

3 July 2024

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Social Services and Community Committee  
Parliament Buildings  
Wellington

Dear Committee Members

### **ICNZ SUBMISSION ON THE RESIDENTIAL TENANCIES AMENDMENT BILL**

1. Thank you for the opportunity to provide a submission on the Residential Tenancies Amendment Bill.
2. Te Kāhui Inihua o Aotearoa / The Insurance Council of New Zealand (**ICNZ**) is the representative organisation for general insurance companies in New Zealand. Our members collectively write more than 95 percent of all general insurance in New Zealand and protect well over \$1 trillion of New Zealanders' assets and liabilities. ICNZ members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, including insurance for landlords, travel insurance, and motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, cyber insurance, commercial property insurance, and directors and officers insurance).
3. ICNZ does not have specific comments on the provisions in the Bill but would like to take this opportunity to note the lack of progress in setting binding rules on the management of methamphetamine residue in rental housing.
4. Section 138C of the Residential Tenancies Act 1986 allows regulations to be made in respect of contaminants, which includes methamphetamine, and sets out what those regulations can include. From November 2022 to March 2023, the Ministry of Housing and Urban Development consulted on options for regulating methamphetamine residue in rental accommodation. ICNZ provided a submission on that consultation. However, no regulations have been made.
5. ICNZ supports the development of regulations as there is currently no certainty as to safe levels. Landlords' insurance may provide cover for decontamination costs, which will be triggered when there is 'presence' of meth in the home that exceeds the level that is stated in the insurance policy. Because there is no defined safe level, different insurers work to different levels – some from the Gluckman report and some from the NZ Standard. This creates inconsistency which is confusing for landlords, tenants and other stakeholders that the insurance sector works with.
6. Insurers are looking for certainty on levels and a consistent approach to reduce confusion. ICNZ asks that officials progress the regulations swiftly.
7. The introduction of regulated levels of contamination is likely to trigger a need for insurers to update policy wordings in response. ICNZ would be happy to engage with officials on the proposed timings of the regulations

## **Conclusion**

8. Thank you for the opportunity to make this submission. Please contact Sarah Knox, Consumer Affairs Manager ([sarah@icnz.org.nz](mailto:sarah@icnz.org.nz)), if you have any questions about our submission or require further information.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Kris Faafoi', written in a cursive style.

**Hon. Kris Faafoi**  
Chief Executive