

Financial Markets Conduct (Climate-related Disclosures – FMG 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 (Climate-related Disclosures – FMG Insurance Limited) Exemption Notice 2025.

2 Commencement

This notice comes into force on 3 March 2025.

3 Revocation

This notice is revoked on the close of 2 March 2030.

4 Application

An exemption granted by this notice applies to the following accounting periods of FMGIL:

- (a) the accounting period ending 31 March 2025; and
- (b) subsequent accounting periods, up to and including the accounting period ending 31 March 2029.

5 Interpretation

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

Act means the Financial Markets Conduct Act 2013

FMA means Financial Markets Authority

FMG means Farmers' Mutual Group, a mutual association incorporated under the Farmers' Mutual Group Act 2007

FMG Group means FMG and FMGIL

FMGIL means FMG Insurance Limited.

- (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.

6 Exemption

FMGIL is exempted from section 461Z of the Act to the extent that section requires climate statements that comply with the climate-related disclosure framework are to be completed in relation to FMGIL only.

7 Conditions

- (1) The exemption in clause 6 is subject to the conditions that—
- (a) FMGIL and FMG have the same balance date for the relevant accounting period;
 - (b) FMGIL is a climate reporting entity only because it is a licensed insurer that is large as referred to in section 461O(1)(c) of the Act;
 - (c) FMGIL is a wholly owned subsidiary of FMG whose principal purpose is underwriting insurance products that are developed, distributed, and administered by FMG;
 - (d) FMG operates as a mutual association incorporated and governed in accordance with the Farmers' Mutual Group Act 2007;
 - (e) FMGIL ensures that climate statements it is required to prepare under section 461Z of the Act are prepared in respect of the FMG Group on a consolidated basis;
 - (f) FMGIL has arrangements in place with FMG to ensure FMGIL meets all of its obligations under Part 7A of the Act and under this exemption notice;
 - (g) within 4 months after the end of an accounting period in respect of which FMGIL relies on this exemption, FMGIL delivers to the Registrar for lodgement a notice containing the information referred to in subclause (2);
 - (h) FMGIL includes in its annual report for each accounting period in respect of which FMGIL relies on this exemption the information referred to in subclause (2); and
 - (i) FMGIL ensures that FMG's annual report, for each accounting period in respect of which FMGIL relies on this exemption, includes:
 - (i) a statement that FMGIL is a climate reporting entity for the purposes of the Act;
 - (ii) the address of (or a link to) the Internet site where a copy of the consolidated climate statements in respect of the FMG Group, together with the assurance practitioner's report on those statements, can be accessed; and
 - (iii) the information referred to in subclause (2).
- (2) For the purposes of subclauses (1)(g) – (i), the information is—

- (a) a statement to the effect that FMGIL is relying on this exemption notice in respect of the accounting period; and
- (b) a brief summary of the effect of relying on this exemption notice.

Dated at Wellington this 25th day of February 2025



John Horner
Director – Markets, Investors and Reporting
Financial Markets Authority

Statement of reasons

This notice, which comes into force on 3 March 2025 and is revoked on 2 March 2030, applies to FMG Insurance Limited (**FMGIL**).

Farmers Mutual Group (**FMG**) is a mutual association that provides risk insurance products under the Farmers' Mutual Group Act 2007 (**FMG Act**). FMGIL, a wholly owned subsidiary of FMG, underwrites insurance products that are developed, distributed and administered by FMG. The consolidated group comprises FMG and FMGIL (**FMG Group**).

FMGIL is a climate reporting entity as a licensed insurer that is large under section 461O(1)(c) of the Financial Markets Conduct Act 2013 (**Act**). FMG is not a climate reporting entity. Without the exemption provided in this notice, FMGIL would be required to prepare climate statements under section 461Z of the Act only in respect of itself, rather than the FMG Group as a whole.

This notice exempts FMGIL from section 461Z of the Act to the extent that section requires climate statements that comply with the climate-related disclosure framework are to be completed in relation to FMGIL only.

The exemption is subject to a number of conditions. These include requirements for FMGIL to prepare its climate statements on a consolidated basis in respect of the FMG Group, for FMGIL and FMG to have the same balance date, and for FMGIL to be a wholly owned subsidiary of FMG and to have as its principal purpose the underwriting of insurance products that are developed, distributed, and administered by FMG.

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

- the FMG Act requires FMG's principal business to consist at all times of the provision by FMG (whether directly or through a subsidiary or both) of rural risk insurance to both members and non-members;
- FMG and FMGIL operate as a single economic enterprise. To the extent that the members of FMG can be considered the primary users of FMGIL climate statements, the climate-related performance of the FMG Group as a whole, rather than of only FMGIL, is of particular relevance to primary users. In these circumstances, stand-alone climate-related disclosure by FMGIL would only cover a small portion of the FMG Group's activities and may be confusing, unhelpful and artificial;
- were FMGIL to prepare a climate statement under section 461Z only in respect of itself, such information in isolation would be incomplete and not provide a full picture of the climate-related matters relating to the performance of FMGIL and FMG. More accurate and understandable information can be obtained from the consolidated climate statements in respect of the FMG Group; and
- the exemption will not apply if FMGIL ceases to be a wholly owned subsidiary of FMG.

The FMA is satisfied that the granting of the exemption is necessary and desirable in order to promote the purposes of the Act, specifically:

- the confident and informed participation of businesses and consumers in the financial markets, by providing more accurate, complete and understandable information to primary users of FMGIL through the consolidated FMG Group climate statements;
- greater transparency in relation to the FMG Group, thereby contributing to the development of fair, efficient, and transparent financial markets; and
- promoting innovation and flexibility in the financial markets, by facilitating more meaningful reporting that is consistent with the FMG Group structure.

The FMA is further satisfied that the extent of the exemption is not broader than is reasonably necessary to address the matters that give rise to the exemption, given that the exemption only exempts FMGIL from section 461Z of the Act to the extent that section does not permit FMGIL to prepare climate statements in respect of the FMG Group as a whole.