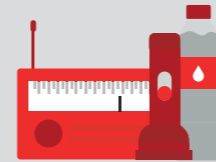


Vero Market Landscape Overview

(January – March 2023)



Helping Vero customers through extreme weather events



Business as usual claims

Take these simple steps to have a better claims experience.

- To speed things up provide this information up front when registering a claim:
 - Vero policy number
 - Fully completed claim form
 - Completed schedule of loss, including a full description, age and purchase price
 - Proposed repairer
 - Photos of the damaged items
 - Photos of the stickers on items which describe the damaged item, especially relevant with damaged TV's or other appliances
 - Proof of Purchase of lost, damaged, or stolen items, these can be receipts, photos or invoices.
 - What has been done already to minimise the claim.

Did you know?

If customers need urgent repairs to make their property safe or to stop further damage, they can contact a tradesperson to complete the work. Just provide us with before and after photos and a detailed invoice from the tradesperson.



- Make sure to send claims to the correct email address
- Please remember to put the policy number, customer name and reference in the subject line.
- Provide as much extra information about the claim as possible to help move the claim forward quickly.

Natural Disasters

For all other natural disaster claims we need a completed claim form, which includes these details:

- Full customer name
- Address (situation of risk if different)
- Contact details – preferably a mobile phone number (Make this the decision maker on the claim)
- Photos of damage attached to email
- Bank account details
- Provide information about what has happened and what is damaged to enable the claim to be triaged for urgency
- Advise what action, if any, has been taken to mitigate loss

Customers experiencing vulnerability



We're here to support our customers impacted by the recent wild weather in the following ways:



If any customer impacted by the wild weather is also experiencing significant hardship or may be in a vulnerable position, we will discuss additional support available when they call to lodge their claim. All of Vero's frontline claims consultants and staff of our building project management partner, Morgan Project Services (MPS) are fully trained to identify vulnerability and ensure our customers receive the right support.

The following support for customers experiencing vulnerability may be available depending on their circumstances:

- Consumer Premium Waiver
- Claims Excess Waiver
- SME/Business Premium Waiver (this support is specific to COVID impacts and is not required on a longer-term basis)
- Customers Experiencing Vulnerability (CEV) Support
- Lifeline Connect referral to provide access to wellbeing and support experts, professional counselling, budgeting advice and connections to specific support services

Customers may not be able to return to their homes for many months. In these cases, we can offer temporary accommodation when the property that the Insured lives in is deemed uninhabitable.

What to do for vulnerable or seriously affected customers following a natural disaster

If your customer is vulnerable, or out of their home, or the damage is of an urgent nature (such as flood damage inside the home) or the structure/cladding of the home is compromised, please call the claims line and register the claim over the phone ensuring you have all the details as listed. We cannot accept an email from you asking that a consultant call your customer to make the claim.

Reinsurance

- Vero successfully renewed its programme on 30 June 2022 with the Suncorp Group Catastrophe program and increased the limit to AUD\$6.8b. This increase reflects business growth and the RBNZ requirements.
- Reinsurance markets have been subject to changing loss trends and macroeconomic volatility for some time and in the last year this has included, above average catastrophe losses, high inflation, and increased climate change awareness driving investor sentiment.
- These market conditions have seen reinsurers withdrawing from the market reducing the available capital along with increased rates and deductibles being offered to insurers.
- Suncorp Group is working with its reinsurance partners to consider the best approach to renewing the reinsurance program in June 2023 to provide maximum value.



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UPDATE

Suncorp New Zealand half year financial result

\$5m
paid in claims
in first week
of event



In announcing the Suncorp and Vero half yearly results, we share the following:

Supporting impacted customers is our highest priority

- We are firmly focused on helping our customers impacted by the floods to assess, recover and move on.

- We settled or offered to settle well over 1000 claims, and paid customers more than \$5m in claims in the first week following the Auckland weather event.
- Vero has doubled its capacity of call centre and claims staff, including an extra 100 experienced claims staff from Suncorp in Australia, and will continue to review the resources required.

Extensive flood damage has put pressure on the building industry and broader supply chain which is likely to impact the claims process.

Financial Result

- Suncorp New Zealand has announced a profit after tax of NZ \$91 million for the first six months of its financial year

(ending December 31, 2022), an 8.3% increase from the previous year.

- This is a reflection of the strong customer growth across those six months.
- Included in the result, Asteron Life reported Profit After Tax (PAT) of \$16 million for the half year to 31 December 2022.
- The second half of the year performance is likely to be impacted by the recent weather events.



Vero Market Landscape Overview

(January – March 2023)



vero

Sustainability (TCFD)



SNZ mandatory reporting

- We're on track to make mandatory climate-related disclosures from 2024.
- As recommended by the External Reporting Board (XRB) the current focus is on having quality conversations with senior leaders and board members about the implications of disclosure.

Suncorp Group requirements

Net Zero Transition Plan

- Related to the Task Force on Climate-related Financial Disclosures (TCFD), is the Group commitment to achieving our Net-Zero target by 2030.

Other Group Commitments:

Suncorp New Zealand is also contributing to other sustainability initiatives, based on Australian legislative requirements such as Modern Slavery, Sensitive Sectors Industries and Responsible Insurance Policy.

Community Resilience and Employee Engagement

- Drive, delivered through Good Shepherd, has passed the pilot stage successfully and is moving into our mainstream offering. This is an affordable car insurance product designed to support Kiwis on limited incomes.
- Resourcing has been finalised with two sustainability advisors respectively dedicated to TCFD mandatory disclosures and Group deliverables.
- Heightened business focus on Sustainability with ESG climate reporting being added as a Momentum project and a sustainability consideration section being added to all strategy documents requiring sign off.

- Gender ratings has been successfully phased out of pricing for car insurance.
- The Climate Change Working Group, Modern Slavery Forum and the Sustainability Diversity Committee are in place.
- A cultural adviser was appointed to support cultural fluency, through a Māori and Pasifika lens.
- Seven Employee Resource Groups were initiated to amplify the voices of the employees across the organisation – (Tiakanga Sustainability, Amplify, Evolve, Ora, Suncorp Women Connect, Life – X and Arise)
- Spirit to Cure 2023 planning has kicked into gear. Find out how you can support, sponsor, participate or volunteer by emailing SpiritToCure@suncorp.co.nz.

Legislation/regulatory update



Below is a snapshot of legislation currently being proposed, implemented, or consulted which Vero is working closely on:

Conduct of Financial Institutions (CoFI)

- The FMA has now opened consultation on its draft guidance for the intermediated distribution of financial products under CoFI. Submissions are open until 14 April, and the consultation papers can be found on the FMA's website.
- The draft guidance has been developed in consultation with industry through workshops held last year with the FMA, insurers – including Vero, and brokers.
- At a high-level, the guidance provides clarity on the FMA's expectations relating to distribution methods under CoFI that can be applied across different sectors and distribution models.

- The FMA's view is that CoFI and the financial advice regimes are complementary with the intention that the dual regimes create a shared responsibility between financial institutions and FAPs who should work together to ensure consumers are treated fairly.
- Vero is in the process of reviewing the draft guidance and is participating in the industry ICNZ submission in response to this consultation.

EQCover

- In December, Toka Tū Ake EQC published their first report of price monitoring following the EQC cap change.
- The report found that price differences between regions have reduced following the cap change, resulting in greater parity of premiums across New Zealand and signalling that intended cross-subsidisation is occurring.



Flood scheme



- Last year, the Government voiced concern about the medium-to-long term availability and affordability of residential flood insurance and asked The Treasury to investigate the potential need and options for interventions.
- Treasury consulted with insurers on a range of flood risk scenarios, and potential interventions (including some overseas models), to better understand how insurers respond to risk and the effect of different interventions.
- At the end of 2022, Treasury reported their preliminary findings to Cabinet. The next public stage is likely to be the announcement of open consultation on a specific, or a few specific, intervention options.
- Recent flooding is likely to raise the public profile of this issue and may prompt the Government to prioritise the next steps. Vero will remain focussed on the subject and assess the new Minister's response.

Resources & tools



Vero severe weather alerts



With the Over and Above platform, we provide updates on some of Vero's existing offerings, new tools and resources. Check out our latest updates:

FAQs relating to the 2023 floods/wild weather

- You've been impacted, what's next FAQs [here](#)
- Home, Contents and Motor Insurance FAQs [here](#)
- Business Insurance FAQs [here](#)
- Wild weather clean up FAQs [here](#)

What is on the regulatory radar:

Find out [more](#)



Get the latest severe weather alerts to your phone

And as our climate changes, so too will our weather – often for the worse. The good news is, Vero now offers a fast, simple way to stay up to date with extreme weather alerts through the **Vero Severe Weather Alerts Service**.

Offering real-time alerts by email and/or SMS of severe weather incidents before they happen allows for proactive planning to prevent or minimise possible weather damage.

FREE for brokers and customers

- Find out more [here](#)
- Sign up and receive alerts by clicking [here](#)
- Ready to share with your clients get in touch for a roll-out pack [here](#)

Multi-Policy Discount



As part of our Vero Consumer offerings, we have a multi-policy discount (MPD) in place which may apply to customers depending on the policies they have insured with us.

How can you help your customers?

- We want to ensure eligible customers receive their discount. It's important for you to read the MPD terms and conditions to be familiar with how they apply.
- As part of customer conversations, let eligible customers know if they qualify for MPD and how it will apply to their policy.
- If you do not see a reference to a MPD on the policy schedule for each of your customer's Eligible Insured Assets and believe they are eligible for MPD, contact us.

Vero General Insurance Company of the Year



Vero was named the 2022 General Insurance Company of the Year at the ANZIIF Awards held in November.

The awards ceremony featured the best insurance providers across the industry, with Vero recognised for its commitment to people development and support for customers experiencing vulnerability.