

Financial Markets Conduct (Conduct of Financial Institutions – QBE Insurance (Australia) 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.

Contents

	Page
1 Title	1
2 Commencement	1
3 Revocation	1
4 Interpretation	1
5 Application of Exemptions	1
6 Exemptions	2
7 Conditions	2

Notice

1. Title

This notice is the Financial Markets Conduct (Conduct of Financial Institutions – QBE Insurance (Australia) 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 30 March 2030.

4. Interpretation

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

Act means the Financial Markets Conduct Act 2013

commencement date means the date this notice comes into force

contract works policy means a consumer insurance contract entered into by QBE with a policyholder prior to the commencement date that indemnifies the policyholder for physical loss or damage to insured property under construction

marine cargo policy means a consumer insurance contract entered into by QBE with a policyholder prior to the commencement date that indemnifies the policyholder for physical loss or damage to goods or residential buildings in transit

marine pleasurecraft policy means a consumer insurance contract entered into by QBE with a policyholder prior to the commencement date that indemnifies the policyholder for physical loss or damage to marine pleasurecraft, personal accident, and third-party liability

out-of-force policy means a consumer insurance contract entered into by QBE with a policyholder prior to the commencement date (including a contract works policy, marine cargo policy, and marine pleasurecraft policy) for which the policy period has expired but for which potential liabilities still exist

QBE means QBE Insurance (Australia) Limited

relevant policies means the contract works policies, marine cargo policies, marine pleasurecraft policies and out-of-force policies

relevant service has the same meaning as in s446F of the Act.

- (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. Application of Exemptions

- (1) Subject to subclause (2), the exemptions in clause 6 apply to QBE in respect of a relevant service to the extent that service is provided in relation to the relevant policies.
- (2) The exemptions in clause 6 cease to apply to QBE in respect of a relevant service provided in relation to:
- (a) a contract works policy that remains in force on the close of the date that is 3 years after the commencement date; and
 - (b) a marine cargo policy or a marine pleasurecraft policy that remains in force on the close of the date that is 12 months after the commencement date.

6. Exemptions

QBE is exempted from—

- (a) section 388(ca) of the Act; and
- (b) section 446G(1) and (2) of the Act; and
- (c) section 446H of the Act; and
- (d) section 446I of the Act.

7. Conditions

- (1) The exemptions in clause 6 are subject to the following conditions:
- (a) QBE must ensure that any dealings or interactions with a policyholder in connection with a relevant policy are handled in a manner that treats the policyholder fairly; and
 - (b) QBE must give a policyholder under a relevant policy the information in subclause (2) in writing—
 - (i) within 10 working days from the commencement date, if the policyholder is a policyholder under a contract works policy, a marine cargo policy, or a marine pleasurecraft policy that remains in force; or
 - (ii) within 10 working days of commencing to handle a claim made by a policyholder under an out-of-force policy.

- (2) For the purposes of subclause (1)(b), the information is—
- (a) a statement to the effect that QBE is relying on the exemptions in the notice; and
 - (b) a brief summary of the effect of the notice including that the notice requires QBE to ensure that any dealings or interactions with a policyholder are handled in a manner that treats the policyholder fairly; and
 - (c) a brief description of QBE’s claims and complaints processes, including how to make a claim or a complaint in relation to a relevant policy and the name and contact details for QBE’s dispute resolution scheme.

Dated at Auckland this 24 day of 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 30 March 2030.

This notice applies to QBE Insurance (Australia) Limited (**QBE**), an insurer that is incorporated in Australia and licensed as an insurer in New Zealand by the Reserve Bank of New Zealand.

In New Zealand, QBE operates as a commercial insurer, and its products are distributed by insurance intermediaries and generally not designed for or targeted to consumers. QBE has a small consumer book that is in run-off with this process expected to be completed within three years. There are only a low number of consumer insurance contracts still in force. QBE also has some out-of-force consumer insurance contracts where there is a very low probability that a policyholder may make a late claim or lodge a complaint that may need to be managed by QBE.

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

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

The exemption applies to certain consumer insurance contracts entered into by QBE prior to commencement of this notice and to relevant services QBE provides in relation to those contracts. The contracts are contract works, marine cargo and marine pleasurecraft policies and certain out-of-force policies (**relevant policies**).

The exemptions will cease to apply to a contract works policy that remains in force after three years and to a marine cargo or marine pleasurecraft policy that remains in force after 12 months. Otherwise, the exemption will apply for five years. Accordingly, after three years, QBE will only have out-of-force policies to which the exemption will apply.

The exemption is granted on conditions that require QBE to ensure that all dealings or interactions with a policyholder in connection with a relevant policy are handled in a manner that treats the policyholder fairly and to give policyholders under those policies information on this exemption and on how to make a claim or lodge a complaint.

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

- QBE operates primarily as a commercial insurer in New Zealand and its products are distributed by insurance intermediaries and generally not designed for or targeted to consumers
- QBE's consumer business in New Zealand is in run-off and it has a low level of consumer insurance contracts that are in force and those contracts are expected to be run-off within three years. It also has out-of-force consumer insurance contracts where there is a low probability of late claims or complaints under those contracts
- in view of QBE's limited consumer insurance business, the costs of being licensed and complying with the duties to establish, implement, maintain, and comply with an effective fair conduct programme to meet the fair conduct principle under the Act are likely to outweigh the benefits for those consumers
- QBE will be required to ensure that all dealings or interactions with a policyholder in connection with a relevant policy are handled in a manner that treats the policyholder fairly and to give policyholders information on the exemption and about how to make a claim or lodge a complaint. This will enable policyholders to make informed decisions about and confidently exercise their rights under those policies

- as such, the FMA is satisfied that granting the exemptions is desirable in order to promote the purposes of the Act, specifically to promote the confident and informed participation of businesses, and consumers in the financial markets and to avoid unnecessary compliance costs
- given the exemptions will only apply for a short duration for relevant policies that are in force, and the low level of consumer insurance business that is in run-off, the FMA is satisfied that the exemptions are not broader than is reasonably necessary to address the matters to which they relate.