

COMPARISON TABLE

This table examines the differences between the exposure draft Insurance Contracts Bill released by MBIE in February 2022, the Member's Bill, and the Government Bill now before Parliament. The table does not include changes to updated section references in the Member's Bill where these amendments are simply a result of new sections being included or similar amendments. Minor amendments of a typographical nature are not shown either. Yellow highlighting denotes new wording. In some instances, the corresponding clause in the draft exposure Bill / Members Bill is shown for comparison.

Section	Exposure Draft Bill (released by MBIE)	Section	Member's Bill	Section	Government Bill
1	Insurance Contracts Act 2024		.	1	Renamed: Contracts of Insurance Act 2024.
2	This Act comes into force on the day that is 6 months after the date of Royal assent.			2	Amended: This Act comes into force on a date or dates set by Order in Council.
3		3(c)	3 Purpose Added: 3 (c) protect the interests of consumers under insurance contracts when they are entered into, throughout their duration, and in the claim management and settlement process.	3	Removed 3 (c) added by the Member's Bill.
4	4 Overview In this Act,— (a) this Part deals with preliminary matters, including interpretation and the application of this Act to the Crown: (b) Part 2— ... (iv) provides for a contract of insurance to be a contract based on the utmost good faith:	4		4 b	Removed 4 (b) (iv) 4 (b) (iv) provides for a contract of insurance to be a contract based on the utmost good faith.
				5	Added: arrange, in relation to a contract of insurance, includes to negotiate, solicit, or procure the contract

					<p>consent to access has the meaning set out in section 58</p> <p>document has the same meaning as in section 4(1) of the Evidence Act 2006</p> <p>FMA means the Financial Markets Authority established by Part 2 of the Financial Markets Authority Act 2011</p> <p>incapable person has the meaning set out in section 153</p> <p>registered bank has the same meaning as in the Banking (Prudential Supervision) Act 1989</p>
6		6(1)(a)	<p>Added:</p> <p>6 Meaning of contract of insurance means a contract involving the transference of risk and under which a person (the insurer) agrees, in return for a premium, to pay to or for the account of another person (the policyholder) a sum of money or confer a benefit, whether by way of indemnity or otherwise, on the happening of 1 or more uncertain events; and</p>	6 (3)	<p>Added:</p> <p>6 Meaning of contract of insurance (3) However, the following are not contracts of insurance for the purposes of this Act: ...a contract of insurance referred to in section 48 of the Natural Hazards Insurance Act 2023.</p>
				7	<p>Added:</p> <p>7 Conflict of laws (1) This Act applies to a contract of insurance if the contract— (a) is governed by the law of New Zealand; or</p>

					<p>(b) would be governed by the law of New Zealand but for a choice of law provision in the contract.</p> <p>...</p> <p>This section does not apply to subpart 5 of Part 3 (see instead sections 87(2) and (3) and 98).</p>
10		10(1)(b)(ii)	<p>Added:</p> <p>10 Meaning of consumer insurance contract and non-consumer insurance contract</p> <p>(1) In this Act, consumer insurance contract—</p> <p>(a) means a contract of insurance entered into by a policyholder wholly or predominantly for personal, domestic, or household purposes; and</p> <p>(b) includes ... and</p> <p>(ii) any class of contract of insurance that are declared by regulations to be non-consumer insurance contracts for the purpose of this Act.</p>	10	<p>Amended:</p> <p>10 Meaning of consumer insurance contract and non-consumer insurance contract</p> <p>(1) In this Act, consumer insurance contract—</p> <p>(a) means a contract of insurance ordinarily entered into by a policyholder wholly or predominantly for personal, domestic, or household purposes</p> <p>Added:</p> <p>(3) However, a contract of insurance of a particular kind defined in subsection (1) or (2)—</p> <p>(a) includes a contract of insurance declared by the regulations to be a contract of that kind (and a proposed contract that would be a contract of that kind if it were entered into); but</p> <p>(b) does not include a contract of insurance that is declared by the regulations to be a contract of a different kind (and does not include a proposed contract that would be a contract of that kind if it were entered into).</p>
10		10(2)(b)(ii)	<p>Added:</p>		

			<p>10 Meaning of consumer insurance contract and non-consumer insurance contract</p> <p>10(2)(b)(ii) any class or classes of contract of insurance that are declared by regulations to be non-consumer insurance contracts for the purpose of this Act.</p>		
12	<p>12 Effect of certificate</p> <p>(1) An insurance contract is not a consumer insurance contract if—</p> <p>(a) the policyholder (P) has given a certificate for the contract under section 446V of the FMCA; and</p> <p>(b) P's confirmation under section 446V(4)(b) of that Act includes a confirmation that P understands that P must make to the insurer a fair presentation of the risk before the contract is entered into or varied.</p> <p>(2) Section 446V(1A), (3), and (4) of that Act apply for the purposes of this section.</p>	12	<p>Amended and referred to a declaration:</p> <p>12 Effect of declaration or certificate</p> <p>A declaration or certificate by the policyholder stating that they are entering into the insurance contract for predominantly or wholly business purposes may be used as evidence of that fact but is not conclusive of it.</p>	12	<p>Amended:</p> <p>12 Effect of certificate</p> <p>12 (1) An insurance contract is not a consumer insurance contract if—</p> <p>(a) the policyholder (P) has given a certificate for the contract under section 446T(1) of the FMCA; and</p> <p>(b) P's confirmation under section 446T(5)(b) of that Act includes a confirmation that P understands that P must make to the insurer a fair presentation of the risk before the contract is entered into or varied.</p> <p>(2) Section 446T(2), (4), and (5) of that Act applies for the purposes of this section.</p>
				14 (3)	<p>Added:</p> <p>14 Policyholder must take reasonable care</p> <p>(1) A policyholder must take reasonable care not to make a misrepresentation to the insurer before the consumer insurance contract is entered into or varied.</p> <p>(2) Whether the policyholder has taken reasonable care must be determined with regard to all the relevant circumstances.</p>

					(3) A failure by the policyholder to comply with the insurer’s request to confirm or amend particulars previously given is capable of being a misrepresentation for the purposes of this subpart (whether or not it could be apart from this subsection).
15		15(1)(g)	Added: 15 Matters that may be taken into account 15 (1) (g) any other matter that the court considers relevant.	15	Removed 15 (1) (g) added by Member’s Bill. 15 Matters that may be taken into account Amended: 15 (1) The following matters may be taken into account in determining whether the policyholder has taken reasonable care not to make a misrepresentation: ... (e) whether the insurer has otherwise complied with subpart 6 (which requires the insurer to inform the policyholder of certain matters):
16	Particular characteristics or circumstances of policyholder Any particular characteristics or circumstances of the policyholder of which the insurer was aware, or ought reasonably to have been aware, must be had regard to in determining whether a policyholder has taken	16	16 Particular characteristics or circumstances of policyholder The following matters must be taken into account in determining whether the policyholder has taken reasonable care not to make a misrepresentation: (a) any particular characteristics or circumstance of the policyholder; and (b) whether the insurer was aware or ought reasonably to have been aware	16 and 17	Amended: 16 Standard of reasonable policyholder (1) The standard of care required under this subpart is that of a reasonable policyholder who enters into a consumer insurance contract. (2) However, this section is subject to sections 17 and 18 .

	reasonable care not to make a misrepresentation.		of any particular characteristics or circumstance of the policyholder.		17 Particular characteristics or circumstances of policyholder If the insurer was, or ought to have been, aware of any particular characteristics or circumstances of the actual policyholder, those must be taken into account.
		17		19	Added: 19 Failure to answer or obviously incomplete or irrelevant answer 1) The policyholder must not be taken to have made a misrepresentation merely because the policyholder— (a) failed to answer a question; or (b) gave an obviously incomplete or irrelevant answer to a question. (2) This section is subject to section 14(3).
		18	New clause added: 18 No misrepresentation where fact not material The policyholder must not be taken to have made a misrepresentation where— (a) the insurer was not misled by the consumer; or (b) the misrepresentation did not affect the underwriting decision of the insurer	N/A	Removed clause 18 added by Member's Bill.
18	18 Fraudulent misrepresentation is breach of duty A misrepresentation made fraudulently is made in breach of the duty under this subpart.	19	Amended: 19 Fraudulent misrepresentation is breach of duty	18	Amended: 18 Fraudulent misrepresentation is always lack of reasonable care

			A misrepresentation made knowing that it is false is in breach of the duty under this subpart.		A misrepresentation made fraudulently must always be taken as showing lack of reasonable care.
19	<p>19 Duty replaces previous duties</p> <p>(1) The duty set out in this subpart replaces any duty relating to disclosure or representations by a policyholder to an insurer that existed in the same circumstances before this subpart came into force.</p> <p>(2) See also section 60, which provides that the effect of a consumer insurance contract being one of the utmost good faith does not impose any other duty relating to disclosure of a matter or representations.</p>	20		N/A	Removed clause 19 in Exposure Draft and Member's Bill.
20	<p>20 (1) If a policyholder makes a representation to a specified intermediary before the consumer insurance contract is entered into or varied, the representation must be treated as having been made to the insurer.</p> <p>(2) Subsection (1) does not apply to a misrepresentation that a specified intermediary does not pass on under section 63(3).</p>	21		20	Removed 20 (2) in Exposure Draft and Member's Bill.
				21	<p>New clause added:</p> <p>21 Insurance on life of another</p> <p>(1) This section applies to a consumer insurance contract that is a life policy on the life of an individual (L) who is not a party to the contract.</p>

					<p>(2) If this section applies,—</p> <p>(a) specified information must be treated for the purposes of this Act as if it were provided by the person who is the party to the contract; but</p> <p>(b) in relation to the specified information, if anything depends on the state of mind, knowledge, circumstances, or characteristics of the individual providing the information, it is to be determined by reference to L and not the party to the contract.</p> <p>(3) In this section, specified information is information provided to the insurer by L in relation to the insurance cover on L's life.</p>
		22		22 (2)	<p>Added:</p> <p>22 When subpart applies</p> <p>This subpart applies if—</p> <p>(1)</p> <p>(a) ...</p> <p>(2) However, this subpart does not apply if section 21 applies.</p>
		23		23 (3) (a)	<p>Added:</p> <p>23 Person who has benefit of contract also has duty</p> <p>(1) B must take reasonable care not to make a misrepresentation to the insurer before the contract of insurance is entered into or it is varied in order to provide insurance cover for B.</p> <p>...</p> <p>(3) In addition —</p> <p>(a) section 27(1) (a) applies as if it referred to a breach of the duty set out in this section;</p>

					(b) section 27(1) (b) applies as if it required the insurer to prove that without the misrepresentation, the insurer would not have agreed to provide insurance cover for B at all, or would have done so only on different terms.
				26 (2)	Added: 26 Subpart applies to consumer insurance contracts (1) This subpart applies to consumer insurance contracts. (2) This section does not limit section 23.
				31	New clause added: 31 Life policy for 2 or more life insureds If a life policy provides insurance cover in relation to 2 or more life insureds, this subpart and Schedule 2 apply as if the insurance cover provided in relation to each life insured were provided by a separate contract of life insurance.
32(2)	32 What is fair presentation of risk A fair presentation need not be contained in only 1 document or oral presentation.	33(2)	Amended: 33 What is fair presentation of risk A fair presentation may be contained within a number of communications whether orally or in writing.		
33		34(2)(f)	Added: 34 What must be disclosed (2) (f) the policyholder did not know the circumstance was material to the insurer, and a reasonable policyholder in the circumstances of the policyholder would not know that the circumstance was material.	35	Removed 34 (2) (f) added by Member's Bill.
34		35(3)	Added: 35 What is material		Removed 35 (3) added by Member's Bill.

			<p>(3) The following are examples of things that may be immaterial:</p> <p>(a) matters which are commonplace or common knowledge;</p> <p>(b) risks which a reasonable insurer would expect to exist in similar circumstances;</p> <p>(c) information which is available on a public record.</p>		
		36	<p>36 What is substantially correct</p> <p>A material representation is substantially correct if a reasonable policyholder would not consider the difference between what is represented and what is actually correct to be material.</p>	37	<p>Amended:</p> <p>37 A material representation is substantially correct if a prudent insurer would not consider that the difference between what is represented and what is actually correct is material.</p>
37	<p>37 Duty replaces previous duties</p> <p>(1) The duty set out in this subpart replaces any duty relating to disclosure or representations by a policyholder to an insurer that existed in the same circumstances before this subpart came into force.</p> <p>(2) See also section 60, which provides that the effect of a non-consumer insurance contract being one of the utmost good faith does not impose any other duty relating to disclosure or representations.</p>	38		N/A	<p>Removed clause 37 in Exposure Draft and Member's Bill.</p>
		52		52	<p>Added:</p> <p>52 When insurer has remedy</p> <p>(1) An insurer has a remedy against a policyholder (A) for a breach of the duty of</p>

					<p>fair presentation only if the insurer proves that, but for the breach, the insurer—</p> <p>(a) would not have entered into the contract of insurance (or agreed to the variation) at all; or</p> <p>(b) would have done so only on different terms.</p> <p>(2) ...</p> <p>(4) This section is subject to section 62, which provides that an insurer that breaches subpart 6 may not have a remedy under Schedule 2.</p>
		56 (1)	<p>56 Insurer must inform policyholder of duty</p> <p>(1) The insurer must, before a contract of insurance is entered into or varied, clearly inform the policyholder orally or in writing of the following:</p> <p>(a) the general nature and effect of the policyholder’s duty under subpart 1 or 4; and</p> <p>(b) the potential consequences of a failure to comply with that duty.</p>	56 (1)	<p>Amended:</p> <p>56 Insurer must inform policyholder of duty</p> <p>(1) Before a contract of insurance is entered into or varied, the insurer must take all reasonable steps to ensure that the policyholder is clearly informed of the following:</p> <p>(a) the general nature and effect of the policyholder’s duty under subpart 1 or 4; and</p> <p>(b) the potential consequences of a failure to comply with that duty.</p>
55		56(2)	<p>Added:</p> <p>56 Insurer must inform policyholder of duty</p> <p>56 (2) For the avoidance of doubt, the insurer is responsible for ensuring that the duty 25 in subsection (1) is complied with whether or not an intermediary is used.</p>	56 (2)	<p>Amended:</p> <p>56 Insurer must inform policyholder of duty</p> <p>56 (2) This section does not apply in relation to contracts of reinsurance.</p>
56	56 Application to variations	57	<p>Amended:</p> <p>57 Application to variations</p>		

	Despite section 55, that section applies to a variation only if—		57 The obligation in section 56 applies to a variation only if—		
57	<p>57 Insurer must inform policyholder of extent to which insurer may rely on third party information</p> <p>(1) Subsection (2) applies if,— (a) under a proposed contract of insurance, a policyholder will give a consent to access; or (b) the policyholder gives a consent to access before that contract is entered into. (2) The insurer must, before the contract of insurance is entered into, clearly inform the policyholder orally or in writing of whether (and, if so, the extent to which) the insurer may access and take into account the information to which the consent relates when deciding whether to enter into the contract (and when deciding on the terms on which the insurer will do so). (3) Subsection (4) applies if,— (a) in connection with a proposed variation of a contract of insurance, a policyholder gives a consent to access particular information; and (b) the policyholder has not previously given a consent to access that information.</p>	58 (1)		58 and 59	<p>Amended:</p> <p>58 Insurer must inform policyholder about access to third party information (before contract entered into)</p> <p>(1) This section applies if,— (a) under a proposed consumer insurance contract, a policyholder will give a consent to access information; or (b)... (2) Before the contract is entered into, the insurer must take all reasonable steps to ensure that the policyholder is clearly informed of the following: (a) whether or not the insurer intends to access and take into account the information to which the consent relates when deciding whether to enter into the contract or when deciding on the terms on which the insurer will do so; (b) if the insurer does intend to access and take into account the information,— (i) the nature of the information that the insurer intends to access and take into account; and (ii) whether and, if so, how the insurer accessing and taking into account the information affects the importance that the policyholder answer questions asked by the insurer.</p> <p>59 Insurer must inform policyholder about access to third party information (before variation of contract)</p>

					<p>59 (1) This section applies if,—</p> <p>(a) in connection with a proposed variation of a consumer insurance contract, a policyholder gives a consent to access particular information; and</p> <p>(b) the policyholder has not previously given a consent to access that information.</p> <p>(2) Before the contract is varied, the insurer must take all reasonable steps to ensure that the policyholder is clearly informed of the following...</p>
				61	<p>New Clause Added:</p> <p>61 Requirement treated as complied with if complied with in prescribed manner</p> <p>(1) A requirement under this subpart to take all reasonable steps to ensure that the policyholder is clearly informed of certain information must be treated as having been complied with if—</p> <p>(a) the information is given in writing in the manner prescribed by the regulations; and</p> <p>(b) the requirements prescribed by the regulations for the purposes of this section (if any) are complied with.</p> <p>(2) This section does not limit the means by which the requirement may be satisfied.</p>
		59 (3)		62 (3)	<p>Added:</p> <p>62 (1) If an insurer breaches this subpart in relation to a non-consumer insurance contract, the insurer has a remedy under Schedule 2 only if the policyholder knew that the qualifying breach was a breach of the duty of fair presentation.</p> <p>(2) ...</p> <p>(3) See also—</p>

					<p>(a) section 15, which provides for the insurer’s compliance with this subpart to be a matter that may be taken into account in determining whether the policyholder has taken reasonable care not to make a misrepresentation;</p> <p>(b) the FMCA, which provides for sections 56, 58, and 59 of this Act to be market services licensee obligations and to give rise to civil liability under section 449 of that Act.</p>
59	<p>59 Duty of utmost good faith A contract of insurance is a contract based on the utmost good faith.</p> <p>60 Effect of section 59 on other law (1) The effect of section 59 is not limited or restricted in any way by any other law, including the other Parts of this Act. (2) However, section 59 does not have the effect of imposing on a policyholder, in relation to the disclosure of a matter to the insurer or a representation, a duty other than— (a) the duty to take reasonable care not to make a misrepresentation (in the case of a consumer insurance contract); or (b) the duty of fair presentation of risk (in the case of a non-consumer insurance contract).</p>	60 and 61	<p>Added:</p> <p>60 Duty of utmost good faith 1) A contract of insurance is based on a duty of utmost good faith owed by both insurer and policyholder to each other throughout the insurance relationship. (2) The duty of utmost good faith includes a duty on an insurer to accept (or reject), assess, and settle a claim within a reasonable period of time.</p> <hr/> <p>Added:</p> <p>61 Effect of section 60 on other law (1) The effect of section 60 is not limited or restricted in any way by any other law, including the other Parts of this Act. (2) However, section 60 does not have the effect of imposing on a policyholder, in relation to the disclosure of a matter to the insurer or a representation, a duty other than—</p>	63	<p>Amended:</p> <p>63 Effect of Part on utmost good faith rule of law (1) The duties set out in subparts 1 and 4 replace any duty relating to disclosure or representations by a policyholder to an insurer that existed in the same circumstances before those subparts came into force. (2) Accordingly, the utmost good faith rule does not have the effect of imposing on a policyholder, in connection with the disclosure of a matter to the insurer or a representation before a contract of insurance is entered into or varied, a duty other than— (a) the duty to take reasonable care not to make a misrepresentation (in the case of a consumer insurance contract); or (b) the duty of fair presentation of risk (in the case of a non-consumer insurance contract). (3) Any rule of law permitting a party to a contract of insurance to avoid the contract on the ground that the utmost good faith</p>

			<p>(a) the duty to take reasonable care not to make a misrepresentation (in the case of a consumer insurance contract); or</p> <p>(b) the duty of fair presentation of risk (in the case of a non-consumer insurance contract).</p> <p>(3) To avoid doubt, section 60 applies to Toka Tū Ake – Natural Hazards Commission in respect of the discharge of its duties under sections 52 to 77 of the Natural Hazards Insurance Act 2023.</p>		<p>has not been observed by the other party is abolished.</p> <p>(4) The utmost good faith rule is modified to the extent required by this section.</p> <p>(5) The utmost good faith rule means the rule of law to the effect that a contract of insurance is a contract based on the utmost good faith.</p>
		64	<p>Added:</p> <p>64 Interest on claims</p> <p>(1) If an insurer is liable to pay to a person (A) an amount under a contract of insurance or under this Act in relation to a contract of insurance the insurer must pay interest on the amount to which A is entitled in accordance with this section.</p> <p>(2) Interest is payable in respect of the period—</p> <p>(a) commencing on the day on which it becomes unreasonable for the insurer to withhold payment; and</p> <p>(b) ending on the day on which the payment is made.</p> <p>(3) For the purposes of subsection (2)(a), it becomes unreasonable for the insurer to withhold payment on the day that is 12 months after the date on which the claim was made; unless, in the circumstances, it is reasonable for the insurer to withhold payment until a later date.</p>	N/A	Removed 64 added by the Member's Bill.

			<p>(4) Interest must be calculated in accordance with Schedule 2 of the Interest on Money Claims Act 2016.</p> <p>(5) This section has effect despite any provision to the contrary in any legislation, rule of law, contract of insurance, deed, or other instrument.</p>	
63	<p>63 (1) This section applies if—</p> <p>(a) a person (A) is a specified intermediary in relation to a consumer insurance contract; and</p> <p>(b) the policyholder makes a representation to A before the contract is entered into or varied; and</p> <p>(c) A knows, or ought reasonably to know, that the representation is material (see section 34).</p> <p>(2) A must take all reasonable steps to pass on the representation to the insurer before the insurer enters into the consumer insurance contract or agrees to the variation.</p> <p>(3) However, if A believes on reasonable grounds that a representation is a misrepresentation, A is not required to pass on the representation.</p>	65		<p>66</p> <p>Removed 63 (3) in Exposure Draft and equivalent section of Member’s Bill.</p> <p>Added:</p> <p>66 (1) This section applies if—</p> <p>(a) a person (A) is a specified intermediary in relation to a consumer insurance contract; and</p> <p>(b) the policyholder makes a representation to A before the contract is entered into or varied; and</p> <p>(c) A knows, or ought reasonably to know, that the representation is relevant to a question asked by the insurer of the policyholder.</p> <p>(3) A representation is relevant to a question if it has a tendency to answer the question in whole or in part.</p> <p>(4) Compliance with this section does not place any person in breach of the consumer insurance contract, or make any person liable for a civil wrong.</p> <p>(5) This section is subject to anything to the contrary expressed or implied in an agreement between A and the insurer.</p>

		66		67	<p>Added:</p> <p>67 Duty for specified intermediary in relation to non-consumer insurance contract</p> <p>(1) This section applies if a person (A) is a specified intermediary in relation to a non-consumer insurance contract.</p> <p>(2) A must, before the insurer enters into the contract of insurance or agrees to a variation, take all reasonable steps to disclose to the insurer every material circumstance that is known by any individual—</p> <p>(a) who is A; or</p> <p>(b) who works for A in relation to the contract of insurance.</p> <p>(3) Compliance with this section does not place any person in breach of the non-consumer insurance contract, or make any person liable for a civil wrong.</p> <p>(4) This section is subject to anything to the contrary expressed or implied in an agreement between A and the insurer.</p>
				70	<p>New Clause Added:</p> <p>70 Implied term about payment of claims</p> <p>(1) It is an implied term of every contract of insurance that if the policyholder makes a claim under the contract, the insurer must pay any sums due in respect of the claim within a reasonable time.</p> <p>(2) A reasonable time includes a reasonable time to investigate and assess the claim.</p>

					<p>(3) What is reasonable will depend on all the relevant circumstances, but the following are examples of things that may need to be taken into account:</p> <ul style="list-style-type: none"> (a) the type of insurance: (b) the size and complexity of the claim: (c) compliance with any relevant legislation or guidance: (d) factors outside the insurer’s control: (e) whether a sum due in respect of a part of the claim that is not in dispute has been paid: (f) whether the insurer has reasonable grounds for disputing the claim. <p>(4) Remedies (for example, damages) available for breach of the term implied by subsection (1) are in addition to and distinct from—</p> <ul style="list-style-type: none"> (a) any right to enforce payment of the sums due; and (b) any right to interest on those sums (whether under the contract, under any legislation, or otherwise).
69		71(1)(c)	<p>Added:</p> <p>71 Claims-made policies</p> <p>71 (1) (c) there has been an unequivocal written communication to the policy- holder which a reasonable policyholder in similar circumstances would conclude was a claim for loss or damage; and</p> <p>(d) the insurer, in accordance with subsection (2), clearly informed the policyholder in writing of the effect of failing to notify the insurer of a claim or of circumstances that may give rise to</p>	73	<p>Removed 71 (1) (c) (d) and (2) from Member’s Bill.</p>

			<p>a claim before the date referred to in paragraph (b).</p> <p>(2) The insurer must give the information under subsection (1) (c) no later than 14 days after the end of the relevant period.</p>		
69(3)	<p>69 Claims-made policies</p> <p>(3) In this section, claims-made policy means a contract of insurance in which the period (the relevant period) during which liability for claims against the policyholder is within the risk accepted by the insurer is defined by reference to the time when—</p> <p>(a) those claims are made; or</p> <p>(b) claims or circumstances that may give rise to a claim are notified to the insurer.</p>	71(3)	<p>Amended:</p> <p>71 Claims-made policies</p> <p>71 (3) In this section, claims-made policy means a contract of insurance that defines the period during which liability for claims against the policyholder is within the risk accepted by the insurer (the relevant period) by reference to the time when—</p> <p>(a) those claims are made; or</p> <p>(b) claims or circumstances that may give rise to a claim are notified to the insurer.</p>		
71	<p>71 Increased risk exclusions</p> <p>(1) A policyholder is not bound by an increased risk exclusion if the policyholder proves that the loss for which the policyholder seeks to be indemnified was not caused, or contributed to, by the happening of the event or the existence of the circumstance referred to in the increased risk exclusion. (2) In this section, an increased risk exclusion is a provision in a contract of insurance that—</p> <p>(a) defines the circumstances in which the insurer is bound to indemnify the policyholder</p>	73 (3)	<p>Amended:</p> <p>73 Increased risk exclusions</p> <p>(3) However, this section does not apply to an increased risk exclusion that excludes loss that occurs while a vehicle, an aircraft, any goods, or a ship is or are being used for commercial purposes.</p> <p>(4) For the avoidance of doubt, this section applies to provisions of a policy that have the effect of an increased risk exclusion, even if they take a different form (such as purporting to define the risk).</p>	75	<p>Amended:</p> <p>75 Increased risk exclusions</p> <p>(3) However, this section does not apply to an increased risk exclusion that—</p> <p>(a) defines the age, identity, qualifications, or experience of a driver of a vehicle, a pilot of an aircraft, an operator of goods, or a master, pilot, or crew member of a ship; or</p> <p>(b) defines the geographical area in which the loss must occur; or</p> <p>(c) excludes loss that occurs while a vehicle, an aircraft, a ship, or any goods is or are being used for commercial purposes other than those permitted by the contract of insurance.</p>

	<p>against loss so as to exclude or limit the liability of the insurer to indemnify the policyholder on the happening of certain events or on the existence of certain circumstances; and (b) defines the liability of the insurer in that manner, in the view of the court or arbitrator determining the matter, because the happening of those events or the existence of those circumstances was, in the view of the insurer, likely to increase the risk of loss occurring</p> <p>(3) However, this section does not apply to an increased risk exclusion that—</p> <p>(a) defines the age, identity, qualifications, or experience of a driver of a vehicle, a pilot of an aircraft, an operator of goods, or a master or pilot of a ship; or (b) defines the geographical area in which the loss must occur; or</p> <p>(c) excludes loss that occurs while a vehicle, an aircraft, any goods, or a ship is or are being used for commercial purposes other than those permitted by the contract of insurance</p>				
<p>71(3)(a) and (b)</p>		<p>73(4)</p>	<p>Added: 73 Increased risk exclusions 73 (4) For the avoidance of doubt, this section applies to provisions of a policy that have the effect of an increased risk exclusion, even if they take a</p>	<p>75</p>	<p>Removed 73 (4) added in Member's Bill.</p>

			<p>different form (such as purporting to define the risk).</p> <p>Removed: (a) defines the age, identity, qualifications, or experience of a driver of a vehicle, a pilot of an aircraft, an operator of goods, or a master or pilot of a ship; or (b) defines the geographical area in which the loss must occur; or</p>		
		74		76	<p>Added: 76 Prohibition on including pro rata condition of average in home and contents insurance Guidance note See section 78, which explains the nature and effect of a pro rata condition of average.</p>
77		79	<p>Added: 79 Interpretation in this subpart In this subpart,— contract of sale means a contract for the sale or exchange of land and all or any fixtures on the land</p>		

		80		82	<p>Added:</p> <p>82 Purchaser of land entitled to benefits of insurance between sale and possession or settlement</p> <p>82 (3) This section—</p> <p>(a) does not apply to the extent that the purchaser is entitled to be indemnified, or to require reinstatement of the land and fixtures, under any other contract of insurance; and</p>
83 (2)	<p>83 Interpretation in this subpart</p> <p>(2) A policyholder (A) is a specified policyholder if—</p> <p>(a) A is insolvent (see subsection (3)); or</p> <p>(b) A is a deceased person whose estate is being administered under Part 6 of the Insolvency Act 2006; or</p> <p>(c) A has been deceased for not less than 60 days and no administrator of A's estate has been appointed in New Zealand; or</p> <p>(d) A is a company that has been removed from the New Zealand register under section 317 of the Companies Act 1993; or</p> <p>(e) A is an overseas company that has been removed from the overseas register under section 341 of the Companies Act 1993; or</p>	85 (2)		87 (2)	<p>Amended:</p> <p>85 Interpretation in this subpart</p> <p>(2) A policyholder (A) is a specified policyholder if —</p> <p>(a) A is in liquidation under the Companies Act 1993; or</p> <p>(b) A is an undischarged bankrupt under the Insolvency Act 2006, is subject to an approved proposal or a debt repayment order under subpart 2 or 3 of Part 5 of that Act, or is participating in a no asset procedure under subpart 4 of Part 5 of that Act; or</p> <p>(c) A is a deceased person whose estate is being administered under Part 6 of the Insolvency Act 2006; or</p> <p>(d) A has been deceased for not less than 60 days, A was ordinarily resident in New Zealand immediately before their death, and no administrator of their estate has been appointed in New Zealand; or</p> <p>(e) a receiver is appointed in relation to the whole, or substantially the whole, of the assets and undertaking of A and the Receiverships Act 1993 applies to the receivership; or</p>

	<p>(f) A is a body corporate (other than a company) that has been dissolved or has ceased to exist.</p>			<p>(f) A is otherwise subject to a New Zealand insolvency proceeding within the meaning of paragraph (i) of Article 2 of Schedule 1 of the Insolvency (Cross-border) Act 2006; or</p> <p>(g) A is a company that has been removed from the New Zealand register under section 317 of the Companies Act 1993; or</p> <p>(h) A is a body corporate that—</p> <p>(i) was incorporated in New Zealand by or under an Act; and</p> <p>(ii) has been dissolved or has ceased to exist in accordance with a process under that Act.</p> <p>Added:</p> <p>(3) In this subpart, a person is ordinarily resident in New Zealand if the person—</p> <p>(a) is domiciled in New Zealand; or</p> <p>(b) is living in New Zealand and the place where that person usually lives is, and has been for the immediately preceding 12 months, in New Zealand, whether or not that person has on occasions been away from New Zealand during that period.</p>
		86		<p>88</p> <p>Added:</p> <p>88 Claimant may recover from insurer</p> <p>(1) If a specified policyholder has an insured liability to a person (the claimant), the claimant may recover the amount of the insured liability from the insurer in a proceeding before a court.</p> <p>(2) Subsection (1) applies regardless of whether or not the liability has been established in any earlier proceeding before a court.</p>

				98	<p>New Clause Added:</p> <p>98 Cases with overseas element</p> <p>The application of this subpart does not depend on any of the following (except to the extent that any of the following is required under section 87(2)):</p> <p>(a) whether or not the insured liability was incurred in, or under the law of, New Zealand:</p> <p>(b) where any of the parties are domiciled or living:</p> <p>(c) whether or not the contract of insurance (or a part of it) is governed by the law of New Zealand:</p> <p>(d) the place where sums due under the contract of insurance are payable.</p>
103	<p>103 Broker must pay interest if broker fails to notify insurer</p> <p>(1) If a broker breaches section 102, the broker must pay to the insurer interest on the amount of the premium that has not been received.</p> <p>(2) The interest must be calculated under Schedule 2 of the Interest on Money Claims Act 2016, and for that purpose—</p> <p>(a) the start date referred to in clause 3(2)(a) of that schedule is the date that is 8 days after the expiry of the relevant period; and</p> <p>(b) the last day referred to in clause 3(2)(a) of that schedule is the earlier of the following:</p>	105		N/A	<p>Removed 103 in Exposure Draft and equivalent section of Member's Bill.</p>

	<p>(i) the day before the insurer claims the interest:</p> <p>(ii) the day on which the broker notifies the insurer in writing that the premium has not been received or was received after the expiry of the relevant period.</p> <p>(3) The broker must pay the interest within 20 working days after the insurer notifies the broker that it is claiming interest (or any longer period determined by the insurer and notified to the broker).</p> <p>(4) The insurer may recover an amount of unpaid interest as a debt due in a court of competent jurisdiction.</p>				
104	<p>104 Broker may notify another insurance intermediary</p> <p>(1) This section applies if—</p> <p>(a) a broker is required to notify an insurer under section 102; and</p> <p>(b) another insurance intermediary accepts as agent for the insurer the risk, or a part of the risk, to which the contract of insurance relates.</p> <p>(2) For the purpose of section 104, notification by the broker to the intermediary must be treated as notification by the broker to the insurer.</p>	106		N/A	Removed 104 in Exposure Draft and equivalent section of Member's Bill.
		110 (1)		110 (1)	Amended 'registered bank' to the following:

					<p>110 Broker must establish and maintain insurance broking client account</p> <p>(1) A broker must establish and maintain 1 or more insurance broking client accounts with a licensed deposit taker (within the meaning of section 6 of the Deposit Takers Act 2023).</p>
		117 (1)		117 (1)	<p>Amended Reserve Bank of New Zealand 1989 to:</p> <p>117 When this subpart applies</p> <p>(1)(d) is in statutory management under the Corporations (Investigation and Management) Act 1989 or in resolution under the Deposit Takers Act 2023.</p>
				121	<p>New Clause Added:</p> <p>121 Broker must comply with regulations</p> <p>(1) A broker must comply with the requirements prescribed by the regulations made under section 166.</p> <p>(2) See section 449 of the FMCA, which provides for a contravention of the regulations to give rise to civil liability under that Act.</p>
120	Referred to 90 and 91 st days.	122	<p>Amended:</p> <p>122 Interest payable from 31st day after date of death</p> <p>(1) This section applies if—</p> <p>(a) any money becomes payable by a life insurer under a life policy as a result of the death of the life insured; and</p>	123 (1) (b)	<p>Amended:</p> <p>123 Interest payable beginning on 31st day after date of notification of death</p> <p>(1) (b) the money is not paid to the person entitled to the money within 30 days after the date of notification.</p> <p>(3) In this section, the date of notification is the date on which the insurer first receives written or oral notice of the death.</p>

			<p>(b) the money is not paid, within 30 days after the date of death, to the person entitled to the money.</p> <p>(2) The life insurer must pay to the person, at the same time as the money is paid, interest on the money for the period beginning on the 31st day after the date of death and ending with the close of the day on which the money is paid.</p>		
		124 (b)	<p>124 Basis of calculating interest payable</p> <p>The interest payable under section 122 or 123 must be paid at the greater of the following:</p> <p>(a) at the rate specified in the life policy:</p> <p>(b) on the basis applicable under Schedule 2 of the Interest on Money Claims Act 2016.</p>	125 (b)	<p>Added:</p> <p>125 Basis of calculating interest payable</p> <p>(b) interest at the rate and calculated in the manner prescribed in the regulations.</p> <p>[[regulations is given in the interpretation section elsewhere the meaning regulations in force under this Act]]</p>
128	<p>Removed:</p> <p>128 Life insurer may require reasonable evidence of matters affecting validity</p> <p>A life insurer may, before it registers a instrument under this Part, require any reasonable evidence that it thinks fit as to any matter that might, in its opinion, affect the validity of the instrument.</p>	130	<p>Words deleted:</p> <p>130 Life insurer may require reasonable evidence of matters affecting validity</p> <p>A life insurer may, before it registers an instrument under this Part, require any reasonable evidence as to any matter that might, in its opinion, affect the validity of the instrument</p>		

		148		149	Amended from \$10,000 to \$15,000 : (b) the amount that, when added to any other sum permitted by this paragraph to be paid by any other life insurer, equals \$15,000 .
		152		153 and 154	Amended: 153 When sections 154 and 155 apply (1) Sections 154 and 155 apply if— (a) any money becomes payable under a life policy to, or for the benefit of, a minor or an incapable person; and (b) there is no trustee or other person capable in law of giving a valid discharge for the money on behalf of the minor or incapable person. (2) In this Act, incapable person means a person who is incapable of exercising their rights.
156(1)(b)	(b) the life policy is expressed to be for the benefit of— (i) A's spouse or partner; or (ii) A's children; or (iii) A's spouse or partner and A's children; or (iv) any 1 or more of those persons.	158(1)(b)	Amended: 158 (1)(b) the life policy is expressed to be for the benefit of a person who is entitled to claim under section 3 of the Family Protection Act 1955.		

157(3)		159(3)	<p>Removed:</p> <p>If a trustee is not appointed under subsection (1) [sic], the life policy, when it is entered into, vests in the policyholder or their legal personal representatives in trust for the purposes referred to in section 156.</p>		
161		163 (1)(c) and (e)	<p>Added:</p> <p>163 (1) (c) declaring any class or classes of contracts of insurance to be consumer insurance contracts or not consumer insurance contracts for the purposes of section 10</p> <p>...</p> <p>(e) providing forms of wording that may be used to provide any information or notification required under this Act:</p> <p>(2) Regulations under subsection (1)(c) may be made only on the recommendation of the Minister.</p> <p>(3) The Minister must, before recommending that regulations amend the amount in section 147(1) (b), be satisfied that the amendment is necessary or desirable to take into account any increase in the Consumers Price Index (All Groups) published by Statistics New Zealand.</p> <p>(4) Regulations made under this section are secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements).</p>	165	<p>Amended:</p> <p>165 (3) The Minister must, before recommending that regulations be made under subsection (1)(c),—</p> <p>(a) consult the FMA; and</p> <p>(b) have regard to the economic substance of the contracts of insurance to which the declaration will relate; and</p> <p>(c) be satisfied that the declaration is necessary or desirable in order to promote either or both of the matters in section 3(a) or (b).</p> <p>Added:</p> <p>(4) The Minister must, before recommending that regulations be made under subsection (1) (d) be satisfied that the rate and manner of calculation that will apply under section 125(b) are consistent with the following objectives:</p> <p>(a) simple, accessible, and predictable law;</p> <p>(b) commercially realistic, and fair, compensation for persons who are entitled to be paid money under life policies.</p> <p>(5) The Minister must, before recommending that regulations amend the amount in section 149(1)(b), be satisfied that the amendment is necessary or desirable to take into account any increase</p>

					in the Consumers Price Index (All Groups) published by Statistics New Zealand.
167		169	<p>(Amendment to Marine Insurance Act 1908)</p> <p>169 Cross-heading above section 18 replaced</p> <p>Replace the cross-heading above section 18 with:</p> <p><i>When contract is deemed to be concluded</i></p>		
171 & 172	Refer to clause 171 for Option B alternative.	173	<p>Option A from draft exposure Bill selected:</p> <p>New section 46KA inserted (Other matters relating to insurance contracts)</p> <p>After section 46K, insert:</p> <p>46KA Other matters relating to insurance contracts</p> <p>(1) This section applies to contracts of insurance within the meaning of section 6 of the Insurance Contracts Act 2024.</p> <p>(2) For the purposes of section 46K(1)(a), a term of a contract of insurance defines the main subject matter of the contract only to the extent that the term describes what is being insured.</p> <p>(3) A court may not declare a term in a standard form consumer contract or standard form small trade contract to be an unfair contract term to the extent 30 that the term is a transparent term that—</p> <p>(a) is disclosed at or before the time the contract is entered into; and</p>	176	<p>Option B from draft exposure Bill selected:</p> <p>46KA Other matters relating to insurance contracts</p> <p>(1) This section applies to contracts of insurance within the meaning of section 7 of the Insurance (Prudential Supervision) Act 2010.</p> <p>(2) For the purposes of section 46K(1)(a), a term of a contract of insurance defines the main subject matter of the contract only to the extent that the term—</p> <p>(a) identifies the uncertain event or otherwise specifies the subject matter insured or the risk insured against; or</p> <p>(b) specifies the sum or sums insured or assured; or</p> <p>(c) describes the basis on which a claim under the contract of insurance may be settled; or</p> <p>(d) specifies any contributory sum due from, or amount to be borne by, a policyholder in the event of a claim under the contract of insurance; or</p> <p>(e) excludes or limits the liability of the insurer to indemnify the policyholder on the</p>

			(b) specifies— (i) the sum or sums insured or assured; or (ii) any contributory sum due from, or amount to be borne by, a policyholder in the event of a claim under the contract of insurance.		happening of certain events or on the existence of certain circumstances. (3) Subsection (2) does not limit section 46K(1). (4) In this section, uncertain event has the meaning set out in section 7(2) of the Insurance (Prudential Supervision) Act 2010.
				175	New Clause Added: 175 Section 26D amended (Specified trade contracts: trading relationship, annual value threshold, and other definitions) Replace section 26D(4) (d) (i) with: (i) in relation to a small trade contract that is a contract of insurance (within the meaning of section 7 of the Insurance (Prudential Supervision) Act 2010), means \$20,000; and (ia) in relation to any other small trade contract, means \$250,000; and
178	178 Section 446S amended (Other definitions used in subpart) In section 446S(1), repeal the definitions of contract of insurance, health insurance, and life insurance.	179		182	Added: 182 Section 446P amended (Other definitions used in subpart) 182 (2) In section 446P(1), definition of consumer insurance contract, paragraph (a), replace “entered” with “ordinarily entered”. (3) In section 446P(2)(c), replace “have the benefit” with “would ordinarily have the benefit”.
179		180	Amended:		

			New subpart 6B of Part 6 inserted After section 446W, insert: ...		
				189	New Clause Added: 189 Schedule 4 amended In Schedule 4,— (a) insert the Part set out in Schedule 5 of this Act as the last Part; and (b) make all necessary consequential amendments.

		Schedule 1		Schedule 1	<p>New Clause Added:</p> <p>2 Charges on insurance moneys under Law Reform Act 1936</p> <p>(1) If a charge exists immediately before the commencement of this clause, the charge ceases to exist on that commencement.</p> <p>(2) However,—</p> <p>(a) subclause (1) does not apply to a charge that is the subject of an existing proceeding; and</p> <p>(b) nothing in this Act affects the completion of the existing proceeding.</p> <p>(3) Section 9 of the Law Reform Act 1936 continues to have effect for the purposes stated in subclause (2) as if it had not been repealed.</p> <p>(4) In this clause,—</p> <p>charge means a charge created by section 9 of the Law Reform Act 1936</p> <p>existing proceeding means a proceeding in a court under section 9 of the Law Reform Act 1936 that is commenced, but not completed, before the commencement of this clause.</p> <p>3 Third party claims against insurers</p> <p>(1) Subpart 5 of Part 3 of this Act may apply regardless of whether—</p> <p>(a) the event or conduct that gives rise to an insured liability occurred before or after the commencement of that subpart; or</p>
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				<p>(b) the policyholder became a specified policyholder before or after the commencement of that subpart.</p> <p>(2) However, subpart 5 of Part 3 of this Act does not apply if the event or conduct that gives rise to an insured liability is the subject of an existing proceeding (as defined in clause 2(4)).</p> <p>(3) In this clause, insured liability and specified policyholder have the same meanings as in section 87.</p> <p>4 References relating to banks and other deposit takers</p> <p>(1) Until section 10 of the Deposit Takers Act 2023 comes into force, the reference to a licensed deposit taker in section 110(1) includes—</p> <p>(a) a registered bank within the meaning of section 2(1) of the Banking (Prudential Supervision) Act 1989; and</p> <p>(b) a licensed NBDT within the meaning of section 4(1) of the Non-bank Deposit Takers Act 2013.</p> <p>(2) The reference in section 117(1)(d) to resolution under the Deposit Takers Act 2023 includes statutory management under the Banking (Prudential Supervision) Act 1989.</p> <p>5 Life Insurance Act 1908 continues to apply to existing mortgages and certain assignments</p> <p>(3) In relation to an assignment or a mortgage to which this clause applies, the definition of registered in section 4 of the Property Law Act 2007 must be treated as</p>
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					<p>meaning registered under Part 2 of the 1908 Act.</p> <p>(4) Section 111(6) of the Property Law Act 2007 (as in force immediately before the commencement of this clause) must be treated as continuing to apply to a mortgage to which this clause applies.</p>
<p>Schedule 2 Clause 2(2)(b)</p>	<p>Previously referred to MBIE's consultation paper for a comment on the remedy</p>	<p>Schedule 2 Clause 2(2)(b)</p>	<p>Amended: Sch 2 cl 2(2) However, in the case of a life policy,— (a) subclause (1) applies only if the qualifying misrepresentation or breach is fraudulent or occurred within the 3-year period immediately preceding the earlier of the following: (i) the date on which the contract is sought to be avoided: (ii) the date of the death of the life insured; and 2(2)(b) if subclause (1) does not apply, the insurer must provide the cover that a reasonable insurer would have provided for the premiums paid if— (i) the misrepresentation had not been made; or (ii) the circumstances that were not disclosed were known to the insurer at the time the cover was provided</p>	<p>Schedule 2 Clause 2</p>	<p>Removed sch 2 cl 2(2) from Member's Bill.</p>

				Schedule 2 Clause 3	<p>Added:</p> <p>3 Neither deliberate nor reckless misrepresentation or breach</p> <p>(1) Clauses 4 and 5 apply if a qualifying misrepresentation or breach was neither deliberate nor reckless.</p> <p>(2) The insurer's remedies under those clauses are based on what it would have done if the qualifying misrepresentation or breach had not occurred, and those clauses are to be read accordingly.</p>
Schedule 2 Clause 4(2)(b)	Previously referred to MBIE's consultation paper for a comment on the remedy	Schedule 2 Clause 4(2)(b)	<p>Amended:</p> <p>Sch 2 cl 4 (2) (b) if subclause (1) does not apply, the insurer must provide the cover that a reasonable insurer would have provided for the premiums paid if—</p> <p>(i) the misrepresentation had not been made; or</p> <p>(ii) the circumstances that were not disclosed were known to the insurer at the time the cover was provided.</p>	Schedule 2 Clause 4	<p>Amended:</p> <p>4 Insurer would not have entered into contract</p> <p>Sch 2 cl 4 (2) (b) if subclause (1) does not apply, the insurer may, by notice to the policyholder, vary the life policy in a way that places the insurer in the position in which the insurer would have been if the qualifying misrepresentation or breach had not occurred.</p> <p>(3) The following applies for the purposes of subclause (2) (b):</p> <p>(a) the position of the insurer under a life policy (policy A) that is varied must not be inconsistent with the position in which other reasonable and prudent insurers would have been if—</p> <p>(i) they had entered into similar life policies to policy A; and</p> <p>(ii) there had been no qualifying misrepresentation or breach in relation to the similar life policies:</p>

					<p>(b) a life policy (policy B) is similar to another life policy (policy A) if—</p> <p>(i) policy B provides insurance cover that is the same as, or similar to, the kind of insurance cover provided by policy A; and</p> <p>(ii) the similar policy was entered into at, or close to, the time policy A was entered into.</p>
<p>Schedule 2 Clause 5</p>	<p>5 Insurer would have entered into contract on different terms</p> <p>(2) If a reasonable insurer would have entered into the contract but on different terms relating to the premium, the insurer may reduce the amount otherwise payable on a claim by an amount calculated in accordance with the following formula:</p> $r = p1 - p2$ <p>where—</p> <p>r is the amount of the reduction</p> <p>p1 is the total amount of the premiums that the insurer would have been likely to have charged under the relevant contracts if the qualifying misrepresentation or breach (or substantially similar qualifying misrepresentations or breaches) had not occurred</p> <p>p2 is the total amount of the premiums that the insurer</p>	<p>Schedule 2 Clause 5</p>		<p>Schedule 2 Clause 5</p>	<p>Amended and removed (4) and (6) of Exposure Draft and equivalent in Members Bill:</p> <p>5 Insurer would have entered into contract on different terms</p> <p>(2) In addition, if the insurer would have entered into the contract, but would have charged a higher premium, the insurer may reduce proportionately the amount to be paid on a claim.</p> <p>(3) In subclause (2), reduce proportionately means that the insurer need pay on the claim only the percentage of the amount otherwise payable on a claim that is determined in accordance with the following formula:</p> $y = (p1 \div p2) \times 100$ <p>where—</p> <p>y is the percentage</p> <p>p1 is the premium actually charged</p> <p>p2 is the higher premium.</p>

	<p>actually charged under the relevant contracts.</p> <p>(4) If a reasonable insurer would have entered into the contract on different terms relating to the premium and other different terms, both subclause (1) and (2) apply.</p> <p>(6) In this clause, relevant contracts means—</p> <p>2. (a) the contract of insurance under which the claim is made; and</p> <p>3. (b) if that contract is part of a series of contracts of insurance between the policyholder and the insurer that have been renewed, each of those contracts for which terms relating to the premium would be different because of the qualifying misrepresentation or breach (or because of a substantially similar qualifying misrepresentation or breach).</p>				
		Schedule 2 <i>Clause 8</i>		Schedule 2 <i>Clause 8</i>	<p>Added:</p> <p>Sch 2 cl 8 (2)</p> <p>The insurer's remedies under those clauses are based on what it would have done if the qualifying misrepresentation or breach had not occurred, and those clauses are to be read accordingly.</p>
Schedule 2 <i>Clause 9</i>	9 Insurer would not have agreed to variation	Schedule 2 <i>Clause 9</i>		Schedule 2 <i>Clause 9</i>	<p>Amended:</p> <p>9 Insurer would not have agreed to variation</p>

	<p>If, in the absence of the qualifying misrepresentation or breach, a reasonable insurer would not have agreed to the variation on any terms, the insurer—</p> <p>a) may treat the contract as if the variation was never made; but</p> <p>(b) must, if it acts under paragraph (a), return any extra premium paid</p>				<p>If the insurer would not have agreed to the variation on any terms, the insurer—</p>
		Schedule 2 Clause 10		Schedule 2 Clause 10	<p>Added:</p> <p>Sch 2 cl 10 (2) The insurer's remedies under those clauses are based on what it would have done if the qualifying misrepresentation or breach had not occurred, and those clauses are to be read accordingly.</p>
Schedule 2 Clause 12	<p>12 Insurer would not have agreed to variation</p> <p>If, in the absence of the qualifying misrepresentation or breach, a reasonable insurer would not have agreed to the variation on any terms, the insurer may treat the contract as if the variation was never made, and clause 14 also applies.</p>	Schedule 2 Clause 12		Schedule 2 Clause 12	<p>Amended:</p> <p>12 Insurer would not have agreed to variation</p> <p>Sch 2 cl 12 If the insurer would not have agreed to the variation on any terms, the insurer may treat the contract as if the variation was never made, and clause 14 also applies.</p>
Schedule 2 Clause 14	<p>Sch 2 cl 14 (1)</p> <p>14 Insurer would have agreed to variation on different terms</p> <p>If a reasonable insurer would have agreed to the variation but on different terms relating to the premium, the insurer may reduce the amount otherwise</p>	Schedule 2 Clause 14		Schedule 2 Clause 14	<p>Added:</p> <p>14 Insurer may reduce proportionately amount to be paid on claim</p> <p>(1) If this clause applies, the insurer may reduce proportionately the amount to be</p>

	<p>payable on a claim by an amount calculated in accordance with the following formula:</p> $r = p1 - p2$ <p>where—</p> <p>r</p> <p>is the amount of the reduction</p> <p>p1</p> <p>is the total amount of the premiums that the insurer would have been likely to have charged under the contract if the qualifying misrepresentation or breach (or substantially similar qualifying misrepresentations or breaches) had not occurred</p> <p>p2</p> <p>is the total amount of the premiums that the insurer actually charged under the contract.</p> <p>(2) In this clause, amount otherwise payable on a claim means the amount the insurer would otherwise have been under an obligation to pay under the terms of the contract of insurance (whether on the original terms, or as varied, or under the different terms provided for by virtue of clause 10(2) or 13(2), as the case maybe).</p>			<p>paid on a claim arising out of events after the variation.</p> <p>(2) In subclause (1), reduce proportionately means that the insurer need pay on the claim only the percentage of the amount otherwise payable on a claim that is determined in accordance with the following formula:</p> $y = (p1 \div p2) \times 100$ <p>where—</p> <p>y</p> <p>is the percentage</p> <p>p1</p> <p>is the premium actually charged</p> <p>p2</p> <p>in the case of—</p> <p>(a) clause 10(3), is the premium the insurer would have charged:</p> <p>(b) clause 12, is the original premium:</p> <p>(c) clause 13(3), is the original premium if the insurer would not have changed it, and otherwise the increased or (as the case may be) reduced premium the insurer would have charged.</p> <p>(3) Subclause (1) applies whether the terms relating to matters other than the premium would have been the same or different.</p>
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		Schedule 3 Clause 6	<p>6 Notice that requires disclosure in connection with body that has been wound up</p> <p>(1) This clause applies if—</p> <p>(a) a person (P) has started a proceeding under subpart 4 of Part 3 against an insurer in respect of a liability; and</p> <p>(b) P claims the liability has been incurred to P by—</p> <p>(i) a body corporate; or</p> <p>(ii) an unincorporated body other than a partnership, and</p> <p>(c) the body has been wound up.</p> <p>(2) P may, by notice in writing, require a person to whom subclause (3) applies to disclose to P any documents that are relevant to that liability.</p> <p>(3) This subclause applies to a person if,—</p> <p>(a) immediately before the relevant time, the person was a director, an officer, or an employee of the body; or</p> <p>(b) immediately before the body was wound up (or, if it has been wound up more than once, immediately before it was last wound up), that person was acting as an insolvency practitioner in relation to the body (within the meaning of section 5 of the Insolvency Practitioners Regulation Act 2019).</p> <p>(4) In subclause (3)(a), the relevant time is the later of the following:</p> <p>(a) the time that the body referred to in subclause (1) became a specified policyholder:</p>	N/A	Removed Sch 3 cl 6 from Member's Bill.
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			<p>(b) the time that the body referred to in subclause (1) incurred the liability to P.</p> <p>(5) A notice under this clause must be accompanied by—</p> <p>(a) a copy of the particulars of claim required to be served in connection with the proceeding referred to in subclause (1); or</p> <p>(b) if the proceeding is an arbitration, the particulars of claim that would be required to be so served if it were a court proceeding.</p> <p>(6) For the purposes of this clause,—</p> <p>(a) a body is wound up if it is dissolved or otherwise ceases to exist; and</p> <p>(b) a body has been wound up even if, since it was wound up, something has happened that has the effect that (but for this paragraph) the body is treated as continuing to exist.</p> <p>Example</p> <p>The Registrar removes company A from the New Zealand register under section 317 of the Companies Act 1993. The Registrar later restores A to the register under section 328 of that Act. Under section 330 of that Act, A is deemed to have continued in existence as if it had not been removed from the register.</p> <p>Despite the restoration, A has been wound up for the purposes of this clause.</p>		
Schedule 3 <i>Clause 7</i>	7 Disclosure and inspection where notice given under clause 6	Schedule 3 <i>Clause 7</i>		N/A	Removed schedule 3 cl 7 in Exposure Draft and equivalent section of Member's Bill.

	<p>(1) The duties of disclosure of a person who receives a notice under clause 6, and the rights of inspection of the person giving the notice, are the same as the corresponding duties and rights under the rules of the High Court of parties to a proceeding in which standard discovery applies.</p> <p>(2) For the purposes of this clause, the rules of court apply with all necessary modifications.</p> <p>(3) A person who, under subclause (1), has to serve a list of documents must do so within 28 days after the receipt of the notice.</p> <p>(4) A person who has received a notice under clause 6 and has served a list of documents in response to it is not under a duty of disclosure by reason of that notice in relation to documents that the person did not have when the list was served.</p>				
				<p>Schedule 3 Clause 6</p>	<p>New clause added:</p> <p>6 Person to whom notice is given may require payment of reasonable charge</p> <p>(1) A person (R) who receives a notice under clause 3 may require the person (A) who gave the notice to pay a reasonable charge to R to meet the cost of providing the information if—</p>

					<p>(a) R gives A written notice that a charge will be imposed for providing the information; and</p> <p>(b) the notice specifies and explains the charge.</p> <p>(2) R must comply with clause 5 regardless of whether A pays the charge.</p> <p>(3) A charge payable to R is recoverable by R in any court of competent jurisdiction as a debt due to R.</p>
				Schedule 3 Clause 7	<p>New clause added:</p> <p>7 Contract of insurance must not prohibit, prevent, or restrict person from providing information or giving disclosure</p> <p>A provision of a contract of insurance is of no effect to the extent that it purports, whether directly or indirectly,—</p> <p>(a) to avoid or terminate the contract or alter the rights of the parties under it in the event of a person providing information, or giving disclosure, that the person is required to provide or give under a notice under this schedule; or</p> <p>(b) otherwise to prohibit, prevent, or restrict a person from providing such information or giving such disclosure.</p>
				Schedule 5	<p>New Clause Added:</p> <p>Schedule 5</p> <p>New Part 9 inserted into Schedule 4 of Financial Markets Conduct Act 2013</p> <p>Part 9</p>

				<p>Provisions relating to Contracts of Insurance Act 2024</p> <p>99 Duties to assist policyholders to understand insurance contracts</p> <p>(1) Sections 447A and 447B do not apply to an existing contract.</p> <p>(2) However, if a variation of an existing contract is entered into after the commencement of this clause, sections 447A and 447B apply to any part of the existing contract that has been varied.</p> <p>(3) Section 447C applies in relation to any contracts of insurance (regardless of whether or not they are existing contracts).</p> <p>(4) In this clause, existing contract—</p> <p>(a) means a contract of insurance entered into before the commencement of this clause; and</p> <p>(b) does not include any new contract entered into after that commencement that has the effect of operating as a renewal of a contract referred to in paragraph (a) or any subsequent renewal.</p>	
Schedule 5		Schedule 5		Schedule 6	No changes.