



INSURANCE COUNCIL
OF NEW ZEALAND

TE KĀHUI INIHUA O AOTEAROA

ANNUAL REVIEW

2021

Mission

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

Vision

New Zealanders have trust and confidence in the insurance industry.

Values

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

Kaupapa Mātāmua

He whakatairanga, he tārei i tētahi ahumahi inihua toitū hei tautiaki i Aotearoa.

Wawata Mātāmua

Ka whakapono, ka whakawhirinaki hoki te hunga o Aotearoa ki tō rātou ahumahi inihua.

Ngā Uara

Te mahi i ngā mahi tika, te whakarite me te ū ki ngā paerewa tiketike, te mahi takatika ki te hunga whai pānga katoa, te kōkiri i ngā mahi tika, me te whakaoho i te tangata kia mataara, kia mārāma anō hoki.

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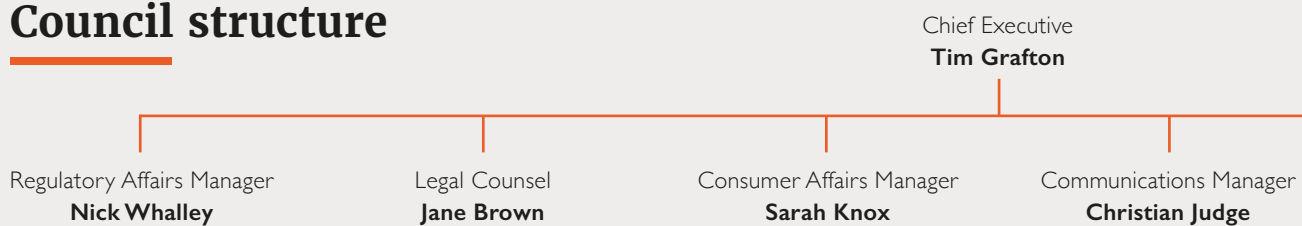
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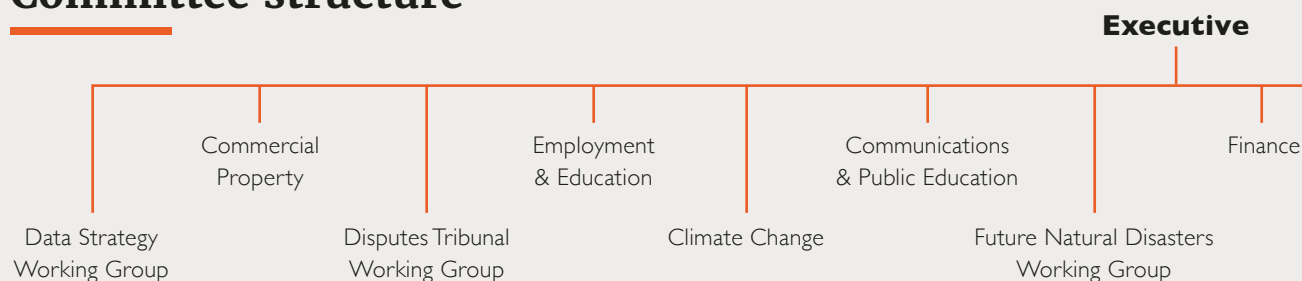
OUR STRUCTURE



Council structure



Committee structure



Left to right:

PRESIDENT, Craig Olsen, IAG (to July), Chris Curtin, AAI (from July),
BOARD, Andrew Brooks, Chubb, Andrea Dry, Swiss Re, Toni Ferrier (Vice-President
from July) AIG, Jimmy Higgins, Suncorp, John Lyon, Hollard, Declan Moore, QBE,
Martin Stokes, MAS, Blair Turnbull, Tower, Amanda Whiting, IAG (from July).



Insurance Manager
John Lucas

Administration & Support
Deirdre Fitzgerald

Insurance Fraud Bureau Manager
Yvonne Wynyard





PRESIDENT'S REPORT

It was an honour to become the President of the Insurance Council of New Zealand Te Kāhui Inihua o Aotearoa (ICNZ) in July.

The vision of Te Kāhui Inihua o Aotearoa is that New Zealanders have trust and confidence in insurance. It was important for us therefore this year when we changed our logo to embrace our country's Māori heritage. Our activities to support Māori language week included a social media campaign to promote key insurance concepts in Te Reo.

We welcomed a new member, Aioi Nissay Dowd, in April taking our membership to 28 who collectively underwrite over \$1 trillion of New Zealand's assets and liabilities.

Working through Covid

Looking back on the past year, it was another challenging one for many people as the impact of COVID-19 on our customers, staff and the wider economy persisted. The resilience of the general insurance sector meant that we were able to deliver on our claims promises, improve services, and grow the sector.

We would not have achieved this without the efforts of several thousand employees in our sector who have adapted to new hybrid working arrangements. It has not been easy. It created new stresses as the family home also became a workplace too and it has required fresh responses to support staff wellbeing.

Another record year for extreme weather

It was under these circumstances that we experienced a record year for insured losses due to extreme weather events exceeding that of last year which had previously experienced the highest losses. When the country went back into lockdown in August, recovery efforts in several regions affected by severe flooding, and a tornado in Papatoetoe, were in full swing.

It was disappointing that insurers were not immediately classified as essential services though the case was argued successfully for inclusion subsequently. It is important that in future, and mindful of the potential for catastrophic events, that access to resources to respond to disaster remain open in the pandemic subject to appropriate safety measures.

The frequency and severity of these occurrences will continue to increase as climate change throws down the gauntlet for society to mitigate the risks it brings.

Unless risk mitigation occurs, insurance must act prudently and in the interests of all customers to price the increasing risk. Mitigation will support insurance to remain affordable, available and enable it to deliver the value it brings to society.

This was starkly illustrated when the township of Westport was inundated by flooding in July. Insurance supported the community by meeting claims of over \$90 million for a population of little more than 4,000 residents. Equivalent to many years

“ THE FREQUENCY AND SEVERITY OF THESE OCCURRENCES WILL CONTINUE TO INCREASE AS CLIMATE CHANGE THROWS DOWN THE GAUNTLET. ”

of rateable income for the town, recovery would not have been possible without insurance or would have otherwise have required central government taxpayer support.

Working with Government

Reflecting on these losses and the impact of the pandemic on supply chain delays and costs as well as the sharp spike in property prices, it is clear the sector is taking on more risk.

The insurance sector needs to be part of the conversation about how society manages climate risks. We look forward to wider engagement with central and local government and other stakeholders on this.

The benefits of closer collaboration are not confined to climate change risks. We appreciated the efforts made by the Financial Markets Authority when it held workshops with our members so they could better understand the regulator's expectations of conduct and culture. More of this type of engagement will be essential as we move toward the implementation of the Conduct of Financial Institutions regime in 2023.

It will also be important to have fresh engagement with regulators following the significant, senior personnel changes that occurred at the end of 2021. We will seek to bring them up to speed with how the sector operates, noting this is uniquely complex and different to banking.

The decision by the Council of Financial Regulators to invite ICNZ and other financial sector

organisations to meet with it on a regular basis to discuss substantive issues is another positive development that occurred in the latter half of the year which will be important for the future.

It was a demanding year for consultation on legislative reviews which sees no sign of abating. We have continued to apply a consumer-centric lens to its submissions which supports trust in the sector. A survey conducted by the Board showed 81% of stakeholders rated our submissions as either very good or good.

The input from the Chairs and members of our standing committees and working groups is invaluable to the quality of the submissions. So, I thank all those who serve on them for their contribution to our sector.

We welcomed the Cabinet's decision to reverse the 2017 legislation that would have seen the Fire and Emergency New Zealand levy applied to all policies for material damage. A simpler, more streamlined, approach to levying on fire policies for the sum insured will avoid significant costs that would otherwise have arisen.

A new voice for consumers

I want to acknowledge the work of the Board's Consumer Advisory Committee (CAC) chaired by Tā Mark Solomon which represents a diverse range of consumer interests. It is vitally important that the collective leadership of our sector can have the voice of the consumer at the table.

The Board took steps this year to address two priorities for the CAC related to responding to concerns around gradual damage and the publication of complaints. Separately, we have a strong focus on vulnerability and work through the networks of FinCap and the Citizens Advice Bureau to deliver insurance information to those that need it most.

Working for all of us

Compliance with our Fair Insurance Code, which sets high standards for our members in all their dealings with their domestic customers and small businesses, is overseen by three independent members of the Code Compliance Committee: Sir David Carruthers, Hon David Caygill and Diane Morcom CNZM. I thank them for their oversight. I am pleased to learn that members are pro-actively reporting to them breaches and how these are being remediated.

Collaboration of a different sort came to fruition on 30 June when the new partnership between eight insurers and the Earthquake Commission (EQC) went live. This established a single point of contact and accountability for managing all EQC claims: the customer's insurer.

“

[THE NEW PARTNERSHIP]
IS A MILESTONE
AGREEMENT THAT WILL
BETTER SERVE NEW
ZEALANDERS WHEN
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EARTHQUAKE OCCURS.

”

It is a milestone agreement that will better serve New Zealanders when catastrophe like an earthquake occurs. Two more of our members have since signalled their intention to join the arrangement.

The Government's decision to increase from October 2022 the first loss EQC will bear to \$300,000 for the hazards it covers will see a significant increase in the EQC levy for everyone. The Treasury Te Tai Ōhanga's own modelling shows that the net effect for homeowners living in lower risk areas, that is most New Zealanders, will be that they will pay more than they do today.

The Board underwent some changes during the year. I want to recognise the contribution made by former President and long-serving Board member Chris Black (FMG) who stepped down in March and Craig Olsen (IAG) who I succeeded as President. Their replacements, Blair Turnbull (Tower) and Amanda Whiting (IAG), have made excellent contributions to our governance role.

I want to acknowledge my Vice-President, Toni Ferrier (AIG), and the commitment of my fellow directors in providing the appropriate support for the team at ICNZ. They give their time and serve on the Board to support the valuable role insurance plays.

Finally, the team at ICNZ is small but works hard and achieves a lot for members. It is not the easiest of jobs. I thank them for their service over the past year.

Ngā mihi,



Chris Curtin
President
Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa

Trees fell onto three vehicles at a
Fairview farm in South Canterbury
Photo: JOHN BISSET/STUFF





CHIEF EXECUTIVE'S REPORT

Tēnā koutou

Reflecting on an extremely busy past year that stretched resources, it was made more difficult operating under the pandemic's new normal.

In-person contact was severely curtailed by lockdown restrictions. Meetings with our members were almost all conducted remotely for most of the year.

Fortunately, we were able to hold the March annual general meeting in Rotorua, the first physical AGM for two years, but the latter half of the year was a different story. Engagement with our regulators, government and other stakeholders for the most part became remote.

Much is lost in screen-only contact. It is not conducive to building new relationships which is particularly important at a time when our sector faces unparalleled requests for consultation on reviews or submissions on legislation.

In 2021, we made thirty-four formal submissions not including targeted consultations. This far exceeds any previous year and the details are elsewhere in this annual review. Here are examples of what we achieved.

Regulatory issues

Cabinet agreed to change the way the 2017 Fire and Emergency New Zealand Act funds that service in favour of applying the levy to the sum insured. This will simplify collection, remove significant levy audit and validation costs and avoid a \$50 million system change for the sector.

Our discussions on the Conduct of Financial Institutions Bill proved useful and point to the removal of obligations on insurers to oversee, manage or supervise intermediaries without having any legal mandate to do so. High-level principles are expected to replace these obligations. Heavier reliance on guidance issued by the Financial Markets Authority (FMA) to set expectations of all regulated entities in the space that lies between the regulation of intermediaries and underwriters is now anticipated.

We opposed the proposal for an increase of up to 150% to the FMA's levies which is based on an option that would increase staff levels by over 100 from the 263 employed there today.

“

WE WILL LOOK TO ENSURE
COORDINATION AND
ALIGNMENT OF REGULATIONS
AND TO PROMOTE MUTUAL
UNDERSTANDING OF CRITICAL
ISSUES TO THE SECTOR.

”

“ WE ALSO LEAD THE WAY ...
ON DEVELOPING IMPACT
PATHWAYS FOR PLAUSIBLE
FUTURE CLIMATE SCENARIOS.
”

Combined with other regulatory changes, this proposal, if implemented, may impact negatively upon the affordability and availability of insurance.

We sought, and obtained, agreement to sit regularly at the table with the Council of Financial Regulators (CoFR), the body representing all our regulators. Here we will look to ensure coordination and alignment of regulations and to promote mutual understanding of critical issues to the sector. This will be done through the newly created insurance forum of the CoFR.

After establishing our Climate Change Standing Committee in April, we moved quickly to submit on bills addressing climate-related disclosure and built environment as well as two draft climate reporting standards. We also lead the way, relative to other sectors, on developing impact pathways for plausible future climate scenarios. This will support members to undertake their own reporting.

The Reserve Bank responded favourably to our submission to push out the implementation of the Interim Solvency Standard by 12 months to 1 January 2023. Most insurers will not be early adopters of IFRS17 and the interim solvency calculation required insurers to begin with the IFRS accounting balance sheet.

The review of the Insurance Prudential Supervision Act has continued through the year with a focus on overseas insurers and the scope of the regime as well as policyholder protection.

Partnership with EQC

We worked with members throughout the year on the Natural Disaster Response Agreement and Data Agreement with the Earthquake Commission (EQC). We saw both agreements become operative mid-year and since then, amongst other matters, we have been involved in the joint development of a response to a major plausible catastrophe scenario.

Early in the New Year we responded to an urgent request from the Treasury to submit on a range of highly technical issues related to changes to the EQC Act including the level of the EQC cap. We look forward to providing more considered input to the new Bill when it is introduced in 2022.

The Government's decision to raise the EQC cap to \$300,000 ex GST from October next year was announced with the expectation that homeowners would pay less. This sets up an interesting communication challenge. Modelling shows that most New Zealanders will pay more in total premium and EQC levy when the change occurs while higher risk areas will pay less.

We continue to support the upgrade to the Natural Seismic Hazard Model. A well-attended workshop for members was organised by us to provide insights into the implications of the upgrade which is nearing completion.

We have provided input to the EQC on its selection of research projects to fund that support resilience; a further sign of the maturing public-private partnership on disaster management.

“ FLOODING IS THE MOST COMMON AND DAMAGING HAZARD INSURERS’ CUSTOMERS FACE. ”

We also initiated a new working arrangement with Fire and Emergency New Zealand to identify joint initiatives where we can reduce risks such as wildfire, a phenomenon that is expected to become more challenging in the years ahead.

Climate risks and resilience

It is a sign of the times that insured losses from extreme events in 2021 reached \$324.1 million, exceeding last year’s record total of \$274 million.

Over the course of a six-week spell in winter, the country was hit successively by widespread flooding in Canterbury, a tornado in Papatoetoe and extensive damage to Westport, the Upper South Island and Lower North Island. We were on the ground on each occasion working with members, the emergency management response teams and local councils.

As recovery efforts were underway in those areas, disastrous overnight flooding hit West Auckland in late August when the city was under level 4 lockdown. Our representations made a material difference to recovery efforts to this and the other disasters when insurers were exempted from certain alert level restrictions.

Flooding is the most common and damaging hazard insurers’ customers face. Our aim is to see insurance support maintained for higher risk communities, but this depends on commitments by others to mitigate risk.

Promoting how to reduce or avoid loss is an important part of our work. Earlier in the year, we issued a white paper to all territorial authorities outlining how we believe they should approach the increased risks related to climate change. This was followed by opportunities to talk to several local councils on adaptation and risk reduction.

It is critical that there is clear understanding and accountability for the decisions and investment needed to ensure community risk remains at tolerable levels. It was pleasing to see the Government pledging to a multi-year, multi-billion-dollar programme to address climate change impacts.

Cyber risks

Cyber risk is another area of increasing concern because of the high impact of malicious activities. Aotearoa New Zealand remains woefully under-insured and highly vulnerable to attack. Even institutions that would be expected to be highly protected, like the ACC, Reserve Bank, retail banks and a district health board, have been the subject of a cyber breach or attack this year.

Even so, our engagement with the Reserve Bank shows increasing interest in understanding insurers’ own operational resilience and how they are actively managing cyber risks. We have continued our close engagement with the Computer Emergency Response Team (CERT) and the National Cyber Security Centre (NCSC) on these issues.

International work

Climate, cyber and inclusion were three key areas where we contributed directly to the work of the Global Federation of Insurance Association (GFIA), where I serve on the association’s Executive. This has enabled us to punch above our weight in helping to develop positions statements, such as, on the role of insurance and sustainability at COP 26.

Our GFIA membership has also enabled us to keep pace with issues that are yet to emerge in Aotearoa New Zealand so we can be better prepared when they do, by learning from the approaches taken by our colleagues in Europe and North America. We have now established quarterly meetings with the Insurance Council of Australia which provides a forum for mutually beneficial exchange.

The pandemic

Travel insurers, which were hit severely by the dramatic drop in travel last year, showed resilience and innovation in 2021. Products were available to cover individuals should they suffer loss due to contracting COVID-19, with exclusions for government mandated lockdowns.

The pandemic led us to cancel our annual conference again this year. We remain optimistic that we can hold our first in-person conference since 2019 late in 2022. Any event in which we are involved will require attendees to be fully vaccinated consistent with our approach to any workplace contact.

The uncertainties surrounding the pandemic will continue into the year ahead. A fourth wave of lockdowns began to be applied in several countries at the tail-end of the year due to the Omicron variant. This may exacerbate the supply chain issues and cost escalations that emerged in 2021.

Consumers, vulnerability and inclusivity

Our important work on vulnerability has been maintained through the customer vulnerability discussion group and our engagement with the Ministry for Business, Innovation and Employment's (MBIE) Consumer Protection Team. MBIE has worked with Stats NZ Tatauranga Aotearoa to map the characteristics of vulnerability across Aotearoa New Zealand, which we shared with members so they could identify the suburbs that are affected most.

We also met with the Financial Markets Authority to share views on customer vulnerability as it looks to update its guidance in this area.

Better consumer understanding of what insurance can and cannot do for them is critical to manage consumer expectations. One step to enable this is our initiative to encourage the increased use of plain English in insurance policies.

Our adoption of Te Kāhui Inihua o Aotearoa was achieved seamlessly and takes us one step along the journey of being a more inclusive organisation.

We have been responsive to our Board's Consumer Advisory Committee's priorities. Several workshops were held with members to provide better guidance on what will be regarded as gradual water damage in the home. We are also advancing a proposal to make complaints against insurers more transparent.

Fair Insurance Code

Currently, we report annually and publicly on the number of claims and complaints our members receive. This consistently shows that a small proportion of complaints arise relative to the total number of claims and that the vast majority of these are resolved to the customer's satisfaction. In 2021, insurers received nearly 1.16 million claims, of which only 9,661 led to complaints. Of those complaints, 212 were referred to the external dispute resolution schemes, where only 23 were upheld.

No. of Claims	No. of complaints to internal DR process	No. of complaints to external DR process	No. of complaints upheld by external DR process	No. of significant breaches	No. of unresolved significant breaches
1,158,517	9,661	212	23	3	1*

NB: This data was reported to ICNZ by its members as at 1 February 2022 for the 2021 calendar year.

* Later resolved.

Fraud

Insurance fraud remains a constant concern and one that the public is aware of too. Our consumer research shows that about half believe it to be common. Almost two-thirds think exaggerated claims or inflating the value of claims is the most common type of fraud, with one-third thinking staged losses, like arson and falsely claiming vehicle theft, were common.

Fraud costs tens of millions of dollars a year and is borne by all customers. We continue in our efforts through social media and communications campaigns to reduce its incidence.

“ FRAUD COSTS TENS OF MILLIONS OF DOLLARS A YEAR AND IS BORNE BY ALL CUSTOMERS. WE CONTINUE IN OUR EFFORTS THROUGH SOCIAL MEDIA AND COMMUNICATIONS CAMPAIGNS TO REDUCE ITS INCIDENCE.

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Acknowledgements

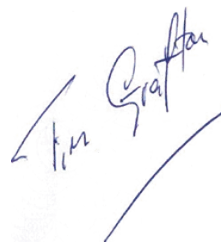
We cannot achieve what we do without having a strong and committed team. I want to thank each of them for all the support they have given to our members this year.

In turn, much of the work we do for members could not be achieved without the contribution made by our standing committees. We are grateful for the time they devote to supporting us.

We said farewell in October to our Communications Manager Leah McNeil who had been with us for two years as she went on to set up her own company. Her replacement, Christian Judge, has fitted in well as part of the team.

I want to thank the President and our Board for the diligence they have applied in reviewing how they can best support the work we do. They give of their time in their busy roles and work together to make our sector better.

Ngā mihi,



Tim Grafton
Chief Executive
Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa

THE SECTOR'S ONGOING RESPONSE TO **COVID-19**

We and our members announced a set of core principles in 2020 to operate through the pandemic. Members pledged to use them to guide their individual responses to support their customers and suppliers.

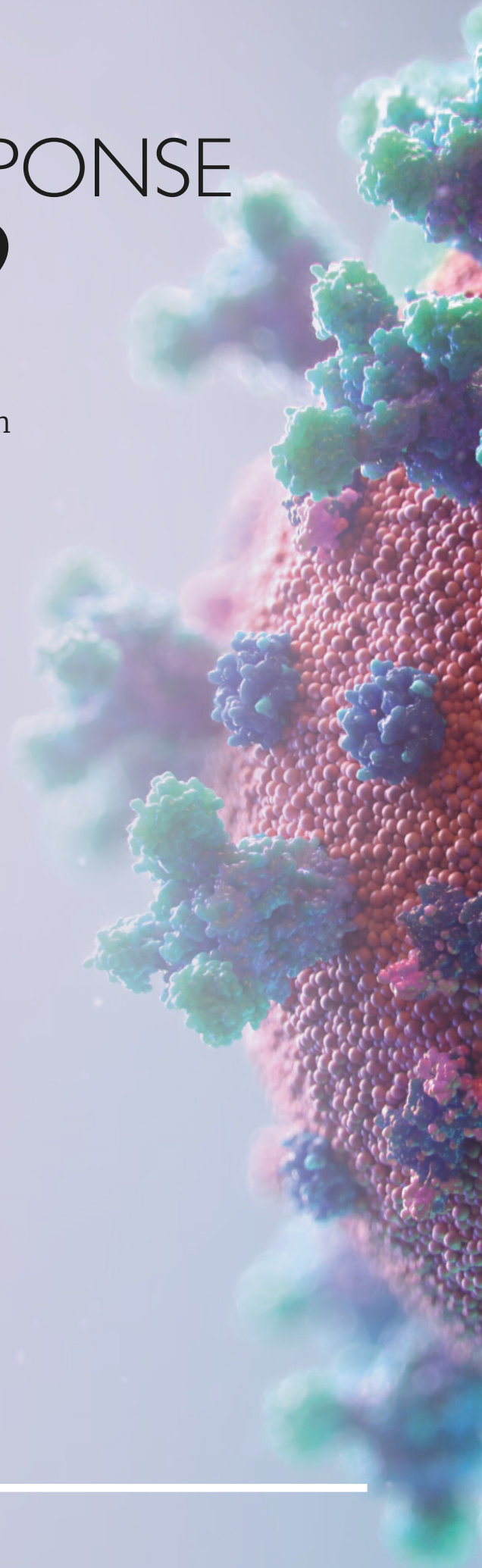
In addition to continuing to apply the principles, in 2021 the sector continued its work as an essential service, especially in times of crisis to assist community recovery from extreme weather events.

The global impact of COVID-19 on supply chains and the broader economy has flowed through into the insurance sector. In many cases, due to factors outside of insurers' control, some claims took longer to settle with costs rising, a busy construction sector and a shortage of tradies, parts and building materials all contributing to this. Some car parts in particular have become scarce or have long lead-times and many late model cars have actually appreciated in value.

Those that work in the sector have had to adapt to new ways of working. Many, traditionally office-based roles, are now delivered under a hybrid model with a lot more working from home.

At all times, every effort was made to continue to support customers, many of whom faced their own COVID-19 and lockdown related challenges.

Overall, the sector's leadership has acted to support all those in the sector through this most difficult of times.

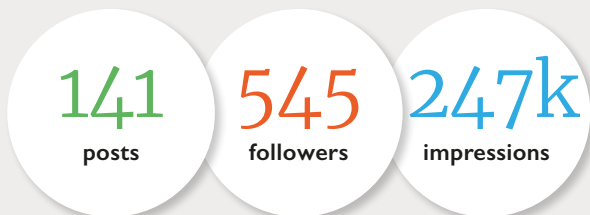


2021

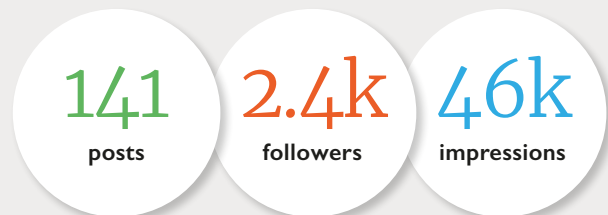
THE YEAR IN NUMBERS

In 2021 we continued to expand our social presence for both the ICNZ and the Insurance Fraud Bureau (IFB) across Facebook, LinkedIn and Twitter, implementing educational campaigns to help grow Kiwis' understanding of insurance.

Facebook



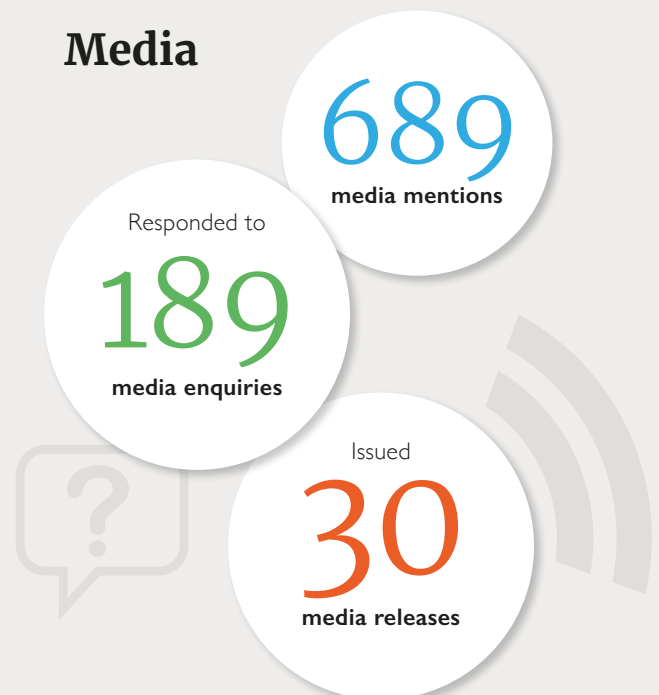
LinkedIn



Newsletters



Media





Presentations

The team delivered **24 presentations** to industry bodies, regional and local government and consumer groups



Submissions

Engaged with government, made **34 formal written submissions** and held a further **22 discussions** on regulatory change and key sector issues



The Insurance Fraud Bureau (IFB) **turned two**



Consumer education remained a major focus across the IFB's website and social media channels



During 2021 the IFB **continued to influence general insurers** in Aotearoa New Zealand to take a data-driven approach to reducing the impact of insurance fraud on all customers



Following last year's survey, a consumer-focused quiz **drove engagement and reiterated key messages** about common types of fraud and their consequences

The Fair Insurance Code – setting the standard of service ICNZ members must provide to their customers

The Code is available in Te Reo Māori, New Zealand Sign language and audio on our website



Upholding the interests of the customer

There were three significant breaches of the Code in 2021.

The breaches were referred to the Code Compliance Committee to be independently investigated. The Committee found three breaches to be adequately addressed by members, with necessary changes put in place to both remedy the breach and to prevent future instances occurring. There was one unresolved significant breach reported, which following investigation, was confirmed to have been resolved.

The Fair Insurance Code numbers for 2021



* DR = Disputes Resolution

† Later resolved

NATURAL DISASTER RESPONSE AGREEMENT

The Earthquake Commission (EQC) and eight private insurers announced a new partnership in November 2020 to provide an improved approach to supporting New Zealanders through natural disasters. From 30 June 2021, insurers act as EQC's agents to assess and settle EQC covered claims on its behalf, making things simpler for consumers.

There were several events through 2021 that put this new approach to the test, particularly dealing with claims related to flood damage to land. Thankfully, there were no major earthquakes in 2021.

The Agreement is an excellent example of how Government agencies and the wider insurance sector can work together successfully for the benefit of all New Zealanders.



SIMPLIFYING
the claims process after
a natural disaster



INSURANCE FRAUD BUREAU

This year was the second operational year since the IFB's inception in September 2019. During 2021 the IFB undertook a range of activities including:

Presentations

- Presented an IFB NZ perspective at the 3rd annual Global Insurance Fraud Summit

Social Media

- Targeted campaigns continue to grow a following
- Developed and leveraged 12 informative and educational anti-fraud blogs
- Maintained a social media asset bank
- Designed targeted Facebook posts to drive awareness and understanding of insurance fraud

Fraud Survey

Public perceptions of insurance fraud show an increase in how common people believe it to be compared with last year. Around half, 51%, believe it to be common among individuals, compared with 43% last year, with the numbers slightly lower for business fraud, 42% and 35% respectively.



51%

Respondents thought an **individual** would be **more likely** than a **business** to commit insurance fraud.

▲ 9% from 2020

42%



▲ 7% from 2020

Public estimates of the cost of insurance fraud remain at about \$70 million each year. These findings were used to inform social media communications about insurance fraud



Six out of ten respondents **underestimated NZ insurance fraud costs** each year (up to **\$70 million** rather than the industry estimate of **\$739 million**).

▼ 1% from 2020



From a prompted list of fraud types, 63%, 56% in 2020, thought exaggerated claims or inflated values of claims was the most common type of fraud with one-third, 34%, 29% in 2020, thinking staged losses like arson and falsely claiming vehicle theft were common.



63%

of respondents thought that **exaggerating claims** was the **most common** type of fraud.

▲ 7% from 2020

54%



of respondents thought **non-disclosure** or misrepresenting information was the **second most common** type of fraud.

▲ 5% from 2020

Only 39%, the same as in 2020, were concerned about the impact of insurance fraud on themselves, even though 69% agreed that it means insurance premiums were higher as a result.



69%

of respondents agreed that insurance fraud meant **higher premiums**.

▲ 2% from 2020



Views were evenly split on whether the consequences of getting caught were light, 42%, or severe, 44%, 52% in 2020. A large majority, 82%, thought the consequences of insurance fraud would be claims denial, 78% said it would be harder to get insurance in future, while 57% thought it likely a criminal conviction would result.



Eight out of ten respondents **incorrectly** thought the worst that could happen if caught committing insurance fraud was that your **claim would be declined**.



▼ 2% from 2020

Only 57% of respondents **knew they could receive a criminal conviction** if caught committing insurance fraud.



▼ 3% from 2020



SUPPORTING NEW ZEALAND'S **COMMUNITIES**





A submerged vehicle in floodwaters in South Canterbury.
Photo: CHARLIE O'MANNIN/STUFF

NATURAL DISASTER SUPPORT

more than
\$324m
(total)

The year saw yet another record set for extreme weather support to communities at \$324.1 million across more than 16,000 claims.

This builds on the record of \$274 set in 2020. Once again, this level of support to help communities recover underlines strongly the value of insurance to communities across the motu. This was starkly illustrated in Westport, a town with a population of around 4,000, which received around \$90 million in support from the sector to fund its recovery following July's major flooding event.

\$140m

Upper North Island and Lower South Island flooding, including Westport

19 July

Combined, this was the largest flooding event of the year both in terms of cost and geographic spread.

We were once again integrated from the outset with the civil emergency response teams. We set up an insurance help function in the Westport Welfare Hub in the first week of the floods to assist people with their claims and insurance questions. In addition, we participated in an online meeting for the Westport community. A long-term resilience meeting was also facilitated by us with Buller District Council and Tonkin and Taylor regarding the town's long term options. We continue to regularly meet with the Westport Recovery Office to support the insurers' recovery efforts.

Upper South Island

Westcoast, including Westport

Lower North Island, excluding Wellington

Wellington



South Auckland Tornado

19 June

The South Auckland tornado caused localised yet severe damage to homes, businesses and motor vehicles. Our Consumer Affairs Manager worked directly with emergency services and Civil Defence in the short term, and with Auckland City Council's Building Control Manager to ensure recovery related work consents were fast-tracked.

South Island Wind Storm

9–13 September

A series of southerly fronts resulted in prolonged stormy weather, lightning strikes and heavy rainfall. However, much of the damage was done by high winds, with gusts in excess of 140kmh.

West Auckland Flooding

30–31 August

West Auckland experienced extensive flash flooding in late August while the city was in lockdown level 4.

\$62m

\$32m

\$3m

\$8m

\$18m

\$97m

\$17m

\$46m

\$36m

Gisborne Floods

3–5 November

Nearly four times the month's average rainfall inundated the Tairāwhiti region over just three days in November leading to widespread flooding and slips.

Canterbury flooding

29 May–1 June

We issued community safety, loss prevention and recovery advice to those affected by the flooding across the wider Canterbury region. Our Consumer Affairs Manager provided support and advice for those affected alongside Civil Defence and the local councils across the Ashburton, Selwyn and Waimakariri regions. In addition to insured losses, there was extensive damage to uninsured farmland.

GROWING KIWIS' UNDERSTANDING OF INSURANCE

Banquer partnership

Our successful partnership with Banquer ran through the 2021 school year. The General Insurance module reached 280 classrooms across 114 schools. This represents 6,885 students having the opportunity to learn about insurance and risk management. As these numbers grew, so too did claims within the module. Teachers were able to simulate 2,333 random events in their classrooms with over 1,230 of those affecting insured students valued at \$942,585.

Looking ahead to 2022, our focus will shift from the next generation insurance customers, to supporting existing ones.

FinCap

Our partner for financially vulnerable communities is FinCap, a federation of more than 200 financial mentoring services throughout Aotearoa New Zealand. We have developed two risk and insurance related modules with FinCap, which are now online for financial mentors to use.

Commission for Financial Capability (CFFC)

We participated in the CFFC's review and re-launch of its National Strategy focused on women, Māori and Pasifika.



Citizens Advice Bureau meeting Nelson

INSURANCE

THE FIVE PILLARS HELPING INSURANCE SAFEGUARD NEW ZEALAND



COUNCIL ACTIVITIES 2021

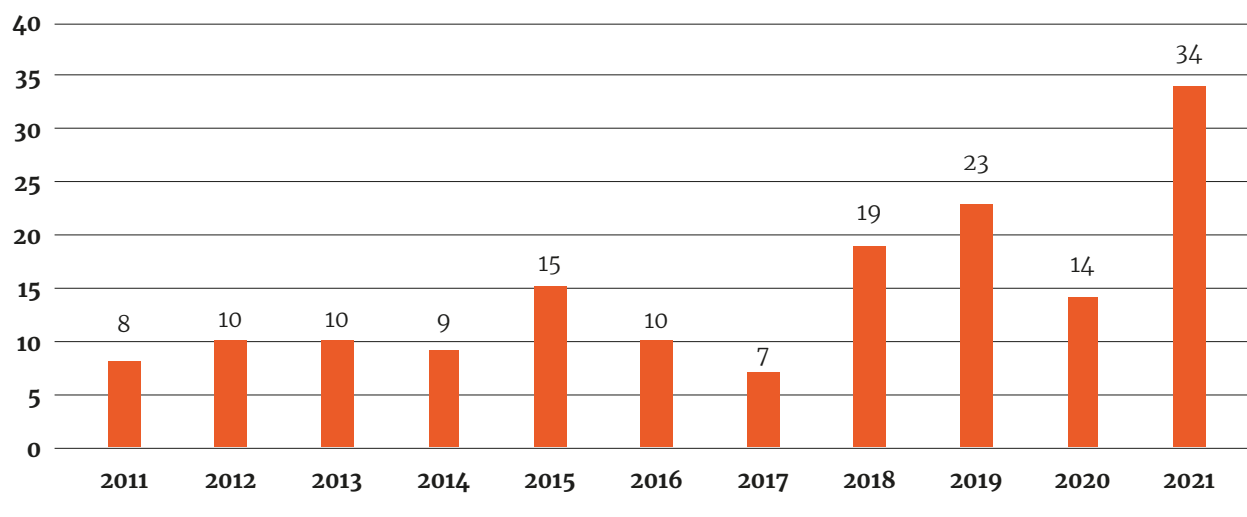
The following identifies the specific work outcomes of our standing committees and working groups.

While the activities vary in scale, all contribute to delivering the strategic priorities of members and the ICNZ Board.



Roof damaged by Auckland tornado. Photo: RICKY WILSON/STUFF

Number of submissions



This was a record year for formal written submissions for us. In addition, we engaged in many more consultative meetings, workshops and provided written feedback to targeted consultations. In part, this very high level of activity reflects where we are in the Parliamentary cycle. It also reflects the high volume of regulatory change the sector is processing. The many bills being introduced to Parliament, or regulatory changes otherwise being progressed, mean 2022 will likely be just as busy.

- On cyber resilience to the Reserve Bank of New Zealand (RBNZ)
- On the Reserve Bank of New Zealand Bill to the Finance and Expenditure Select Committee
- On advertising guidance to the Financial Markets Authority (FMA)
- Solvency Standards Review – structure and IFRS 17 to the RBNZ
- On the role of local government with respect to climate change to local councils and authorities throughout Aotearoa New Zealand
- On class actions and litigation funding to the Law Commission
- On the Insurance (Prudential and Supervision) Act 2010 (IPSA) Review – scope and overseas insurers to the RBNZ

- On the Land Transport (Drug Driving) Amendment Bill to the Transport and Infrastructure Select Committee
- On the Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Bill to the Finance and Expenditure Select Committee
- On the Commerce Amendment Bill to the Economic Development, Science and Innovation Select Committee
- On the Approved Financial Dispute Resolution Scheme Rules Review to the Ministry of Business, Innovation and Employment (MBIE)
- On the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill to the Economic Development, Science and Innovation Select Committee
- On the Incorporated Societies Bill to the Economic Development to the Science and Innovation Select Committee
- On the Conduct of Financial Institutions (CoFI) – Underlying regulations and treatment of intermediaries to MBIE
- On the Building Amendment Bill – Proposals for regulations to MBIE
- On the Land Transport Rule – Setting of speed limits to Waka Kotahi New Zealand Transport Agency (NZTA)

- On improving access to civil justice to the Rules Committee
- On the Construction Contracts (Retention Money) Amendment Bill to the Transport and Infrastructure Select Committee
- On the proposed Occupation Regulatory Regime for Engineers to MBIE
- On the Natural and Built Environments Bill to the Environment Select Committee
- On the Earthquake Commission (EQC) disposal schedule to EQC
- On the proposed reporting exemptions for Financial Market Conduct reporting entities in liquidation, receivership or voluntary administration to the FMA
- On the United Nations Convention on Cybercrime to the Department of Prime Minister and Cabinet (DPMC)
- On the proposed Land Transport (Driver Licensing) Amendment Rule (No 2) 2021 to the NZTA
- On the Financial Advertising Code to the Advertising Standards Authority
- On the draft Interim Solvency Standard to the RBNZ
- On FMA funding and levies to MBIE and the FMA
- On the regulation of adventure activities to MBIE
- On IPSA – policyholder security to the RBNZ
- On climate-related disclosures – Governance and Risk Management to the External Reporting Board (XRB)
- On enforcement principles to the RBNZ
- On the Digital Identity Services Trust Framework Bill to the Economic Development, Science and Innovation Select Committee
- On the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT) Review to the Ministry of Justice (MOJ)

Discussions were also had with:

- MBIE regarding the CoFI Bill and underlying regulations, Insurance Contract Law Review, the proposed Consumer Data Right the introduction of an occupational regulatory regime for engineers, the review of approved financial dispute resolution scheme rules and the building consent system
- MBIE and the FMA regarding FMA funding and levies and CoFI implementation
- The FMA regarding its culture and conduct report and expectations
- FENZ & DIA regarding the review of the FENZ levy system
- The Treasury regarding changes to EQC Cap and the EQC Act regime, flood risk and fact sheets about risk-based pricing
- RBNZ regarding IPSA and the Solvency Standards reviews
- MBIE, the FMA and DPMC regarding exemptions for insurers from COVID-19 Alert Level restrictions
- XRB regarding the proposed standard for climate-related disclosure reporting
- MoJ regarding AML/CFT
- MFAT regarding travel bubbles and quarantine-free travel
- CERT regarding cyber insurance
- NCSC regarding cyber insurance
- DPMC regarding ransomware
- MfE regarding statutory liability insurance

Clean-up after flooding in Canterbury.
Photo: CHARLIE O'MANNIN/STUFF



Disaster response

- Prepared for the start of the Natural Disaster Response Agreement (NDRA) to respond to future natural disasters where insurers manage and settle all EQC claims on EQC's behalf
- Assisted The Treasury with Canterbury statistics for Ministerial reporting
- Worked closely with emergency recovery managers in the most badly affected areas of Ashburton, Selwyn and Waimakariri districts following Canterbury flooding in late May while providing updates to members and recovery agencies
- Worked with emergency services to keep them informed of the insurance response in the wake of June's South Auckland tornado and facilitated a meeting with Auckland Council to ensure consents were fast tracked
- Though a small event, June's flooding affecting the East Cape and Tokomaru Bay hit an area with high customer vulnerability. We supported the recovery by attending civil defence welfare meetings and alerting members to insurance issues arising from this engagement
- West Coast (including Westport), Marlborough, and North Island (including Wellington) flooding. We were integrated into the on the ground civil emergency response teams to this major event from the outset
- We facilitated meetings with members and the Buller District Council to share information and remove barriers to recovery
- We fronted an online meeting during lockdown for the Westport community
- As part of the recovery, we facilitated meetings between members, Tonkin + Taylor with Buller District Council to build long-term resilience into rebuilding efforts, specifically to reduce flood related risks

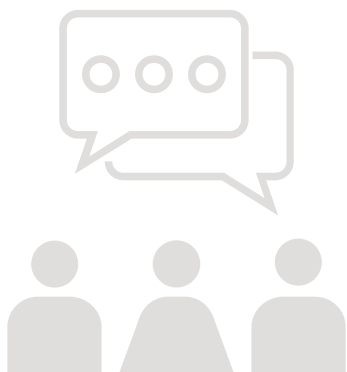
“ DURING 2022 A COMPREHENSIVE, PLAIN LANGUAGE, GRADUAL DAMAGE GUIDE WILL BE DEVELOPED. ”

CONSUMER AFFAIRS

Consumer Advisory Committee

The Consumer Advisory Committee (CAC) held two meetings in 2021 to advise the Board on consumer issues. Two of the issues that the CAC raised were supported by the ICNZ Board for the sector to take action on. The first was gradual damage which is the area of most confusion and complaints from insurance customers. As a result of the Committee’s advice, the sector has developed new definitions for gradual damage which include reference to timing. As a result, during 2022 a comprehensive, plain language, gradual damage guide will be developed.

The other recommendation by the CAC was to provide greater transparency of complaints by naming the companies rather than reporting anonymous aggregate data. A working group will be implementing this initiative for 2022 data.

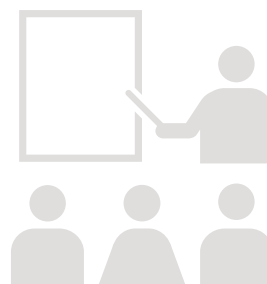


Customers experiencing vulnerability

We continue to facilitate a learning group of insurer staff working in the vulnerability area by discussing best practice, sharing common challenges, keeping up to date with vulnerability issues, and learning from each other. In 2021 the group met every two months which included regular updates from the FMA on its vulnerability expectations as well as a wide range of speakers working on their approach to customers experiencing vulnerability.

Plain English

We continue to promote WriteMark’s offer of a free plain English review of a policy wordings to assist members with assessing any improvements needed to their current wordings. Many members have now received, or are in the process of receiving, WriteMark accreditation.



Presentations

Our staff made presentations to:

- Christchurch City Council's Coastal Planning Working Group (Chief Executive)
- Citizens Advice Bureaus (CAB) in Johnsonville, Te Awamutu and Nelson (Consumer Affairs Manager)
- CAB staff and volunteers, a general insurance 101 (Consumer Affairs Manager)
- Waikato Regional Council's Environmental Performance Committee (Legal Counsel)
- The New Zealand Insurance Law Association's Property Law Annual Conference (Chief Executive)
- The New Zealand Society of Earthquake Engineers' Annual Conference (Chief Executive)
- Our members, providing an update on GNS' update on its National Seismic Hazard Model (Chief Executive)
- Whanganui District Council on Climate Change (Chief Executive)
- Tasman District Council on Climate Change (Regulatory Affairs Manager)
- The New Lynn CAB for the West Auckland Region (Consumer Affairs Manager)
- Ray White property managers on insurance issues for landlords and property managers (Consumer Affairs Manager)
- Māori facilitators of Te Puni Kokiri's Sorted Kāinga Ora wananga on insurance basics (Consumer Affairs Manager),
- The Meet the Leaders NZILA event (Consumer Affairs Manager and Insurance Fraud Manager)
- Local Governments' Regional Sector Compliance and Enforcement Special Interest Group (Legal Counsel)
- The 7th Global Insurance Supervision Conference Frankfurt, Germany, panel discussion on future regulation challenges and the lessons from the pandemic (Chief Executive)

“ THE CLIMATE CHANGE
STANDING COMMITTEE
WAS FORMED IN APRIL
WITH ITS PRIMARY FOCUS
BEING AOTEAROA NEW
ZEALAND'S GROUND-
BREAKING MANDATORY
CLIMATE CHANGE
DISCLOSURE REGIME.



- The Sustainable Development Goals Summit, Canterbury University online panel (Chief Executive)
- ICNZ and the New Zealand Insurance Law Association's Liability Discussion Group discussion on resource management reform (Regulatory Affairs Manager)
- Two FMA Workshops with our members on Conduct and Culture (Chief Executive)
- A REINZ seminar for property managers on insurance requirements for property inspections (Consumer Affairs Manager)
- A Westport community meeting to give an insurance update (Consumer Affairs Manager)
- A Westport Welfare Navigator training session (Consumer Affairs Manager)
- The Global Insurance Fraud Summit 2021 on the progress of the IFB (Insurance Fraud Manager)
- Wharekawa Coast Community and elected officials on floods and future insurability (Chief Executive)
- The Financial Services Federation on key issues of concern to ICNZ (Chief Executive)
- The Financial Services Council Strategic Research Committee on the general insurance protection gap (Consumer Affairs Manager)
- The ANZIIF insurance award winners (Chief Executive and Consumer Affairs Manager)

Committee activities

Commercial Property Committee

- Worked with Fire & Emergency New Zealand (FENZ) to update its 2021/22 Levy Calculation Guidance
- Began initial work with FENZ on developing a mitigation process for reducing rural wildfire risk
- Developed a loss control bulletin providing advice to avoid spontaneous combustion fires in laundries
- Meet with Standards New Zealand Te Mana Tautikanga o Aotearoa to consider a review of the Standard Conditions of Contract NZS3910
- Received a detailed presentation from Auckland University on concerns with the seismic performance of hollow core floor elements in buildings
- Raised concerns about commercial building cost inflation and difficulties valuers have with estimating future cost inflation with the present challenging supply issues

Communications and Public Education Committee

- Focused on increasing the understanding of insurance through social media channels
- Supported key campaigns and activity to grow New Zealanders' understanding of insurance, including Money Week as well as topical seasonal campaigns
- Monitored reputation and media issues across the industry, with particular regard to heightened regulatory change and disaster response
- Hosted by NEMA, the Committee toured the National Crisis Management Centre and discussed how best to work together to promote welfare as part of the response to disasters
- Hosted the FMA to discuss its priorities, approach to regulation and plans for 2021

- Hosted The Treasury and worked extensively with it on its factsheets for consumers on risk-based pricing
- Hosted LGNZ to discuss community resilience, climate adaptation, risk reduction and joint communications opportunities
- Worked extensively with EQC to establish an Event Communications Plan to be used following a natural disaster such as a major earthquake
- Hosted Te Ara Ahunga Ora – Retirement Commission to discuss its National Strategy for Financial Capability
- Contributed to the development of an insurance section for Te Ara Ahunga Ora's glossary of financial terms aimed at making them easier to understand for a wide audience

Climate Change Committee

- The Climate Change Standing Committee was formed in April with its primary focus being Aotearoa New Zealand's ground-breaking mandatory climate change disclosure regime
- Developed submissions on Financial Sector (Climate Change and Other Matters) Amendment Bill, Natural and Built Environments Bill and the XRB's consultation on governance and risk management disclosures
- Maintained close contact with the XRB
- Began work on developing possible future climate scenarios for the general insurance sector as a base to inform reporting obligations

Employment and Education Committee

- Produced the insurance sector's annual Remuneration Survey
- Reviewed the agreement with Aon and moved to participate in the wider general insurance survey rather than a specific ICNZ survey

- Started the development of metrics for a sector approach to Diversity and Inclusion
- Shared issues and discussed the ongoing impact on staff of COVID-19, including staff well-being, resilience, mental health and vaccinations
- Acted as a key reference point for ANZIIF in Aotearoa New Zealand
- Received regular briefings from Business NZ on employment regulation proposals
- Received presentations, analysis and tools on relevant issues such as mental health, well-being and diversity and inclusion

Finance Committee

- A subgroup of the Finance Committee held a number of consultation meeting with, and assisted with the submission on, the RBNZ's Interim Solvency Standard
- Made a recommendation to ICNZ on the changes that could be made to the penalty provisions under the FENZ levy system
- A subgroup of the Finance Committee met regularly to share understandings on specific rules in the new International Financial Reporting Standard (IFRS17) that insurers will need to implement from 2023
- Engaged with the Financial Service Council on a number of new tax issues that will result due to the adoption of IFRS17 and to plan for engagement with IRD to that end

Liability Committee

- Received a presentation from Waikato Regional Council on operational issues with the RMA
- Received an update from Fee Langstone on legal issues affecting liability policies and claims
- Provided input into a range of submissions on liability issues
- Oversaw the Cyber Risks Subcommittee

Marine Committee

- Provided advice to ICNZ on changes that could be made to the FENZ levy system for marine craft to make it easier to comply with and more equitable
- Updated the 2021 Marine Large Loss statistics for Aotearoa New Zealand
- Continued representation on Maritime New Zealand Nō te rere moana Aotearoa's Safer Boating Forum
- Completed the annual statistical claims and premium return to the International Union of Marine Insurers
- Received education on advances in cargo documentation such as Bill of Lading and Waybills and how blockchain shared ledger technology will help make cargo shipping transactions more efficient

Motor Committee

- Continued to work with PartsTrader on its new audit function, which took effect from March 2021
- Began work with the vehicle repair industry on scoping requirements for access for repair information for all vehicles sold in Aotearoa New Zealand. This is important for maintaining vehicle safety following repairs. On many newer vehicles, a seemingly straight forward windscreen replacement now requires the recalibration of safety and driver assist systems that all require manufacturer repair data to be available
- Established a specialist industry working group that includes Waka Kotahi NZ Transport Agency
- Began work with Waka Kotahi NZ Transport Agency on reviewing the process for the deregistration of structurally damaged motor vehicles following cases where some individuals defeated the deregistration system which could result in unsafe vehicles going back on the road after they have been written off

- Provided advice to ICNZ on changes required to the FENZ levy system for motor vehicles to make it easier to comply with and more equitable
- Produced its last Rental Vehicle Loss of Use & Depreciation Guide for members. From 2022 onwards insurers will develop their own guides

Personal Lines Committee

- Formed a working group with claims specialists to work on gradual damage proposals from the Consumer Advisory Committee. This involved providing recommendations to the ICNZ Board to develop a plain language guide and new definitions of 'gradual' which include timeframes
- Met with Otago Regional, Dunedin City and Porirua City councils on natural hazards and flood mitigation priorities
- Worked with Te Puni Kokiri on Māori land and insurance issues
- Received a presentation from MBIE on building system reforms and updates to the Building Code
- Received various Core Logic presentations including on its new climate model and building cost rises and the impact on the Cordell sum insured calculators
- Reviewed and provided feedback to EQC on the EQCover Guide for Insurers
- Supported the industry response to severe weather events by reviewing responses e.g., on uninsurable elements of floods (such as farm tracks and shingle over pasture) and future insurability of areas following the floods
- Contributed to a submission on the Unit Titles Act and to the Communication Committee's work with The Treasury on risk-based pricing factsheets
- Considered the impact and risks of electric vehicle charging in residential homes

Regulation Committee

- Engaged with a wide range of regulation and policy proposals during the year through formal written submissions, meetings and workshops
- Met and held workshops with regulator and policy officials to discuss a range of other regulatory issues
- Assisted members and ICNZ to keep each other abreast of policy and regulatory developments
- Monitored emerging regulatory issues impacting the insurance sector and trends that may require a regulatory or policy response

Travel Committee

- Liaised with MFAT to discuss quarantine-free travel and the availability of travel insurance
- Provided input into numerous media queries

“ ...SOME INDIVIDUALS DEFEATED THE DEREGISTRATION SYSTEM WHICH COULD RESULT IN UNSAFE VEHICLES GOING BACK ON THE ROAD AFTER THEY HAVE BEEN WRITTEN OFF.



Working group activities

Disputes Tribunal

- Continued liaison between the Disputes Tribunal Working Group and the Ministry of Justice to promote service efficiencies and best practice

Data Strategy Working Group

- Heard from experts, providers and others doing data sharing work
- Explored, and refined, ways the sector could leverage its unique collective data and insights for wider public benefit

Insurance Fraud Bureau Working Group

- Maintained its public fraud education/communication framework
- Contributed to a fraud data sharing concept demonstrating a common fraud problem with vehicle fraud (staged thefts, arsons and organised crime groups)
- Contributed towards the annual ICNZ public survey
- Hosted several speakers with a fraud focus
- IFB Australia director, Chubb (Australia) and AIG (Australia) joined the fraud working group sharing insights from an Australian perspective

Insurance Claims Register (ICR)

- Provided consistently reliable service with no operational outages reported during the year
- Improved security for the access process as per vulnerability testing recommendations
- Completed all recommended function upgrades
- Worked to improve functionality for Super Users, allowing them more control to administer their own users
- Extended the retention of earthquake claims in the ICR to twenty-five years or until EQC claims resolution has been completed
- Developed a strong relationship with the Office of the Privacy Commissioner
- The ICR now holds more than eight million claims

“

THE INSURANCE CLAIMS REGISTER (ICR) PROVIDED CONSISTENTLY RELIABLE SERVICE WITH NO OPERATIONAL OUTAGES REPORTED DURING THE YEAR.

”



INDUSTRY STATISTICS

	2017	2018	2019	2020	2021
ALL BUSINESS					
Gross Written Premium	5,727,157,999	6,320,894,581	6,820,298,460	6,897,756,628	7,385,627,542
Net Written Premium	3,975,655,149	4,273,100,623	4,600,036,897	4,517,330,839	4,930,964,108
Net Earned Premium	3,784,224,340	4,049,633,966	4,410,796,801	4,480,726,853	4,750,289,227
Claims Incurred	2,710,849,427	2,412,636,982	2,300,034,410	2,517,421,278	2,888,172,045
Loss Ratio %	71.64%	59.58%	52.15%	56.18%	60.8%
Business Costs (Staff etc)	1,236,198,791	1,242,799,943	1,325,061,078	1,296,538,348	1,306,087,245
Combined Ratio %	104.30%	90.27%	82.19%	85.13%	88.29%

COMMERCIAL MATERIAL DAMAGE AND BUSINESS INTERRUPTION					
Gross Written Premium	720,886,662	821,348,477	923,276,042	979,281,814	1,093,272,307
Net Written Premium	375,638,036	439,060,052	504,556,262	527,352,347	547,661,350
Net Earned Premium	365,001,083	392,999,915	456,514,539	503,479,159	514,750,489
Claims Incurred	266,340,393	279,983,629	239,015,033	347,961,111	420,360,052
Loss Ratio %	72.97%	71.24%	52.36%	69.11%	81.67%

DOMESTIC BUILDINGS AND CONTENTS					
Gross Written Premium	1,653,980,584	1,785,251,411	1,864,492,475	1,902,866,076	2,009,771,452
Net Written Premium	1,248,972,005	1,254,418,489	1,273,910,939	1,301,841,590	1,334,832,688
Net Earned Premium	1,201,103,163	1,208,555,478	1,248,907,489	1,289,000,443	1,291,350,230
Claims Incurred	716,800,290	703,854,646	609,379,099	716,797,927	916,353,639
Loss Ratio %	59.68%	58.24%	48.79%	55.61%	70.96%

MOTOR COMMERCIAL AND PRIVATE					
Gross Written Premium	1,833,142,184	2,089,081,449	2,246,287,211	2,282,750,043	2,464,961,938
Net Written Premium	1,568,885,993	1,664,815,382	1,733,682,657	1,746,002,446	1,928,584,915
Net Earned Premium	1,475,665,889	1,564,914,747	1,671,167,121	1,697,379,453	1,851,677,161
Claims Incurred	1,132,804,218	1,139,574,076	1,159,798,847	1,129,207,364	1,247,400,746
Loss Ratio %	76.77%	72.82%	69.40%	66.53%	67.36%

Premiums are recorded gross (i.e., no deduction for commissions and brokerage incurred in writing the income). Inclusions: Inward treaty and facultative reinsurance. All policy administration fees related to instalment billing and any other policy charges related to the writing and/or renewal of the policy.

Exclusions: GST, FENZ and EQC levies

Gross written premium is calculated as the actual premium less all premium refunds and rebates.

Gross earned premium is gross written premium plus unearned gross premium at the beginning of the quarter less unearned gross premium at the end of the quarter.

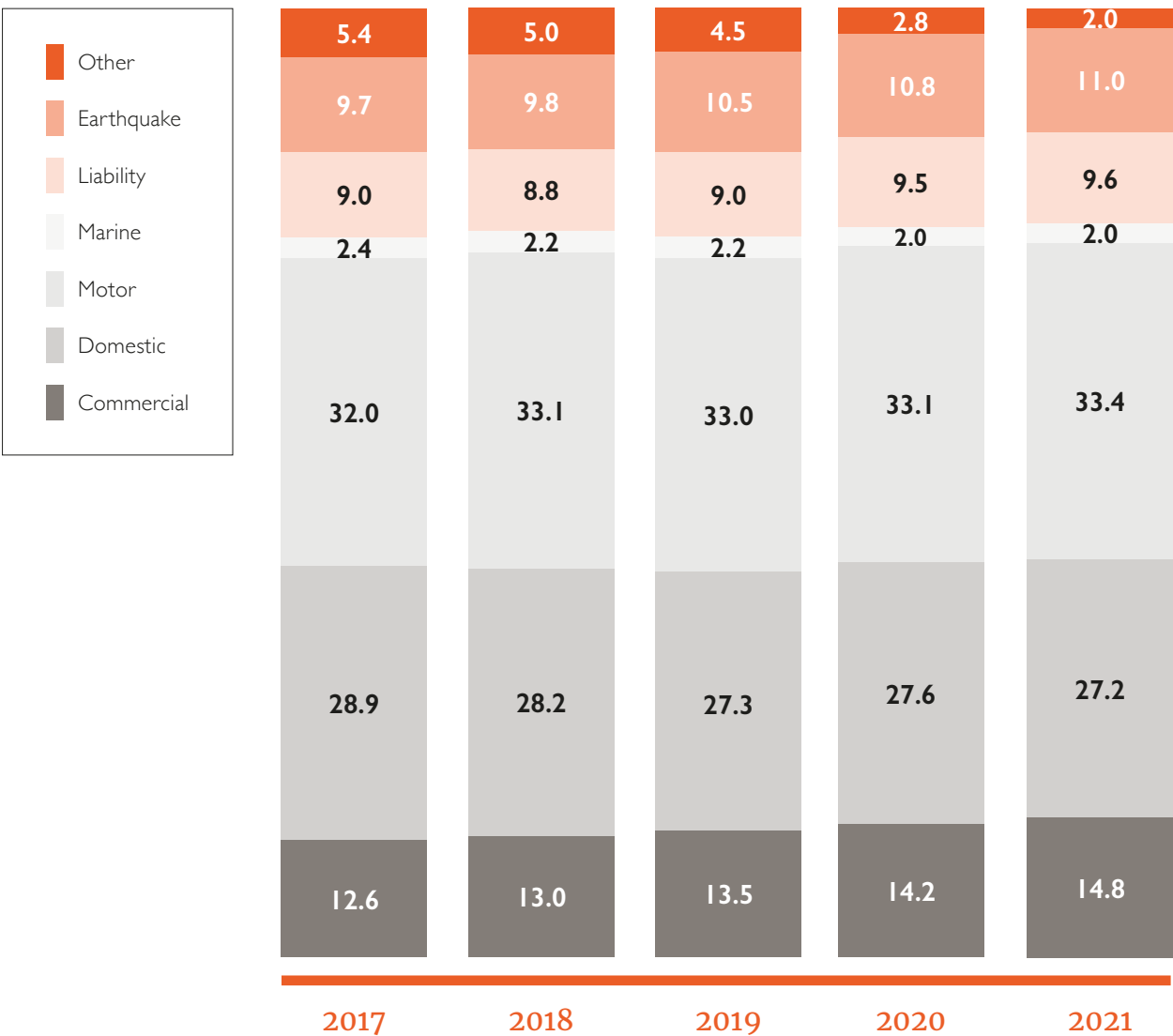
Net written premium is gross written premium less outward treaty and facultative reinsurance premium.

Net earned premium is net written premium plus unearned net premium at the beginning of the quarter less unearned net premium at the end of the quarter.

	2017	2018	2019	2020	2021
MARINE HULL AND CARGO					
Gross Written Premium	134,650,106	136,255,756	149,260,058	140,643,151	149,128,944
Net Written Premium	101,443,977	97,977,744	105,442,174	99,192,228	107,062,958
Net Earned Premium	99,540,458	98,062,171	100,220,644	101,335,825	107,321,054
Claims Incurred	59,343,187	62,979,376	59,094,113	53,045,023	58,602,666
Loss Ratio %	59.62%	64.22%	58.96%	52.35%	54.60%
LIABILITY PROFESSIONAL & DEFAMATION, DIRECTORS & OFFICERS AND PUBLIC PRODUCT & OTHER					
Gross Written Premium	521,877,213	553,667,536	614,601,218	655,129,901	712,122,039
Net Written Premium	358,875,086	366,211,203	403,593,216	424,016,168	457,188,377
Net Earned Premium	343,539,963	356,371,538	376,198,764	405,724,360	428,155,685
Claims Incurred	100,322,242	114,795,055	147,256,363	156,504,156	167,186,378
Loss Ratio %	29.20%	32.21%	39.14%	38.57%	39.05%
EARTHQUAKE DOMESTIC, COMMERCIAL M.D., BUSINESS INTERRUPTION AND MARINE CARGO					
Gross Written Premium	554,701,233	621,395,116	712,986,291	747,048,043	809,503,332
Net Written Premium	177,202,600	287,214,134	341,415,779	314,945,636	445,297,394
Net Earned Premium	157,686,791	275,669,622	325,014,849	325,131,607	431,178,293
Claims Incurred	363,309,158	40,281,584	-37,340,918	18,517,513	10,479,716
Loss Ratio %	230.40%	14.61%	11.49%	5.70%	2.43%
OTHER PERSONAL ACCIDENT, TRAVEL, LIVESTOCK AND OTHER					
Gross Written Premium	307,920,017	313,894,836	309,395,165	190,037,600	146,867,536
Net Written Premium	144,637,452	163,403,619	237,435,870	103,980,424	110,336,428
Net Earned Premium	141,686,993	153,060,495	232,773,395	158,676,006	125,856,316
Claims Incurred	71,929,939	71,168,616	122,831,873	95,388,184	67,788,842
Loss Ratio %	50.77%	46.50%	52.77%	60.12%	53.86%
GROSS WRITTEN PREMIUMS OF BUSINESS CLASSES					
Commercial	720,886,662	821,348,477	923,276,042	979,281,814	1,093,272,307
Domestic	1,653,980,584	1,785,251,411	1,864,492,475	1,902,866,076	2,009,771,452
Motor	1,833,142,184	2,089,081,449	2,246,287,211	2,282,750,043	2,464,961,938
Marine	134,650,106	136,255,756	149,260,058	140,643,151	149,128,944
Liability	521,877,213	553,667,536	614,601,218	655,129,901	712,122,039
Earthquake	554,701,233	621,395,116	712,986,291	747,048,043	809,503,332
Other	307,920,017	313,894,836	309,395,165	190,037,600	146,867,536
Total	5,727,157,999	6,320,894,581	6,820,298,460	6,897,756,628	7,385,627,548

Gross Written Premiums of Business Classes by Percentage

Year ended 30 September 2021



BOARD

PRESIDENT

Chris Curtin	AA (from July)
Craig Olsen	IAG (to July)

BOARD MEMBERS

Andrew Brooks	Chubb
Andrea Dry	Swiss Re
Toni Ferrier	AIG (Vice-President from July)
Jimmy Higgins	Suncorp
John Lyon	Hollard
Declan Moore	QBE
Martin Stokes	MAS
Blair Turnbull	Tower (from March)
Amanda Whiting	IAG (from July)

STANDING COMMITTEES 2021

COMMERCIAL PROPERTY COMMITTEE

Graham Martin (Chair)	Vero
Marianne Barclay	TokioMarine & Nichido Fire Insurance (to September)
Brett Clark	AIG
Lance Clarke	IAG
Jonathan Cleland	FMG
Robert Hanlon	Chubb
Sheema Khurshed	Swiss Re (to November)
Graeme Lynskey	Ando
Louise O'Reilly	TokioMarine & Nichido Fire Insurance (from September)
Raj Parikh	New India Assurance
Gavin Peart	Munich Re
Wendy Perry	Zurich
Richard Rolston	QBE
John Stubbs	Gen Re
John Whitta	Tower
Marcel Wratt	MAS

COMMUNICATIONS & PUBLIC EDUCATION COMMITTEE

Amelia Macandrew (Chair)	AAI
Emily Davies	Tower
Mike Davy	MAS
Debbie Hourigan	QBE (from June)
Lisa Meiklejohn	Vero
Cara Mygind	IAG
Zoe Taberner	Ando (from June)
Nicola Vallance	AIG
Colin Wright	FMG

CLIMATE CHANGE COMMITTEE

Bryce Davies (Chair)	IAG
Zak Abro	QBE
Sandra Bees	Ando
Margaret Cantwell	FMG
Dr Andrew Casley	Willis Re (to July)
Martin Chisholm	AAI
Emily Davies	Tower (from July)
Dr Charles Ehrhart	KPMG
Rhys Evans	Munich Re (July–September)
Rob Fortune	Guy Carpenter
Hannah Frost	Willis Re (from July)
Scott Galloway	Lloyds
Chris Gottardo	Munich Re (to July)
Tobias Grimm	Munich Re (from September)
Tom Hinds	Suncorp (to July)
Yujie Long	Chubb
Nikki Lovett	Swiss Re
David O'Carroll	Tower (to July)
Tama Rawhiti	AIG
Hannah Seeman	MAS
Robert Siviter	Suncorp (from July)

Note: committee members are agreed at the Annual General Meeting (AGM). Only those members that joined or left outside of the AGM process have such dates noted in the lists below.

EMPLOYMENT AND EDUCATION COMMITTEE

Nikki Howell (Chair)	AAI
Sonya Cornwall	IAG
Jenny Erasmus	AIG
Pete Frizzell	FMG
Danica Hape	Tower (from September)
Huma Houghton	MAS
Sean Jungwirth	Latitude (from August)
Sarah Latch	Zurich
Michelle McBride	Tower (to September)
Rebecca Mowat	Ando
Suzannah Rhoda	Chubb
Lisa Rodgers	Vero
Sheree Tibble	QBE (from September)

FINANCE COMMITTEE

Melissa Christison (Chair)	AIG
Zak Abro	QBE
Elena Borro	Provident (to December)
Peter Chalkias	Chubb
Martin Chisholm	AAI
Anna Chung	Latitude
Matthew Judge	MAS (to July)
Darrin Cornes	MAS (from July)
Jonathan Hayes	Tower (to July)
Anna Davis	Tower (from July)
Emily Evitts	Allianz
Vidura Galpothhage	Vero
Dave Kibblewhite	FMG
Simone Labady	Aioi
Nicholas Moss	KPMG
Doris Niyonsaba	Zurich
Dipti Pavaskar	New India Assurance
Dean Phillips	Provident (from December)
Martin Stott	IAG
Kudzaishie Tagwirey	Hollard
Scott Unterrheiner	Gen Re

LIABILITY COMMITTEE

Philip Murphy (Chair)	QBE
Tani Alexander	Berkley Re
Matt Baber	Vero Liability
Adam Baker	Willis Re (from November)
Heather Bailey	Vero Liability
Marianne Barclay	TokioMarine & Nichido Fire Insurance (to May)

Brent Burrett	Ando/Hollard (to August)
Jeremy Batchelor	Ando/Hollard (from August)
Jeno Capo	IAG (to August)
David Sutcliffe	IAG (from August)
Rob Dawson	Chubb
Scott Galloway	Lloyds
Max Garratt	Willis Re (to November)
Stephanie Garraway	AIG
Kitty Ho	Munich Re
Nicky Hughes	FMG
Nicholas Murphy	Gen Re
Louise O'Reilly	TokioMarine & Nichido Fire Insurance (from August)
Raj Parikh	New India Assurance
Richard Upton	Zurich
John Whitta	Tower

MARINE COMMITTEE

John McKelvie (Chair)	Vero Marine
Louise Hattingh	IAG/NZI Marine
Nick Meister	Tower
Chris Nixon	QBE Marine
Henry Wallace	Ando
Lianne Waru	Zurich/NM Insurance
Justin Xu	Munich Re

MOTOR COMMITTEE

Ian Taylor (Chair)	IAG
Jamie Auld	AAI (from September)
Daryl Roycroft	AAI (to September)
Matt Carkeek	MAS
Dennis Chimbo	Aioi
Fei Ding	Tower
Greg Evans	FMG
Gaye Fowler	QBE
Michael Hookham	Vero
Matt McEneaney	Zurich
Blair Robertson	Ando
Venkat Sridhara	New India Assurance
Dave Walker	Provident

PERSONAL LINES COMMITTEE

Richard Godman (Chair)	Vero
Lance Ashton	Chubb (to September)
Tash Nordstand	Chubb (from September)
Matt Carkeek	MAS
Ian Dearmun	Willis Re
Tom Duke	Tower
Jimi Groom	Swiss Re (from November)
Suresh Gurav	New India Assurance
Steve Jordan-Law	IAG
Sheema Khurshed	Swiss Re (to November)
Dee Naidu	AAI
Riaan Wolmarans	Ando
Sandra Wong	FMG

REGULATORY COMMITTEE

Nick Mereu (Chair)	MAS
James Brownell	KPMG
Cait Fisher	Guy Carpenter
Scott Galloway	Lloyd's
Suresh Gurav	New India Assurance
Rachel Jones	Munich Re (to August)
Peter Keller	Gen Re
Joanna Khoo	Chubb
Parrus Kunvarji	Willis Re
Simone Labady	Aioi (from August)
Roslynd Lee	Allianz
Anne Lindsay	AIG
Nikki Lovett	Swiss Re
Nicolette Luke	Cigna
Angela MacDonald	Provident
Kim Meyer	AAI
Lisa Murray	FMG (to October)
Simon Wilson	FMG (from October)
Nicola Ngan	Vero
David O'Carroll	Tower (to October)
Andy Priest	Munich Re (from August)
Paula Terbrake	Tower (from October)
Andrew Saunders	IAG
Richard Shine	QBE
Brett Wainhouse	Zurich
Claire Wilson	Hollard

TRAVEL INSURANCE COMMITTEE

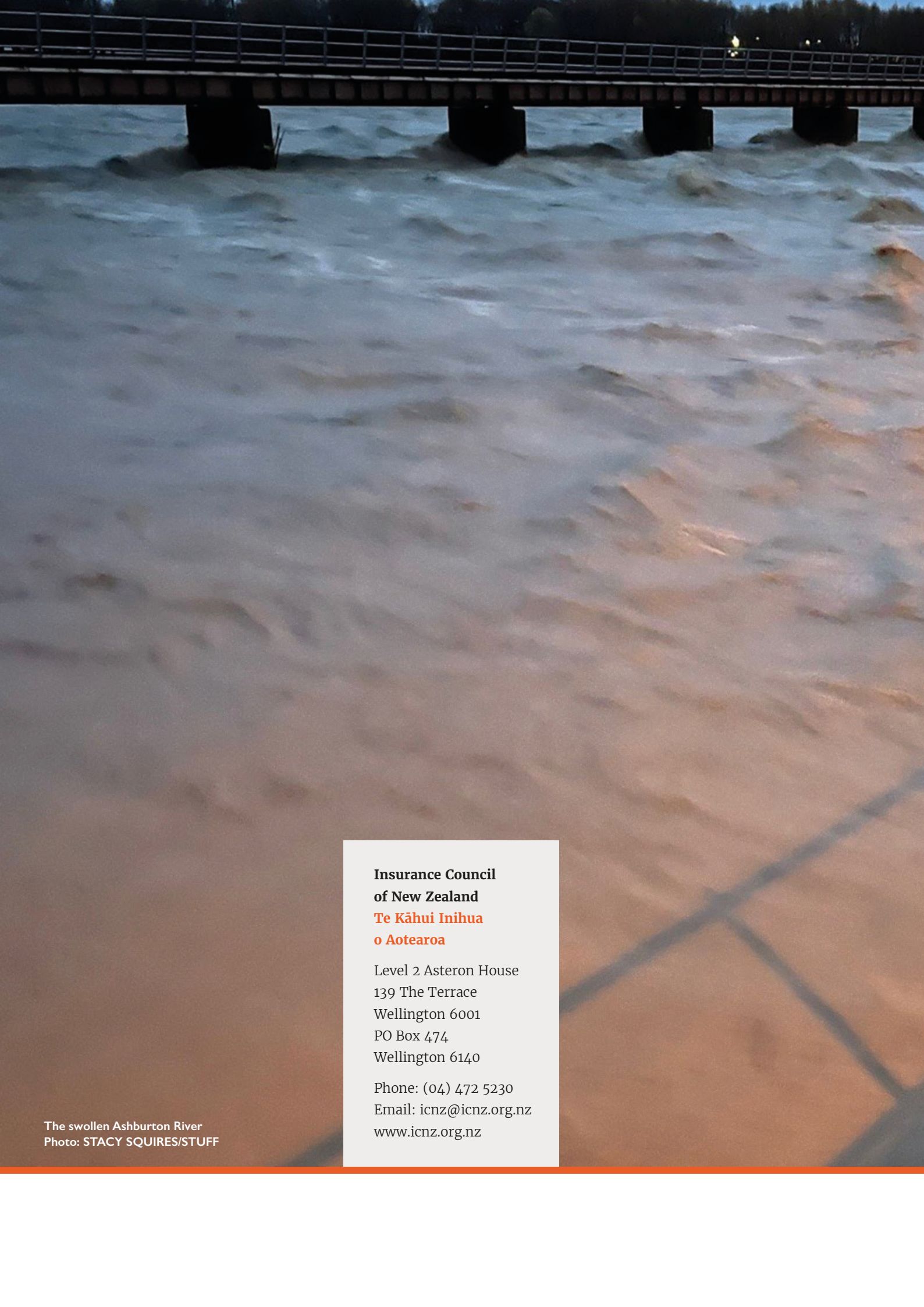
Mathew Abbott (Chair)	AIG
Karl Baylis	Tower
Karl Dixon	Zurich/Covermore
Alison Manning	Cigna
Stefan Schmid	Chubb (to March)
Amber Wild	Chubb (from July)
David Wallace	Allianz-Assistance

2021 MEMBERS

AA Insurance
AIG
Aioi Nissay Dowa Insurance
Allianz
Berkley Re
Chubb
Cigna New Zealand
Combined Insurance
FMG
General Re
The Hollard Insurance Company
IAG (AMI, State, NZI, Lumley)
Latitude Financial Services
Lloyd's
Medical Assurance Society
Mitsui Sumitomo
Munich Re New Zealand
The New India Assurance Company
Provident Insurance Corporation
QBE
Swiss Re
Tokio Marine & Nichido Fire Insurance
Tower
Vero (Suncorp)
Zurich

ASSOCIATED MEMBERS

KPMG
Guy Carpenter
Willis Re



**Insurance Council
of New Zealand**
**Te Kāhui Inihua
o Aotearoa**

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The swollen Ashburton River
Photo: STACY SQUIRES/STUFF