Policy

Assessment of levy refunds

The Fire and Emergency New Zealand Act 2017 (the Act) provides for levy to be paid to Fire and Emergency New Zealand on certain contracts of insurance covering loss or damage by fire and on motor vehicle insurance.

From 1 July 2026, Part 3 (sections 80 to 143) of the Act applies to the levy framework. From that date, levy obligations – including assessment, collection, refunds and interest – are governed by the Act and the Fire and Emergency New Zealand (Levy) Regulations 2024 (the Regulations).

Introduction

When to use

Apply this policy when Fire and Emergency receives a request for refund of Fire and Emergency levy.

This policy is effective for contracts commenced from 1 July 2026.

Note: Insurers or insurance intermediaries may process amendments to current-period insurance arrangements that result in a refund of levy of less than $10,000 without submitting a formal refund request. These are typically processed through normal levy return processes: the levy payer may, for the purpose of receiving a refund for the amount overpaid, reduce an amount of levy that they are liable to by the amount overpaid.[1]

Contents

This policy contains the following content:

About this policy

Purpose

This policy sets out the considerations for assessing requests for refunds of Fire and Emergency levy.

Who it applies to

This policy applies to:

Role	Responsibility
DCE Corporate Services	Maintain and update this policy
Manager Levy	Assess and determine levy refund requests

[1] Fire and Emergency New Zealand (Levy) Regulations 2024, reg 24.

Assessing levy refund requests

Legislation	The obligation to calculate and pay levy rests with the person liable to pay the levy under Part 3 of the Act. From 1 July 2026, all levy matters (including refunds and interest) are governed by: • the Fire and Emergency New Zealand Act 2017 (Part 3) • the Fire and Emergency New Zealand (Levy) Regulations 2024. Under this framework: • Levy is imposed on certain contracts of insurance covering loss or damage by fire and on motor vehicle insurance. • The Act and Regulations provide for the assessment, collection, refund and adjustment of levy, including the treatment of overpayments and associated interest.

Assessment	Fire and Emergency will assess a request for a refund of a levy overpayment of $10,000 or more once it has received a written request from the levy payer in accordance with regulation 24 of the Fire and Emergency New Zealand (Levy) Regulations 2024. Requests may be submitted by a person authorised to act on the levy payer's behalf and must include all of the following:[2]
	• The amount of levy overpaid
	• The reason for the overpayment
	• For each property to which the overpayment relates:
	  ○ A copy of the relevant insurance contract(s)
	  ○ Details of the insurance period(s)
	  ○ Evidence of the sum insured (such as the property schedule)
	• Any other information reasonably required by Fire and Emergency

Decision and processing	In considering a refund request, Fire and Emergency will:
	• assess the request based on the information provided and any additional information reasonably requested
	• determine whether a refund is payable under the Act and Regulations
	• if it decides to refund the amount or any other amount:
	  ○ refund any approved amount to the person who made the original levy payment, unless otherwise required by law
	  ○ pay interest on overpaid levy where required under sections 137–138 of the Act
	• apply any conditions permitted by the Act and Regulations.

Situations where refunds are generally not granted	The following circumstances do not, by themselves, ordinarily give rise to a levy refund. Each request will be assessed on its own facts and against the Act and Regulations. Examples include, but are not limited to: • Where construction under a contract works insurance policy is delayed, but the contract itself is unchanged

[2] Fire and Emergency New Zealand (Levy) Regulations 2024, reg 24.

- Where the same property is insured under multiple contracts at the same time and levy is correctly payable under each contract
- Where requested information to support the refund has not been provided

Schedule – Assessment criteria

General approach to refunds

Fire and Emergency may refund an overpayment of levy where:

- the request for a refund is made within six years from the due date for the levy payment to which the overpayment relates;
- Fire and Emergency is satisfied that an overpayment has occurred under the Act and Regulations; and
- sufficient information has been provided to verify the overpayment.

Examples of overpayments that may qualify for a refund

The following are examples of circumstances in which Fire and Emergency may determine that levy has been overpaid under the Act and Regulations:

- *Levy paid on exempt property or exempt insurance arrangements*: Where levy has been paid on property that is insured under a contract that is exempt from levy under the Regulations.
- *Amendment to sum insured or insured values during the period of cover*: Where the sum insured (or relevant insured value used to calculate levy) is decreased during the period of the insurance contract, and:
  - the decrease is reflected in the contract;
  - the amount of levy payable in respect of the property was calculated on the basis of an amount that was more than the sum insured; and
  - Fire and Emergency is satisfied that the revised values are supported by appropriate documentation.

  Where applicable, any refund will generally be calculated on a pro rata basis.
- *Change in classification of property or policy type:* Where property has been incorrectly classified for levy purposes (for example, incorrect property category or incorrect application of a levy rate) and the correct classification results in a lower levy.

  Where applicable, any refund will generally be calculated on a pro rata basis.
- *Administrative or calculation error:* Where an overpayment arises due to:
  - calculation errors;
  - data entry or processing errors; or
  - other administrative errors.
- *Other circumstances:* Where Fire and Emergency is satisfied that a levy overpayment has occurred in circumstances not specifically described in this policy, a refund may be made where authorised by and consistent with the Act and Regulations.

Changes to insurance arrangements

Where a refund claim arises due to a change to the structure or terms of an insurance contract before its expiry, a refund may be granted where Fire and Emergency is satisfied that:

- the change is reflected in the insurance contract; and
- the impact on levy liability can be clearly established.

Related information

Legislation

Fire and Emergency New Zealand Act 2017, particularly Part 3

Fire and Emergency New Zealand (Levy) Regulations 2024