

Vero Market Landscape Overview

FEBRUARY 2025



vero

Mangawhai, January 2025



Two years on from the 2023 Auckland Anniversary Weekend floods, Mother Nature certainly stirred things up for the Northland Anniversary Weekend with unseasonable stormy weather and a tornado. There has been a significant amount of damage within a small but populated area in Mangawhai, and while there were serious injuries, it's incredibly lucky that no lives were lost.

Our claims team and the team from Morgan Project Services cut their long weekends short and leapt into action early on Sunday to analyse data (while cordons were still in place), identifying affected customers ahead of time, so our teams could prepare to provide support once access was granted.

The map pinpointing where our impacted customers are located, presents a clear track that the tornado took. More than 50% of properties impacted are insured by Suncorp.

Our teams on the ground have seen first-hand the sheer force of the tornado; roofs gone, major property damage, and a lot of glass shards embedded into plaster board walls.

Elevating the service and claims experience

Salesforce Genesys

We continue to drive our vision of expertise delivered simply.

With the roll out of Salesforce last year, we're continuing our digital journey by onboarding all our frontline teams to the Genesys Cloud platform; a move we're making to bring our telephony, workforce management and call recording functionalities together.

Once embedded, these changes will mean better service. The turnaround times will be faster, and when requests aren't resolved on the first contact, we'll be able to quickly provide status updates and a single contact point, to avoid customers, brokers or partners having to repeat themselves.

This is an important step in our journey to simplify and automate our business so that we can give our customers, brokers and partners the support when needed.

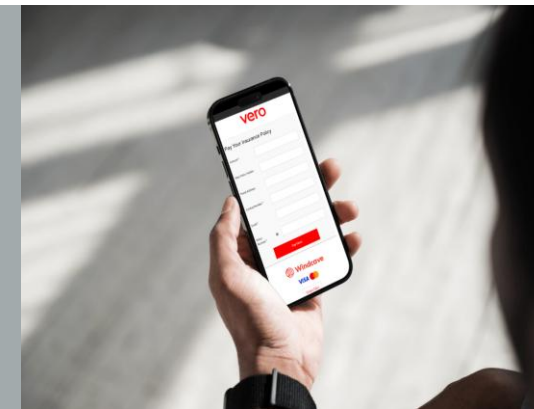
Customer self-service



Making a claim or one-off payments has never been faster and easier.

We're investing in making it easier for customers to manage their insurance.

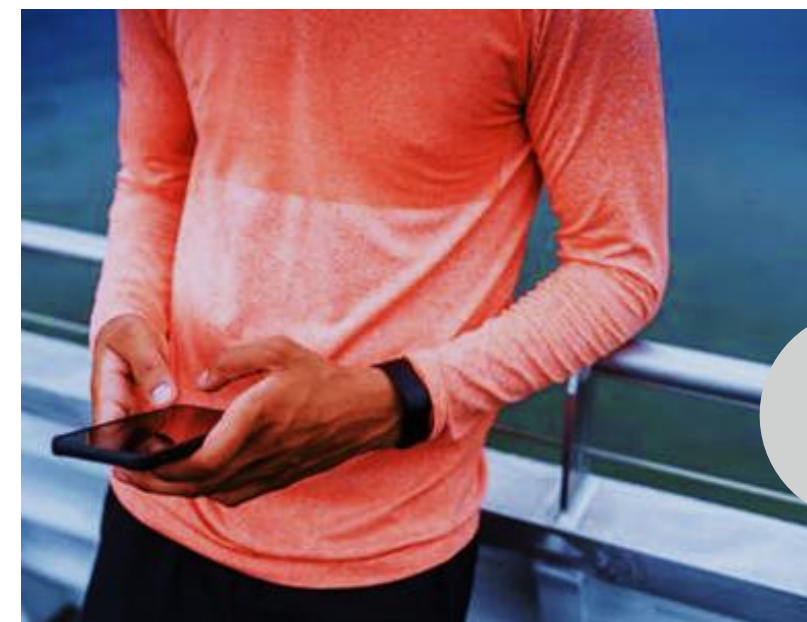
Customers can now [make one-off payments](#) at any time using a range of payment methods including Apple Pay, Google Pay, Visa, Mastercard and Account2Account.



We've also improved our online claims journey.

Customers can quickly and easily make a motor, home and/or contents claim online. Our continual investment in automation should result in faster fulfilment for claims submitted this way.

To make an online claim, [click here](#).



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Legislation and Regulation



The **Contracts of Insurance Act** was passed into law in November 2024 and will come into effect on a date to be decided by the Government and by November 2027 at the latest.

The Act modernises and consolidates insurance contract law. Changes include updating the duty of disclosure for the insured, so the onus is on insurers to ask the right questions of consumers when they apply for insurance cover and introducing requirements for insurers to write policies in clear and concise language and pay claims within a reasonable time. We have been working on implementing the requirements of the Act.



Government



Prime Minister Christopher Luxon kicked off 2025 with a reshuffle of Ministerial portfolios. Key changes from an insurance and business perspective are as follows:

- Climate Change Minister Simon Watts add both Energy and Local Government;
- Nicola Willis gains the Economic Growth portfolio (formerly Economic Development); and Chris Bishop acquires Transport to add to his portfolios

The Treasury has opened [consultation on the Natural Hazard Commission's \(NHC\) levy and financial settings](#). The consultation is required by legislation following last year's Funding and Risk Management Statement (FRMS). The FRMS showed NHC was underfunded for future disasters, and Treasury has presented a range of options for adjustments to the levy rate. Vero will be providing feedback on the proposals with regard to affordability for customers and the sustainability of NHC Cover.



The Government has approved regulations for changes (rates and coverage) to the [Fire & Emergency Act](#) 2017 that will come into force on 1 July 2026.

The Fire and Emergency New Zealand (Levy) Regulations 2024 (the Regulations) have been published [online](#) and should be read in conjunction with the FENZ Guidelines.

Fire & Emergency Levy (FEL) rate changes apply to every class of property. There are also significant changes to the types of property that are subject to FEL and in some cases changes to calculation methodology, all of which need to be worked through by insurers and brokers to ensure that FEL is calculated correctly. The basic premise is if property is covered for the peril of fire, and is not otherwise exempt, then the relevant FEL is payable.

The major changes will be:

House & Contents – small rate reductions only

Motor – all private and commercial motor will be levied in the same way; the annual amount payable is \$25 per vehicle, including Third Party Only covers (currently exempt from FEL)

Commercial Property – will be levied on the sum insured, not indemnity value, with significant change in the FEL rate that will impact customers differently depending on their indemnity and sum insured values. Mixed use property retains the existing “dominant >50% usage” rule (i.e. charged at rate applying to whichever usage is the greatest), although if commercial is >50%, the customer can elect to rate the components separately.

Ships – will be excluded property so FEL no longer applies to trailercraft, but motor levy does apply to any trailer.

Forests, crops and livestock – will be all leviable.

Contract works and Marine Cargo – rate changes, but with complexity in some covers.

In each case, the detail of the changes as set out in the Regulations and Guidelines need to be carefully considered to understand the full impact.

