

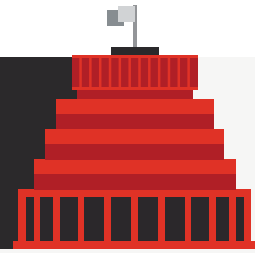
Vero Market Landscape Overview

JULY 2024



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Government Update



Nicola Willis, Minister of Finance, presented her first Budget on 30 May 2024 alongside updated economic forecasts from Treasury.

Economic conditions have worsened since last quarter with economic growth and productivity growth trending downward, higher for longer interest rates, and high emigration. As a result, and combined with the Government's tax package, core crown revenue has been revised downward delaying budget surplus one more year to 2027.

Budget spending has been cut back with Willis reducing the operating allowance from last year's \$3.5b to \$3.2b in her first year, and \$2.4b for years 2025-2027 suggesting cost cutting across the public sector will continue into next year.

Of special interest in targeted spending is a new \$1.2b regional infrastructure fund, including \$100m dedicated to flood resilience projects. \$2.6b of climate change initiatives funded by the previous government will continue. And a package of initiatives for the ongoing recovery from Cyclone Gabrielle including a further \$28m for the Temporary Accommodation Service, \$38m for cleanup of silt and debris in Tairāwhiti and Hawke's Bay, and \$16m over the next year to speed up council recovery functions including buyouts, and flood protection and landslip remediation.

Climate Change



With recent flooding in the Wairoa area on 26 June 2024, we were reminded that climate change is an ingrained part of our landscape now. In partnership with MPS, our teams were on the ground soon after the event to assist customers and kick start the claims process. Our CEO, Jimmy Higgins, visited Wairoa on 2 July 2024 where he spoke to some of our customers and met the local mayor. Anecdotally, feedback from wider industry contacts has confirmed the value of our representatives attending events in person. Locals shared their appreciation of, and welcoming of, insurers to witness the impacts of flooding. The customers appreciated the advice and that we showed up for them in their time of need.

The Wairoa event, along with the number of others we've had over the past few years, serves as a reminder of the importance of our advocacy on emergency response and climate adaptation as part of our longer-term recovery programs. Prior to the flooding in Wairoa, Jimmy had met with Minister for Emergency Management and Recovery Mark Mitchell, with our company continuing to meet with MP's from affected areas linked to Cyclone Gabrielle, including MP Katie Nimon for Hawkes Bay including Wairoa. We've been able to use these relationships to provide timely updates on the Wairoa flooding as it occurred.

Lately, we've submitted to the Select Committee Inquiry on Climate Adaptation — which will support the Government as it works to develop a climate adaptation framework which will guide the rebuild and recovery from events like this in the future.



Supporting Adaptation Framework



CEO Jimmy Higgins has been appointed to the Government's independent reference group to support development of policy advice for New Zealand's adaptation framework.

The group's role is advisory, and comprises of members who have the skills, experience and knowledge from working in sectors that are, or likely to be, particularly affected by natural hazards and climate change.



Jimmy will sit alongside Te Tiriti | Treaty partners, banks, insurers, local government and other leaders to test policy ideas and help to explore the challenges under the current system.

In 2023, the [Ministry for the Environment and Stats NZ](#) estimate 750,000 New Zealanders, and 500,000 buildings worth over \$145 billion are near rivers and in coastal areas already exposed to extreme flooding. These issues are pressing, and we are thrilled to be recognised for leadership in this area.

For more information click [here](#).

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Regulatory Radar



Insurance Financial Services Ombudsman (ISFO) changes

From 18 July 2024, IFSO can consider complaints up to **\$500,000 +GST** (an increase from the monetary limit of \$350,000). This means more consumers can have complaints investigated by the IFSO Scheme's free service, rather than using other more costly options to resolve the dispute, such as through the courts.

Both the IFSO and the Financial Services Complaints Limited (another dispute resolution regime) are undergoing a formal process to evaluate a merger from 1 July 2025. **More on this can be found [here](#).**

Contracts of Insurance Bill

A Bill has been introduced to Parliament to modernise insurance contracts law and addresses a number of areas including disclosure, unfair contract terms and several technical issues. We will be providing feedback on the Bill to help ensure it is workable for us and our customers.

More on this proposal can be found [here](#).



National Hazards Commission (NHC) review

The Minister of Finance is expected to announce a review of the NHC financial and levy settings. The Minister of Finance is proposing any changes to the financial or levy settings will be implemented at least six months after a Cabinet decision, in order to provide sufficient notice to the sector and homeowners of any changes. This decision has the potential to change NHC levies and impact customers.



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Customers Experiencing Vulnerability/Affordability



When a customer is experiencing vulnerability, knowing what to say or do can be challenging.

Brokers and Advisers can find more information on some tools, resources and expert referral services who are in the best position to be able to help.



- Customers Experiencing Vulnerability information pack [PowerPoint Presentation \(vero.co.nz\)](#)



- Two-page Summary pack [vero-customers-experiencing-vulnerability-summary.pdf](#)



- Vero support referral form [vero.co.nz/overandabove/vero-support-form.html](#)



Over and Above Tools



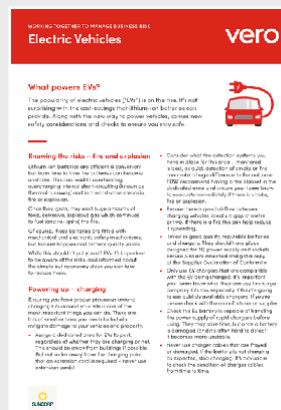
Managing Risk – Lithium-ion batteries and Electric Vehicles.

We're always encouraged to see how many people visit the Vero Risk Profiler seeking out ways to reduce risk to their business and property. We've recently added more information on lithium ion batteries and a new guide on electric vehicles (EVs). These are emerging risks as more and more lithium ion batteries are used to power our everyday lives, from trade tools, fork hoists to everyday items such as mobile devices, scooters, bikes and cars.

While the batteries are generally safe, there is the risk of fire and explosion if not handled or charged correctly. We have seen the impact of these fires coming through in claims. They're often devastating due to the large amounts of toxic smoke, explosive gases and ability for these fires to re-ignite after they've been extinguished.

Our new risk guides provide simple tips and controls around storing, charging and using lithium ion batteries.

Follow the links below by clicking the [Electric Vehicles](#) or [Lithium-ion batteries](#) image, and feel free to share these guides with your customers.



Sacha Cowlrick conquers the Sky Tower challenge

Bright and early on the morning of Saturday 20th May, our EGM Business, Sacha Cowlrick stood at the bottom of Auckland's Sky Tower finishing her stretches and mentally preparing for the challenge that lay ahead. Sacha, along with firefighters from all over Aotearoa and around the globe, were there to climb over 1,100 stairs while wearing 25kg of firefighter gear to help raise money for Leukaemia & Blood Cancer New Zealand.

Upon reflecting on the challenge, Sacha states, "I was initially pretty daunted, but as my training increased, I started to feel more and more confident in myself."

I knew it was going to be hard and that I'd have to work through both physical and mental barriers, but I also knew it was only a short-term pain for me whereas the money I raised would help so many people impacted by leukaemia."



Sacha made it to the top of the Sky Tower in 17 minutes 56 seconds and raised over \$7000 — a fantastic effort for a fantastic cause.

Spirit to Cure
Curing cancer. Changing lives.

SUNCORP

Join us in our mission to help cure cancer and save lives. We are proudly in a charity partnership with Leukaemia & Blood Cancer NZ and Cancer Research Trust to bring another year of Spirit to Cure events.

\$400k fundraising goal

Ōtautahi | Christchurch

18 October
Christchurch Adventure Park
(5.3km uphill walk)

Te Whanganui-a-Tara | Wellington

11 November
Zealandia Te Māra a Tāne
(2.8km easy or 5.5km challenging walk)

Tāmaki Makaurau | Auckland

22 November
Eden Park Stadium
(5000 steps)

We're now inviting sponsors to get into the spirit and be part of the Suncorp New Zealand Spirit to Cure fundraiser initiative to contribute to finding a cure for cancer.

We invite our key partners to get involved by taking up any of our sponsorship packages. Sponsors can further support this cause by participating in any of the following three Spirit to Cure events, or by completing a self-paced challenge between 1 October – 22 November, Your K's Your Way.

Sponsorship Packages

<p>Silver</p> <p>\$3,500</p> <p>Support sponsor of all three events</p>	<p>Bronze</p> <p>\$1,500</p> <p>Associate sponsor of all three events</p>	<p>Supporter</p> <p>\$500</p> <p>General sponsor of all three events</p>	
<p>Diamond</p> <p>\$30,000</p> <p>Elite sponsor of all three events</p>	<p>Platinum</p> <p>\$15,000</p> <p>Major sponsor of all three events</p>	<p>Titanium</p> <p>\$10,000</p> <p>Key sponsor of all three events</p>	<p>Gold</p> <p>\$7,000</p> <p>Partner sponsor of all three events</p>