



## COVERSHEET

|                               |   |                             |                               |
|-------------------------------|---|-----------------------------|-------------------------------|
| <b>Minister</b>               | Hon Kris Faafoi   | <b>Portfolio</b>            | Commerce and Consumer Affairs |
| <b>Title of Cabinet paper</b> | Release of Options Papers on Insurance Contract Law and Conduct of Financial Institutions | <b>Date to be published</b> | 1 July 2019                   |

### List of documents that have been proactively released

| <b>Date</b>   | <b>Title</b>           | <b>Author</b>         |
|---------------|------------------------|-----------------------|
| 10 April 2019 | <i>DEV-19-MIN-0082</i> | <i>Cabinet Office</i> |

### Information redacted

**NO**

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.



# Cabinet Economic Development Committee

## Minute of Decision

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*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.*

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### Insurance Contract Law and Conduct of Financial Institutions: Release of Options Papers

**Portfolio**                      **Commerce and Consumer Affairs**

On 10 April 2019, the Cabinet Economic Development Committee (DEV):

- 1        **noted** that the paper *Options Paper: Insurance Contract Law Review*, attached to the paper under DEV-19-SUB-0082, describes problems with the existing insurance law and possible options for solving those problems, including options relating to:
  - 1.1        insureds' duty of disclosure and insurers' remedies for non-disclosure;
  - 1.2        insurance-specific exceptions from the prohibition on unfair contract terms;
  - 1.3        the difficulties consumers face in understanding insurance policies;
  - 1.4        a number of technical issues with insurance contract law;
- 2        **noted** that the paper *Options Paper: Conduct of Financial Institutions*, attached to the paper under DEV-19-SUB-0082, describes problems related to the conduct of financial institutions and possible options for solving those problems, including options relating to:
  - 2.1        overarching duties to govern conduct;
  - 2.2        measures to address conflicted remuneration;
  - 2.3        an obligation regarding insurance claims handling;
  - 2.4        measures to ensure financial products are suitable for customers;
  - 2.5        a range of regulatory tools to ensure compliance;
- 3        **agreed** to the release of the Options Paper referred to in paragraph 1 above and the accompanying consumer summary;
- 4        **agreed** to the release of the Options Paper referred to in paragraph 2 above and the accompanying consumer summary;
- 5        **authorised** the Minister of Commerce and Consumer Affairs to make minor or technical changes to the two Options Papers and the accompanying consumer summaries prior to their release;

- 6 **invited** the Minister of Commerce and Consumer Affairs to report back to DEV in September 2019 on the outcome of consultation and proposed policy changes.

Janine Harvey  
Committee Secretary

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**Present:**

Rt Hon Winston Peters (Chair)  
Hon Phil Twyford  
Hon David Parker  
Hon Stuart Nash  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Kris Faafoi  
Hon James Shaw

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV

**Hard-copy distribution:**

Minister of Commerce and Consumer Affairs

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