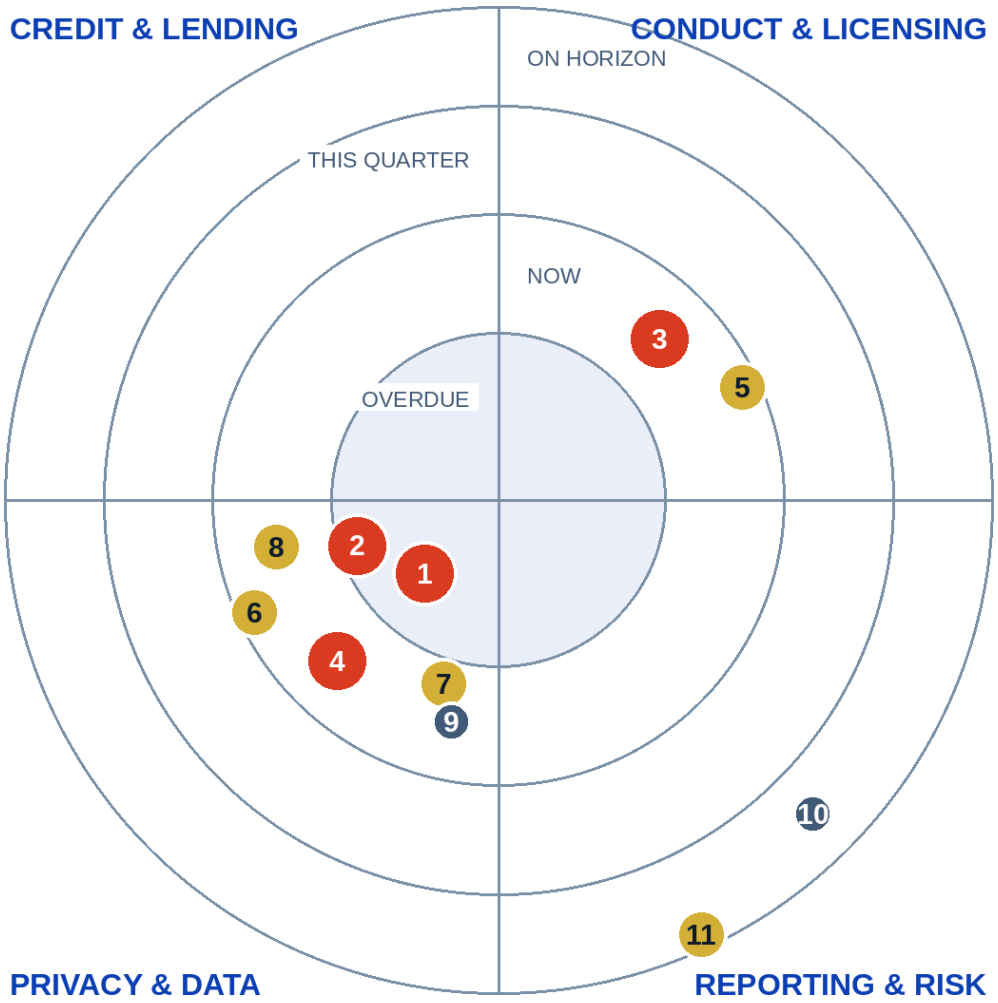
DARK ARTS
EVENT HORIZON

REGULATORY RADAR
NZ INSURERS
SEPTEMBER-OCTOBER 2026

What's moving on the horizon for these firms and what it quietly breaks.

LEAD SIGNALS

Insurers carry responsibility for what intermediaries sell, and the FMA's add-on review says so plainly. The same window brought a fee-drift warning, new privacy expectations on dormant accounts and climate relief that depends on the next government.



ANGLE = CATEGORY · DISTANCE FROM CENTRE = WHEN IT BITES · SIZE & COLOUR = SEVERITY

1 **PRIVACY & DATA** · OVERDUE **HIGH**

Who counts as sanctioned has changed

WHO: insurers screening policyholders, claimants, beneficiaries and marine or cargo risks

WHAT: customer checks that only match names against the list, and miss someone acting for a sanctioned person

WHEN: Since 3 September, any dealing designed to get around sanctions is expressly banned, and relatives and associates count only if named on the register. More names were added on 7 August.

SOURCE: legislation.govt.nz

2 **PRIVACY & DATA** · OVERDUE **HIGH**

Indirect collection rules started in May

WHO: insurers receiving policyholder data from brokers, intermediaries and lead providers

WHAT: data feeds from third parties that never trigger a notice to the person they describe

WHEN: Applies to personal information collected since 1 May 2026. Everything collected indirectly since then is already in scope.

SOURCE: legislation.govt.nz

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3 **CONDUCT & LICENSING** · NOW **HIGH**

A 25 cent fee cost $1.73m

WHO: insurers whose premium, fee and discount logic must match the policy wording

WHAT: fee tables that kept charging after the terms were reworded around them

WHEN: Public warning issued 21 September. The fee ran from November 2017 to November 2023 before it was caught.

SOURCE: fma.govt.nz

4 **PRIVACY & DATA** · NOW **HIGH**

Dormant accounts became a breach finding

WHO: insurers with lapsed policies and customer portal accounts nobody uses

WHAT: customer platforms with no process to check in on, close or purge accounts nobody uses

WHEN: Final report released 30 October. The Commissioner generally expects a check-in after 12 months of inactivity.

SOURCE: privacy.org.nz

5 **CONDUCT & LICENSING** · NOW **MEDIUM**

Fair outcomes can't be outsourced

WHO: insurers selling add-on cover and extended warranties through dealers, lenders and other intermediaries

WHAT: distribution oversight that never sees intermediary sales, cancellations, claims and complaints data

WHEN: Review published with feedback to participating insurers. The FMA expects the rest of the sector to self-assess against it.

SOURCE: fma.govt.nz

6 **PRIVACY & DATA** · NOW **MEDIUM**

Boards must know where AI runs

WHO: licensed insurers using AI in pricing, claims or customer channels

WHAT: AI use nobody has inventoried: vendor features, staff tools and code assistants outside the risk register

WHEN: Expectations already published. Boards and senior managers should know where AI is deployed and who owns the risk.

SOURCE: fma.govt.nz

7 **PRIVACY & DATA** · NOW **MEDIUM**

Breach notified six months late

WHO: insurers whose security incidents run through IT, outsourcers or group functions

WHAT: incident response that treats cyber and privacy separately, so nobody asks whether to notify

WHEN: Decision published. The Commissioner expects notification within 72 hours of knowing a breach is notifiable.

SOURCE: privacy.org.nz

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8 **PRIVACY & DATA** · NOW **MEDIUM**

Overseas policy, New Zealand problem

WHO: insurers whose privacy notices come from an overseas parent

WHAT: collection notices and privacy policies inherited from a parent company that cite foreign law

WHEN: Decision published. The Commissioner signals targeted adverse comment, including to parent companies, when firms do not engage.

SOURCE: privacy.org.nz

9 **PRIVACY & DATA** · NOW **LOW**

Personal emails on work systems count

WHO: insurers handling access requests from current and former staff

WHAT: access-request processes that skip personal email held in company mailboxes

WHEN: Case note published. Personal emails held on work systems can fall inside an access request.

SOURCE: privacy.org.nz

10 **REPORTING & RISK** · ON HORIZON **LOW**

Climate reporting relief, for now

WHO: health and life insurers still technically inside the climate reporting regime

WHAT: reporting plans that assume the exemption became law, when it has not

WHEN: No-action relief covers reporting periods starting up to 1 February 2027. Later periods depend on the incoming government.

SOURCE: fma.govt.nz

11 **REPORTING & RISK** · ON HORIZON **MEDIUM**

AML supervision now carries a levy

WHO: life insurers and other insurers that are AML/CFT reporting entities

WHAT: budgets, payables and compliance calendars with no line for levy invoices, challenges or class changes

WHEN: Regulations in force since 8 October. Levies apply from the financial year starting 1 July 2027.

SOURCE: legislation.govt.nz

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