

Vero Market Landscape Overview

November 2023



vero

Legislation/Government



Election commentary

National Party leader Christopher Luxon will become New Zealand's next Prime Minister when Parliament next sits before the end of 2023.



National Party leader Christopher Luxon will become New Zealand's next Prime Minister when Parliament next sits before the end of 2023. The National party secured 38% of the party vote with Labour following on 27%. National and ACT cannot reach majority on their own and will have to meet an agreement with New Zealand First to form a government.

The wave of electorate seats won by National was an unexpected twist and has given National only five list MPs. Along with coalition negotiations, this may have an impact on portfolio allocations relevant to the insurance industry. While it's unlikely that dissatisfaction with natural disaster response is a driving cause, it is also notable that every electorate covering the Hawkes Bay region has been won by National. Nelson has been retained by Labour on very slim 29 vote margin and there is a high chance of a recount.



Climate adaptation is gaining increasing focus, and some progress has continued through the election period.

Vero has been providing feedback through ICNZ on two consultations which are currently open:

- The Ministry for the Environment has released a proposed National Policy Statement for Natural Hazard Decision Making which seeks to give councils updated guidance in considering natural hazard risk in consent applications made under the RMA. Vero is advocating for the Ministry to ensure that the Statement offers councils sufficient authority to restrict consent in high-risk areas that pose a threat to safety, or which may be uninsurable.
- The Environment Select Committee is receiving submissions on an inquiry into community-led retreat and adaptation funding. The first stage of consultation primarily focusses on what new powers, roles and responsibilities might be needed to support managed retreat. Consultation on factors including funding, risk assessment, and triggers for retreat will continue through the end of 2023 and Vero will continue to follow this closely.

The route the incoming Government chooses to take on the above consultations remains to be seen. Suncorp Government Relations are monitoring this closely.

Natural Hazards Insurance Act 2023 (NHI Act) changes

The Natural Hazards Insurance Act 2023 (NHI Act) will come into force on 1st July 2024, replacing the Earthquake Commission Act 1993.

The Earthquake Commission (EQC) will be renamed to **Toka Tū Ake – Natural Hazards Commission (NHC)**, and we are in the process of creating draft wording updates incorporating the new terminology.

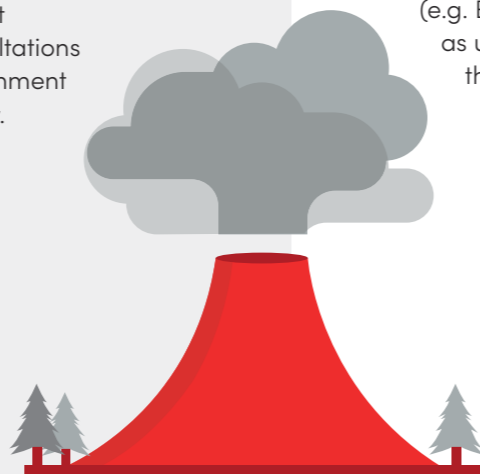


Aside from renaming the Commission, the NHI Act also includes some key changes, for example:

- the cap for retaining walls being updated to \$50k (bridges and culverts to \$25k) plus GST;
- the NHC excess payable for residential building or land claims will be \$500 per dwelling;
- the requirement for customers to notify us if NHC apply a cancellation or limitation of NHI cover being placed upon the property;
- changes to cover for perils such as 'volcanic eruption' to 'volcanic activity', 'natural landslip' to 'natural landslide'.

We're also working through updating the labelling of fields in certain customer or broker facing systems (e.g. EQC Levy to NHI Levy, help texts etc), as well as updating policy document output to adhere to the new terminology prescribed by the new Act.

More information on all the changes relating to the NHI Act will be available in due course.



Spirit to Cure
Curing cancer. Changing lives.

SUNCORP

Exceeding our Spirit to Cure goal

Vero employees along with Suncorp employees, brokers and supporters have been stepping up across the country with the Spirit to Cure.

Thanks to their efforts, both participating and fundraising we have smashed our goal of \$300,000 in fundraising. This is an incredible effort, and we are so proud of the whole team.

It's not over yet, with our Auckland happening on Friday 17 November there is still time to donate to [Spirit to Cure](#).

We look forward to updating you on our final fundraising achievement.

over
\$300k
raised

Vero Finalists in ANIIF Insurance Industry Awards

Vero have been selected as finalists in the 2023 ANZIFF Insurance Industry Awards in two categories: **General Insurance Company of the Year** and **Claims Team of the Year**.

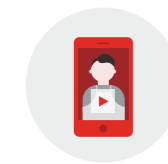
This recognition demonstrates the strength of the company and the hard work and dedication of the Vero team members over the last year. The teams from across Vero have had a strong sense of commitment and service to their customers and made monumental differences to the lives of customers experiencing vulnerability. The leadership team are extremely proud of this achievement and are excited to see what happens on the night.



The ANZIFF Awards event will be held on 22 November 2023.

Vero Market Landscape Overview

November 2023



vero

UPDATE

Claims

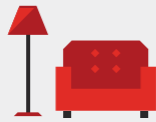


Over **18,500** claims for the Auckland Anniversary Floods and Cyclone Gabrielle

Our claims response this year

Vero has received over 18,500 claims as a result of the Auckland Anniversary Floods and Cyclone Gabrielle, here are some of the teams and processes we have responded that are outside BAU:

- We established a dedicated Events Response division of over 100 people, securing an additional 100+ Australian Suncorp consultants with 10 Australian assessors on the ground within days assessing damaged properties.
- To reflect our commitment to the affected Hawkes Bay community we created a dedicated hub in Napier opening to the public on the 1st of May for customers and brokers to meet with claims consultants face-to-face.
- We grew Over & Above by creating the **Wild Weather Recovery Hub**, a website for customers and brokers to access updates, information, and FAQs for claims.
- We've held over 125 claims clinics to date at the Napier Hub to date.
- We stood up a dedicated team for Customers Experiencing Vulnerability with over 1,100 customers offered expert support through Vero Support.



Government buy-out offers



As Councils announce guides to their buy-out processes, we are updating information and FAQs on Vero's Wild Weather Recovery Hub on an ongoing basis.

Under 5 minutes on... Video series



Vero has launched, a video series called 'Under 5 minutes' to provide insight into some of the more complex areas of our Disaster Recovery response. These are available on YouTube and LinkedIn for you to view and share with your own network by reposting the videos.

Check out the videos on the links below, or find them on our website or LinkedIn.

[EQC Claims](#) | (2:31)

[Underwriting After a Natural Disaster](#) | (4:32)

[Temporary Accommodation in a Natural Disaster](#) | (3:46)

[Customers Experiencing Vulnerability](#) | (4:29)

Resources & Tools

over
AND ABOVE

Vero SME Insurance Index 2023 Broker and Adviser Toolkit

The Vero team have prepared an interactive PDF to make it easy for you to share these insights – the toolkit includes:

- Digital resources (like this **one!**) that you can share on your own social platforms.
- A two page infographic summary.
- An overview of the key findings and the full report.
- Media releases on the Vero SME Insurance Index 2023.
- Additional SME tools and much more!

Simply click through the different tabs for easy access to all the content. You can also download content directly from the PDF.

TOP TIP

Ensure you click the 'Fit to Page' icon when viewing the PDF online.



Download the [Broker & Adviser Toolkit](#) here



Vero SME Insurance Index 2023

Our latest SME Insurance Index has just been released and we're excited to be able to share the findings with you.

This is the seventh edition of the Vero SME Insurance Index, it sheds light on the behaviours and attitudes of small to medium businesses towards insurance throughout Aotearoa New Zealand – both now and into the future.

Some key findings include:

- Customers whose brokers were involved in the renewal process are more likely to consider themselves completely covered, compared to those whose brokers were not involved.
- If a broker was involved at the last renewal clients were 7 times more likely to take the increasing costs of replacement into account.
- One in five SMEs expressed growing concern about the impacts of climate change.



[Click here to check out the Vero SME Insurance Index](#)

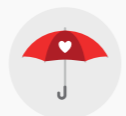
If a broker was involved in the last renewal clients were...



7x more likely to take the increasing costs of replacement into account

For frequently asked questions and more support options, visit [Vero's Wild Weather Recovery Hub](#)

FAQ's



© 2023 Copyright Vero Insurance New Zealand Limited ("Vero"). The information provided is general in nature, and does not replace technical specialist advice in respect of a person's individual circumstances. Vero and its related companies do not accept any responsibility or liability in connection with your use of or reliance on this document. You must not copy, reproduce, sell, modify or distribute this document, electronically or otherwise, in any way except with the express written consent of Vero.