

## Financial Markets Conduct (Conduct of Financial Institutions — Marac Insurance Limited) Exemption Notice 2025

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

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### Notice

#### 1 Title

This notice is the Financial Markets Conduct (Conduct of Financial Institutions — Marac Insurance Limited) Exemption Notice 2025.

#### 2 Commencement

This notice comes into force on 31 March 2025.

#### 3 Revocation

This notice is revoked on the close of 31 December 2025.

#### 4 Interpretation

(1) In this notice, unless the context otherwise requires, —

**Act** means the Financial Markets Conduct Act 2013

**consumer** has the same meaning as in section 446P of the Act

**MIL** means Marac Insurance Limited

**policyholder** means a consumer who has entered into a contract of insurance with MIL.

(2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

#### 5 Exemptions

MIL is exempt from compliance with the following provisions of the Act:

- (a) section 388(ca); and
- (b) section 446G(1) and (2); and
- (c) section 446H; and

(d) section 446I.

## **6 Conditions**

- (1) The exemptions in clause 5 are subject to the following conditions:
- (a) MIL must not enter into any contract of insurance (including any contract that has the effect of operating as a renewal of the same); and
  - (b) MIL must ensure that any claim made, or complaint received from, a policyholder is handled in a manner that treats that policyholder fairly; and
  - (c) MIL must give a policyholder the information in subclause (2) in writing within 10 working days of commencing to handle a claim made by that policyholder; and
  - (d) MIL must ensure that the information that is set out in subclause (2) is published on an Internet site maintained by, or on behalf of, MIL.
- (2) For the purposes of subclause 1(c) and (d), the information is—
- (a) a statement to the effect that MIL is relying on the exemptions in the notice; and
  - (b) a brief summary of the effect of the notice including that the notice requires MIL to ensure that any claim made, or complaint received, from a policyholder is handled in a manner that treats the policyholder fairly; and
  - (c) a brief description of the complaints and claims processes put in place by MIL and how a policyholder can make a complaint or a claim; and
  - (d) the name, telephone number, Internet site address, and email address of MIL’s dispute resolution scheme in New Zealand.

Dated at Auckland this 21 March 2025.



Clare Bolingford

Executive Director, Regulatory Delivery  
Financial Markets Authority

## Statement of Reasons

This notice comes into force on 31 March 2025 and is revoked on the close of 31 December 2025. It applies to Marac Insurance Limited (**MIL**), an insurer that is licensed as an insurer by the Reserve Bank of New Zealand.

MIL has been closed to new business since January 2020 and concluded its runoff on 31 January 2025. It has no remaining in force consumer insurance contracts or life or health insurance policies. MIL is engaging with the Reserve Bank of New Zealand in respect of the cancellation of its licence to carry on insurance business in New Zealand.

This notice exempts MIL from the requirements under Part 6 of the Financial Markets Conduct Act 2013 (the **Act**) to:

- be licensed as a financial institution; and
- establish, implement, maintain, and comply with an effective fair conduct programme, and make information about the fair conduct programme available.

The exemptions are subject to a condition that prevents MIL from entering into any more contracts of insurance.

Other conditions require MIL to ensure that any consumer policyholder who makes a claim is informed of this exemption and provided with information about the complaints and claims processes, including how to make a complaint, and that it publishes this information on its internet site. MIL must also ensure that any claim made, or complaint received from, a policyholder is handled in a manner that treats that policyholder fairly.

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemptions because—

- MIL has concluded its run-off with only one known remaining liability under a contract of insurance entered into with a consumer. There is a low probability of late claims or complaints under out-of-force contracts of insurance, and MIL is engaging with the Reserve Bank of New Zealand in respect of the cancellation of its licence to carry on insurance business in New Zealand; and
- in view of MIL's limited consumer insurance business, the costs of becoming licensed and complying with fair conduct programme obligations under the Act are likely to outweigh the benefits for consumers; and
- while the probability of late claims or complaints being made under out-of-force contracts of insurance is low, conditions of the notice will require MIL to ensure that policyholders are treated fairly in relation to any claim or complaint made and that they are given information about the exemption and how to make a claim or complaint.

As such, the FMA is satisfied that the granting of the exemptions is desirable in order to promote the purposes of the Act, specifically to avoid unnecessary compliance costs.

The FMA is further satisfied that the extent of the exemptions are not broader than reasonably necessary given conditions that restrict MIL from entering into any new contracts of insurance and that the exemptions will only apply for a short period.