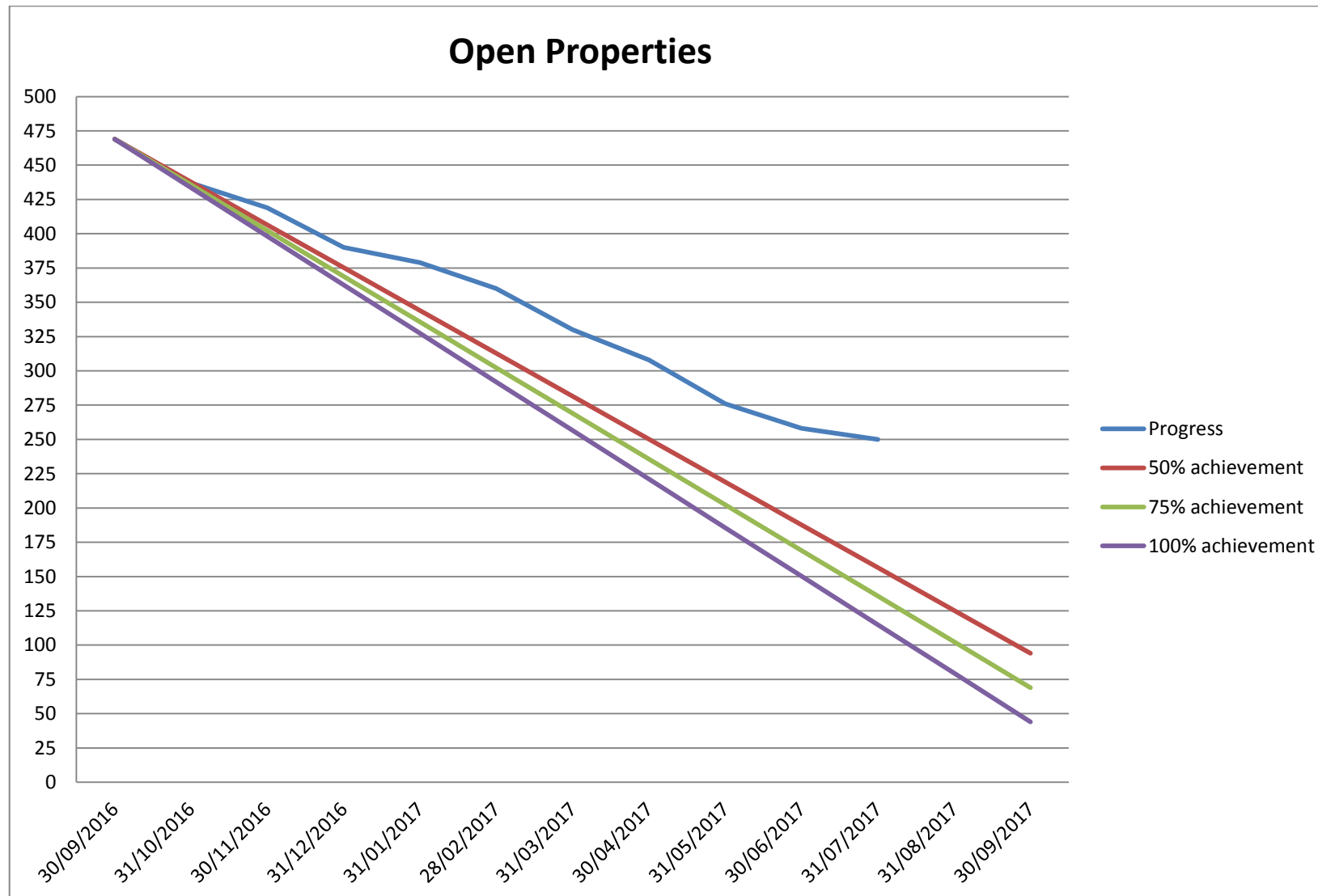


Non-Litigation Earthquake Team - Objectives Tracking 2017

Objective 1 – Finalised Claims



Summary - 31 July 2017

	Start 30 Sep 16	Still Open 31 Oct 16	Still Open 30 Nov 16	Still Open 31 Dec 16	Still Open 31 Jan 17	Still Open 28 Feb 17	Still Open 31 Mar 17	Still Open 30 Apr 17	Still Open 31 May 17	Still Open 30 Jun 17	Still Open 31 Jul 17
House:											
Litigation	89	92	92	91	84	82	81	60	54	55	49
Lit -> Non-lit								18	10	10	10
Non-litigation	446	416	401	375	364	346	316	297	267	249	242
	535	508	493	466	448	428	397	375	331	314	301
Contents:											
Litigation	2	2	2	2	2	2	2	1	0	0	0
Lit -> Non-lit								1	1	1	1
Non-litigation	23	21	18	15	15	14	14	11	9	9	8
	25	23	20	17	17	16	16	13	10	10	9
All:											
Litigation	91	94	94	93	86	84	83	61	54	55	49
Lit -> Non-lit								19	11	11	11
Non-litigation	469	437	419	390	379	360	330	308	276	258	250
Total	560	531	513	483	465	444	413	388	341	324	310
Non-litigation:											
Non-MUB	265	248	238	222	215	205	191	184	174	166	161
MUB	165	154	150	141	136	131	115	106	88	78	76
DFPP	12	10	10	9	9	6	6	3	1	1	1
Other	4	4	3	3	4	4	4	4	4	4	4
Contents	23	21	18	15	15	14	14	11	9	9	8
Total	469	437	419	390	379	360	330	308	276	258	250

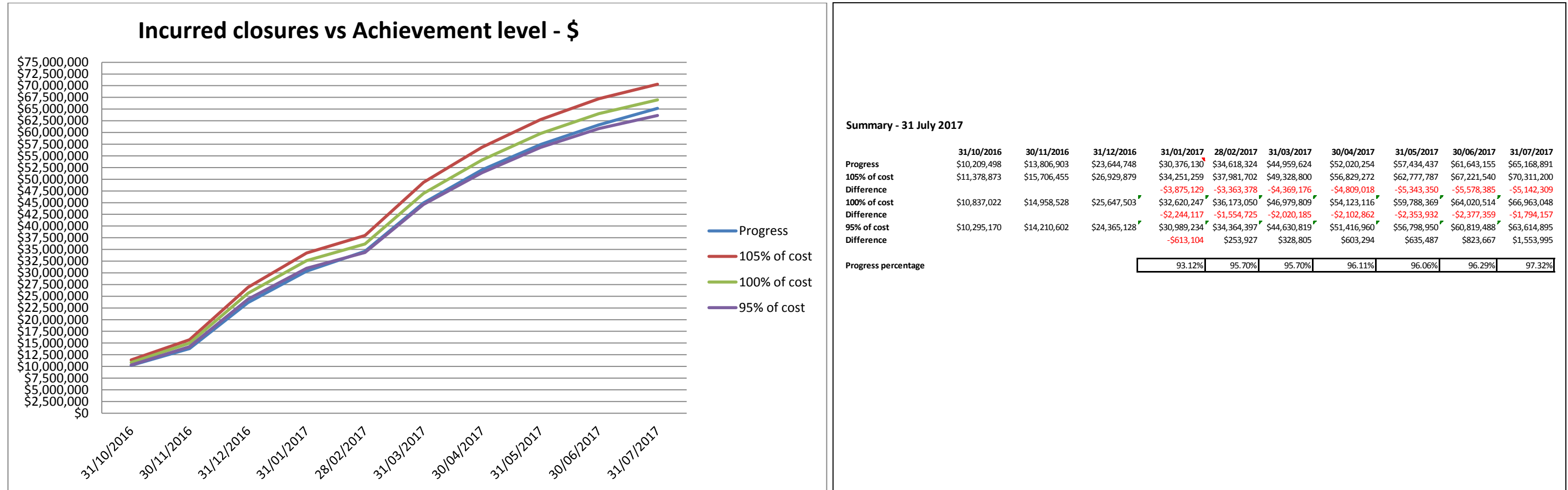
Objective Description	Incentive value	50% Achievement	75% Achievement	100% Achievement
<p>There are 469 open claims allocated to the non-litigation team as at 30 September 2016.</p> <p>The objective is to finalise these open claims by 30 September 2017.</p> <p><u>Notes</u></p> <ul style="list-style-type: none"> Finalised = claim is closed on Tower systems or passed to litigation team under the agreed litigation/likely litigation criteria. New over-cap claims or reopens outside of the known 469 claims are excluded from the objective measurement. Progress to be measured monthly against the month and cumulative totals of finalised claims. 	50% of approved incentive level for position	375 of the 469 claims finalised by 30 September 2017	400 of the 469 claims finalised by 30 September 2017	425 of the 469 claims finalised by 30 September 2017

Notes:

- The projected achievement levels are graphed on a straight-line basis.
- Two claims that were closed since 30 September 2016 have been reopened.
- We are 135 claims behind the 100% achievement level as at 31 July.**
- We are 114 claims behind the 75% achievement level as at 31 July.**
- We are 94 claims behind the 50% achievement level as at 31 July.**

Non-Litigation Earthquake Team - Objectives Tracking 2017

Objective 2 – Cost of Finalised Claims



Objective Description	Incentive value	50% Achievement	75% Achievement	100% Achievement	Notes:
<p>Using the actuarial valuation completed by Deloitte as at 26 August 2016 as the basis, the projected total cost of non-litigated finalised claims can be forecasted.</p> <p>The objective is for the total cost of all claims actually finalised within the period 01 October 2016 to 30 September 2017 to be within the target finalised cost parameters for these specific claims.</p> <p><u>Notes</u></p> <ul style="list-style-type: none"> The target finalised claim cost = the projected finalised claim cost for the actual claims finalised before 30 September 2017. The projected finalised claim cost is based on: <ul style="list-style-type: none"> The total of the individual central reserves (which include IBNER) for each finalised claim + The proportional allocation of the overall risk margin as at 30 September 2016 for these finalised claims Claims passed to the litigation team are excluded Actual finalised claim cost = the finalised cost of all claims within the 469 which are finalised. New over-cap claims or reopens outside of the known 469 claims are excluded from the objective measurement. Progress to be measured monthly against the month and cumulative cost of finalised claims. 	50% of approved incentive level for position	Target finalised cost of claims <= to 105% as at 30 September 2017	Target finalised cost of claims <= to 100% as at 30 September 2017	Target finalised cost of claims <= to 95% as at 30 September 2017	<ul style="list-style-type: none"> Actual cost = finalised cost of claim. Target = Central Estimate + appropriate proportion of risk margin, calculated as follows: <ul style="list-style-type: none"> 469 claims at \$11k per claim Less 25% for planned initiatives Plus 469 claims at \$1k Equals \$4.34m / Total Incurred \$109.55m = 3.96% 3.96% added to the individual Central Estimates. We are \$1.6m behind the 100% achievement level as at 31 July. We are \$1.8m ahead of the 75% achievement level as at 31 July. We are \$5.1m ahead of the 50% achievement level as at 31 July. As at 31 July the finalised cost of claims to target was 97.32%.