

Assessment of levy refunds

The Fire and Emergency New Zealand Act 2017 provides for a number of levy provisions under the Fire Service Act 1975 and the Fire Service Regulations 2003 to continue in force for a transitional period from 1 July 2017 until the commencement of Part 3 of the Fire and Emergency New Zealand Act 2017 (see clause 26 Schedule 1 to the Fire and Emergency New Zealand Act 2017).

Scope of policy

This policy describes the requirements for processing requests for levy refunds.

Note: Nothing in this policy affects the ability of an insurer or broker to process an amendment to a current year policy, where the outcome is a refund to the insurer or broker, of less than \$10,000.

Legislation

Sections 48, 49, 49A, 49B, and 50 of the Fire Service Act 1975 (the Act) make insurers, brokers and owners of property ('levy payer') responsible for the calculation and payment to Fire and Emergency New Zealand (Fire and Emergency) of the levy imposed under those sections.

Assessment

Fire and Emergency will assess a request for a refund of a levy payment once the levy payer has provided:

- a written request for a refund, including:
 - reasons for the overpayment
 - the amount of levy overpaid
 - details of the insurance period(s)
- a copy of the insurance policy or policies
- a property schedule showing the indemnity value and replacement value of the insured property.

Fire and Emergency will:

- assess a request against the criteria in Schedule 1
- not pay interest on any overpaid portion of the levy
- only refund the amount to the party (i.e. insurer, broker or company) that made the original payment of levy to the Board of Fire and Emergency New Zealand.

Key personnel

Fire and Emergency's DCE Finance and Business Operations is responsible for maintaining and updating this policy.

Fire and Emergency's National Manager Levy and Enforcement is responsible for the assessment of refund requests.

Schedule 1 – Assessment criteria

Fire and Emergency may refund a levy over-payment if the request for the refund is made within six years of the due date for the payment of the levy, and any of the following apply:

- Fire and Emergency assesses that the levy has been paid on exempt items under Schedule 3 of the Act
- the indemnity value under the contract of fire insurance was amended (any refund will be a pro-rata portion of the levy paid), provided that both:
 - the indemnity value was amended during the period of the contract of fire insurance, and
 - Fire and Emergency accepts that amended indemnity value declaration or does hold a valuation for the property
- the basis of insurance under the contract of fire insurance was changed from sum insured to indemnity value (any refund will be a pro-rata portion of the levy paid), provided that the basis of insurance was changed during the period of the contract of fire insurance
- the levy payer has in error incorrectly classified the property and then calculated the levy at the incorrect rate (e.g. levy on a motor vehicle has been calculated at the 'other property' rate not the flat rate for a motor vehicle)
- at the DCE Finance and Business Operation's discretion.

Where a refund claim arises due to a change in the structure of a contract of fire insurance before its expiration, a refund may be paid at the DCE Finance and Business Operation's discretion.