	47,759,994	56,416,386	54,977,363	62,428,514	59,343,187
Loss Ratio %	42.74%	47.53%	50.53%	67.26%	59.62%

Liability Professional & Defamation, Directors & Officers and Public Product & Other

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	368,972,214	457,406,090	468,311,462	481,262,837	521,877,213
Net Written Premium	292,977,466	345,109,879	338,478,576	330,448,687	358,875,086
Net Earned Premium	284,297,206	329,383,275	339,225,156	320,109,298	343,539,963
Claims Incurred	119,499,270	101,971,756	78,081,999	112,861,384	100,322,242
Loss Ratio %	42.03%	30.96%	23.02%	35.26%	29.20%

Earthquake Domestic, Commercial M.D., Business Interruption and Marine Cargo

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	608,686,700	642,638,358	560,528,347	513,288,251	554,701,233
Net Written Premium	221,723,316	263,734,316	226,368,484	-81,596,028	177,202,600
Net Earned Premium	198,612,059	268,276,192	261,986,321	-73,258,527	157,686,791
Claims Incurred	228,581,132	291,746,108	457,937,219	-204,420,440	363,309,158
Loss Ratio %	115.09%	108.75%	174.79%	279.04%	230.40%

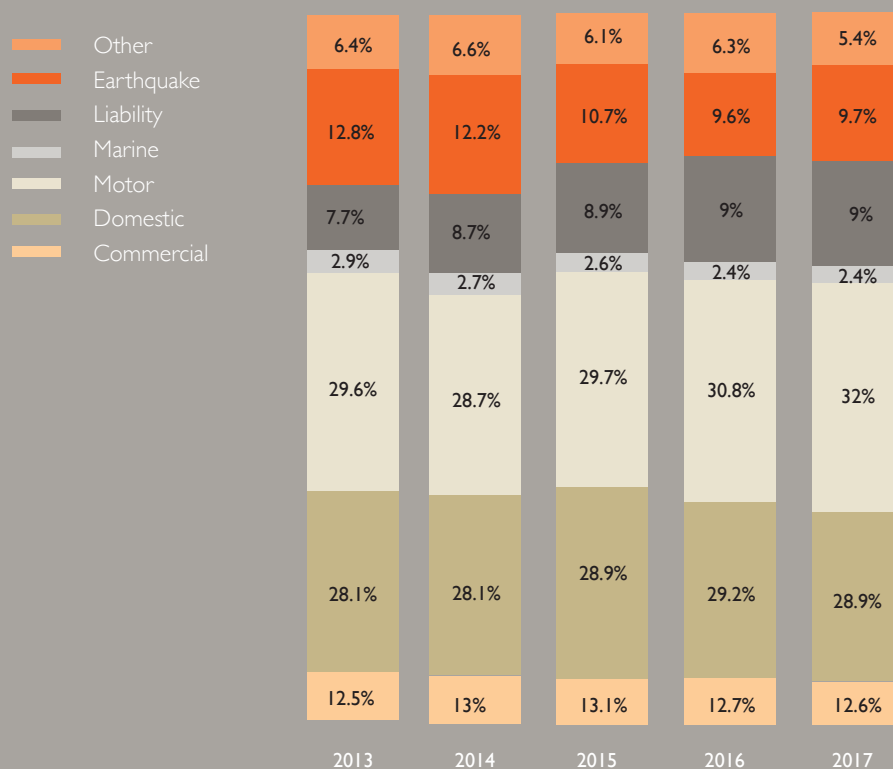
Other Personal Accident, Travel, Livestock and Other

Year-end	2013	2014	2015	2016	2017
Gross Written Premium	304,742,946	346,524,892	320,973,824	338,584,183	307,920,017
Net Written Premium	223,751,590	216,408,769	172,880,378	153,565,096	144,637,452
Net Earned Premium	220,091,963	226,707,829	185,118,966	160,140,022	141,686,993
Claims Incurred	117,578,323	111,983,976	108,285,012	106,092,686	71,929,939
Loss Ratio %	53.42%	49.40%	58.49%	66.25%	50.77%

Gross Written Premiums of Business Classes

Year-end	2013	2014	2015	2016	2017
Commercial	598,432,282	684,399,324	687,192,670	680,630,993	720,886,662
Domestic	1,342,027,881	1,477,326,975	1,522,053,535	1,560,818,092	1,653,980,584
Motor	1,410,050,905	1,509,389,417	1,564,349,422	1,644,119,117	1,833,142,184
Marine	137,235,745	140,528,421	137,394,192	126,516,762	134,650,106
Liability	368,972,214	457,406,090	468,311,462	481,262,837	521,877,213
Earthquake	608,686,700	642,638,358	560,528,347	513,288,251	554,701,233
Other	304,742,946	346,524,892	320,973,824	338,584,183	307,920,017
Total	4,770,148,673	5,258,213,477	5,260,803,452	5,345,220,235	5,727,157,999

Gross Written Premiums of Business Classes by Percentage



PRESIDENT

Chris Black

FMG

VICE PRESIDENT

Martin Stokes

Medical Assurance Society

BOARD

Andrew Brooks

Chubb

Chris Curtin

AA Insurance

Bill Donovan

QBE

Kai Dwyer

Zurich (to July)

Marc Guppy

Allianz (from March)

Richard Harding

Tower (from August)

Craig Olsen

IAG

Paul Smeaton

Vero

Mat Spears

Munich Re

STANDING COMMITTEES 2017

Commercial Property

Deborah Angjelinovic (Chair)	Munich Re
Nathan Barrett	FMG
Malcolm Beaton	Berkley Re
Mat Carkeek	Medical Assurance Society (from December)
Brett Clark	AIG
David Crawford	Allianz (from July)
David Lee	Medical Assurance Society (till July)
Candice Lorimer	Allianz (to July)
Graeme Lynskey	Hollard (Ando)
Graham Martin	Vero
David Moffatt	Chubb
Raj Parikh	New India Assurance (from December)
Wendy Perry	Zurich
Richard Rolston	QBE
John Stubbs	General Re
Bryan Tedford	IAG
John Whitta	Tower

Communications and Public Education

Trevor Devitt	Youi
Craig Dowling	IAG (till April)
Peter Harris	CBL Insurance
Glyn Jones	IAG (from July)
Amelia Macandrew	AA Insurance
Nicholas Meseldzija	Tower
Nilanchal Mishra	New India Assurance (from October)
Shannon Morrison	AIG
Bridget Nicol	QBE
Tony Reid	Vero
Shelley Slater	Latitude (till June)
Colin Wright (Chair)	FMG

Employment and Education

Andrea Brunner	FMG
Sonya Cornwall	IAG
Catherine Dixon	Vero
Jenny Erasmus	AIG
Nikki Howell (Chair)	AA Insurance
Sarah Latch	Zurich
Faye Luxton	Tower
Ross McMillan	Medical Assurance Society
Suzanne Rhoda	Chubb (May - September)
Antonella Roodt	QBE

Finance

Scott Barkman (Chair)	IAG
Herman Beukes	General Re
Peter Chalkias	Chubb
Martin Chisholm	AA Insurance

Melissa Christison	AIG
Hanneli Combrinck	Youi (till December)
Jeremy Fergusson	Tower
Paul Hammonds	Latitude (from December)
Paul Harvey	Allianz
Matthew Judge	Medical Assurance Society
Dave Kibblewhite	FMG
Terry Lawrence	QBE
Dean McDougal	Vero
Samantha Morgan	Youi (from December)
Doris Niyonsaba	Zurich
David Old	Provident
Dean Phillips	Munich Re
Henry Ray	CBL Insurance
Kudzaishe Tagwirey	Hollard
Julie Taylor	Latitude (till December)

Liability

Heather Bailey	Vero Liability
Malcolm Beaton	Berkley Re, Tokio Marine & Nichido Fire Insurance
Brent Burrett	Hollard (Ando)
Ryan Clark (Chair)	IAG
Emily Craig	Allianz (from August)
Mark Downes	Chubb
Dean Finlay	CBL Insurance
Nicky Hughes	FMG
Nicholas Murphy	General Re
Philip Murphy	QBE
Raj Parikh	New India Assurance (from November)
Mathew Spears	Munich Re
Brett Wainhouse	Zurich
John Whitta	Tower
Katie Young	AIG

Marine

Keith Auld	Munich Re
Karl Baylis	Tower
Brent Burrett	Hollard (Ando)
Agnes Lim	Tokio Marine & Nichido Fire Insurance
John McKelvie (Chair)	Vero
Chris Nixon	QBE Marine
Corey Pese	Allianz (from August)
Darren Pattle	Allianz (till May)
Mark Roelink	NZI Marine
Carey Schuster	Zurich (from October)
Fraser Walker	AIG

Motor

Rodney Brown	Co-op Insurance NZ (to December)
Tom Duke	Tower

Mark Fisher	Medical Assurance Society
Gaye Fowler	Zurich
Michael Hookham	Vero
Graeme Lynskey	Hollard (Ando)
Neil McClymont	FMG (from November)
Matt McEaney	Zurich
Rick Miranda	Youi
Andrew Roy	Allianz
Daryl Roycroft	AA Insurance
Ian Taylor (Chair)	IAG
Geoff White	FMG (to September)

Personal Lines

Phil Clark	Medical Assurance Society (from November)
Richard Godman	Vero
Ralph Hart (Chair)	IAG (to August)
Michelle Le Long	Youi (from October)
Kim Meyer	AA Insurance
Neil Millar	QBE
Ronald Mudaliar	Tower
Bernie Niehaus	CBL Insurance
Charles Pollack	Youi (to August)
Daniel Thompson	Hollard (Ando)
Rebekah Tregonning (Chair)	IAG (from August)
Andrew Ward	Chubb
Sandra Wong	FMG

Regulation

Michael Burrowes	Cigna
Robyn Cory-Wright	Tower
Bryce Davies (Chair)	IAG
Kai Dwyer	Zurich (to May)
Fiona Eagles	Chubb (to May)
Donna Everett	AA Insurance
Steve Friis	Co-op Insurance NZ (to December)
David Hall	Hollard
Roslynd Lee	Allianz
Nilanchal Mishra	New India Assurance (from November)
Lisa Murray	FMG
Olivia Neubauer	QBE
Michael Parrott	CBL Insurance
Rachel Perry	Latitude
Dean Phillips	Munich Re
Juliette Rockel	Chubb (from May)
Adrian Rumney	Medical Assurance Society
Richard Shine	AIG
Chris Taylor	Vero
Julia Thompson	Youi
Scott Unterrheiner	General Re

Travel

Mathew Abbott	AIG
Will Ashcroft (Chair)	Allianz Global Assistance (AWP Services NZ Ltd)
Karl Baylis	Tower
Karl Dixon	Covermore
Shane Greene	Chubb
Lisa James	Cigna
Lyn Mitchell	Tokio Marine & Nichido Fire Insurance
Lina Petro	Latitude (to May)
Adam Rudland	Cigna
Richard Warburton	ICover (Lloyd's)

2017 Members

AA Insurance
AIG
Allianz
Berkley Re
CBL Insurance
Chubb
Cigna
Civic Assurance
Co-op Insurance NZ
FMG
General Re
Hollard
IAG
Latitude Financial Services
Lloyd's
Medical Assurance Society
Mitsui Sumitomo
Munich Re
The New India Assurance Company
Provident
QBE
Southern Response
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Tokio Marine & Nichido Fire Insurance
Tower
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Zurich

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