

SOUTHERN RESPONSE
ANNUAL REPORT 2026

TE PŪROKO A TAU
A URUPARE KI TE
TONGA 2026



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Chair and Chief Executive's report

Company Overview

This is the fifteenth Annual Report of Southern Response Earthquake Services Limited ('Southern Response' or 'the Company') as a Crown-owned company.

The Company's core purpose remains; to resolve its customers' claims in a fair, timely and enduring manner, within the terms of the insurance policy and in a financially effective and efficient way.

This will have been achieved once the AMI insurance claims arising from earthquakes that occurred in the Canterbury Earthquake Sequence up until 5 April 2012 have been settled and the Company has discharged all of its obligations. This includes any obligations arising from its build programme, the delivery of the Package¹, and the resolution of any legal disputes and/or proceedings in respect of settled claims.

The Company has settled 49,950 Covered Claims¹ (including 9,338 overcap¹ dwelling settlements), resolved 1,145 post settlement claims¹ and made payments on 10,674 claims under the Package. Covered Claims settlements reflect 99.8% of the total number of Covered Claims notified to the Company.

The total continues to increase each year as the Company becomes liable for new overcap claims that originate from Natural Hazards Commission Toka Tū Ake ("NHC")² re-openings.

With the delivery of the Package essentially complete at the end of the 2025 financial year, this past year has allowed the Company's full attention to return to the outstanding claims portfolio and ultimately its operational wind-down and closure of its operations.

Outstanding Claims Portfolio

During the last financial year, the Company settled 95 and became liable for 81 new Covered Claims. As at 30 June 2026 there were 88 Covered Claims in progress, of which 87 were overcap. 32% of these were long-standing legacy claims which had been opened prior to the inception of an Agency Agreement¹ (January 2020). The balance of open overcap Covered Claims had originated from NHC undercap re-openings (771 opened, 712 settled) since this time.

The ultimate number of claims that Southern Response will become liable for because of these NHC undercap re-openings remains the Company's greatest uncertainty. Missed earthquake damage or, to a lesser extent, failed repairs are often only identified when a dwelling is sold or, for example, refurbishments are undertaken by a homeowner. Current forecasts indicate that the Company can expect liability for new claims until at least 2036 and likely beyond. Actuaries are forecasting a further 394 overcap claims to be received and the Company's outstanding claims liability valuation as at 30 June 2026 is \$182 million.

Day-to-day claim management activities remain outsourced to NHC under an Agency Agreement, with the Company continuing to provide specialist technical and settlement support to NHC where required. However, the Company continues to retain ultimate responsibility and liability for its Covered Claims portfolio.

The Company continues to make key decisions and ensures claims are settled with an appropriate level of scrutiny. By ensuring there is sufficient evidence gathered to support earthquake damage assessments and the associated reinstatement methodologies

1 Refer to the glossary of terms used on page 11

2 As of 1 July 2025, the Earthquake Commission (EQC) became the Natural Hazards Commission Toka Tū Ake (NHC)

and where appropriate, reasonably refusing unnecessary scope items, the Company incurs fewer claim costs and supports Crown fiscal objectives.

Throughout the year, work has been undertaken to investigate the practicalities, challenges and benefits of expediting claims which may help to prevent or mitigate the anticipated long tail of Canterbury claims and crystallise and manage the extent of the Company's liability earlier. This work will continue into the current financial year in collaboration with the Treasury and NHC.

Efficient and Effective Operations

Operations are managed in an effective and efficient way and a small team of employees and contractors are engaged to support NHC to settle claims, process residual Package applications, discharge governance, financial and legal obligations and resolve any legal disputes and/or proceedings.

The Company continues to ensure it remains fit for purpose and cost effective by right-sizing the organisation as appropriate to support the ultimate wind-down and closure of its operations. Personnel levels have continued to reduce during the 2025/26 financial year, and right-sizing reviews will continue to be undertaken across all areas of the business as appropriate.

This eventual operational wind-down of the organisation remains a key focus for the Company. The Company works proactively, openly and cooperatively with the Crown and other key stakeholders in considering the options of possible future pathways to ensure obligations are met in the most efficient and effective manner.

Wellbeing, Health & Safety, and People

Southern Response is proud of its wellbeing, health and safety approach and track record. Southern Response continues to monitor and manage the health and safety of all involved in its activities in accordance with its legislative responsibilities including its wider obligations to be a good employer. Although there are only a very small number of active construction sites, the Company remains vigilant toward managing health and safety.

The Company continues to offer its personnel access to its 'Manawaroa' wellbeing programme and runs many other wellbeing and development initiatives throughout the year. The Board would like to acknowledge and thank its team of personnel for their continued commitment, contribution and dedication.

Future Outlook

The Company's strategic objectives for the 2026-2027 financial year are unchanged from the prior year. The company will continue to ensure that:

- Notified Covered Claims and residual Package claims are settled effectively.
- Litigated claims and legal risks generally are appropriately managed.
- Ongoing governance, financial and legal obligations are met.
- The Company is efficiently and effectively managed through its final phase.



Bevan Killick
Chair
17 September 2026



Casey Hurren
Chief Executive
17 September 2026

Our values

Respect

We treat all our stakeholders with care, consideration, fairness and equity.

Excellence

We are committed to excellence in everything we do. We are innovative, responsive, adaptive and continually raising the bar. We strive to set the standard against which others will be measured.

Ownership

We hold ourselves accountable for our actions, take ownership, and deliver on our promises.

Honour our promises

We stand by and deliver on all entitlements, rights and commitments AMI has made to policyholders.

Integrity

We demonstrate honesty, transparency, fairness, and objectivity in all our interactions.

Passion

We strive, stand up for our customers' rights, and go the extra distance. We want to make a positive difference to people's lives as part of our contribution to the rebuild of Canterbury.

Recognition

We recognise and celebrate the contributions our people make as individuals and as teams to deliver on our goals.

Development

We professionally develop our people to provide challenging and rewarding employment and prospects.

Board of Directors

Bevan Killick – Chair

Christchurch born and educated, Bevan Killick is a Chartered Accountant, a Chartered Insurance Practitioner (UK) and a Chartered Fellow of the Institute of Directors.

During his professional career, Bevan held senior positions in the Lloyd's Insurance Market for 12 years. Christchurch based, Bevan is an experienced professional director and board chair. He is the founding Chair of Tiaki Toa Limited (the first ever iwi owned insurer, for Ngāti Toa Rangatira) and Taskforce Kiwi and a former chair of the Defence Employer Support Council. He is an honorary Captain in the Royal New Zealand Navy and is also a Trustee of the Royal New Zealand Navy Museum and the NZUK Link Foundation.

In the post-earthquake era Bevan also worked with Recover Canterbury, the organisation responsible for helping businesses recover from the Canterbury earthquakes.

Aedeen Boadita-Cormican – Director

Originally from Ireland, Aedeen is a Barrister, based in Wellington and a Chartered Member of the Institute of Directors.

Aedeen is a Commissioner of the Transport Accident Investigation Commission, has governance experience at NGOs and extensive commercial and senior in-house legal and leadership experience in New Zealand and overseas.

Her New Zealand roles have included Senior Crown Counsel at Crown Law, General Counsel & Company Secretary at ACC, and Acting Treasury Solicitor.

Fiona Pimm – Director

Fiona has extensive experience in governance and strategy roles in the health, government, and NGO sectors, and also with local iwi and runanga.

Fiona is interested in bringing different perspectives to the work of Southern Response, and she has experience in leading an organisational closure.

Fiona is of Ngāi Tahu descent with affiliation to Arowhenua.

Governance and remuneration

Incorporation

Southern Response is incorporated as a limited liability company under the Companies Act 1993, and is listed in Schedule 4A of the Public Finance Act 1989, which automatically makes it subject to many of the provisions of the Crown Entities Act 2004.

The Company became a Crown owned company on 5 April 2012 when its shareholders became the Minister of Finance and the Minister supporting Greater Christchurch Regeneration³. On 5 April 2012 the Company's name changed from AMI Insurance Ltd to Southern Response Earthquake Services Ltd.

Company Activities

Until the sale of its fire and general insurance business to IAG (NZ) Holdings Limited on 5 April 2012, the Company's principal activities, while operating under the name AMI Insurance, comprised the writing of fire and general business for the domestic property insurance market in New Zealand.

At 5 April 2012, the Company's principal activities changed to the management and settlement of insurance claims made by AMI policyholders relating to the Canterbury earthquake events up to 5 April 2012.

The Company does not take on any new insurance business except to the extent that it is ancillary to its claims management business.

Governance Framework

The Company's governance framework is designed to ensure that the Company is effectively managed and that its statutory obligations are met. The governance framework ensures a clear understanding of the separate roles of board and management, and demonstrates a shared commitment to the Company's purpose. To enhance efficiency, the Board has delegated to the Chief Executive, the day to day leadership and management of the Company.

The Board operates under Treasury's Owner's Expectations Manual which sets out the shareholding Ministers' expectations of the Board, including the reporting, accountability and financial governance expectations.

Board of Directors

The Board's duties, functions, and powers are governed by the Companies Act 1993, Southern Response's Constitution, the Crown Entities Act 2004, the Company's Statement of Intent and the Shareholders' Letter of Expectations.

The Crown Entities Act imposes the obligation on the Board to ensure that the Company operates in a manner consistent with its objectives, functions and Statement of Intent.

Board Committees

The Board specifically delegates some of its roles to the Audit and Risk Committee under formal terms of reference, which specify the Committee's role, responsibility, and delegated authorities. The Audit and Risk Committee was chaired by Aedeon Boadita-Cormican during the financial year and all directors served on this Committee.

³ Shareholding Ministers have changed since this time and the current shareholders are the Minister of Finance and the Minister for State Owned Enterprises

Directors

Under the Constitution adopted on 5 April 2012 (with subsequent amendments since this date), the Board is appointed by shareholding Ministers and can comprise between three to seven non-executive directors, including the Chair.

As at 30 June 2026, there were three non-executive directors of the Company whose appointment dates and terms are detailed in the following table.

Director	Position	Term
Bevan Killick Christchurch-based professional director	Non-Executive Chair	Appointed 5 April 2012 Reappointed 1 July 2013 Reappointed 1 July 2015 Reappointed 1 July 2017 Reappointed 1 July 2020 Appointed Deputy Chair 22 December 2021 Reappointed 1 July 2024 Appointed Chair 1 July 2025 Reappointed 1 July 2026 Term ends 30 June 2028
Aedeen Boadita-Cormican Wellington-based barrister	Non-Executive Director	Appointed 22 December 2021 Reappointed 1 July 2024 Reappointed 1 July 2026 Term ends 30 June 2028
Fiona Pimm Christchurch-based professional director	Non-Executive Director	Appointed 22 December 2021 Reappointed 1 July 2024 Reappointed 1 July 2026 Term ends 30 June 2028

Disclosure of Interests by Directors

The Board is conscious of its obligation to ensure directors avoid conflicts of interest (both real and perceived) between their duty to Southern Response and their own interests. Directors are required to ensure they immediately advise the Board of any new or changed relationships, and these are recorded in the Board's interests register. The Treasury are also notified when changes are recorded in the register.

In accordance with the Companies Act 1993, the Board maintains an up-to-date interest register to ensure conflicts of interest are avoided.

The following list details new interests or cessations of interests of current directors recorded in the interests register during the year ended 30 June 2026.

- Flona Pimm ceased as a member of the Māori Advisory Committee for the Office of the Auditor General, ceased as a director of Restorative Elective Surgery Services, and ceased as Chair of New Zealand Blood and Organ Service.
- Aedeen Boadita-Cormican was appointed as a Commissioner of the Transport Accident Investigation Commission.
- Bevan Killick ceased as a member of the Defence Industry Advisory Council and Chair of the Defence Employer Support Council.

There have been no interests registered by directors in transactions during the financial year ended 30 June 2026.

Indemnities and Insurance

As permitted by Southern Response's Constitution, deeds of indemnity have been given to directors for potential liabilities and costs they may incur for actions or omissions in their capacity as directors.

The Company has directors' and officers' liability insurance in place to cover risks usually covered by such policies. Insurance is not provided for dishonest, fraudulent, malicious or wilful acts or omissions.

Use of Company information

During the year, the Board received no notices from the directors requesting to use company information received in their capacity as directors and which would not otherwise have been available to them.

Service Critical Assets

Southern Response has identified no service critical assets in line with the reporting requirements in CO (23) 9.

Director Remuneration

Effective 1 January 2026, the shareholding Ministers have approved the base ordinary directors' fees of \$77,880 (chair), \$48,675 (deputy chair - if appointed), \$42,835 (subcommittee chair) and \$38,940 (director).

Prior to this, the base ordinary directors' fees were \$72,000 (chair), \$45,000 (deputy chair), \$39,600 (subcommittee chair) and \$36,000 (director).

	2026 \$	2025 \$
Alister James	-	72,000
Bevan Killick	74,940	45,000
Aedeen Boadita-Cormican	41,218	36,000
Fiona Pimm	37,470	36,000
	153,628	189,000

Board Meeting Attendance

Eight Board meetings and six Audit and Risk Committee meetings were held during the year. The below table summarises the directors' attendance.

Director	Board meetings	Audit and Risk Committee meetings
Bevan Killick	8	6
Aedeen Boadita-Cormican	8	6
Fiona Pimm	8	6

Board Development and Training Expenses

The Company spent \$10,531 on director development and training and associated travel costs during the year ended 30 June 2026 (2025: \$11,024).

Senior Executive Remuneration

The remuneration earned and payable for Casey Hurren as Chief Executive for the year ended 30 June 2026 was:

	Fixed Remuneration		
	Base salary paid	Benefits	Total Remuneration
Casey Hurren	405,363	13,573	418,936

Benefits include employer KiwiSaver contribution (3% - 3.5%) and sundry benefits.
The Chief Executive does not have a pay performance component to his remuneration.

Employee Remuneration

	2026	2025
Remuneration band	Number of employees	
\$410,000 pa - \$419,999 pa	1	-
\$400,000 pa - \$409,999 pa	-	1
\$340,000 pa - \$349,999 pa	1	-
\$290,000 pa - \$299,999 pa	1	1
\$280,000 pa - \$289,999 pa	-	1
\$190,000 pa - \$199,999 pa	1	-
\$180,000 pa - \$189,999 pa	-	2
\$170,000 pa - \$179,999 pa	1	1
\$110,000 pa - \$119,999 pa	-	1
\$100,000 pa - \$109,999 pa	-	3

The table above shows the number of employees and former employees who received remuneration in excess of \$100,000 during the year ended 30 June 2026.

Remuneration includes salary, employer’s contributions to kiwisaver and other sundry benefits received in their capacity as employees or former employees of the Company, excluding directors.

Employee Redundancies

Two employees were made fully or partially redundant during the 2026 financial year (2025: 13). The total value of compensation paid to these employees in relation to their redundancies was \$121,968 (2025: \$386,753).

Glossary of terms as used in this report

Overcap:	At the time of the Canterbury Earthquake Sequence, NHC insured the first \$100,000 + GST (\$115,000) of damage to a house (the “cap”) for each earthquake event. NHC pays its contribution for each event and the private insurance company takes over responsibility for managing and settling the claim and paying the amount in excess of the cap that is “overcap”.
Out-of-scope:	An “out-of-scope” claim is a claim made under the AMI policy for earthquake damage to property items ‘outside the scope’ of the Earthquake Commission Act 1993 but covered under the wider definition of “house” in the AMI policy (which includes, for example, garages, fences, driveways, paths and swimming pools).
Post settlement claims:	Post settlement claims are settled Covered Claims that have re-opened due to post settlement issues or events.
Agency Agreement:	The Amended and Restated Agreement Relating to Management of Outstanding Canterbury Earthquake Claims between NHC and Southern Response.

Southern Response remains responsible for its Covered Claims, which are defined as:

- a) Any Retained Claim – any claim made by or on behalf of a policyholder under any customer insurance contract relating to any Retained Claim Event, irrespective of whether the claim is made prior to, on or after 5 April 2012.
- Retained Claim Event means the Canterbury earthquake events recognised by EQC⁴ as occurring from 4 September 2010 through 9 October 2011; and any other event that occurred prior to, or was continuing in progress, as at 5 April 2012 which entitles Southern Response to make a reinsurance claim.*
- b) Any other claim for which Southern Response is or may be liable pursuant to Clause 13 of the IAG Sale Agreement (relating to customer insurance contract indemnities and retained claims not clear at 5 April 2012 – essentially claims for which AMI was entitled to make a reinsurance claim and which are being managed on its behalf by IAG).

- c) Any claim arising in respect of any Covered Insurance Contract.

Covered Insurance Contract means any contract works or similar insurance policy under which Southern Response is or may be liable from time to time; and any other insurance policy under which Southern Response may be liable from time to time and which has been approved by the Crown (either individually or as a class of insurance business).

⁴ As previously noted, EQC has subsequently become NHC

Financial Statements 2026

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Statement of responsibility

In accordance with the Public Finance Act 1989, the Board of Southern Response Earthquake Services Limited accepts responsibility for:

- The preparation of financial statements and statement of performance and the judgements made in them.
- Establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial statements and the statement of performance.

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Southern Response Earthquake Services Limited for the year ended 30 June 2026.

Signed on behalf of the Board.



Bevan Killick
Chair
17 September 2026



Aedeon Boadita-Cormican
Director
17 September 2026

Independent auditor's report

TO THE READERS OF SOUTHERN RESPONSE EARTHQUAKE SERVICES LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2026

The Auditor-General is the auditor of Southern Response Earthquake Services Limited (the Company). The Auditor-General has appointed me, Anthony Smith, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information on pages 16 to 30; and
- the performance information that consists of the statement of performance of the Company for the year ended 30 June 2026 on page 31.

In our opinion:

- the financial statements of the Company present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with the New Zealand equivalents to International Financial Reporting Standards and IFRS Accounting Standards.
- the performance information of the Company is appropriate and meaningful and prepared in accordance with the Company's measurement bases or evaluation methods and section 153 of the Crown Entities Act 2004, and presents fairly, in all material respects, the Company's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year.

Emphasis of matter – Valuation of outstanding claims liability and related Crown financial support

Without modifying our opinion, we draw attention to note 9 of the financial statements, which explains the assumptions and uncertainties surrounding the valuation of the Company's outstanding claims liability. We also draw attention to note 5 of the financial statements which discloses financial support from the Crown in the form of a Deed of Indemnity to cover the Company's funding shortfall to assist the Company in meeting all outstanding liabilities and operating costs necessary for the Company to achieve its defined purpose. Based on the Crown support, the financial statements have been prepared on a going concern basis as outlined on page 20.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and

Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements and performance information that are fairly presented and comply with the New Zealand equivalents to International Financial Reporting Standards and IFRS Accounting Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in accordance with the Company's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Company's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We obtain an understanding of the process applied by the Company to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
 - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and
 - the performance information is prepared in accordance with the Company's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with section 153 of the Crown Entities Act 2004, for each class of reportable outputs;
 - the actual performance of the Company as compared with the forecast standards of performance included in the Company's statement of performance expectations for the financial year; and
 - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the Company's statement of performance expectations for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the performance information consisting of the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.



Anthony Smith
Deloitte Limited

On behalf of the Auditor-General
Christchurch, New Zealand
17 September 2026

Statement of comprehensive income

For the year ended 30 June 2026

		2026 <i>Budget Unaudited</i> \$000	2026 <i>Actual</i> \$000	2025 <i>Actual</i> \$000
	Note			
Insurance service expenses	9	–	(2,831)	(90,523)
Insurance finance (expense)/income	9	(2,269)	(2,493)	8,349
Net insurance result		(2,269)	(5,324)	(82,174)
Revenue – Crown Indemnity	5	40,000	21,000	42,000
Investment income and expenses	2	901	883	1,232
Other operating expenses		(1,920)	(4,542)	(5,001)
Gain on sale or disposal of plant and equipment		–	2	4
Profit/(loss) for the year before tax		36,712	12,019	(43,939)
Tax expense	3	–	–	–
Profit/(loss) for the year		36,712	12,019	(43,939)
Total comprehensive profit/(loss) for the year		36,712	12,019	(43,939)

The accompanying notes and accounting policies form an integral part of the financial statements.

Statement of changes in equity

For the year ended 30 June 2026

2026	Note	Ordinary Share Capital \$000	Accumulated Losses \$000	Total Equity/ (Deficit) \$000
Opening balance 1 July 2025		1,457,939	(1,625,077)	(167,138)
Total comprehensive profit for the year		–	12,019	12,019
Closing balance 30 June 2026		1,457,939	(1,613,058)	(155,119)

2025	Note	Ordinary Share Capital \$000	Accumulated Losses \$000	Total Equity/ (Deficit) \$000
Opening balance 1 July 2024		1,451,939	(1,581,138)	(129,199)
Total comprehensive loss for the year		–	(43,939)	(43,939)
Call on uncalled ordinary shares	4	6,000	–	6,000
Closing balance 30 June 2025		1,457,939	(1,625,077)	(167,138)

The accompanying notes and accounting policies form an integral part of the financial statements.

Statement of financial position

As at 30 June 2026

	Note	2026 <i>Budget Unaudited</i> \$000	2026 <i>Actual</i> \$000	2025 <i>Actual</i> \$000
Shareholders' equity				
Total shareholders' deficit		(67,611)	(155,119)	(167,138)
Represented by:				
Assets				
Financial Assets				
Cash and cash equivalents	6	17,882	25,517	22,887
Receivables	8	506	5,852	16,029
Plant and equipment		10	11	30
Total assets		18,398	31,380	38,946
Less:				
Liabilities				
Trade and other payables		2,000	2,209	3,733
Employee entitlements		-	159	168
Insurance contract liabilities	9	84,009	184,131	202,183
Total liabilities		86,009	186,499	206,084
Net liabilities		(67,611)	(155,119)	(167,138)

On behalf of the Board



Bevan Killick, Chair



Aedeon Boadita-Cormican, Director

Financial statements authorised for issue on 17 September 2026.

The accompanying notes and accounting policies form an integral part of the financial statements.

Statement of cash flows

For the year ended 30 June 2026

		2026 <i>Budget Unaudited</i> \$000	2026 <i>Actual</i> \$000	2025 <i>Actual</i> \$000
	Note			
Cash flows from operating activities				
Interest received		901	925	1,197
Proceeds from Crown Indemnity		40,000	30,000	30,000
Earthquake run-off claim payments		(43,472)	(18,030)	(25,079)
Package claim payments		(2,599)	(1,722)	(10,649)
Payments to suppliers and employees		(6,884)	(8,545)	(10,745)
Income tax paid		–	–	–
Net cash inflow/(outflow) from operating activities	7	(12,054)	2,628	(15,276)
Cash flows from investing activities				
Proceeds on sale of plant and equipment		–	2	4
Payments for plant and equipment		–	–	(16)
Net cash inflow/(outflow) from investing activities		–	2	(12)
Cash flows from financing activities				
Proceeds from the uncalled capital facility		–	–	6,000
Net cash inflow from financing activities		–	–	6,000
Net increase/(decrease) in cash and cash equivalents		(12,054)	2,630	(9,288)
Add opening cash and cash equivalents		29,936	22,887	32,175
Ending cash and cash equivalents	6	17,882	25,517	22,887

The accompanying notes and accounting policies form an integral part of the financial statements.

Notes to the financial statements

For the year ended 30 June 2026

Reporting entity

Southern Response Earthquake Services Limited (the 'Company') is a limited liability company incorporated and domiciled in New Zealand and registered under the Companies Act 1993 and is a Crown-owned company listed in Schedule 4A of the Public Finance Act 1989.

The registered office for the Company is located at 53 Princess Street, Riccarton, Christchurch. The Company's principal business is to manage the settlement of claims from AMI Insurance policy holders arising from the Canterbury earthquakes occurring between 4 September 2010 and 5 April 2012.

Basis of preparation

The financial statements have been prepared:

- in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and in accordance with the Financial Reporting Act 2013 and the Companies Act 1993. They comply with the New Zealand equivalents to IFRS Accounting Standards (NZ IFRS), International Financial Reporting Standards (IFRS) and other applicable financial reporting standards as appropriate for-profit oriented companies.
- on a historical cost basis, except for certain assets which have been measured at fair value and insurance liabilities have been measured in accordance with NZ IFRS 17 Insurance Contracts.
- in New Zealand dollars and unless specifically stated otherwise are rounded to the nearest thousand dollars (\$'000). The functional currency of the Company is New Zealand dollars (NZ\$).

Going Concern

As at 30 June 2026 the liabilities of the Company exceeded its assets. The directors have considered the appropriateness of the financial statements being presented on a going concern basis and have concluded that the going concern assumption is appropriate given the funding arrangements entered into with the Crown (note 5).

Presentation format

The statement of financial position is presented broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes.

Budget figures

The unaudited budget figures are derived from the Company's 2025-26 Statement of Performance Expectations as approved by the Board before the start of the financial year. The budget figures have been prepared under the same basis as the financial statements.

Material accounting policies

Insurance Contracts

The Company makes estimates and assumptions in respect of certain liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The key area in which critical estimates and judgements are applied is detailed in note 9 – insurance contract liabilities.

Other accounting policies

Other accounting policies have been adopted in the preparation and presentation of the financial statements. These are provided alongside the relevant notes to the financial statements.

1. Specified Cost Disclosures

Specific costs included in claims handling expenses:

	2026	2025
	\$000	\$000
Employee benefit expenses ¹	2,025	3,383
Depreciation	19	29
KiwiSaver ²	54	93
Fees incurred for the audit of the financial statements	222	223

¹Accounting policy for short-term employee benefits

Liabilities for salaries (including non-monetary benefits), annual leave, redundancy payments and sick leave are recognised in respect of employee services up to the reporting date. They are measured at the amount expected to be paid when the liabilities are settled.

²Accounting policy for employer contributions to KiwiSaver

Where employees have elected to join a KiwiSaver superannuation scheme, the Company complies with all applicable legislation in making employer contributions to these schemes. Obligations for contributions are recognised in profit or loss as they become payable.

2. Investment Income

Interest income is recognised using the effective interest rate method.

	2026	2025
	\$000	\$000
Interest income	883	1,232
Interest expense	-	-
Total investment income	883	1,232

3. Income Tax

Accounting policy for current income tax

The current income tax asset or liability for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute this amount are those that are enacted or substantively enacted by the reporting date.

Current tax attributable to amounts recognised directly in equity is also recognised directly in equity.

Accounting policy for deferred income tax

Deferred tax assets will be recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

	2026	2025
Tax	\$000	\$000
Profit/(loss) before tax	12,019	(43,939)
Tax at applicable rate of 28%	3,365	(12,303)
Non-taxable/deductible items	-	-
Deferred tax not recognised	12	(42)
Tax losses (utilised)/not recognised	(3,377)	12,345
Current tax expense	-	-

Imputation credit account:

Closing balance	196	196
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Deferred tax asset	2026	2025
The balance comprises temporary differences attributable to:	\$000	\$000
Property, plant and equipment	124	124
Employee provisions and accruals	28	28
Other provisions and accruals	508	497
Deferred tax benefit not recognised	(660)	(649)
Net deferred tax asset	-	-

Taxation losses totalling \$1,362 million (tax effect \$381 million) have not been recognised (2025: tax losses \$1,366 million, tax effect \$382 million).

4. Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets to the holder. Transaction costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

	2026	2026	2025	2025
	<i>Number of shares</i>	<i>\$000</i>	<i>Number of shares</i>	<i>\$000</i>
Ordinary shares:				
Balance 1 July	985,000,102	1,457,939	979,000,102	1,451,939
Paid ordinary shares (from the uncalled capital facility)	–	–	6,000,000	6,000
Balance 30 June	985,000,102	1,457,939	985,000,102	1,457,939
Uncalled ordinary shares:				
Balance 1 July	–	–	6,000,000	–
Called shares	–	–	(6,000,000)	–
Balance 30 June	–	–	–	–

5. Crown Indemnity

Crown Indemnity One

The Crown, through the Minister of Finance, entered into a Deed of Indemnity, as amended from time to time, under which the Crown agrees to indemnify the Company in relation to any present or future legal proceeding or claim against the Company that the Company and the Crown have agreed is covered by the indemnity. This indemnity covers, among other things, the Company's financial exposure under the Package (discussed in note 9) and is not capped at any monetary amount.

Crown Indemnity Two

The Company's outstanding liabilities exceed the limit of funding available to the Company. On 29 August 2025, The Crown entered into a Deed of Indemnity to cover the Company's funding shortfall to assist the Company in meeting all outstanding liabilities and operating costs necessary for the Company to achieve its purpose.

Indemnity demands

During the current financial year, a total of \$21 million (2025: \$42 million) was recognised as Crown indemnity revenue.

The Company's forecasts indicate that further demands on the two indemnities will be made as required in future periods. Such amounts will be recognised as revenue when the Crown agrees to pay the demand.

6. Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank, deposits on call and other short-term, highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

As part of its investment strategy, the Company actively manages its cash and cash equivalents to ensure that deposits mature in accordance with the expected pattern of future cash flows arising from the liability for incurred claims.

	2026	2025
	\$000	\$000
Cash held for operational purposes	5,423	7,868
Cash on call and short-term bank deposits	20,094	15,019
Total cash shown in the statement of cash flows	25,517	22,887

7. Cash Flows from Operating Activities

Reconciliation of the profit/loss for the year to cash outflow from operating activities:

	2026	2025
	\$000	\$000
Profit/(loss) for the year	12,019	(43,939)
Add/(less) non-cash items:		
Depreciation and amortisation	19	29
Sub-total "A"	12,038	(43,910)
Movement in working capital items:		
Decrease/(increase) in receivables	10,177	(13,189)
(Decrease)/increase in payables	(1,524)	908
(Decrease)/increase in employee entitlements	(9)	(75)
(Decrease)/increase in insurance liabilities	(18,052)	40,994
Sub-total "B"	(9,408)	28,638
Items classified as investing activities & financing activities:		
Net (gain)/loss on sale of property, plant and equipment	(2)	(4)
Sub-total "C"	(2)	(4)
Cash outflow from operating activities (A+B+C)	2,628	(15,276)

8. Receivables

	2026	2025
	\$000	\$000
Receivable from the Crown	3,450	13,800
Other receivables	2,045	2,229
GST refund due	357	-
Total Receivables	5,852	16,029

9. Insurance Contracts

The Company's portfolio of insurance contracts consists of general insurance policies held by AMI Insurance customers who are entitled to make a claim under their policy for the Canterbury earthquake events that occurred between 4 September 2010 and 5 April 2012. The Company no longer carries out any underwriting business and its reinsurance contracts are extinguished. The Company therefore has no insurance service income or insurance asset.

Insurance service expenses

Insurance service expenses include changes in the estimated future cashflows relating to the liability for incurred claims, and changes in the risk adjustment.

Insurance finance expenses

Insurance finance expenses comprise the change in the carrying amount of the liability for incurred claims arising from the effect of the change in the time value of money.

Liability for incurred claims

Insurance contract liabilities solely comprises liability for incurred claims (LIC). LIC is the Company's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses.

The LIC is measured as the estimate of future cash flows that arise from a substantive obligation under a group of insurance contracts, discounted for the time value of money, then adjusted to reflect the compensation for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk.

Below is an analysis of the amounts presented on the statement of financial position for insurance contract liabilities by managed portfolio.

	Earthquake Run-off \$000	Package \$000	Total 2026 \$000	Total 2025 \$000
Estimate of undiscounted ultimate claims	3,467,604	249,650	3,717,254	3,719,018
Cumulative claims paid	(3,344,973)	(248,826)	(3,593,799)	(3,574,007)
Future cash flows – claim payments	122,631	824	123,455	145,011
Future cash flows – claims handling expense	31,875	265	32,140	27,625
Discount of future cash flows to present value	(18,891)	(12)	(18,903)	(21,397)
Discounted future cash flows	135,615	1,077	136,692	151,239
Risk adjustment	46,713	726	47,439	50,944
Liability for incurred claims	182,328	1,803	184,131	202,183

Significant judgements and estimates in applying NZ IFRS 17

In measuring the fulfilment cash flows (FCF) of the LIC, the estimation of the number of incurred but not reported claims and the ultimate cost of all unfulfilled claims involves a number of key assumptions and is the most significant accounting estimate.

Key assumptions

	2026	2025
Risk adjustment		
Earthquake claims run-off	34.4%	34.3%
Payment package	84.9%	12.4%
Average weighted term to settlement (in years)		
Earthquake claims run-off	3.3	3.4
Package	0.4	0.2

Process to determine estimates and assumptions

Estimates of future cash flows to fulfil insurance contracts

Estimated claim payment patterns have been used to determine the liability for incurred claims. The payment patterns adopted are based on the best estimate of when the payments are likely to be made. Assumptions used to develop estimates about future cash flows are determined separately for payments in relation to the Package and the remaining run-off of earthquake claims. These assumptions are listed below. The assumptions are reassessed at each reporting date and adjusted where required. The assumptions have not changed in the current financial year.

• *Earthquake run-off claims*

Most outstanding earthquake run-off claims are overcap in nature. The key uncertainty in deriving the liability for incurred claims is estimating the quantity of future overcap claims that are not yet reported. A projected settlement size for the reported and not yet reported claims is estimated using the Company's cost assessment data and recent trends in historic settlement values relative to cost assessments.

• *Package*

The group of policyholders entitled to a settlement under the Package is known by the Company and the principles behind the calculation of their entitlements are well defined. The uncertainty lies in the ultimate take-up rate of the Package (i.e. how many eligible policyholders will receive a Package settlement).

Claims handling expenses

A provision for claim handling expenses is included in the future cash flows that make up the LIC. These are the forecasted direct costs of administering the claims, plus an allocation of fixed and variable overheads that are considered directly attributable to fulfilling insurance contracts. This overhead allocation is based on the proportion of direct claims handling personnel engaged by the Company (i.e. for back-office personnel costs, rent and depreciation), or based on the outputs generated by the overhead function (such as internal audit, actuarial services and other administrative costs).

Allowance for uncertainty – the risk adjustment

The risk adjustment represents the level of compensation required such that the Company would be indifferent between a certain compensation and the uncertain insurance liabilities. The Company has taken a confidence level approach and has expressed the risk adjustment as a percentage of the discounted liability for incurred claims. The level of risk adjustment is intended to achieve 75% probability of adequacy.

Discounting

Future cash flows are considered illiquid, as policyholders have limited avenues to receive an upfront or earlier payment after lodging a claim. The Company has therefore adopted the bottom-up approach method to determine the discount rate applied to future cash flows. The discount rate is based on the selected risk-free discount rate, plus a duration appropriate illiquidity premium.

The yield curves that were used to discount the estimates of future cash flows are as follows:

	2026	2025
1 year	3.10%	3.25%
5 years	4.35%	4.34%
10 years	5.02%	5.05%

Sensitivity analysis – impact of changes in key risk variables

The impact on the profit or loss of change in key assumptions on the valuation of insurance liabilities are shown in the table below for the Company. Each change has been calculated in isolation to other changes.

		2026		2025
	Change in variable	(Increase)/decrease in profit \$'000	Change in variable	(Increase)/decrease in profit \$'000
Claims handling expense	+10%	3,743	+10%	3,197
	-10%	(3,743)	-10%	(3,197)
Future overcap numbers	+20%	20,588	+20%	22,986
	-20%	(20,588)	-20%	(22,986)
Risk adjustment	+1%	1,366	+1%	1,511
	-1%	(1,366)	-1%	(1,511)
Discounting	+1% p.a.	(5,043)	+1% p.a.	(5,651)
	-1% p.a.	5,344	-1% p.a.	5,882

Reconciliation of the liability for incurred claims

The tables below outline the movement in the liability for incurred claims for the reporting period.

	2026	2025
	\$'000	\$'000
Opening LIC balance at 1 July	202,183	161,189
Insurance service expenses		
Changes that relate to past service – adjustments to the LIC	6,335	78,793
Change in the risk adjustment of the LIC	(3,504)	11,730
Insurance service expenses	2,831	90,523
Insurance service result	2,831	90,523
Finance expense/(income) from insurance contracts issued	2,493	(8,349)
Total amounts recognised in comprehensive income	5,324	82,174
Cash flows		
Claims paid	(19,793)	(35,910)
Claims handling expenses paid	(3,583)	(5,270)
Total cash flows	(23,376)	(41,180)
Closing LIC balance at 30 June	184,131	202,183
Total insurance contract liabilities	184,131	202,183

Insurance contracts – risk management policies and procedures

The Company is exposed to insurance risk in managing its insurance contracts, specifically, the risk of the timing and amount of the insured loss being different from expectation.

Policies and procedures are put in place to reduce the risk exposure of the Company. These policies ensure completion of a regular, detailed review of claims handling procedures and investigation of possible fraudulent claims. The Company has a policy of actively managing claims, to reduce its exposure to unpredictable future developments that can negatively impact the Company.

An internal audit function has been established to assess and report on compliance with policies and procedures.

Actuarial models, using information from the management information systems and external sources, are used to calculate the liability for incurred claims. Experience and statistical methods are used as part of this process.

10. Financial Instruments – Risk Management Policies and Procedures

Financial instrument information and risk management

The key objective of the Company's financial risk management activities is to ensure that the financial assets are managed in accordance with the investment strategy set out in the Crown Support Deed and that sufficient liquidity is always maintained to meet insurance liabilities.

The Board has delegated the responsibility of monitoring financial assets to the Audit and Risk Committee.

Specific financial risks involving financial instruments other than insurance contracts.

Interest rate risk

Interest rate risk is the risk that arises from fluctuating interest rates in the market. The Company is funded quarterly by the Crown, based on expected cash outflows for that quarter and typically keeps temporary surplus cash on call or on maturity deposits with various financial institutions, with an ability under its treasury policy to invest for up to six months.

Credit risk

Credit risk is the risk that a counterparty will fail to meet their contractual commitments in full and on time. Financial assets that subject the Company to credit risk principally consist of cash and cash equivalents and reinsurance receivables.

The maximum exposure to credit risk on receivables at reporting date is the carrying amounts on the statement of financial position.

Cash and cash equivalents are placed with high quality financial institutions that are rated 'AA-' by Standard & Poors.

Third party receivables represent amounts owing by debtors for insurance claim recoveries. All amounts are considered to be fully recoverable.

Liquidity risk

The Company's Audit and Risk Committee and treasury function monitor cash flow forecasts and liquidity levels to ensure sufficient funds are available to meet obligations as they fall due. Requests for funding are submitted to the Crown quarterly in accordance with the Crown Indemnities (refer to note 5).

Insurance liabilities for incurred claims have been determined based on expected payment patterns.

Liquidity table

	Liability for incurred claims – Earthquake run-off		Liability for incurred claims – Package		Cash, term deposits and receivables	
	2026	2025	2026	2025	2026	2025
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	-	-	-	-	25,517	22,887
Within 1 year	50,908	44,225	1,803	4,658	5,852	16,029
Within 1 to 2 years	37,136	41,896	-	-	-	-
Within 2 to 3 years	29,047	26,135	-	-	-	-
Within 3 to 4 years	24,374	20,266	-	-	-	-
Within 4 to 5 years	20,805	15,552	-	-	-	-
5+ years	20,058	49,451	-	-	-	-
	182,328	197,525	1,803	4,658	31,369	38,916

11. Related Party Transactions

Remuneration of key management personnel

Key management personnel are executive managers who have authority and responsibility for planning, directing and controlling the activities of the Company, as well as the Directors of the Company.

Key management personnel include the Company's Chief Executive and Directors of the Company.

	2026	2025
	\$000	\$000
Remuneration of key management personnel:		
Short term employee benefits	419	409
Directors' fees	154	189
Total	573	598

All transactions with government agencies are not disclosed when they have been entered into on an arm's length basis as part of normal operating arrangements between government agencies.

12. Capital Commitments

There were no capital commitments as at 30 June 2026 (2025: nil).

13. Contingent Liabilities and Assets

The Company from time to time receives notification of legal claims and disputes in relation to claim settlements as a commercial outcome of conducting its business. Where it is necessary and appropriate to do so, the Company defends all such claims.

14. Events After Reporting Date

There were no significant events after balance date.

15. New Standards and Interpretations

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Those considered relevant to the Company and their effective dates for the Company are:

NZ IFRS 18 - Replaces NZ IAS 1 and changes the structure of the income statement and related disclosures. Effective 30 June 2028.

Upon preliminary review Management do not expect the amendments to have a significant impact on the Company's financial statements, however the Company has not gone to the extent of determining the final impact of these standards.

16. Explanation of Significant Variances Against Budget

As disclosed in note 9, the estimation of the ultimate cost of settling claims involves a number of key assumptions and is the most critical accounting estimate. The estimation of claims incurred but not reported (IBNR) is generally subject to a greater degree of uncertainty.

The 2026 financial year budget (together with the Statement of Performance Expectations) was approved by the Board in June 2025 and was based on the latest available actuarial valuation at that time.

Statement of comprehensive income

- The Crown income was lower than budget due to lower claim payments made, meaning less funding was required.

Statement of financial position

- Insurance liabilities have increased since the preparation of the budget due to an increase in the expected number of future claims and lower than budgeted claim payments made.

Statement of cash flows

- The Crown income was lower than budget due to lower claim payments made, meaning less funding was required.
- Claim payments are \$26m lower than budget.

Statement of performance

For the year ended 30 June 2026

The Outcomes and Achievement Measures reported below are from the Company's statement of performance expectations for the financial year ended 30 June 2026 which can be found on the Company's website.

The delivery of the Package was essentially complete at the end of the 2025 financial year. As such, Package achievement measures significantly reduced in the 2026 financial year.

Achievement Measures	Status at 30 June 2026	Status at 30 June 2025
Outcome 1. Notified Covered Claims and residual Package claims are settled effectively		
The number of claims reduces in accordance with the Company's actuarial forecasts for the year.	Not achieved. The Company settled 95 Covered Claims (forecast 124) and had 88 Covered Claims open as at 30 June 2026 (forecast 75).	Not achieved. The Company settled 130 Covered Claims (forecast 135) and had 102 Covered Claims open as at 30 June 2025 (forecast 87) due to becoming liable for 22 more new claims than forecast during the year.
The outcome of audits of NHC acting as the Company's agent at the end of the financial year record only minor or moderate findings.	Achieved	Achieved
Package applications are processed and paid (where eligible) within 90 days of receipt of the application.	Not achieved. 12% of claims settled were paid outside of this timeframe due to customer delays outside the control of the Company.	New measure. Previously measured the quantity of Package offers calculated, presented and paid.
Outcome 2. Litigated claims and legal risks generally are appropriately managed		
Where it is appropriate to do so, the Company has demonstrably offered alternative dispute resolution channels to customers when any form of litigation arises.	Achieved	Achieved
The Company has a clear understanding of its portfolio of claims that remain and also those that have settled.	Achieved	Achieved
The number of litigated claims reduces in accordance with the Company's actuarial forecasts.	Not achieved	Not achieved
Outcome 3. Ongoing governance, financial and legal obligations are met		
The Company is compliant with obligations arising from the Public Finance Act 1989, the Crown Entities Act 2004 and any other relevant legislation.	Achieved	Achieved
Liquidity is managed in accordance with the Company's treasury policy, including reporting of projected shortfalls to accompany funding requests in a timely manner.	Achieved	Achieved
The Company achieves a positive audit report in relation to its management, financial and service performance, information systems and controls.	Achieved	Achieved
Outcome 4. The Company is efficiently and effectively managed through its final phase		
Operating costs are in line with financial forecasts.	Not achieved. Staff resource was maintained at a higher-than-budget level throughout the year due to outstanding claims not declining.	New measure. Previously measured organisational run-down rather than costs.
The Company has worked collaboratively with the Treasury and NHC to provide shareholding Ministers with an analysis of options to expedite the tail of Canterbury claims.	Not achieved. Analysis still in progress.	New measure added following Ministerial request in October 2024.
The Company's Corporate Manual is up to date and record of the Company's physical and intangible assets, residual rights, obligations and liabilities, and data holdings is maintained.	Achieved	Achieved

Directory

Shareholders

Minister for State Owned Enterprises
Minister of Finance

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Executive Management

Casey Hurren, Chief Executive

Actuary

Finity Consulting Pty Limited

Auditor

The Auditor-General pursuant to section 15 of the Public Audit Act 2001

Anthony Smith of Deloitte Limited is appointed to perform the audit on behalf of the Auditor-General

Banker

ANZ Bank of New Zealand Limited

Legal Advisors

Bell Gully
Buddle Findlay

Affiliations

Insurance and Financial Services Ombudsman (IFSO) Scheme participant

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