



April 2026

Changes to the Fire and Emergency New Zealand (FENZ) Levy for aviation clients

Why you're seeing a FENZ levy on your insurance bill

The levy funds Fire and Emergency New Zealand (FENZ) and is collected via property and motor vehicle insurance. It shows as a separate line on your invoice. While we collect this levy on behalf of FENZ it is in addition to the premium charged by insurers.

What's changing and when?

The new levy regime takes effect for insurance contracts issued or renewed on and after 1 July 2026. Some aviation policies which were previously exempt from FENZ levies will be required to pay a levy from that date.

What is now included?

- Aircraft insurance will be subject to a levy of 7.76 cents per \$100 sum insured. This would also capture commercial drones insured under an aviation policy.
- The maximum levy payable will be \$77.60+GST per aircraft.
- Aircraft equipment and spares insured under an aircraft policy. The levy is uncapped and is calculated on the full sum insured for equipment and spares at a rate of 7.76 cents per \$100 sum insured.

What is not subject to levy?

- Aircraft operating scheduled international routes.
- Personal drones insured under a domestic contents cover.
- Aircraft and drones insured for Third Party Liability Only.

What does this mean for your insurance?

If you have renewed your cover prior to 1 July 2026, there is no change to the FENZ levies during your current term of insurance. At your next renewal in 2026/2027, the new FENZ levy rate will apply.

Currency and tax considerations

Many aircraft risks are insured with hull and equipment values expressed in US dollars or other foreign currencies. While this is standard practice in aviation insurance, the FENZ levy itself is collected in New Zealand dollars (NZD).

As a result, the levy will be calculated on an NZD-equivalent sum insured, using an applicable exchange rate at the time the levy is assessed. For some owners and operators, this may introduce a small degree of variability depending on currency movements at renewal.

In addition, GST applies to all FENZ levies, regardless of whether GST applies to the underlying insurance premium. This may mean policy holders receive a separate invoice for the levy plus GST, distinct from the premium charged by aviation insurers.

How Gallagher can help

Our brokers can help you understand how changes to the FENZ levies apply to your aviation business. We'll support your renewal planning and clearly explain the breakdown in cost between premium and the FENZ levy.

If you have any questions, contact your Gallagher broker today.

Connect with us

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