



He Pepa Matapaki

(Discussion Paper)

Nā: Office of the CEO

Ki a: Te Rūnanga o Ngāi Tahu

Te Kaupapa: Group Life Insurance Policy – Representatives and Alternates

Te Kaituhi: Katie McEwan

Te rā: 30 July 2019

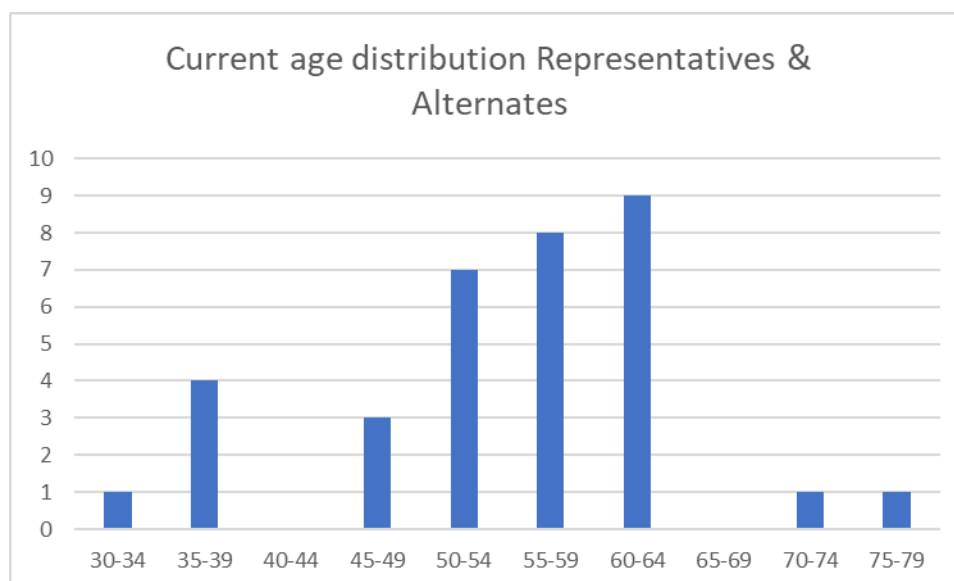
1. TE WHĀINGA (PURPOSE):

- 1.1 The purpose of this paper is to stimulate Te Here discussion regarding the potential for future discretionary payments to Te Rūnanga Representatives and Alternate Representatives who do not meet the group life insurance scheme's eligibility criteria due to age.

2. NGĀ KAUPAPA MATUA (POINTS OF INFORMATION):

- 2.1 The Te Rūnanga Group insurance policy provides life cover benefits of \$200,000 for all eligible members, including Te Rūnanga Representatives and Alternates.
- 2.2 In 2018 a long-serving Alternate Representative passed away aged 80 years. The Alternate was ineligible for the group life insurance policy cover which was capped at 70 years at the time. In lieu of insurance cover, an appropriate discretionary payment was discussed and approved by Te Rūnanga.
- 2.3 In response to this event, the Office sought to extend the group policy's age eligibility criteria during the group insurance renewal process. Aon insurance requested tenders from a range of insurers and none were willing to offer life insurance up to age 80.
- 2.4 There was an option to increase our group policy cover from age 70 to 75 years. The Office is currently working through the implementation of this policy amendment with Aon.
- 2.5 The 2019 age distribution of current Te Rūnanga o Ngāi Tahu Representatives and Alternates incumbents is provided in Figure 1. The age range is broad, with a median age of 55.5 years and a slight left skew, meaning that the majority of Representatives are above the average age of 54 years.

Figure 1 – Age distribution of current Te Rūnanga Representatives and Alternates using 2019 age data



2.6 Based on 2019 age data, a small number of representatives would be (or would become) ineligible for the group life insurance policy over the next two years due to being aged 75 years or older.

2.7 N.B. It is impossible to predict the impact of future Papatipu Rūnanga elections on the demographic makeup of this group, however it is suggested that the current data is used to inform the future policy/guidelines for the Office.

3. **NGĀ KAUPAPA MATAPAKINGA (POINTS FOR DISCUSSION):**

3.1 The Office has been asked to provide options for special provisions for those Representatives and Alternates who fall above the age cutoff of 75 years during their service.

3.2 The Office has considered the following principles to guide this discussion:

- a) Equitable treatment – comparable provisions to ensure that Representatives and Alternates are not unduly disadvantaged due to age.
- b) Risk likelihood – mortality risk increases with an individual’s age.
- c) Tenure – relative worth of length of individual’s service.
- d) Impact – contribution to Papatipu Rūnanga and the iwi.
- e) Values – balance of affordability and financial prudence with manaakitanga.

3.3 Potential options for consideration by Te Here may include:

- a) Payment matches the group life insurance policy (currently \$200k) for all Alternate or Representative 75 years and over.
- b) In recognition of increased risk likelihood, payment could be less than the full \$200k
 - a. Option 1 – All receive same proportionate amount (less than 200k), irrespective of personal factors such as age and service.

- b. Option 2 - Payment amount is tiered downwards with age (e.g. 75-79 years receive \$200k, 80-84 years receive \$150k, 85+ years receive \$100k).
- c) Value determined by length of service, e.g. tiered from 10+ years = \$200k, 4 – 9 years = \$50k, Up to 3 years = \$25k.
- d) No payment to those not eligible under the standard group policy. This approach would recognise that:
 - a. Insurance is a benefit that Te Rūnanga provides to Representatives and Alternates and there is no right to this benefit.
 - b. Insurance policies have many terms and conditions (for example there are other reasons Representatives and Alternates may not qualify for an insurance payment that are part of the policy) and that's part and parcel of all insurance policies. The key is to ensure the relevant terms and conditions are known by Representatives and Alternates.¹
 - c. The insurance policy offered to Rūnanga Representatives and Alternates is the same that applies to staff.² Staff over 75 are not eligible for a payment under the policy and therefore it may be considered appropriate that the same approach is taken for Representatives and Alternates.

3.4 The individual's impact and contribution to the iwi is further able to be recognised under the Office's Tangi guidelines. Please refer to Table 1 below for an illustration of a tiered approach of support given, linked to the individual's contribution to the iwi.

Table 1. Tangi guidelines – decision making matrix for level of support given

Description	Contribution
He tuahangata – their contribution to the tribe was immeasurable.	Total costs for the tangi are offered, marquees/tents/services supported by TRONT, live stream the service, TRONT staff to assist the marae, staff of that papatipu rūnanga assisted to attend the tangi as kaimahi, notification pānui, card, flowers, koha and kai.
He ūpoko kairangi – their contribution to the tribe was significant.	Financial assistance offered to help with tangi costs (half), TRONT staff to assist the marae, notification pānui, card, flowers, koha, kai, and a delegation to attend on behalf of the tribe.
He ūpoko kairangi ā iwi – recognised as an iwi leader who had a close relationship with Ngāi Tahu.	Notification pānui, card, flowers, kai, koha (\$1000.00) and a delegation to attend on behalf of the tribe.
He taumata okiokinga – recognised and respected Ngāi Tahu tribal member.	Notification pānui, card, flowers, kai, koha (\$1000.00) and a representative to attend on behalf of the tribe.
He tāiki ngāpara – notable and recognised identity with close links to Ngāi Tahu	Notification pānui, card, flowers, koha (\$500.00) and a representative to attend on behalf of the tribe.
He rau tītapu – a Ngāi Tahu tribal member who has a special association warranting recognition.	Notification pānui, card, flowers, koha (\$500.00) and a representative to attend on behalf of the tribe.
He ringa mamahi – a staff member/senior member of staff	Up to \$500.00 koha, staff members to attend and assist with the tangi, notification pānui, kai, flowers.
Other	Card/letter of condolence

¹ One reason Te Rūnanga agreed to the goodwill payment referred to at 2.2 is because the age limit and other terms of the policy had not been communicated clearly to Representatives and Alternates.

² Te Here must consider the appropriateness of a more favourable policy for Representatives and Alternates compared with staff.

4. TE MAHERE MAHI (FURTHER WORK PLANNED):

- 4.1 Te Here feedback will be incorporated into draft guidelines for consideration to ensure clarity of process and consistency of approach.

5. NGĀ WHAKATAUNGA (RECOMMENDED ACTIONS):

- 5.1 That Te Here:

- a) Receive this paper.
- b) Provide feedback to inform draft guidelines for Alternates / Representatives who are not covered by the group life insurance policy due to age.



Katie McEwan, Chief Operating Officer

Date: 30 July 2019



Chief Executive Officer

Date: 30 July 2019