



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Contracts of Insurance Act 2024: commencement and regulations	Date to be published	28 October 2025

List of documents that have been proactively released

Date	Title	Author
August 2025	Contracts of Insurance Act 2024: commencement and regulations	Office of the Minister of Commerce and Consumer Affairs
20 August 2025	Contracts of Insurance Act 2024: commencement and regulations ECO-25-MIN-0130 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Confidential advice to Government.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Contracts of Insurance Act 2024: Commencement and Regulations

Portfolio **Commerce and Consumer Affairs**

On 20 August 2025, the Cabinet Economic Policy Committee:

Commencement dates of Contracts of Insurance legislation

- 1 **noted** that:
 - 1.1 the Contracts of Insurance Act 2024 and the Contracts of Insurance (Repeals and Amendments) Act 2024 will come into force no later than three years after Royal assent, or earlier by Order in Council;
 - 1.2 the above two statutes were passed on 15 November 2024 and will commence on 15 November 2027;

Commencement date of amendments relating to the unfair contract terms regime

- 2 **agreed** that amendments relating to the unfair contract terms regime, included in the Regulatory Systems (Economic Development) Amendment Act 2025, commence on 15 November 2027 by Order in Council;

Regulations to support the Contracts of Insurance legislation

- 3 **agreed** that regulations under the Contracts of Insurance Act 2024 will prescribe:
 - 3.1 standard-form notifications of policyholder's disclosure duties when first entering into, renewing, or varying a consumer or a non-consumer contract;
 - 3.2 an interest rate of 100 basis points less than the Reserve Bank of New Zealand's 90-day bank bill rate, with a floor of 0 percent, to be applied where death claim life insurance payouts are not made within 30 days of the death notification;
 - 3.3 a financial limit of \$40,000 for reversion, vesting, or declaring the policy holder of a small, assigned life insurance policy without probate or letters of administration;
- 4 **noted** that the Minister of Commerce and Consumer Affairs (the Minister) is satisfied that the proposed interest rate and calculation method in paragraph 3.2 above is consistent with the legislative objectives of ensuring the law is simple, accessible, and predictable, and that the rate provides commercially realistic and fair compensation to persons entitled to be paid money under life policies;

- 5 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above decisions;
- 6 **authorised** the Minister to make minor or technical changes to the draft regulations, consistent with the policy intent of the paper under ECO-25-SUB-0130, on issues that arise during the drafting of the regulations;
- 7 **authorised** the Minister to approve the release of an exposure draft of the regulations for targeted consultation, subject to the Attorney-General's protocol for release of draft legislation.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Brooke van Velden
Hon Shane Jones
Hon Paul Goldsmith
Hon Louise Upston
Hon Dr Shane Reti
Hon Tama Potaka
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Scott Simpson
Officials Committee for ECO