

Annual Review 2024



April 2025

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About Us

The Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa is the
representative organisation for general
insurance companies in New Zealand.

Our members collectively write more
than 95% of all general insurance in
New Zealand and protect over \$2 trillion
of New Zealanders' assets.

ICNZ advocates to sustain a strong
and affordable insurance sector, and to
enhance the safety and protection of
all New Zealanders by strengthening
resilience and reducing the risks of
climate change to communities and
the economy.



Purpose

To build and maintain the
trust New Zealanders have
in insurance.



Vision

Enhance the safety
and protection of all
New Zealanders by
strengthening resilience
and reducing the risks
to communities and
the economy.



Mission

Ensure New Zealand is
taking action to sustain
a strong and affordable
insurance sector.



Our Board



BACK ROW (left to right): John Lyon (Ando/Hollard), Dave Morrow (Chubb), Jimmy Higgins (Suncorp)

FRONT ROW (left to right): Simone Labady (Aioi Nissay Dowa), Amanda Whiting (IAG) President, Adam Heath (FMG) Vice President

INSERTED: Blair Turnbull (Tower), Michelle James (AA Insurance), Andrea Dry (Swiss Re)

President's Report



While 2024 was a relatively benign year in terms of weather events, the storms and flooding in autumn and winter affected many across the country. It has also been a year of recovery for many New Zealanders still dealing with the aftermath of Cyclone Gabrielle and the North Island floods in 2023.

Added to this are devastating images of fires, storms and other natural hazard events happening across the world. These events remind us of the growing impacts of climate change and the ever-present potential for significant natural disasters in New Zealand.

More than ever, it is important that we continue to have as many homes and businesses insured as possible in New Zealand, so that we can help to reduce the physical, emotional and financial harm that mishap and disaster can cause.

Despite New Zealand being a well-insured country, affordability of insurance is still top of mind.

New Zealand's growing risk makes achieving this harder, especially in hazard-prone communities. Getting on top of our natural hazards is the most effective way of avoiding the large and long-lasting impacts they can have and ensuring people can continue to obtain and afford insurance.

As an industry, we have advocated for a much greater focus on risk reduction and contributed to the Government's broader programme of work around adaptation and will continue to do so. We have also engaged directly with local governments as they have prepared for and responded to natural disasters, considered growth and development in their communities, and sought to raise awareness and understanding of natural hazards.

Despite all our best efforts, we cannot and should not eliminate all risk. We will continue to experience floods, storms, earthquakes and other disasters. And New Zealanders will continue to look to insurers to help pick up the pieces and support a faster and more certain recovery.

Following the weather events of 2023, we conducted a review of the industry's response, with a focus on improving how insurers respond to major events to help customers swiftly get back on their feet.

Alongside this, the ICNZ has worked to ensure people understand how insurers and reinsurers are responding to our changing risk environment so they can be more informed and make confident decisions. I was pleased that this included time with the Minister of Climate Change and Opposition Finance Spokesperson in London with some of our reinsurance partners.

Of course, we are not alone in the responsibility to protect New Zealanders from the natural hazards we face. We have continued to work with the Natural Hazards Commission Toka Tū Ake to embed the new regime and support customers through the aftermath of significant weather and natural hazard events.

Our continued work with the Financial Markets Authority (FMA) and Reserve Bank of New Zealand (RBNZ) and wider Council of Financial Regulators aims to ensure the regulatory regime is fit for purpose and enables an insurance market that genuinely delivers for New Zealanders. And while there has been a significant amount of regulatory change during the year, there is much more to come that will require a lot of resource and focus to implement.



We have also worked closely with other industry associations, such as the New Zealand Banking Association, to share issues and opportunities that support a more effective and efficient financial services market in New Zealand.

This is the first year with Kris at the helm which has given us an opportunity to reflect and explore new ways of doing things so that ICNZ can continue to provide value to its members, while enabling the industry to support New Zealanders. I am excited to see much of this work come to fruition in the coming year.

And lastly, I would like to thank Kris and the team at ICNZ, alongside all those across the industry who have supported the ICNZ's work.

Amanda Whiting
President

A handwritten signature in black ink, appearing to read 'Amanda Whiting', enclosed within a horizontal oval shape.

Insurance Council of New Zealand

Chief Executive's Report



2024 has been an important year for the insurance sector even as New Zealand experienced fewer major events. There are signs that premiums are stabilising as some of the pressures driving cover such as global reinsurance rates and inflation have been easing.

Insurers are continuing to look at ways to help their customers manage their own protection as cost-effectively as possible while running their own businesses efficiently to keep costs down, including the use of Artificial Intelligence to process claims, price risk and detect fraud.

The long overdue Contracts of Insurance Bill was passed in November and will make insurance legislation fit for purpose in a modern world. The new law strikes a balance of consumers having much clearer rights at critical times and allowing the fundamentals of insurance to be maintained.

While 2024 has been relatively calm for major events, the opportunities and challenges for the insurance industry mirror those for New Zealand – how we collectively manage the risks from a changing climate and protect Kiwis against unexpected events.

Since taking up the reins at the Insurance Council of New Zealand in April 2024, I've been working with the team to ensure we are well placed to advocate for our members on our priorities – affordability, resilience and regulation.

Our focus is on shaping ICNZ to play its part in leading and elevating the conversation on the importance of identifying and reducing risk in New Zealand and keep insurance affordable and Kiwis out of harm's way.

By prioritising and embedding resilience in decision-making processes and making sure we don't build in dumb places, New Zealand can mitigate the adverse impacts of natural hazard risks such as earthquakes and flooding and protect the well-being of our communities.

You can expect us to engage more and be at the forefront of conversations around the challenges and opportunities of closing the protection gap to ensure insurance is playing its part in leading and building a stronger Aotearoa New Zealand.

Nevertheless, we can't do this alone. It requires a collective effort across the motu.

The industry is committed to working collaboratively with the government, councils, regulators, iwi, industry groups and communities to find solutions to reduce natural hazard risks and ensure better outcomes for New Zealanders.

There will be some complex and difficult conversations ahead, but I'm optimistic that New Zealand can navigate a pathway forward to address the impacts of climate change.

By reducing the protection gap we keep communities safe, reduce the costs to taxpayers and ratepayers and maintain insurance capacity and affordability.



Acknowledgements

I wish to express my thanks to the Board and our members for their dedication and valuable guidance in addressing these matters, with particular thanks to the Insurance Council's President, Amanda Whiting who has guided the Board with integrity, respect, and purpose.

I'd also would like to express my gratitude to the Board members who departed during the year – Declan Moore, Andrea Dry and Blair Turnbull – for their energy, contribution and insights. Together the Board and the team at the Insurance Council remain focused on closing the protection gap, building trust in insurance, and ensuring a strong and sustainable industry that supports Kiwis when they need it most.

Of course, none of this would be possible without the hard work of the team at the Insurance Council, who have supported our efforts to improve the confidence and trust people have in general insurance.

Hon. Kris Faafoi
Chief Executive



Insurance Council of New Zealand

Year in review

Jan

- Amanda Whiting appointed ICNZ chair
 - First anniversary of Auckland Anniversary Weekend weather event

Mar

- ICNZ annual conference
- Insurers expand complaints reporting
- North Island weather events claims 91% settled

June

- North Island weather events claims 96% settled
- Wairoa weather event

Oct

- Otago rain event
- Parliament's Finance and Expenditure select committee issues report into climate adaptation
- Commonwealth Insurance Bodies meet in Sydney

Feb

- First anniversary of Cyclone Gabrielle weather event

Apr

- ICNZ AGM
- Kris Faafoi starts as ICNZ chief executive

Jul

- Natural Hazards Insurance Act comes into force

Nov

- Contracts of Insurance Bill passed
- Climate adaptation meetings in London*



*ICNZ facilitated meetings between New Zealand parliamentarians and European insurers and reinsurers in London to discuss climate adaptation.



New Zealand's insurance industry snapshot

Insurance plays a vital role in the wellbeing of New Zealanders and businesses by ensuring protection against unexpected events and uncertainty. By safeguarding people from the financial impact when things go wrong, insurance acts as a safety net by effectively managing and reducing risks.

A strong and sustainable insurance sector helps families, businesses and communities get back on their feet. Insurance offers people a sense of security against the uncertainty of future events and provides peace of mind to plan ahead without constant worry.



Total claims
\$3.6b



General insurance companies

22

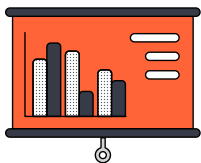
Employees

8,400_{FTE}



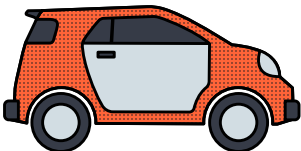
Average combined
ratio 2020-2024*

87%



Levies and GST paid by
customers in premiums

\$2.6b



Motor related claims

\$1.7b



Home and contents claims

\$1b



Commercial claims**

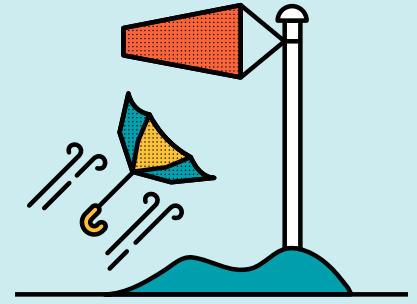
\$0.5b

* Combined ratio is a metric used to assess an insurance company's profitability by calculating the sum of its incurred losses and expenses as a percentage of its earned premiums. Essentially, it shows how much the company pays out in claims and operational costs compared to the premiums it collects, with a ratio below 100% indicating an underwriting profit and above 100% signifying a loss.

**Includes commercial, material damage, and business interruption claims.

Why are insurance premiums going up?

New Zealand is experiencing higher premiums due to the rising cost of extreme weather events, the growing value of our assets, inflation in the building construction and vehicle repair sectors, the rising cost to insurers of doing business, and taxes and levies.



Worsening extreme weather

Natural disasters have caused more than **\$31.2 billion** in insurance claims since 2010, split between earthquakes (**80%**) and extreme weather events (**20%**). This does not include the damage to infrastructure such as roads, rail and electricity and telecommunications networks.

Excluding earthquakes, extreme weather has caused over **\$6 billion** in claims since 2010, with over **60%** of that because of the Auckland Anniversary Weekend flooding and Cyclone Gabrielle events in early 2023.

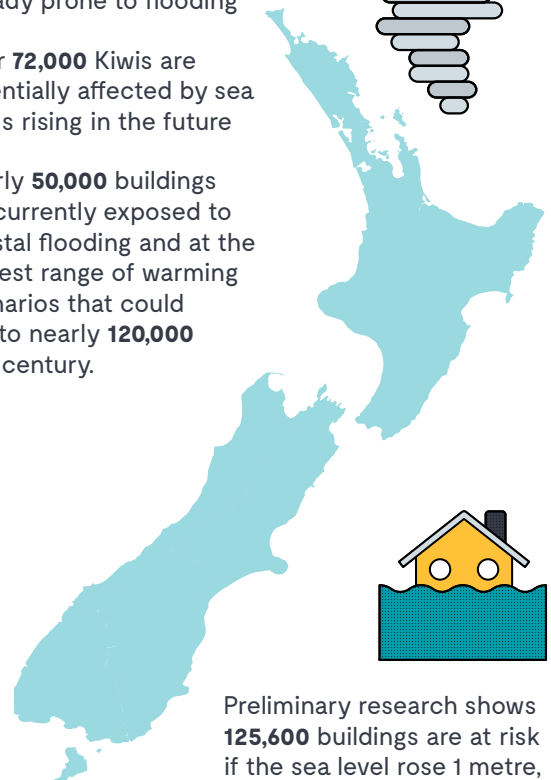
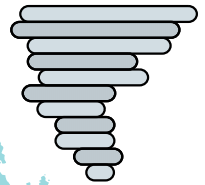


More people in harm's way

An estimated **675,500** New Zealanders live in areas already prone to flooding

Over **72,000** Kiwis are potentially affected by sea levels rising in the future

Nearly **50,000** buildings are currently exposed to coastal flooding and at the highest range of warming scenarios that could rise to nearly **120,000** this century.



Preliminary research shows **125,600** buildings are at risk if the sea level rose 1 metre, at a replacement cost of **\$38 billion**.

Rising cost of doing business

The cost of repairing or rebuilding a home is **20%** higher than it was before the Covid pandemic.

New Zealand's worsening extreme weather has contributed to a **30%** increase in global reinsurance premiums, which is the insurance that insurance companies buy to share some of New Zealand's risk offshore.

We are not alone

In 2024, global losses surpassed **US\$300 billion** for the ninth consecutive year, with insured losses reaching **US\$145 billion**, making it the sixth costliest for insurers.

Hurricane Helene caused **US\$75 billion** in damages, followed by Hurricane Milton at **US\$20 billion**. The U.S. accounted for **78%** of global insured losses.

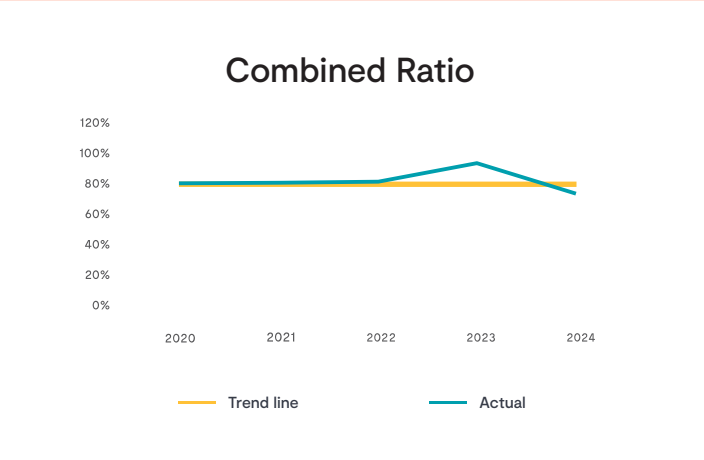
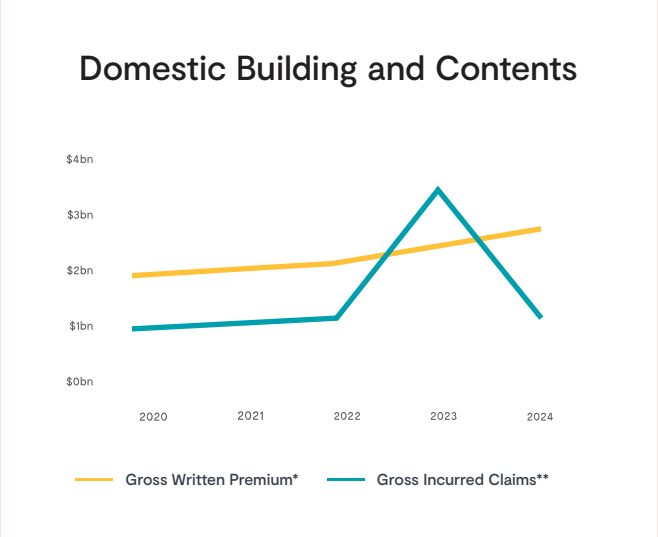
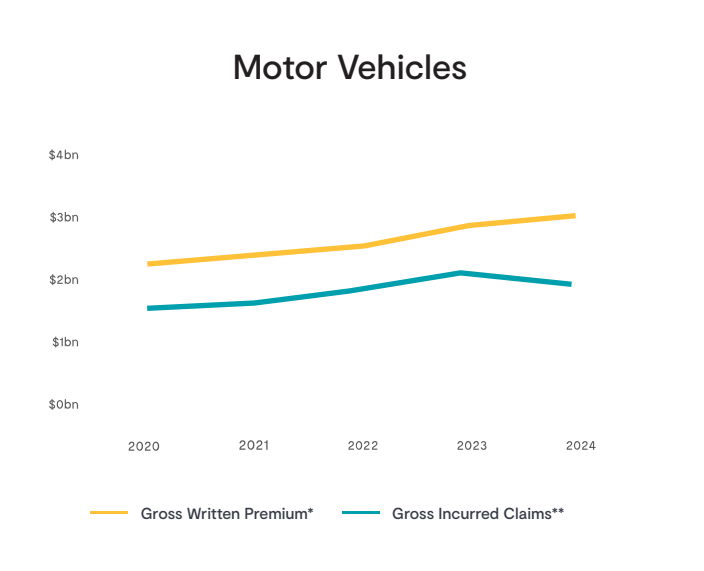
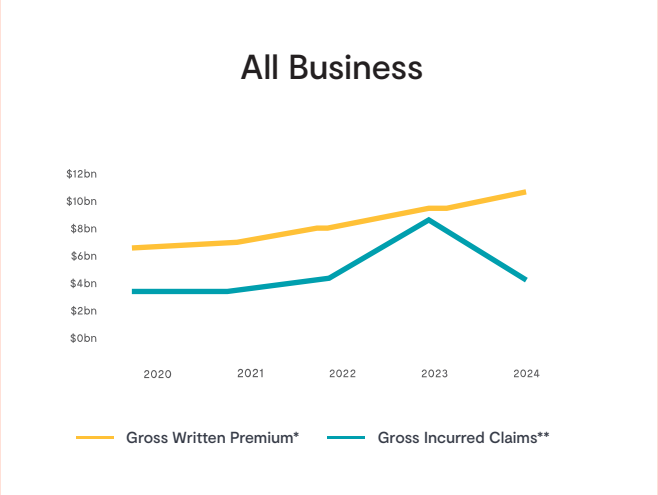
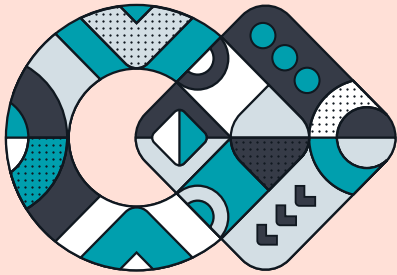


We're taking action

Our focus is supporting New Zealand's collective effort to improve resilience at the national level and reduce risk to ensure insurance is affordable and accessible.



Industry Data 2020-24

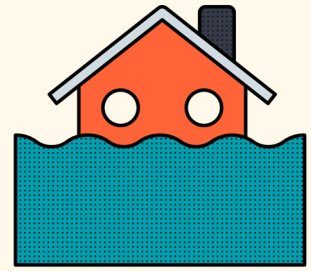


*Gross written premium (GWP) is the total amount of money an insurance company collects for insurance policies before subtracting reinsurance and commissions. It excludes GST and levies collected on behalf of FENZ and NHC.

** Gross Incurred Claims represent the total value of claims that an insurance company has incurred in a specific period, before any deductions for reinsurance or other recoveries. This figure includes both claims that have been paid out and those that are still outstanding. It also includes an allowance for the internal claims handling costs required to settle these claims.

Areas of Focus

Climate Adaptation



2024 has marked a critical milestone in the fight against climate change, with the global temperature surpassing 1.5°C above pre-industrial levels — the first time in recorded history.

While 1.5°C is largely symbolic, the last 10 years are now the 10 warmest years on record and the upward trajectory of temperatures can bring more frequent and intense extreme weather.

New Zealand is particularly vulnerable to natural hazard risks. Over the last 20 years, New Zealand is estimated to have spent more than 4% of GDP per year recovering from natural disasters. The effects of the North Island weather events are a reminder of the impact these events have on lives, property and wellbeing as well as the social, community and economic disruption they bring.

New Zealand is well-insured but climate change risks are significant and rising. The Climate Change Commission reported around 750,000 people and 461,000 buildings are at risk of coastal inundation or inland flooding, involving many billions of dollars in assets.

A parliamentary report in late 2024 showed a general political consensus on the challenges ahead from climate change and the need to adapt to protect peoples' lives and property. We now need a cross-party consensus to act urgently to reduce the risks climate change poses to future generations.

We encourage the Government to consider a lead agency on climate adaptation to support this approach and bring together central government, councils, the private sector and communities to effectively mitigate risks and ensure sustainable adaptation measures.

Some practical areas of focus include:

- Avoiding developments in areas vulnerable to flooding, rising sea levels or coastal erosion
- Prioritising protection of existing communities and identifying areas for planned relocation
- Developing a comprehensive framework for natural disaster recovery.

We support a framework that would create a consistent and holistic approach nationally, ensuring a unified direction but allowing for local flexibility. We recognise the value of local knowledge when it comes to risks that communities face.

The industry also supports improving the quality, consistency and availability of natural hazard and climate risk data to ensure we have the best information available when planning for the long term.

While the conversations ahead will undoubtedly be difficult, the cost of inaction — both in human lives and economic stability — makes it a conversation we cannot afford to delay. It may not be easy, but the prize is a more resilient and stronger economy and safer communities.



Areas of Focus

Contracts of Insurance



In 2024, New Zealand passed the **Contracts of Insurance Bill**, the largest overhaul of insurance law in over 100 years. This new legislation consolidates and modernises previous insurance laws, aligning New Zealand with international best practices and reforms in Australia and the UK.

The Act aims to protect consumers, provide certainty for insurers, and promote a financially stable insurance market. Some of the key changes for general insurance companies include:

Duty of Disclosure

The insurer is responsible for asking clear, specific questions to gather necessary information from the insured. Consumers must take reasonable care to avoid misrepresentation when responding.

Information for Policyholders

The insurer must also take reasonable steps to make sure the policyholder is clearly informed of their disclosure duties and the consequences of failing to comply.

Remedies

The Act defines the insurer's remedies when policyholders don't disclose something they should have, or misrepresent themselves.

Policy Wording

Insurance policies must be written and presented clearly, so that consumers can easily understand them.

Payment of Claims

An implied term now requires insurers to pay claims within a reasonable time, allowing flexibility based on claim complexity and investigation needs.

Time for Making Claims

The rule that insurers can't generally decline claims based on late notification is retained, with a new 90-day notification period for "claims-made" policies.

Increased Risk Exclusions

Insurers can now exclude claims based on specific increased risks, such as the qualifications of a driver or commercial use of personal vehicles.

Third-Party Claims Against Insurers

A third-party can now directly claim from an insurer if the policyholder is insolvent or deceased, with the court's approval.

Insurance Brokers

Brokers must pass on premiums to insurers within specific timeframes and handle client money in insurance broking client accounts. Brokers can invest these funds but must adhere to restrictions.

Given the extensive changes that may be needed to comply with the new requirements, a transition period of up to three years is proposed for insurers to adjust their systems and policies.

The insurance sector will continue to work collaboratively with the government to ensure a smooth implementation of the planned changes, benefiting both consumers and the industry. The reforms are seen as crucial for a sustainable and robust insurance market in New Zealand.

Areas of Focus

Review of North Island weather events response

In early 2023, the Auckland Anniversary Weekend floods and Cyclone Gabrielle caused New Zealand's most devastating weather events on record. These disasters resulted in 15 deaths, thousands of evacuations, and significant damage to homes, businesses, and infrastructure, with an estimated economic cost to New Zealand of up to \$14.5 billion.

The impacts for the insurance industry were also significant, with insurers handling over 118,000 claims at an estimated value of more than \$3.8 billion. The number of claims was nearly three times more than those received from the Kaikōura earthquake — New Zealand's second largest insured loss event prior to the North Island weather events. Insurers brought in over 1,000 new staff to help deal with the spike in claims, with one member reporting that the volume of claims lodged was 65% higher than normal levels for ten successive weeks.

Despite the scale and complexity of the weather events, 91% of claims were resolved in 12 months, a rate of progress that surpassed previous major disasters. Within 16 months, 96% were settled.

The lessons learnt from previous major events such as the Christchurch and Kaikōura earthquakes were a significant factor in the insurance industry's preparedness and response to the Auckland Anniversary Weekend flooding and Cyclone Gabrielle. These included establishing standalone teams dedicated to major events, increased training for staff and improved processes to communicate with customers. Insurers continued to adapt their approach as the recovery progressed to help advance and resolve customers' claims.

While insurers plan for large scale events, it takes time to scale up staff and resources to respond to the surge of claims lodged and the day-to-day, business-as-usual activities. Other challenges during the recovery included limited information sharing across agencies, restricted access to affected areas, land categorisation issues, and labour shortages.

To improve future responses, insurers have refined their event response plans, invested in digitisation, and focused on better customer communication and support for vulnerable customers. They have also highlighted the need for better data sharing, timely property assessments, and access to skilled labour.

More broadly, the insurance sector has called for a cross-sector recovery framework to enhance coordination and improve disaster response. Additionally, the industry has emphasised the importance of addressing climate change risks and supporting climate adaptation to better prepare New Zealand for future natural disasters.

Insurance Response



118,037 General Insurance
Claims Lodged



91% Of Claims Settled
within 12 Months



0.05% of Claims Resulted in a
Complaint Accepted by External
Resolution Schemes



Fair Insurance Code



The Fair Insurance Code – setting the standard of service ICNZ members must provide to their customers.

New Zealanders should expect their insurer to maintain high standards and for robust processes, backed up by external oversight, to be in place to allow for complaints to be handled. Those standards, and the processes to back them up, are set out in the Fair Insurance Code which all ICNZ members follow. This includes recourse to external dispute resolution schemes to take on complaints if they are not addressed to the customer’s satisfaction by their insurer. The Code is available in Te Reo Māori, New Zealand Sign Language and audio on the ICNZ website.

ICNZ Fair Insurance Code data for 2024 shows of the 1.23 million claims, 462 complaints were referred to external dispute resolution schemes. Both claims and complaints are higher in previous years which is due in part to the North Island weather events that occurred within a couple of weeks of each other.

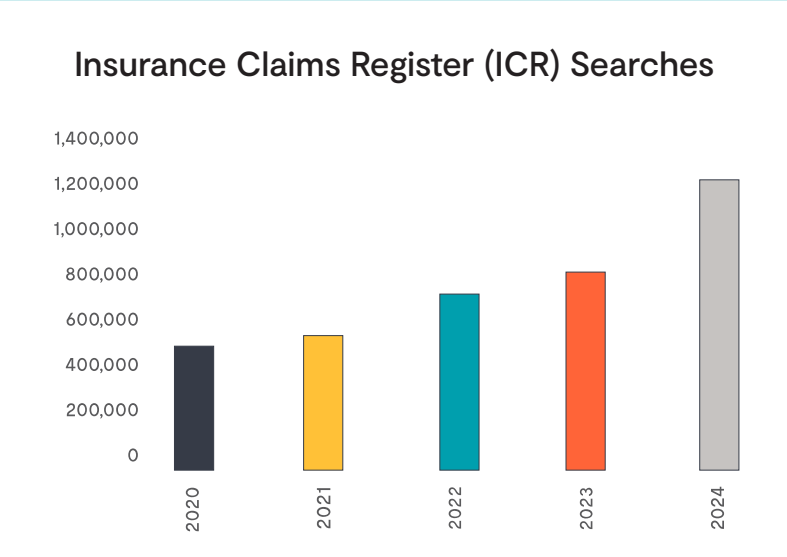
The Code Compliance Committee investigates any unresolved significant breach that is reported to ICNZ once it has been through the insurer’s internal disputes resolution process and external disputes resolution scheme.

Number of claims	Number of complaints referred to internal dispute resolution (DR) process	Number of complaints referred to external DR schemes
1.23m	21,443	462
Number of complaints referred to external DR schemes withdrawn	Number of complaints referred to external DR schemes settled	Number of complaints referred to external DR schemes partially upheld against insurer
46	54	5
Number of complaints referred to external DR schemes upheld against insurer	Number of significant breaches	Number of unresolved significant breaches
22	5	1

Insurance Claims Register (ICR)

Insurance fraud constitutes a very real threat to New Zealand insurance companies. The use of insurance claims databases by insurance companies significantly reduces the threat posed by insurance fraud and, in 1997 after discussions with insurance companies in New Zealand, ICNZ instigated the establishment of an Insurance Claims Register (ICR). The ICR is a claims repository for all ICR members to share and access general and fire insurance claims information for the purpose of detecting and minimising insurance fraud.

- In 2024, over 1.2 million searches were conducted in the ICR to legitimise insurance claims. This is an increase of 35.8% from the previous year.
- 2024 saw the ICR initiate the process of changing its governance structure. The ICR is expected to complete its transfer of governance to ICNZ from the current controlling shares governance model in early 2025.
- ICNZ is also formulating a plan for a wider data strategy, which in part, includes the ICR. The wider data strategy will broaden the scope of the current ICR data sets to allow for analysis of the data. This will ultimately aid decision-making by highlighting, detecting, deterring and potentially preventing fraudulent claims, and create an opportunity for greater financial security for its members and consumers.



Insurance Fraud

The Insurance Fraud Bureau (IFB) is an initiative to detect and deter general insurance fraud in New Zealand. Insurance fraud contributes to higher premiums for everyone. When people make dishonest claims, insurers must raise premiums to cover the cost, impacting honest policyholders.

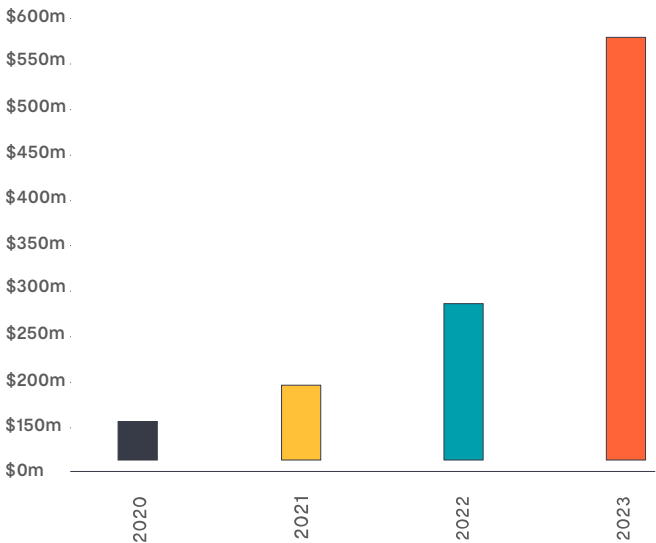
The IFB received 140 allegations of fraud in 2024, an increase of 34% on the previous year. The rise in allegations may indicate that the public are becoming more aware of the IFB and how they can report fraud. Other factors may include economic pressures, the use of digital tools and more sophisticated fraudsters.

The fourth annual IFB fraud survey conducted in 2024 measured estimated general insurance fraud in the 2023 calendar year. The survey is designed to measure numbers of fraudulent claims for home, contents and motor vehicle insurance.

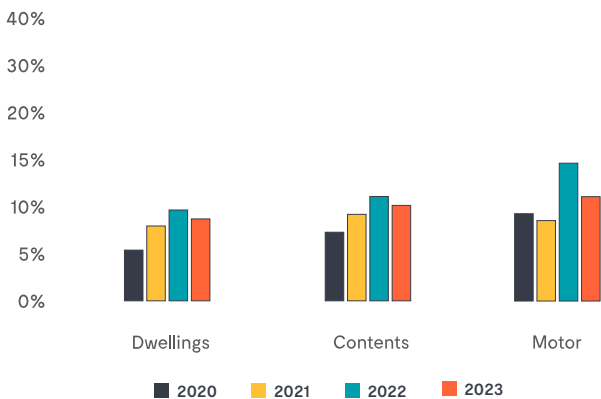
Data from participating members shows that in 2023 one in ten claims were identified to be potentially fraudulent. That is in line with past annual surveys held in New Zealand and international estimates.

Over a four-year period, the combined cost of claims was around \$11.8 billion and the estimated savings from fraud detection was around \$1.2 billion, or 9.94%.

Annual Cost of Detected Fraud Claims



Percentage of Claims Detected as Fraudulent 2020–2023



Council Activities

The following identifies the specific work outcomes of our Standing Committees and Working Groups. While the activities vary in scale, all contribute to delivering the strategic priorities of members and the ICNZ Board.

Regulatory engagements

We continued to engage on changes to the regulatory environment in New Zealand affecting the insurance sector in 2024, including making submissions to consultations on proposals for legislation, regulations and regulatory guidance.

Submissions

Ministries

Ministry of Business, Innovation & Employment

- Submission on the Discussion Document 'Building Code Fire Safety Review: Issues in the Building Code Regulations' (December 2024)
- Submission on the Discussion Paper 'Improving efficiency in the inspection process: Increasing the use of Remote Inspections and Accredited Organisations' (November 2024)
- Submission on the Discussion Paper 'Open Banking Regulations and Standards under the Customer and Product Data Bill' (October 2024)
- Submission on the Discussion Document 'Making it easier to build granny flats' (August 2024)
- Submission on the Consultation Paper 'Removing Barriers to Using Overseas Building Products' (July 2024)
- Submission on the Discussion Document 'Fit for Purpose Financial Services Conduct Regulation' (June 2024)
- Submission on the Discussion Document 'Effective Financial Dispute Resolution' (June 2024)

Ministry of Foreign Affairs and Trade

- Submission on the Russia Sanctions Act Statutory Review (December 2024)

Ministry for the Environment

- Submission on the Second Nationally Determined Contribution (December 2024)
- Submission on the Second Emissions Reduction Plan (August 2024)

Ministry of Housing and Urban Development

- Submission on HUD's 2025 Long-term Insights Briefing Topic (November 2024)

Department of Internal Affairs

- Submission on Proposals for Regulations for Natural Hazards Information on LIMS (October 2024)
- Various submissions and consultation with DIA and Fire & Emergency New Zealand on the new July 2026 Levy proposals

Select committees

Finance and Expenditure Committee

- Supplementary Submission on the Contracts of Insurance Bill (July 2024)
- Submission on the Inquiry into Climate Adaptation (June 2024)
- Submission on the Contracts of Insurance Bill (May 2024)

Transport and Infrastructure Committee

- Submission on the Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Bill (November 2024)
- Submission on the Land Transport (Drug Driving) Amendment Bill (September 2024)

Submissions to other Select Committees

- Submission to the Economic Development, Science and Innovation Committee on the Customer and Product Data Bill (September 2024)
- Submission to the Social Services and Community Committee on the Residential Tenancies Amendment Bill (July 2024)
- Submission to the Justice Committee on the Privacy Amendment Bill (June 2024)
- Submission to the Environment Committee on the Fast-track Approvals Bill (April 2024)

Other submissions

- Submission to Hastings District Council on the Hastings and Napier Future Development Strategy (December 2024)
- Submission to the External Reporting Board on Proposed 2024 Amendments to Climate and Assurance Standards (October 2024)
- Submission to the Financial Markets Authority on Regulatory Returns for Financial Institution Licencees (October 2024)
- Submission to the Reserve Bank of New Zealand on the Exposure Draft of the Second Amendment of the Interim Solvency Standard (September 2024)
- Submission to the Law Commission on the Issues Paper for the Ia Tangata Review – A review of the protections in the Human Rights Act 1993 for people who are transgender, people who are non-binary and people with innate variations of sex characteristics (September 2024)
- Submission to the Financial Advice Code Committee on Proposed Amendments to the Code of Professional Conduct for Financial Advice Services (August 2024)
- Submission to the Office of the Privacy Commissioner on the draft guidance 'Poupou Matatapu: Doing privacy well' (June 2024)
- Submission to Fire & Emergency New Zealand on Fire & Emergency Levy Consultation for the 2026–29 period (May 2024)
- Submission to the Treasury on the Draft Natural Hazards Insurance Amendment Regulations 2024 (April 2024)
- Submission to the Earthquake Commission (now the Natural Hazards Commission) on the Natural Hazards Insurance Act Dispute Resolution Scheme (March 2024)
- Submission to the Financial Markets Authority on the draft guidance 'Fair Outcomes for Consumers and Markets' (March 2024)



Standing Committee activities

Standing Committee activities

Climate Change Committee

The Climate Change Committee consists of a range of members' staff that work on issues related to climate change. This includes engagement with the government on legislation that impacts how New Zealand responds to climate change, such as the Parliamentary Inquiry into Climate Adaptation and reform of the Resource Management Act. The Committee also produces sector positions on climate-related disclosures and, in 2024, a working group focused on one of the more challenging aspects of climate-related disclosures, scope 3 greenhouse gas emissions.

Commercial Property Committee

Mindful of the higher cost of insuring current new buildings, the Committee has developed a scope for future buildings to not only be designed with high seismic damage resilience, but also with repairability certainly. It may be possible in future years to have these new repairable buildings insured at a lower cost since much of the insurer uncertainty as to the risk of total loss is reduced. The Kaikōura earthquake event in 2016 saw many new buildings in Wellington suffer damage that was not able to be repaired, resulting in total insurance losses.

The Committee also jointly facilitated a Business Interruption Training Workshop with Munich Re and the Insurance Brokers Association of New Zealand (IBANZ), attended by around 80 insurers and brokers. Business interruption insurance is complex and therefore it is important that insurers and brokers are providing their customers with the best advice.

Communications and Public Education Committee

The Committee held four meetings in 2024 and focused on improving New Zealanders' understanding of insurance, including preparing material on the drivers of premium levels.

The Committee has also contributed to the development of messaging on investing in resilience to reduce natural hazards risks and protect communities from the impact of major weather-related events.

Consumer Advisory Committee

The Consumer Advisory Committee (CAC) held two meetings in 2024 to advise ICNZ's Board on consumer issues. The CAC is chaired by Tā Mark Solomon and has members from consumer groups such as Consumer NZ, the Citizens Advice Bureau and FinCap.

The CAC also has representatives from Aotearoa's two insurance dispute schemes, a Financial Services Ombudsman (FSCL) and the Insurance & Financial Services Ombudsman (IFSO), the Retirement Commission, as well as from Aotearoa's Pasifika and ethnic communities. In 2024, CAC identified insurance affordability as its main area of focus.

Employment and Education Committee

The Employment and Education Committee is made up of the heads of people and culture in member insurance companies. The Committee had a focus in 2024 on the Future of Work. The committee produces the Remuneration Benchmarking Survey data, partnering with Aon. Other areas of focus are Diversity Equity and Inclusion (DEI), staff wellbeing and health and safety.

Finance Committee

The Committee undertook a survey of insurers on the cost of regulation over the last 5 years. These regulation costs impact the cost of insurance premiums that customers pay. Insurance affordability is a significant concern for all New Zealanders.

The Committee facilitated a training workshop for insurers' finance teams run by KPMG that focused on climate-related disclosure requirements, specifically financed emissions and insurance-related emissions.

The Committee's Solvency Standards Subgroup worked with the New Zealand Society of Actuaries to shape the Council's submission to the Reserve Bank of New Zealand on the Second Amendment of the Interim Solvency Standard

Liability Committee

The Committee provides a forum to monitor issues affecting liability insurance.

The Committee also provided specialist technical support on a number of ICNZ submissions on proposed changes to the system of building regulation and the implications that these may have for insurance.

The Liability Committee's sub-committee, the Cyber Risks Sub-committee, provides a forum to monitor developments in cyber insurance.

Motor Committee

The Committee updated the motor Knock for Knock Agreement that will take effect in June 2025. The new agreement simplifies compliance for insurers that are signatories. The Knock for Knock Agreement helps prevent liability disputes between insurers and their customers and this helps keep insurance premiums lower as legal work and debt recovery are avoided.

The Committee completed a number of government transport submissions, raised concerns about the NZTA Motor Vehicle Register Access audit requirement, and met with the three New Zealand transport industry associations.

Marine Committee

The Committee provided technical assistance to the Fire & Emergency Levy Focus Working Group on the workable levy settings for levies of marine craft and cargo that is in storage in New Zealand before or after it is shipped.

The Committee meet with Coastguard New Zealand in Auckland to understand more about their boat owner marine safety courses that will help keep boat operators and crew safe out on the water.

Personal Lines Committee

The Personal Lines Committee is made up of home and contents underwriters in member insurance companies. The Committee develops industry positions on home and contents topics, insurer agreements, consumer guides, and meets with local councils to understand natural hazard risk and flood infrastructure planning. The Committee also develops technical advice for responses to media, public, local government and other sectors' queries regarding residential home and contents policies.

In 2024 the Committee had a focus on natural hazards, stormwater improvements and new proposed developments in Hawke's Bay. Over the year the Committee met separately with Hawke's Bay Regional Council, Napier City Council and Wairoa District Council. The Committee has provided data for the "\$100 Home Premium breakdown" for use by ICNZ in its work on affordability and premium transparency. Members have agreed to provide data for an evidence-based sector underinsurance report.

Regulation Committee

The Committee contributes to the development of ICNZ's policy positions, including written submissions.

The Committee met with officials from the Financial Markets Authority (FMA) on the Contracts of Insurance Act, the upcoming Conduct of Financial Institutions (CoFI) regime and proposed FMA guidance. The Committee also engaged with officials from the Ministry of Business, Innovation and Employment to discuss the implementation of the Contracts of Insurance Act and the government's proposals for upcoming financial services reforms.

Travel Committee

The Travel Committee assists ICNZ by providing responses to travel enquiries.

The Travel Committee assists ICNZ by providing responses to travel enquiries. In 2024 the Committee used some of the data from the annual Kantar Travel Monitor to promote core travel messages, with a particular focus on areas of consumer confusion. The Committee met with the Board of Airline Representatives of New Zealand to provide clarity and consistency about when consumers should make a claim against the airline vs the insurer. The Insurance & Financial Services Ombudsman (IFSO) presented to the committee on travel complaints and areas the industry could improve.



Working Groups

Customers Experiencing Vulnerability (CEV) Learning Group

The purpose of the CEV Learning Group is to provide an informal forum for insurers to discuss best practice, share common challenges, learn from each other and gain insights from guest speakers leading practice in their organisation or sector. The CEV Learning Group also supports the work of ICNZ's Consumer Advisory Committee in providing responses to questions and actions as they arise.

In 2024, the Group met three times and included a session with the Association of British Insurers (ABI) on future vulnerability themes.

Disputes Tribunal Working Group

The Disputes Tribunal (DT) Working Group meets twice yearly and works on DT service efficiencies for insurers and their customers. The group develops new DT processes and resolves issues in liaison with the principal DT referee so that DT sessions run smoothly for insurers.

For example, one of the issues worked on in 2024 was agreed wording that can now be used in DT applications to keep customer information private for safety reasons. Other areas where improvements were made were initiatives for staff training, and evidence formats.

Fire & Emergency Levy Focus Working Group

The Fire & Emergency Levy Focus Working Group worked with both the Department of Internal Affairs and Fire & Emergency New Zealand to develop a more straightforward levy collection system with reduced compliance risks. This work began in 2023 and the bulk of the work was completed in 2024.

The new Fire & Emergency New Zealand levy system will take effect on 1 July 2026, allowing insurers and brokers 18 months to make the required changes to their systems and train staff.

Industry statistics

	2020	2021	2022	2023	2024
ALL BUSINESS					
Gross Written Premium (\$)	6,958,682,268	7,529,304,724	8,450,620,445	9,934,217,805	10,789,903,578
Gross Claims Incurred (\$)	3,852,579,104	4,200,480,729	4,816,896,843	9,227,442,923	4,629,413,927
Net Written Premium (\$)	4,546,640,708	5,082,795,170	5,809,534,390	6,621,694,744	7,284,979,256
Net Earned Premium (\$)	4,483,433,598	4,865,371,716	5,444,165,478	5,848,510,869	6,946,194,362
Net Claims incurred (\$)	2,531,701,274	2,831,046,663	3,254,759,197	4,131,253,067	3,603,637,730
Loss Ratio (%)	56.47%	58.19%	59.78%	70.64%	51.88%
Business Costs (\$)	1,266,872,071	1,322,683,053	1,434,521,590	1,595,878,710	1,853,362,682
Combined Ratio	84.72%	85.37%	86.13%	97.92%	78.56%

COMMERCIAL MATERIAL DAMAGE AND BUSINESS INTERRUPTION					
Gross Written Premium (\$)	1,005,342,376	1,094,182,585	1,242,954,983	1,456,547,970	1,597,976,782
Gross Claims Incurred (\$)	691,128,786	992,099,341	1,067,111,647	2,518,244,089	661,580,369
Net Written Premium (\$)	526,295,370	552,272,331	644,025,347	742,643,018	865,166,473
Net Earned Premium (\$)	501,171,514	533,104,980	607,565,944	650,334,584	840,616,166
Claims Incurred (\$)	364,177,582	423,060,560	508,256,990	864,355,081	486,472,677
Loss Ratio (%)	72.67%	79.36%	83.65%	132.91%	57.87%

DOMESTIC BUILDINGS AND CONTENTS					
Gross Written Premium (\$)	1,925,786,039	2,044,629,204	2,276,845,877	2,738,084,551	3,160,737,078
Gross Claims Incurred (\$)	988,663,786	1,124,464,839	1,209,367,447	3,522,990,989	1,188,375,617
Net Written Premium (\$)	1,287,699,909	1,380,653,414	1,568,388,912	1,773,352,191	2,178,176,694
Net Earned Premium (\$)	1,266,777,883	1,331,973,257	1,461,454,449	1,532,273,524	2,019,346,257
Claims Incurred (\$)	764,618,086	866,279,290	952,372,718	1,308,190,583	1,021,992,400
Loss Ratio (%)	60.36%	65.04%	65.17%	85.38%	50.61%

Gross Written Premium (GWP) is the total amount of money an insurance company collects for insurance policies before subtracting reinsurance and commissions.

Gross Incurred Claims represent the total value of claims that an insurance company has incurred in a specific period, before any deductions for reinsurance or other recoveries. This figure includes both claims that have been paid out and those that are still outstanding. It also includes an allowance for the internal claims handling costs required to settle these claims.

Net Written Premium is gross written premium less outward treaty and facultative reinsurance premium.

Net Earned Premium is net written premium plus unearned net premium at the beginning of the quarter less unearned net premium at the end of the quarter.

Combined Ratio is a metric used to assess an insurance company's profitability by calculating the sum of its incurred losses and expenses as a percentage of its earned premiums. Essentially, it shows how much the company pays out in claims and operational costs compared to the premiums it collects, with a ratio below 100% indicating an underwriting profit and above 100% signifying a loss.



	2020	2021	2022	2023	2024
MOTOR COMMERCIAL AND PRIVATE					
Gross Written Premium (\$)	2,297,590,609	2,542,550,060	2,765,147,079	3,261,241,253	3,525,952,803
Gross Claims Incurred (\$)	1,498,058,507	1,686,946,594	1,981,336,076	2,493,585,814	2,185,153,713
Net Written Premium (\$)	1,765,813,567	2,006,194,643	2,228,924,766	2,663,106,111	2,881,638,856
Net Earned Premium (\$)	1,715,016,679	1,906,720,900	2,104,724,859	2,379,611,013	2,781,216,693
Claims Incurred (\$)	1,080,818,510	1,261,689,484	1,516,095,989	1,764,487,519	1,731,399,816
Loss Ratio (%)	63.02%	66.17%	72.03%	74.15%	62.25%
MARINE HULL AND CARGO					
Gross Written Premium (\$)	140,028,253	148,119,453	171,330,985	179,018,491	178,659,162
Gross Claims Incurred (\$)	70,007,244	72,944,673	103,712,291	108,888,673	78,788,006
Net Written Premium (\$)	99,180,536	105,308,542	125,939,359	132,012,726	135,774,482
Net Earned Premium (\$)	101,644,063	105,265,176	123,816,266	121,759,214	132,945,961
Claims Incurred (\$)	53,124,008	54,053,837	76,674,293	71,305,622	61,354,340
Loss Ratio (%)	52.26%	51.35%	61.93%	58.56%	46.15%
LIABILITY PROFESSIONAL & DEFAMATION, DIRECTORS & OFFICERS AND PUBLIC PRODUCT & OTHER					
Gross Written Premium (\$)	678,790,741	726,973,741	788,919,132	831,570,781	841,330,831
Gross Claims Incurred (\$)	321,039,032	290,474,574	273,137,823	372,979,201	331,444,760
Net Written Premium (\$)	436,592,705	469,373,667	514,238,996	549,169,964	552,535,750
Net Earned Premium (\$)	412,057,010	435,928,962	474,185,155	522,428,862	545,461,791
Claims Incurred (\$)	161,002,772	178,827,534	136,386,872	172,197,748	208,111,619
Loss Ratio (%)	39.07%	41.02%	28.76%	32.96%	38.15%
EARTHQUAKE DOMESTIC, COMMERCIAL MATERIAL DAMAGE, BUSINESS INTERRUPTION AND MARINE CARGO					
Gross Written Premium (\$)	756,182,609	839,780,164	961,844,861	1,128,449,787	1,219,840,263
Gross Claims Incurred (\$)	134,834,273	-33,134,447	89,521,159	28,135,669	7,005,339
Net Written Premium (\$)	353,661,526	447,884,711	497,623,278	523,396,262	545,841,272
Net Earned Premium (\$)	358,602,039	424,824,536	453,737,914	447,152,142	521,382,030
Claims Incurred (\$)	10,844,603	4,049,643	6,999,944	-135,655,236	3,245,782
Loss Ratio (%)	3.02%	0.95%	1.54%	-30.34%	0.62%

	2020	2021	2022	2023	2024
OTHER PERSONAL ACCIDENT, TRAVEL, LIVESTOCK AND OTHER					
Gross Written Premium (\$)	149,519,388	127,502,715	237,635,225	333,206,156	259,169,805
Gross Claims Incurred (\$)	144,090,018	61,399,058	87,274,298	174,247,649	171,469,571
Net Written Premium (\$)	72,141,561	115,690,727	224,602,296	232,014,545	119,684,614
Net Earned Premium (\$)	122,871,205	122,285,132	213,025,163	189,056,968	99,075,914
Net Claims Incurred (\$)	92,651,793	37,992,428	52,606,079	78,049,925	85,501,027
Loss Ratio (%)	75.41	31.07	24.69	41.28	86.30
GROSS WRITTEN PREMIUMS OF BUSINESS CLASSES					
Commercial (\$)	1,005,342,376	1,094,182,585	1,242,954,983	1,456,547,970	1,597,976,782
Domestic (\$)	1,925,786,039	2,044,629,204	2,276,845,877	2,738,084,551	3,160,737,078
Motor (\$)	2,297,590,609	2,542,550,060	2,765,147,079	3,261,241,253	3,525,952,803
Marine (\$)	140,028,253	148,119,453	171,330,985	179,018,491	178,659,162
Liability (\$)	678,790,741	726,973,741	788,919,132	831,570,781	841,330,831
Earthquake (\$)	756,182,609	839,780,164	961,844,861	1,128,449,787	1,219,840,263
Other (\$)	149,519,388	127,502,715	237,635,225	333,206,156	259,169,805
Total (\$)	6,958,682,268	7,529,304,724	8,450,620,445	9,934,217,805	10,789,903,578
GROSS WRITTEN PREMIUMS OF BUSINESS CLASSES (%)					
Commercial	14.45%	14.53%	14.71%	14.66%	14.81%
Domestic	27.67%	27.16%	26.94%	27.56%	29.29%
Motor	33.02%	33.77%	32.72%	32.83%	32.68%
Marine	2.01%	1.97%	2.03%	1.80%	1.66%
Liability	9.75%	9.66%	9.34%	8.37%	7.80%
Earthquake	10.87%	11.15%	11.38%	11.36%	11.31%
Other	2.15%	1.69%	2.81%	3.35%	2.40%
Total	100.00%	100.00%	100.00%	100.00%	100.00%



Committees and Members

STANDING COMMITTEES 2024

CLIMATE CHANGE COMMITTEE

Adam Carrigan	SwissRe
Alesha Keeler	QBE
Angela Situ	Hollard (Ando)
Bryce Davies	IAG
Cait Fisher	Guy Carp
Charles Erhart	KPMG
Craig Lough	MJW
Dylan Lee	Suncorp
Emily Davies	Tower
Hannah Seeman	MAS
Jessica Rodger	IAG
Margaret Cantwell	FMG
Mary Tyrell	AA Insurance
Mat Jensen	Ando
Meagan Schloeffel	IAG
Nic Warren	QBE
Oliver Pomfrett	Suncorp
Patrick Gainsford	Ando
Rebecca Samuel	Chubb
Sanel Tomlinson	KPMG
Scott Galloway	Lloyd's
Serena Blanch	QBE
Sheree Tibble	QBE
Simone Labady	Aioi
Tama Rawhiti	AIG
Yi You	IAG

COMMERCIAL PROPERTY COMMITTEE

Brett Clark	AIG
Lance Clarke	IAG
Mikayla Dixon	Suncorp
Sue Gilroy	GenRe
Richard Rolston	QBE

Graeme Lynskey	Ando/Hollard
John Whitta	Tower Limited
Marcel Wratt	MAS
Nikki Quain	Chubb
Michael Koopmans	FMG
Rajendra Parikh	New India Assurance
Louise O'Reilly	Tokio Marine
Gavin Peart	Munich Re
Jimi Groom	Swiss Re
Ricardo Garzon	Zurich

COMMUNICATIONS & PUBLIC EDUCATION COMMITTEE

Colin Wright	FMG
Nicola Vallance	AIG
Cara Mygind/ Amelia Macandrew	IAG
Lindsay Price	Vero
Kate Hayhoe	AA Insurance
Emily Davies	Tower
Matt Harvey	MAS
Katrina Jukic	Chubb
Sarah Spence	Ando

EMPLOYMENT AND EDUCATION COMMITTEE

Andrew Steele	MAS
Danica Hape	Tower
Jane Douglas	QBE
Jeanette Nowell	Vero
Nicki Mackay	FMG
Rebecca Mowat	Ando
Sonya Cornwall	IAG
Suzannah Rhoda	Chubb

Note: Committee members are agreed at the ICNZ Annual General Meeting (AGM).

FINANCE COMMITTEE

David Kibblewhite	FMG
Kelly Brinsdon	Suncorp
Jeremy Holmes	Melville Jesup Weaver
Sean Harris	IAG
Linden Collett	FMG
Shenam Lata	New India Assurance
Doris Niyonsaba	Zurich
Melissa Christison	AIG
Katharina Wichmann	EY
Alesha Keeler	QBE
Chris Minto	AA Insurance
Rachel Gabriel	Tower
Darrin Cornes	MAS
Hannah Seeman	MAS
Sanhya Menon	Allianz
Elizabeth Baker	GenRe
Phoebe Gonzalez	KPMG
Sue Morrison	Chubb
Mathew Judge	MAS
Ian Moyser	Hollard

LIABILITY COMMITTEE

Mary Abraham	New India Assurance
Heather Bailey	Vero Liability
Adam Baker	Gallagher Re
Jeremy Batchelor	Ando
Lorren Christie	Chubb
Tristan Cornish	FMG
Scott Galloway	Lloyd's
Johanna Roman	Munich Re
Leilani Isidro	AIG
Nicholas Murphy	Gen Re
Philip Murphy	QBE
Louise O'Reilly	Tokio Marine Nichido
David Sutcliffe	IAG
John Whitta	Tower

MARINE COMMITTEE

John McKelvie	Vero Marine
Henry Wallace	Ando Insurance
Louise Hattingh	NZI Marine
Lianne Waru	NM Insurance for Zurich
Braden Hunt	Tower Limited
Justin Xu	Munich Re
Louise O'Reilly	Tokio Marine
Jenny Wand	IAG

MOTOR COMMITTEE

Ian Taylor	IAG
Deanne Rawle	Suncorp
Mark Barnes	Provident Insurance
Matt McEneaney	Zurich
Blair Robertson	Ando/Hollard
Gaye Fowler	QBE
Jamie Auld	AA Insurance
Harry Leicester	Tower Limited
Venkat Sridhara	New India Assurance
Neil McClymont	FMG
Matt Carkeek	MAS
Adrian Thompson	Aioi Insurance
Gareth Greeks	IAG
Michael Hookham	Delta Insurance

PERSONAL LINES COMMITTEE

Dee Naidu	AA Insurance
Ginni Holland	IAG
Greg Leonard-Jones	FMG
Ian Dearmun	Gallagher Re
Jax Wilson	Ando
Jimi Groom	Swiss Re
Matt Carkeek	MAS
Richard Godman	Vero
Tash Norstrand	Chubb
Tom Duke	Tower



REGULATION COMMITTEE

Mary Abraham	New India Assurance
Wael Althehaiby	Aioi Nissay Dowa Insurance
James Bardsley	FMG
Paul Clews	EY
Elissa Downey	AA Insurance
Scott Galloway	Lloyd's
Richard Hart	QBE
Sarhanna Hassim	Tower
Peter Keller	Gen Re
Bhavisha Kevat	KPMG
Roslynd Lee	Allianz
Anne Lindsay	AIG
Nikki Lovett	Swiss Re
Nick Mereu	MAS
Nicola Ngan	Suncorp
Louise O'Reilly	Tokio Marine Nichido
Altaaf Osman	Provident Insurance
Rebecca Samuel	Chubb
Andrew Saunders	IAG
Kelley Tahitahi	Zurich
Simon Wilson	Hollard

TRAVEL INSURANCE COMMITTEE

David Meaclem	Tower
David Wallace	Allianz Partners
Karl Dixon	Covermore
Mat Abbott	AIG
Nikki Nickles	Chubb

FIRE & EMERGENCY LEVY FOCUS WORKING GROUP

Michael Dunning	Suncorp
Heidi Woolford	Suncorp
Ben Atkins	Suncorp
Kathryn Pengelly	IAG
Andrew Saunders	Suncorp
Berkley Re	IAG
Chubb	Suncorp
Andrew Saunders	IAG
Richard Rolston	QBE
Blair Robertson	ANDO
John McKelvie	Suncorp
John Whitta	Tower

Dan Hamilton	FMG
Mel Gorham	IBNZ
Duane Duggan	Gallaghers
Duncan Heath	Marsh

MEMBERS

AA Insurance Ltd	
AIG Insurance New Zealand Ltd	
Aioi Nissay Dowa	
Allianz New Zealand Ltd	
Berkley Re Australia	
Chubb Insurance New Zealand Ltd	
Farmers' Mutual Group	
General Reinsurance Australia Ltd	
Hollard	
IAG New Zealand Ltd	
Lloyd's	
Medical Assurance Society NZ Ltd	
Mitsui Sumitomo Insurance Co Ltd	
Munich Re New Zealand Service Ltd	
The New India Assurance Company	
Provident Insurance Co Ltd	
QBE Insurance	
Suncorp NZ	
Swiss Reinsurance Company	
Tokio Marine & Nichido Fire	
Tower Insurance Ltd	Insurance Co Ltd
Zurich New Zealand	

ASSOCIATE MEMBERS

EY
Gallagher Re
Guy Carpenter
KPMG New Zealand



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