

Claims Snapshot

1 July 2021 to 30 June 2022

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Over 113,000 claims lodged for the year.

Claims time can be particularly stressful for customers, so we aim to settle claims as quickly as possible. We've paid out over \$600 million in claim damages, and of these over 113,000 claims, over 92% were accepted.

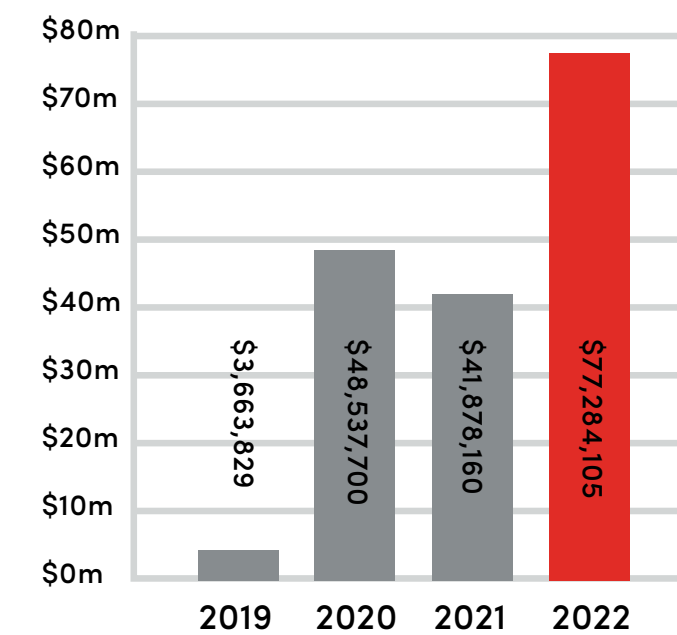
- 61% of claims were Personal Insurance claims:
 - From that 41% were Motor claims and 59% were Property claims.
- 38% of claims were Business Insurance claims:
 - From that 73% were Commercial Motor claims, 17% were Commercial Fire claims, the final 10% were for all other claims.
- 11% of claims were Rural Insurance claims:
 - From that 54% were Commercial or Personal Motor claims, 42% were Commercial or Domestic Property claims and 4% were for all other claims.
- Of the claims made in the last financial year, over 5% were claims from natural disasters:
 - From that 69% were Personal Insurance claims, 11% were Business claims, 14% were Rural Insurance claims and 6% were made up of all other claims.

NOTE: percentage figures are approximate as they have been rounded to the nearest integer.

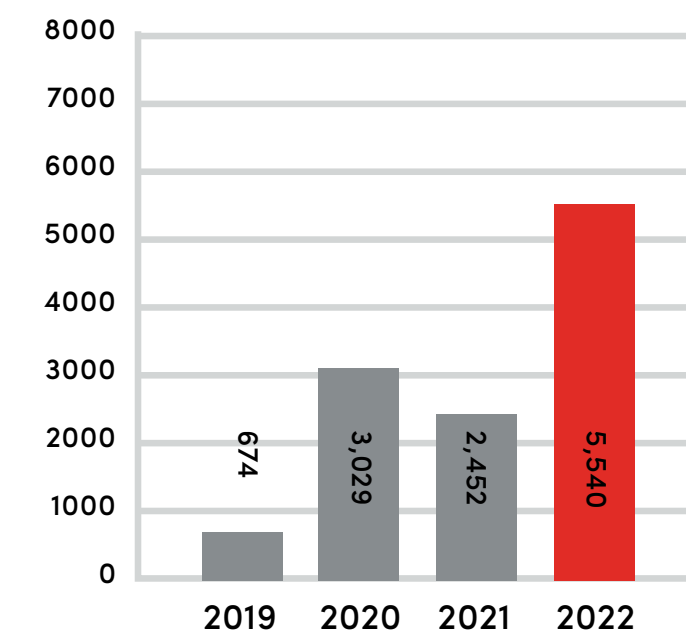


Four year comparison of wild weather events.

Cost of claims | 2019 –2022*



Number of claims | 2019 –2022*



*Data period to 01 July to June 30

- Of significance is the sharp increase in both the cost of claims (85% increase) and the number of claims (126% increase) between 2021 and 2022.

Extreme weather event claims are more complex and take longer to fix.

Weather trends:

- Increased weather events with only months between them are now experienced more often as opposed to previous years.
- More mini storms experienced, in addition to major storms, which might include a full-on cyclone.
- Tornadoes are normally a very rare occurrence, but in the last 18 months we've had two (Papatoetoe and Levin).
- Tropical weather patterns have influenced extreme weather events like those experienced in February and March over the recent years.

Building claims managed in-house.

For complex claims or large losses the customer has a single point of contact throughout, a Project Manager with intimate building and construction knowledge looking after the job from start to finish. More importantly, because working from within Vero streamlines everything, claims can be processed faster.

- Morgan Project Service (MPS) centrally manages Vero building claims from start to finish with a timely, focused and consistent response.
- MPS handle anything from complex BAU claims to natural disasters.
- MPS provide significant advantages for customers by shortening the claims cycle time, utilising approved repairers and suppliers, and having intimate building and construction knowledge within the team.



Risk mapping for a fast response.

In a natural disaster or weather event, we overlay policy mapping with a map of affected areas and prepare the resources we need to respond. In some cases, we'll check in with customers before they've even made a claim.

- Our risk mapping tool enables us to view events in real-time and identify which of our customers are affected by the event.
- The benefits of this are:
 - We can proactively understand potential exposure and begin to ready the resources we need to respond.
 - Our teams can begin contacting customers to understand if and how they are affected, in some cases before they have made a claim.
 - We can overlay risk mapping with claims lodgement data to understand any unique claims pockets.
 - Claims can be lodged and processed faster.



Upscaling with a moment's notice.

When faced with a big event, such as a flood or earthquake, our structure enables us to draw from many different builders and specialists across the country. This means customers' rebuilds can be assigned and completed faster.

- MPS can scale up at a moment's notice as we use the talents of many builders and specialists across New Zealand based on the size and location of the event.
- MPS uses data on the event and claims locations as well as resource availability to make decisions on whether it is necessary to scale up and/or look for alternate resources.
- MPS also have developed tools and technology that can be used on site that capture real time data on the events/claims. Claims are continuously updated and monitored while builders are on site and this data is uploaded directly into their systems to be accessed from anywhere.
- This model has helped halve time to cash settlements.



Affordability and financial hardship support.

Vero has various forms of financial assistance that we can call on to help those experiencing financial hardship.

Financial hardship support for customers:

- 841 customers received financial support totalling \$555,000. Of this;
 - 50% received a premium waiver.
 - 20% were assisted by our Customers Experiencing Vulnerability programme.
 - 17% were supported with a SME/Business waiver.
 - 13% were given an excess waiver.

Brilliant in the Moments that Matter:

- 917 customers benefitted from our **Brilliant in the Moments that Matter** initiative that recognises any customers feeling overwhelmed by their circumstances.

DIRECTION



Corporate responsibility & sustainability.

For Vero, corporate responsibility is about taking a long term approach to ensure that our growth & success are sustainable and benefit our customers, partners and communities. We consider sustainability in terms of environmental, social, governance and economic terms and aim to proactively deliver positive outcomes and drive positive change.

Corporate responsibility:

- 1 of the first 50 companies to report on Aotearoa's first pay gap registry.
- 4th consecutive win at the 2021 ANZIIF NZ Insurance Industry Awards for Excellence in Workplace Diversity and Inclusion.
- Continued corporate partnerships with Shine and Good Shepherd.

Customer focused outcomes:

- Phasing gender rating out of pricing for car insurance.
- Drive insurance pilot programme for vulnerable customers has been renewed, with 54 policies issued in FY21.

Sustainability focus:

- Emissions data for FY22 first half shows our total gross emissions (all scopes) are down by 34%.
- Implementation of our Supplier Code of Practice, which outlines our supplier expectations to ensure they are sustainable, responsible, fair and ethical in their business practices when representing Vero.



West Auckland floods response.

On the 31st August, 2021, Kumeū and surrounding West Auckland suburbs were inundated with over 200mm of rain over a 24 hour period, with significant rainfall continuing to be localised in the area through to the 2nd September. This was the second highest one day rainfall reading to fall in Kumeū in over 70 years of record keeping. The event was also compounded by falling during the second week of a nationwide Covid-19 level 4 lockdown.

- Vero received over 400 claims.
- Vero was able to triage claims and assist those who needed services such as alternative accommodation, even during lockdown restrictions.
- Vero was able to arrange for assessment from either vehicles or drones, whilst following government guidelines.
- We provided financial support to Fair Food – a food rescue organisation with a strong distribution network, particularly in West Auckland to help in the community.
- Over 90% of claims have been settled.
- Approximately \$9.4million of claims has been paid out.



Timaru hailstorm response.

After the Timaru hailstorm hit in November 2019, Vero wasted no time. Vero was on site within 18 hours, and a pop-up assessment centre was established and operating within four days. After just three weeks, all impacted vehicles had been assessed.

Vero was the first insurer on the ground after the Timaru hailstorm in November 2019. Vero teams were able to identify the customers who were affected the worst, undertake on-the-spot assessments and process claims more efficiently.

- Vero had a pop-up centre operating within 4 days.
- The assessment centre managed 600 motor claims.
- All impacted vehicles were assessed within 3 weeks.
- 90% of customers were paid out within 2 months of the event.
- Approximately \$28.3million of claims paid out.

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