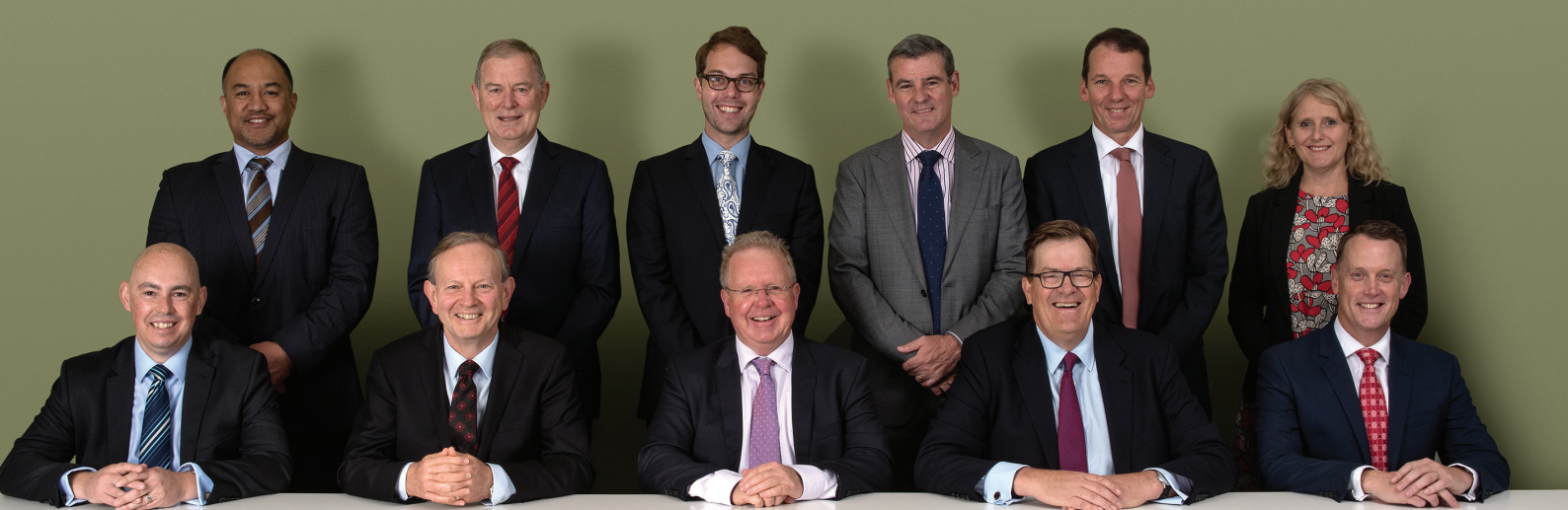




INSURANCE COUNCIL NEW ZEALAND

ANNUAL REVIEW 2016



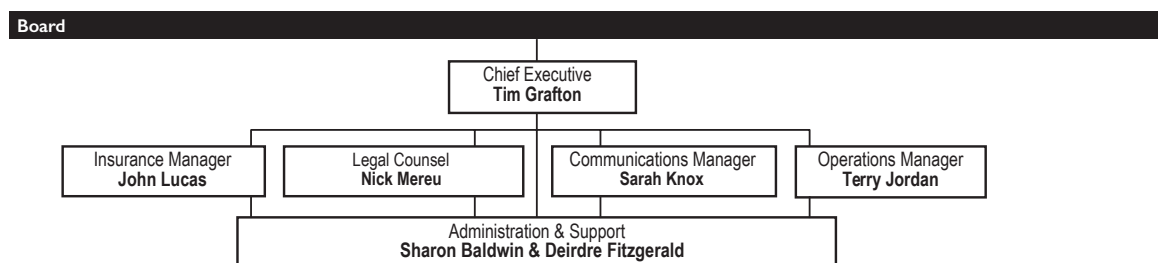
INSURANCE COUNCIL OF NEW ZEALAND BOARD 2016

BACK ROW, LEFT TO RIGHT: Eugene Elisara Allianz, Terry Jordan ICNZ, Nick Mereu ICNZ, Paul Smeaton Vero, John Lucas ICNZ, Sarah Knox ICNZ.

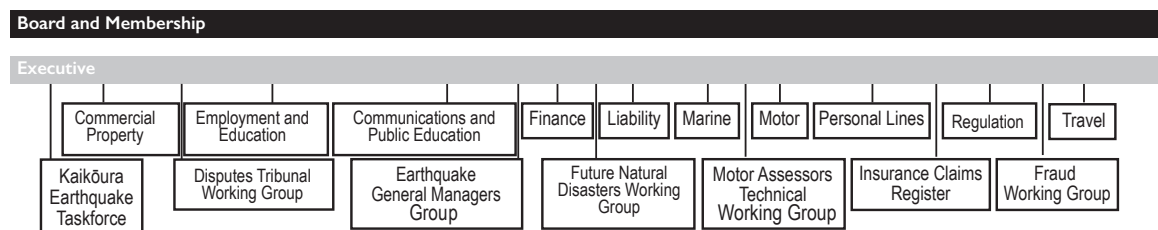
FRONT ROW, LEFT TO RIGHT: Mat Spears Munich Re, Tim Grafton Chief Executive ICNZ, Chris Black President FMG, Kai Dwyer Zurich, Andrew Brooks Chubb.

INSET LEFT TO RIGHT: Martin Stokes Vice-President MAS, Chris Curtin AA Insurance, Bill Donovan QBE, Craig Olsen IAG.

COUNCIL STRUCTURE



COMMITTEE STRUCTURE



MISSION

Promoting and Shaping a Responsive and Sustainable Insurance Industry to Safeguard New Zealand.

Our overarching objective is to ensure New Zealanders have trust and confidence in insurance.

In our work, we uphold the values of acting with integrity, professionalism, working as a team, being informed and providing value for money.



PRESIDENT'S REPORT

By the start of 2016, the Canterbury earthquake recovery process had reached a stage which allowed the Board's focus to shift to reassessing ICNZ's strategic priorities for the next five years.

In considering the likely future operating environment, the Board sought to identify potential future disruptions and impacts on the insurance value chain. Importantly, building on the significant revisions that had been made to the Fair Insurance Code, the Board considered what these changes might mean for managing the industry's reputation.

In the course of so doing, the Board reviewed the principles on which the New Zealand insurance industry operates and a number of enhancements were made to these, both to ensure ICNZ remains aligned to the future direction of the industry and to enhance the image and reputation of the insurance industry in the eyes of the public.

This re-alignment was to prove timely as the Board was required to take disciplinary action against a member for the first time in many years. This was an exacting process carried out under the glare of public scrutiny given the Commerce Commission's decision to prosecute the member under the Fair Trading Act 1986.

In the end, the maximum financial penalty available to ICNZ of \$100,000 was applied for breaching the ICNZ Rules. This sum is to be used to fund public education programmes on insurance for vulnerable communities, run by the Commission for Financial Capability. In addition, the member was required to change its practices which had been identified as falling short of the high industry standards expected of all members.

The Board will now look to lead work on further enhancing the image and reputation of the industry, acknowledging this is an important responsibility of all members. In this context, I would like to thank the independent Code Compliance Committee for its oversight of the administration of the Fair Insurance Code this year.

The Board is aware in forming a view about the insurance industry that the public does not distinguish between General, Life and Health insurers. The Board therefore led a detailed review of the membership scope of ICNZ which has traditionally been restricted to underwriters, including reinsurers, of general insurance lines.

The outcome has been to allow independent underwriting agencies that are not owned or aligned to broker organisations to become associate members of ICNZ. The possibility of broadening the membership offering to Life and Health insurers was also explored, although the initial feedback has been to not pursue this further at this time.

Steady progress on resolving Canterbury earthquake claims continued throughout the year with the industry meeting its commitment to have the vast majority of claims settled by the end of 2016. Insurers have now fully settled \$19.4 billion, or 86% of overcap residential claims and 95% of all residential property claims by number.

On the commercial front, 95% of claims by value are now settled. More broadly, it is noteworthy that over the past six years private insurers have injected \$19.4 billion into the Canterbury economy to support the recovery effort.

I would like to thank the EQC Board and executive for their willing collaboration with private insurers to help expedite the homeowners' recovery process from both the Kaikōura earthquake on 14 November 2016 and in relation to those unresolved Canterbury earthquake claims. For the latter this included establishing the Joint Accelerated Review Team (JART) to give insurers visibility of EQC's unresolved Canterbury claims at a detailed level, thereby enabling properties at high risk of going over cap to be identified and progressed more quickly. The process has also provided an indication for the private insurers of the number of additional claims likely to go over cap, so that provision can be made for these from a resourcing and reinsurance perspective.

In respect of the response to the Kaikōura earthquake, insurers had put forward a proposal to government some time ago for responsibility for the assessment and management of all residential building and contents claims following

a natural disaster to be dealt with by private insurers on behalf of EQC. Within hours of the earthquake striking on 14 November 2016, EQC surfaced this proposal and approached the ICNZ to explore the idea of private insurers assuming this role. A mechanism has now been put in place to shift claim assessment and management responsibility with the expectation that homeowners' claims will be assessed and settled more quickly. I would especially like to acknowledge the EQC Board for its foresight in supporting the new arrangement, which should benefit all stakeholders as the country recovers from the impact of the Kaikōura earthquake. This new approach is timely given the current review of the Earthquake Commission Act 1993, which we hope will be completed in 2017.

ICNZ contributed a raft of regulatory and legislative submissions during the year. Notable among these were submissions directed at making the New Zealand Fire and Emergency Bills' requirements simpler, fairer and less costly to administer. ICNZ is hopeful Parliament will take up the pragmatic changes ICNZ has put forward to help achieve these objectives.

The International Monetary Fund's (IMF) review of the New Zealand financial sector in

“ICNZ contributed a raft of regulatory and legislative submissions during the year. Notable among these were submissions directed at making the New Zealand Fire and Emergency Bills' requirements simpler, fairer and less costly to administer. ICNZ is hopeful the Parliament will take up the pragmatic changes ICNZ has put forward to help achieve these objectives.”

2016 was the first of its kind to be undertaken since 2004, and pre-dates the Reserve Bank of New Zealand's (RBNZ) prudential supervisory regime for insurers. The ICNZ executive and a number of individual members met with the IMF and we look forward to its report in early 2017. The IMF's visit also provided an opportunity for insurers to prepare for the upcoming review of the Insurance Prudential Supervision Act 2010 (IPSA) as this will consider a number of the same issues covered in the IMF review.

The annual ICNZ conference in November 2016 was the best I have attended with close to 330 delegates having the opportunity to hear from an array of local and international speakers who provided their perspectives on both the disruptive changes and various strategic challenges and opportunities facing the industry.

Two new members joined the Board in March 2016; Bill Donovan (QBE) and Eugene Elisara (Allianz). Both have been active contributors since joining the Board.

In September 2016 the Board accepted the resignation of its longest serving Board member, Martin Kreft from Munich Re. Martin made an outstanding contribution to the Board over 13 years and we wish him well in his retirement. The Board will miss his experience, eye for detail, and natural inclination to work constructively for the good of the industry. Martin was replaced on the Board after a contested election by Mat Spears who coincidentally succeeded Martin at Munich Re.

ICNZ membership numbers have remained relatively steady this year. Hollard joined in March 2016. At the end of the year both Civic Assurance and Ansvar Claims Service, which was operating as a run-off company for a very small number of Canterbury claims left the Council. This leaves total membership at 26.

It has been another big year for the industry on multiple fronts. On behalf of the Board, I would like to acknowledge the excellent work of the Chairs and members of our Standing Committees as well as Tim Grafton, CEO of ICNZ and his team for their unwavering commitment and the important work they do on the industry's behalf – it is much appreciated.

It has been a particularly demanding year in respect of the time and commitment required from Board members. I especially want to thank them all for their valuable contribution and support throughout the year - having such a diverse range of experience and perspectives around the Board table has served the industry extremely well this year.



Chris Black
President
Insurance Council of New Zealand

“One area where ICNZ has moved is to work with the Human Rights Commission to develop guidelines for identifying vulnerable people post-disaster. These will act as a reference to ensure a more consistent application of criteria.”



CHIEF EXECUTIVE'S REPORT

One of the largest earthquakes to strike anywhere in the world in 2016 hit North Canterbury with a force of M7.8 just after midnight on 14 November. The Kaikōura earthquake marked a record-breaking year for seismic activity with almost 33,000 earthquakes recorded in New Zealand.

Had it not been for the colossal scale of the Canterbury earthquake series, the Kaikōura event would possibly go down as the costliest natural disaster in New Zealand history. Striking as it did while EQC was still transferring claims from Canterbury to insurers and as resources were being scaled back, a question hung over recovery efforts.

Not for long. Through an extraordinary effort by insurers and the EQC the moment was seized to apply lessons from Canterbury to the situation at hand, albeit operating under the existing EQC Act. In barely four weeks, agreement was reached to enable insurers to manage all EQC building and contents claims to settlement and how that would be operationalised.

The prime beneficiary is the homeowner where insurance proves its value putting its reputation to the test. It sent a clear signal to global reinsurers that New Zealand despite its risks is a place where they can have confidence that recovery efforts will be well managed.

There is no better time than now to advance the review of the EQC Act. While there has been benefit in taking time to understand what needs to change, it is important to move forward while the institutional knowledge is still in place and before the next event.

One area where ICNZ has moved is to work with the Human Rights Commission to develop guidelines for identifying vulnerable people post-disaster. These will act as a reference to ensure a more consistent application of criteria.

One of the commitments ICNZ made when introducing the revised Fair Insurance Code in 2016 was to report annually on the number of significant breaches and unresolved significant

breaches. It is a credit to the industry that no significant or unresolved breaches were reported in the first annual return. During 2016 insurers received 1.12 million claims. Of that only 3,858 complaints were made to insurers' internal dispute resolution services. It is pleasing that insurers' internal dispute resolution processes were able to resolve 95% of all of the complaints made. Of the 204 complaints that were then lodged with the external dispute resolution schemes, only 14 complaints were upheld by the external dispute resolution services. Fourteen upheld complaints out of over 1.12 million claims certainly puts in perspective that insurers are meeting high standards of service and resolving almost all claims.

Summarising progress on the Canterbury claims, insurers have now settled \$9.4 billion residential and \$10 billion commercial claims. Although 1,258 residential claims were transferred to insurers from EQC in 2016, significant steps were taken in the latter half of the year to provide much greater clarity to insurers about EQC's unresolved claims through the establishment of a Joint Accelerated Review Team.

It will be critical to maintain momentum on settling the remaining Canterbury claims in 2017 while progressing those arising from Kaikōura.

As expected, there was a busy regulatory and legislative programme this year. Consultation with The Treasury on the EQC Act has reached the point where the next step to draft legislation must now be taken.

ICNZ met with the team from the International Monetary Fund as part of their first review of the New Zealand financial sector for well over a decade. This has helped shape our approach to the pending review of the Insurance Prudential Supervision Act.

The Fire and Emergency New Zealand Bill (FENZ) as introduced mid-year was deeply flawed and considerable effort went into seeking amendments to it. By year's end, the Bill, as reported back from the Select Committee supported most of the changes ICNZ had sought.

Disappointingly, the inequitable and out-dated policy that people taking out general insurance should be taxed to pay for a fire service though persists. We remain deeply concerned about the prospect of a 40% increase in the fire levy which when applied uncapped to commercial properties risks limiting the uptake of cover.

It was pleasing to note the Government's support for transparency of broker commissions in its response to the Financial Advisers Act Review. We expect this to be followed through in the regulatory framework administered by the Financial Markets Authority (FMA).

Levies to fund the FMA are increasing by one-third, but representations made by ICNZ have seen the total share picked up by insurers decrease and the levy payable by some individual insurers fall reflecting a more equitable contribution model.

The rapid increase in claims from 'meth' contamination in recent years has seen most policies reviewed and cover capped. ICNZ has represented the industry in the development of new standards for methamphetamine contamination. The measure for loss of damage needs to be appropriate and easy to apply.

The outcome of the Court of Appeal's decision in the Osaki case reversed the position where tenants were liable for the negligent or careless damage to a landlord's property. The Government is considering limited liability for renters up to the landlord's insurance excess or four week's rent. ICNZ's position is the pre-Osaki position.

Concerns are mounting in the motor sector about the practices of some credit hire companies that are adding unnecessary costs to claims. Hirers offer 'not at fault' insured drivers 'free' rental cars often at rates much greater than normal commercial rental car companies. Additional costs like these are ultimately borne by all insured motorists.

Our work in promoting risk reduction and industry knowledge saw a wide number of initiatives pursued.

The newly established cyber sub-committee has begun organising workshops for businesses which will continue in the coming year. ICNZ has also partnered with the Government on cyber security week and provided input on the development of the Computer Emergency Response Team (CERT).

ICNZ also renewed its call to Government about the need to monitor and enforce guidelines for non-structural, seismic restraints following damage to Wellington commercial properties from the Kaikōura earthquake. ICNZ believes non-compliance is a systemic issue in New Zealand.

ICNZ contributed to Wellington City's Resilience Strategy and provided briefings to the Waikato and Hawkes Bay Regional Councils on how to better protect New Zealand from natural hazards. We have provided recommendations to the Department of Prime Minister and Cabinet on lessons learned from the Canterbury earthquakes. We have also engaged with the Ministry of Civil Defence and Emergency Management on how insurance can be incorporated into the National Disaster Resilience Strategy.

This year's target to have more than 100 schools using our insurance resources through the Young Enterprise Trust was reached. Several more schools have also taken up the interactive tool

developed by Banquer that includes an insurance module. This tool proved particularly popular for students from four South Auckland schools who participated in an Insurance Day learning programme in September.

To increase the number of business journalists educated about insurance, ICNZ is to sponsor a prize for the top business journalist on the Massey University's post-graduate Diploma in Journalism course.

Our public education programme saw the roll-out of presentations to Citizens Advice Bureaux, Rotary Clubs and to the Australia-New Zealand Climate Change Business Conference.

The 2015 ICNZ-ANZIIF Scholarship was awarded to Matt Giles of AA Insurance at ANZIIF's Celebrating Success awards night for his essay on digital disruption.

Our commitment to industry education saw ICNZ involved in organising workshops on maritime law and vicarious liability. We also provided the support for the modelling company RMS to present the first revision of New Zealand risk since the Canterbury earthquakes.

ICNZ's own annual conference in November, the most well attended yet, explored the implications of some of the major threats and opportunities for the industry and featured speakers from England, Singapore and Australia as well as New Zealand.

Reputation management remains a key focus of our work reflecting our vision that New Zealand has trust and confidence in insurance. It was pleasing to record toward the end of the year that 68% of the public have a favourable opinion of insurers though we are committed to improving on this with the help of members.

In that context, the application of the Fair Insurance Code and ICNZ's rules to support

high standards of conduct have important roles to play. Disciplinary action taken against one member last year highlights the intention to set a high benchmark for the industry.

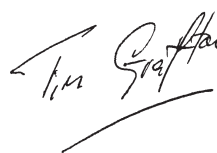
Public perceptions of the insurance extend beyond general insurance underwriters and there was healthy discussion this year on whether to broaden the ICNZ membership. This resulted in agreement to admit independent underwriting agencies that are not aligned with broker groups and to explore the possibility of including Life and Health underwriters.

I am grateful for the hard work and support provided by the team at ICNZ through what has been a demanding year. It was pleasing to note there were no staff changes in 2016 and this experience underpins the ongoing support we can provide to members.

ICNZ operates most effectively with the active participation of its Standing Committees.

I want to thank those who have led each of the committees and those who have played their part contributing to the work programme to support the implementation of our strategy.

It has been an extremely challenging year made easier by the significant amount of voluntary time given by the President and Board members to the governance and stewardship of ICNZ. Their guidance and support for the work of ICNZ is much appreciated.



Tim Grafton
Chief Executive
Insurance Council of New Zealand

No. of Claims	No. of complaints to internal DR process	No. of complaints to external DRS	No. of complaints upheld by external DRS	No. of significant breaches	No. of unresolved significant breaches
1,122,201	3,858	204	14	0	0



During 2016 insurers received 1.12 million claims, of which only 14 complaints were upheld by external Dispute Resolution Schemes.

Revised Fair Insurance Code

Entrusted with safeguarding New Zealand

COUNCIL ACTIVITIES 2016

The following list of activities identifies the specific work outcomes of the Council, its standing committees and working groups. Some of the activities were extensive in nature, others relatively minor. However, all are part of the drive to deliver the strategic objectives set down by members and the Board.

While a significant proportion of the Council's activities have been earthquake-related, the Council has also continued its normal core functions of regulation, knowledge management and representation of members' interests.

Submissions to and work with Government

Submissions can be found online at

<http://www.icnz.org.nz/issues-submissions/submissions/>

- Ongoing discussions and submissions to The Treasury on the structure of New Zealand's future natural disaster insurance scheme.
- Submission to Parliament on the Fire and Emergency New Zealand Bill.
- Submission to Fire and Emergency New Zealand on an interim levy rate to fund Fire and Emergency Services for the 2017-2018 financial year.
- Submission to the Ministry of Business, Innovation and Employment (MBIE) on the Options Paper following the review of the Financial Advisers' Act 2008 and Financial Service Providers (Registration and Dispute Resolution) Act 2008, and follow up consultations with MBIE officials, with a focus on requiring mandatory disclosure of broker commissions.
- Submission on MBIE's targeted review of the Commerce Act 1986.
- Submission to Financial Markets Authority on its market conduct guidance.
- Submission to MBIE on the Earthquake Prone Building Regulations to be made under the Building Act.
- Submission to MBIE on the Building Act Emergency Management Consultation.
- Ministry of Transport Driver Licencing Review Discussion paper 2016.
- Submissions to Parliament and the NZ Transport Authority on various transport issues including Land Transport Bill, Land Transport Rule: Dangerous Goods Amendment 2016, Land Transport Rule: Small Passenger Services 2016, Land Transport Vehicle Dimensions and Mass Rule 2016, and Land Transport Rule: Vehicle Standards Compliance 2002.
- Submission to Parliament on the Resource Legislation Amendment Bill.
- Submission to Parliament on the Canterbury Property Boundaries and Related Matters Bill.
- Submission to MBIE arguing for reform to section 9 Law Reform Act 1936's statutory charge over liability sums insured.
- Ongoing work with MBIE surrounding a proposed cap on local government liability for its building consenting activity and the proposed establishment of a residential home warranty scheme in New Zealand.
- Worked with MBIE on proposed changes to the Unit Titles Act.
- Worked with MBIE on proposed changes to the Residential Tenancies Act to respond to the Court of Appeal's decision in *Holler v Osaki*.
- Met six monthly with the Reserve Bank of New Zealand (RBNZ) to discuss prudential regulation of insurers and speak to submissions.
- Submissions to RBNZ on its consultation paper for the Collection of New Zealand Insurer Data for the Insurer Return.

Canterbury earthquake-related matters

- Facilitated quarterly CE meetings involving ICNZ, EQC, MBIE, CCC and DPMC to provide assistance where any complications or delays impacting claims may have occurred.
- Collected and published Canterbury earthquake stats on a quarterly basis.
- Worked with EQC to report and monitor stats monthly on unresolved properties in order to identify properties with the potential to go over cap.
- Participated in the Shared Property Project (SPP) administration and the facilitation of meetings to maintain the focus on the complex issues around multi units and cross lease properties.
- Facilitated quarterly GM Group meetings to maintain impetus on issues holding up claims.
- Represented insurers on the Residential Advisory Service Governance Group and assisted in renegotiating insurer funding for the service.
- Represented insurers on the Earthquake Support Co-ordination Service Governance Group.
- Helped initiate and maintain progress on the Joint Accelerated Review team (JART) to identify EQC claims with a high probability of going over cap.
- Participated in a University of Canterbury review of cross lease properties and the issues that these properties faced in the Canterbury earthquakes.
- Participated on a sector leaders group to find solutions to Canterbury survey issues.

Kaikōura Earthquake Related Matters

- Coordinated the insurer case for receiving claims notifications, managing claims and finalising settlements, culminating in the EQC/insurer MOU which made insurers agents of EQC.
- Led the insurer/EQC IT subgroup developing the data transfers between EQC and insurers.
- Led the insurer/EQC accounting group which developed the protocols for managing insurer cash settlement and Claims Handling Expenses (CHEs) payments and reimbursements by EQC.
- Led the communications group including representatives from EQC and private insurers.
- Led the subgroup to align EQC and insurers' complaints procedures.
- Participated in community meetings and meetings with local Mayors and District Council officials in the Hurunui, Kaikōura and Marlborough districts.



Other committee and working group activities

Commercial Property Committee

- Completed work on the new Joint New Zealand Institute of Valuers & ICNZ Commercial Property Valuation Guideline for professional valuers which will assist valuers in providing insurance valuations that reflect current policy wordings.
- Organised the RMS presentations to Government and Insurers in Wellington and Auckland.

Communications and Public Education Committee

- Monitored reputation and media issues across the industry.
- Awarded the Excellence in Insurance Journalism Awards.
- Promoted teacher and student resources to support four Personal Financial Management Unit Standards, Levels 2 and 3.

- Participated in Commission for Financial Capability's Money Week programme with Banquer's Insurance Module.
- Insurers continued to sponsor the use of Banquer in four schools.

Employment and Education Committee

- Produced the Insurance sector annual Remuneration Survey.
- Shared Health and Safety best practice and reported regularly to ICNZ Board on trends across the industry.
- Acted as a key reference point for ANZIIF in New Zealand including input into and support for education, conferences and research initiatives.
- Supported the ICNZ's financial literacy programme.

Finance Committee

- Managed the collection of ICNZ members' quarterly stats and began the process of collecting additional stats on declined claims in the personal lines, private motor and travel classes.

Students from four South Auckland intermediate schools came together for Money Week to work in teams on Banquer's simulations of natural disasters that taught them basic concepts about risk management and insurance.



- Held a stats workshop for those who prepare each company's stats to get more consistency and timeliness around data collection.
- Began the process of preparing for collection of stats for the Fire service for the new FENZ tax for 2017.
- Facilitated RBNZ's attendance at meetings to discuss solvency and data collection issues.
- Held training courses in conjunction with CPA for finance staff, on reinsurance.
- Invited PWC and KPMG to meet with the committee to discuss blockchain technology, tax and IFRS.
- Consulted with the New Zealand Road Transport Forum on current and future issues affecting the Road Transport Industry.
- Successfully lobbied for the banning of water damaged import vehicles into New Zealand
- Developed consumer advice for the hiring of rental vehicles.

Personal Lines Committee

- Developed recommendations on jewellery valuations for insurance jewellery valuers to provide more consistency and accuracy in assessing losses.
- Provided input into public advice brochures on a range of personal lines topics.
- Provided recommendations for LINZ in relation to their business case for developing 3D data mapping of NZ.
- Discussed issues around Sum Insured and how to increase public awareness of the risk of under insurance.
- Reviewed the implications of the *Holler v Osaki* case which has resulted in tenants having no liability for accidental damage to a landlord's property.
- Represented Personal lines on the NZ Standards Committee developing a standard for the remediation and decontamination of Methamphetamine contaminated properties.

Liability Committee

- Jointly hosted quarterly liability discussion groups with the NZ Insurance Law Association on various topics.
- Submitted to MBIE on issues relating to section 9 of the Law Reform Act 1936.
- Formed a subcommittee of members to monitor and respond to cyber risks and cyber insurance and associated issues.
- Monitored key developments in law and regulation affecting liability insurers.

Marine Committee

- Updated Marine Large Loss Register for 2015/2016.
- Facilitated a one day workshop jointly with IBANZ on Marine Cargo & Hull Claims.
- Developed consumer advice for the protection of pleasure craft against theft.
- Continued support for marine exam prizes by Marine Committee members.
- Consulted with Maritime New Zealand.

Motor Committee

- Updated the Rental Vehicle Loss of Use Depreciation and Running Costs data for 2016/17.
- Consulted with the Ministry of Transport on New Zealand's planning for Intelligent Transport Systems leading to autonomous vehicle technology.

Travel Committee

- Instructed Colmar Brunton to conduct market research into the travel insurance industry and trends.
- Responded to various media requests for comment, including response to *Ingram v QBE* regarding mental health exclusions in travel insurance policies, and the application of the Human Rights Act in respect of travel insurance in New Zealand.
- Provided input on various regulatory issues, particularly regarding application of the Fire Service Levy to travel insurance.

Inga Beale, CEO of Lloyd's Global gave a global outlook and insights on the response to Brexit at the ICNZ conference in Auckland in November.



Insurance Claims Register

- Developed a guide for flagging files for super users which provided more certainty and consistency around the process of flagging claims files.
- The ICR Board continued to implement the Privacy Impact Assessment recommendations.
- The ICR Board reviewed the funding of the system provider to allow for more development work to be completed.
- Youi joined as the first ICR licensee, which allowed them access to the database and required them to load all of their claims.
- Commenced a focus on data quality by targeting each participant's data loading reports and looking for the main data quality issues that are causing claims to be rejected.
- Completed a successful financial audit on the 2016 accounts.

Presentations

Council staff made presentations to:

- Insurance Brokers Association of British Columbia on Key Learnings from the Canterbury Earthquakes.
- AUT conference on Managing the Impact of Sea Level Rise in NZ.
- Australia-New Zealand Climate Change Business Conference on Risk Reduction and Adaptation.
- IFSO Conference on Customer Perceptions and the Fair Insurance Code.
- Canterbury Employers Chamber of Commerce and Connect Smart on Cyber Risks for businesses.
- Cyber Risks workshop with the NZILA.
- 3rd International Seismic Performance of Non-Structural Elements Workshop.
- Christchurch City, Waikato and Hawkes Bay Regional Councils on the ICNZ 15-point resilience plan.
- Facilitated RMS presentations to Government and Insurers in Wellington and Auckland in partnership with EQC.
- Insurance Recovery Presentations to affected communities following the 14 November 2016 Earthquake.
- Citizens Advice Bureaux in Papakura, Hamilton, Hawkes Bay, Lower Hutt and Porirua.
- Rotary Clubs in greater Wellington Region.
- Auckland Regional Migrant Services Community Road Safety Forum for new migrants on motor insurance.

INDUSTRY STATISTICS

All Business year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	4,448,725,196	4,770,148,673	5,258,213,477	5,260,803,452	5,345,220,235
Net Written Premium	3,462,270,445	3,652,556,360	4,018,404,458	3,880,463,935	3,425,022,923
Net Earned Premium	3,247,031,758	3,506,529,351	3,912,441,162	3,895,768,305	3,366,482,641
Claims Incurred	2,206,076,841	2,174,942,392	2,350,393,425	2,546,016,620	1,968,592,517
Loss Ratio %	67.94%	62.03%	60.07%	65.35%	58.48%
Business Costs (Staff etc)	1,006,100,070	1,200,746,602	1,315,241,975	1,367,165,689	1,186,539,400
Combined Ratio %	98.93%	96.27%	93.69%	100.45%	93.72%

Commercial Material Damage and Business Interruption year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	589,915,428	598,432,282	684,399,324	687,192,670	680,630,993
Net Written Premium	306,669,880	325,879,410	369,583,445	346,431,648	357,611,986
Net Earned Premium	276,305,711	322,693,671	358,734,362	369,677,595	360,357,963
Claims Incurred	226,855,573	192,309,752	227,168,439	208,771,487	243,994,226
Loss Ratio %	65.50%	59.60%	63.32%	56.47%	67.71%

Domestic Buildings and Contents year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	1,170,172,533	1,342,027,881	1,477,326,975	1,522,053,535	1,560,818,092
Net Written Premium	963,207,401	1,082,408,518	1,219,945,738	1,210,698,365	1,149,372,792
Net Earned Premium	898,261,166	1,002,937,356	1,168,935,364	1,186,680,158	1,129,099,427
Claims Incurred	532,924,232	582,828,477	609,645,684	634,005,780	624,059,237
Loss Ratio %	59.33%	58.11%	52.15%	53.43%	55.27%

Motor Commercial and Private year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	1,355,055,482	1,410,050,905	1,509,389,417	1,564,349,422	1,644,119,117
Net Written Premium	1,335,018,668	1,393,761,828	1,487,114,169	1,477,793,120	1,422,592,371
Net Earned Premium	1,308,806,948	1,366,159,713	1,441,718,227	1,444,274,566	1,377,217,656
Claims Incurred	831,303,537	886,385,444	951,461,076	1,003,957,760	1,023,576,910
Loss Ratio %	63.52%	64.88%	65.99%	69.51%	74.32%

Marine Hull and Cargo year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	144,329,385	137,235,745	140,528,421	137,394,192	126,516,762
Net Written Premium	113,845,851	112,054,232	116,508,142	107,813,364	93,028,019
Net Earned Premium	106,131,028	111,737,383	118,685,913	108,805,543	92,816,802
Claims Incurred	68,334,669	47,759,994	56,416,386	54,977,363	62,428,514
Loss Ratio %	64.39%	42.74%	47.53%	50.53%	67.26%

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

year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	337,991,478	368,972,214	457,406,090	468,311,462	481,262,837
Net Written Premium	271,017,729	292,977,466	345,109,879	338,478,576	330,448,687
Net Earned Premium	264,165,039	284,297,206	329,383,275	339,225,156	320,109,298
Claims Incurred	116,058,093	119,499,270	101,971,756	78,081,999	112,861,384
Loss Ratio %	43.93%	42.03%	30.96%	23.02%	35.26%

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

year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	548,513,318	608,686,700	642,638,358	560,528,347	513,288,251
Net Written Premium	249,950,471	221,723,316	263,734,316	226,368,484	-81,596,028
Net Earned Premium	170,848,763	198,612,059	268,276,192	261,986,321	-73,258,527
Claims Incurred	344,794,781	228,581,132	291,746,108	457,937,219	-204,420,440
Loss Ratio %	201.81%	115.09%	108.75%	174.79%	279.04%

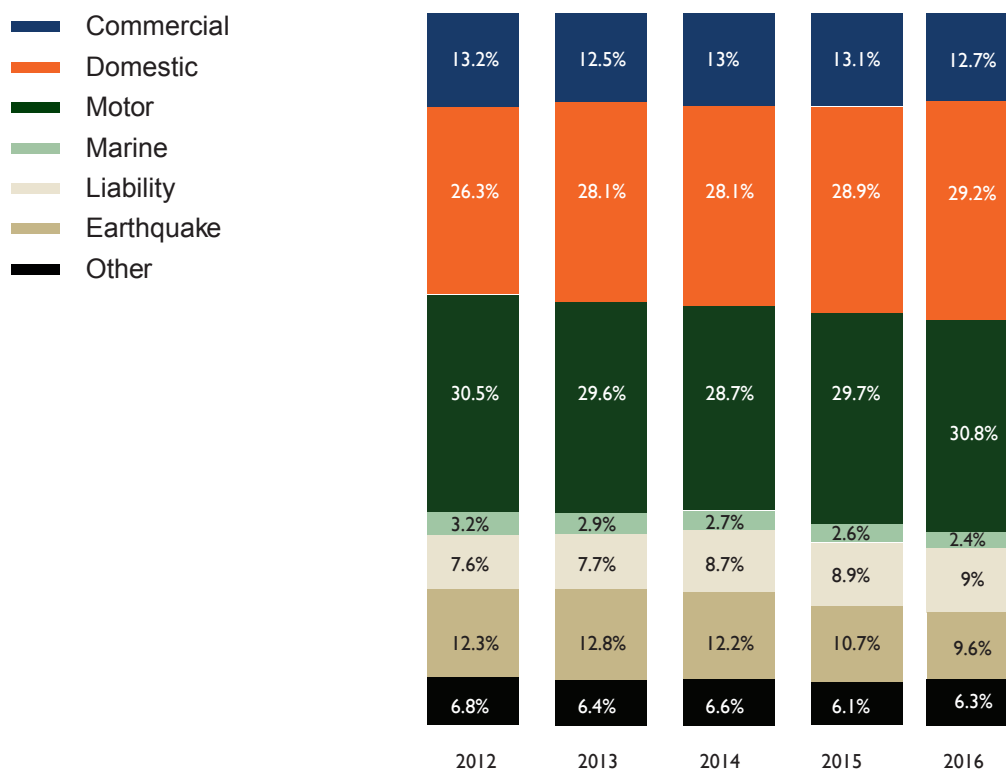
Other Personal Accident, Travel, Livestock and Other year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Gross Written Premium	302,747,572	304,742,946	346,524,892	320,973,824	338,584,183
Net Written Premium	222,560,445	223,751,590	216,408,769	172,880,378	153,565,096
Net Earned Premium	222,513,103	220,091,963	226,707,829	185,118,966	160,140,022
Claims Incurred	131,668,122	117,578,323	111,983,976	108,285,012	106,092,686
Loss Ratio %	59.17%	53.42%	49.40%	58.49%	66.25%

Gross Written Premiums of Business Classes year ended 30 September 2016

Year-end	2012	2013	2014	2015	2016
Commercial	589,915,428	598,432,282	684,399,324	687,192,670	680,630,993
Domestic	1,170,172,533	1,342,027,881	1,477,326,975	1,522,053,535	1,560,818,092
Motor	1,355,055,482	1,410,050,905	1,509,389,417	1,564,349,422	1,644,119,117
Marine	144,329,385	137,235,745	140,528,421	137,394,192	126,516,762
Liability	337,991,478	368,972,214	457,406,090	468,311,462	481,262,837
Earthquake	548,513,318	608,686,700	642,638,358	560,528,347	513,288,251
Other	302,747,572	304,742,946	346,524,892	320,973,824	338,584,183
Total	4,448,725,196	4,770,148,673	5,258,213,477	5,260,803,452	5,345,220,235

Gross Written Premiums of Business Classes by Percentage year ended 30 September 2016



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Munich Re (from September)

Martin Stokes

MAS

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John Stubbs	Gen Re
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Nicholas Meseldzija	Tower (from August)
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Simone Nelson	Chubb (till July)

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Henry Ray	CBL
Julie Taylor	Hallmark

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Dean Finlay	CBL
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Philip Murphy	QBE
Mathew Spears	Munich Re
Brett Wainhouse	Zurich
Katie Young	AIG

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Chris Nixon	NZI
Darren Pattle	Allianz
Mark Roelink	NZI Marine
Fraser Walker	AIG
Carrie Schuster	Zurich (from October)

Motor Committee

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Paul Cowie	Tower
Mark Fisher	MAS (from October)
Gaye Fowler	Zurich
Dion Herdsom	Ando/Hollard
Michael Hookham	Vero
Oliver Jepson	Zurich
Rick Miranda	Youi
Sonya Ohlen	MAS (till November)
Lina Petro	Hallmark
Daryl Roycroft	AAI
Narel Rumenovic	Tokio Marine
Ian Taylor (Chair)	Lumley
Geoff White	FMG

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Sandra Bees	QBE
Phil Clark	MAS (from November)
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Tom Duke	Tower (from August)
Quintin Fialho	Tower (till July)
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Daniel Thompson	Ando/Hollard (from November)
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Chris Taylor	Vero
Scott Unterrheiner	Gen Re

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Ed Hayes	QBE
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Lina Petro	Hallmark
Adam Rudland	Cigna
John Whitta	Tower



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INSURANCE COUNCIL MEMBERS

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