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Statement of Preliminary Issues

Partners Life / Fidelity Life

25 November 2026

Introduction

1. On 24 November 2026, the Commerce Commission registered an application (the Application) from Partners Group Holdings Limited (PGHL) seeking clearance to acquire 100% of the shares in Fidelity Life Assurance Company Limited (Fidelity Life) (the Proposed Merger).[1]

2. As required by the Commerce Act 1986 (the Act), we assess mergers and acquisitions using the substantial lessening of competition test, which we describe further below.

3. The Commission will only give clearance if it is satisfied that the Proposed Merger will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.

4. This statement of preliminary issues sets out the competition issues that we have identified to date and will consider during our assessment, and that we currently consider to be important in deciding whether to grant clearance.[2] Our assessment of the Proposed Merger is at an early stage and this statement of preliminary issues is based primarily on the material provided by the parties in connection with the Application. Other issues may become apparent as we progress our assessment.

5. Through publishing this statement of preliminary issues, we aim to:[3]

   5.1 increase the transparency of our process;

   5.2 provide interested parties with an opportunity to identify any further competition issues which they consider we should assess and also to consider and submit on the matters identified; and

   5.3 gather further information which might assist our assessment.

6. We invite interested parties to provide comments on the likely competitive effects of the Proposed Merger. We request that parties who wish to make a submission do so by **9 December 2026**.

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1 A public version of the Application is available on the case register on our website.

2 The issues set out in this statement are based on the information available when it was published and may change as our assessment progresses. The issues in this statement are not binding on us.

3 Commerce Commission, *Mergers and Acquisitions Guidelines* (May 2022) at [6.105]. Available on our website at www.comcom.govt.nz.

7. Attachment A to this statement sets out the particular information that we are interested in the views of PGHL, Fidelity Life and other interested parties on to inform our assessment of the Proposed Merger.

8. If you would like to make a submission but face difficulties in doing so within the timeframe, please ensure that you register your interest with the Commission at registrar@comcom.govt.nz so that we can work with you to accommodate your needs where possible.

The parties

The applicant – PGHL

9. PGHL is the non-operating holding company of Partners Life Limited (Partners Life).[4] Partners Life offers both life insurance and health insurance in New Zealand. The range of life insurance products it offers includes life, income protection, total and permanent disability (TPD) and trauma insurance.[5]

10. Partners Life sells new life insurance predominately through Independent Financial Advisors (IFAs), but also sells life insurance through distribution partners and other channels (eg, group sales).[6] In terms of distribution partners, Partners Life has a 10-year exclusive agreement with BNZ.[7]

11. PGHL is 100% owned by global life insurance specialist Daiichi Life Group.[8]

The target – Fidelity Life

12. Fidelity Life offers life insurance in New Zealand, as well as ancillary cancer and hardship support services. Fidelity Life does not offer health insurance. The range of life insurance products it offers includes life, income protection, TPD and trauma insurance.[9]

13. Fidelity Life sells new life insurance principally through IFAs, but also sells life insurance through distribution partners and other channels (eg, group sales).[10] In terms of distribution partners, Fidelity Life has a 15-year exclusive agreement with Westpac, and non-exclusive distribution partnerships with Farmers Mutual Group and New Zealand Home Loans.[11]

14. The shares in Fidelity life are owned by a number of parties, including the New Zealand Superannuation Fund, Ngāi Tahu Investments Limited.[12]

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4 The Application at 1.
5 The Application at [112].
6 The Application at [112], [115] and [118].
7 The Application at [113].
8 The Application at [114].
9 The Application at [119] and [120].
10 The Application at [121] and [122].
11 The Application at [121] and [124]-[126].
12 The Application at Appendix 2 and Companies Office records.

The Proposed Merger

15. With the Proposed Merger, Fidelity Life would become a 100% subsidiary of PGHL.[13] In terms of rationale, PGHL submits that the Proposed Merger would:

    15.1 offer meaningful synergies in terms of cost, technology, capital, reinsurance and distribution (with the distribution relationships of Partners Life and Fidelity Life being complementary);[14]

    15.2 support continued innovation, and also enable greater investment in technology, customer service, product development, distribution capability and operational resilience;[15]

    15.3 deliver benefits for consumers by creating a stronger, more resilient and better-equipped life insurer, and competitor that is capable of challenging larger market participants.[16]

Our framework

16. Our approach to analysing the competition effects of the Proposed Merger based on the principles set out in our Mergers and Acquisitions Guidelines.[17] As required by the Commerce Act 1986, we assess mergers and acquisitions using the substantial lessening of competition test.

17. We determine whether a merger or acquisition is likely to substantially lessen competition in a market by comparing the likely state of competition if the acquisition proceeds (the scenario with the acquisition, often referred to as the factual), with the likely state of competition if the acquisition does not proceed (the scenario without the acquisition, often referred to as the counterfactual).[18] This allows us to assess the degree by which a merger or acquisition might lessen competition.

18. If the lessening of competition as a result of a merger or acquisition is likely to be substantial, we will not give clearance. When making that assessment, we consider, among other matters:

    18.1 constraint from existing competitors – the extent to which current competitors compete and the degree to which they would expand their sales if prices increased;

    18.2 constraint from potential new entry – the extent to which new competitors would enter the market and compete if prices increased; and

    18.3 the countervailing market power of buyers – the potential constraint on a business from a buyer's ability to exert substantial influence on negotiations.

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13 The Application at [13].
14 The Application at [15].
15 The Application at [3.4] and [19].
16 The Application at [3.1] and [17].
17 Mergers and Acquisitions Guidelines above n3.
18 *Commerce Commission v Woolworths Limited* (2008) 12 TCLR 194 (CA) at [63].

Market definition

19. We define markets in the way that we consider best isolates the key competition issues that arise from a merger or acquisition. In many cases this may not require us to precisely define the boundaries of a market. A relevant market is ultimately determined, in the words of the Commerce Act, as a matter of fact and commercial common sense.[19]

20. Partners Life and Fidelity Life overlap in the supply of life insurance in New Zealand.

21. In the Application, PGHL submits that the relevant market for assessing the Proposed Merger is a single national market for the supply of life insurance services, including individual and group risk products.[20] PGHL further submits that:

    21.1 it is appropriate to define is a single product market for the supply of all life insurance products. While, on the demand side, there is limited overlap between the different types of life insurance (as individuals will seek to insure a particular type of risk), on the supply side there is significant overlap among the various types of life insurance and the larger life insurers each supply all types of life insurance products;[21]

    21.1 while individual and group life insurance are functionally distinct in how they are operated, all major market participants participate in the supply of both individual and group life insurance, and suppliers of individual life insurance products can move into the supply of life insurance products on a group basis;[22]

    21.2 there is no need to define separate markets for different sales channels, or for life insurance underwriting separate from distribution, as there is not a clear delineation between the different ways that life insurance is sold;[23]

    21.3 life insurers offer services nationally, and there is no differentiation of pricing or service based on geographic area, but some insurers do offer products tailored to rural businesses;[24] and

    21.4 life insurance is in a separate market to general insurance, with there being a lack of substitution between the two on the demand side, and competitive dynamics in the life insurance market being markedly different to the general insurance market. These differences in dynamics include:[25]

        21.4.1 the life insurance market having a greater number of large, well-established competitors than the general insurance market;

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19 Section 3(1A). See also *Brambles v Commerce Commission* (2003) 10 TCLR 868 at [81].

20 The Application at [136].

21 The Application at [143]-[144] and [146].

22 PGHL submits that group life insurance is typically provided on a scheme basis for an employer or other group based on the cumulative profile of the group, whereas individual life insurance is underwritten and administered on a policy-by-policy basis for each customer. The Application at [145].

23 The Application at [147]-[148].

24 The Application at [149].

25 The Application at [137], [137.1] and [137.3].

21.4.2 IFAs being a key distribution channel for life insurance products, and playing an active role in driving competition, while general insurance products are predominantly sold through direct online channels; and

21.4.3 price transparency, commission structures, and product comparability tending to be very different for general insurance as compared with life insurance.

22. We will consider whether the market submitted by PGHL is the appropriate market for assessing the competitive effects of the Proposed Merger, or whether it might be appropriate to define additional, narrower or broader market(s) on the basis of product, function, geography, and/or customer type.

23. We set out in Attachment A what we are particularly interested in the views of the Partners Life, Fidelity Life and other interested parties on to assist in our assessment of market definition.

Without the Proposed Merger

24. In the Application, PGHL submits that Partners Life and Fidelity Life would – absent the Proposed Merger – continue to compete to supply life insurance independently of each other.[26]

25. We will consider what Partners Life and Fidelity Life would do if the Proposed Merger did not go ahead. We will consider the evidence on whether the without-the-acquisition scenario is best characterised by the status quo, or whether the parties would seek alternative options.

Preliminary issues

26. We will assess whether the Proposed Merger would be likely to substantially lessen competition in the relevant market (or markets) by assessing whether horizontal unilateral or coordinated effects might result from the Proposed Merger. The questions that we will be focusing on are:

26.1 unilateral effects: would the loss of competition between the parties enable the merged entity to profitably raise prices or reduce quality or innovation by itself?[27]

26.2 coordinated effects: would the Proposed Merger change the conditions in the relevant market/s so that coordination is more likely, more complete or more sustainable?

[26] The Application at [170].

[27] For ease of reference, we only refer to the ability of the merged entity to "raise prices" from this point on. This should be taken to include the possibility that the merged entity could reduce quality or innovation, or worsen an element of service or any other element of competition (ie, it could increase quality-adjusted prices).

Unilateral effects: would the merged entity be able to profitably raise prices by itself?

27. Unilateral effects arise when a firm merges with a competitor that would otherwise provide a significant competitive constraint (particularly relative to remaining competitors) such that the merged firm can profitably increase price above the level that would prevail without the merger without the profitability of that increase being thwarted by rival firms' competitive responses.

28. In the Application, PGHL submits that the Proposed Merger would not be likely to substantially lessen competition due to unilateral effects because of:[28]

    28.1 vigorous and intense competition for new and existing life insurance business;

    28.2 the continued existence of strong competitors across individual life insurance products, including from:

        28.2.1 AIA, the largest market participant by in-force premium and a very formidable competitor), Asteron Life/Resolution Life and Chubb Life, each with sustained investment, established adviser relationships, and being owned by large, well-capitalised, global insurers; and

        28.2.2 other market participants (including Pinnacle Life and Momentum Life) that – like Chubb Life – provide meaningful constraint, as is demonstrated by differences between shares of in-force premiums and new business, market positions changing materially over time;

    28.3 the pro-competitive role of IFAs and non-exclusive distribution partners in:

        28.3.1 actively promoting customer choice, by raising awareness of the range of providers and products available, and their suitability for individual customers in line with IFA conduct requirements;

        28.3.2 providing independent ratings and adviser software, which enable ready comparison of products and prices;

        28.3.3 switching placement among providers in response to quality, price, and service; and

        28.3.4 driving proactive policy reviews and replacement when benefits, cover, or price improvements are available;

    28.4 continued distribution and product innovation by market participants that intensify competition and discipline pricing and service quality. This includes investing in digital advice and customer journeys, underwriting automation, and enhanced product features, including in order to improve take-up of life insurance; and

[28] The Application at [177], [177.1]-[177.5], [179], [185.1]-[185.7], [194], [197], [199], [204] and [209].

28.5 entry and expansion being straightforward and readily possible, supported by recent history of entrants.

29. PGHL further submits the merged entity would have to continue competing on price, product quality, service, distribution and innovation, and would not be able to raise prices or reduce quality without risking customers and IFAs switching, given competitors win a disproportionate share of new business with price and product innovation.[29]

30. We will consider:

30.1 closeness of competition: the degree of constraint that Partners Life and Fidelity Life impose upon one another. To the extent that any constraint is material, we will assess whether the lost competition between them could be replaced by rival competitors;

30.2 remaining competitive constraints: the degree of constraint that existing competitors would impose on the merged entity;

30.3 entry and expansion: how easily rivals could enter and/or expand;

30.4 countervailing power: whether any IFAs, distribution partners or group customers have special characteristics that would enable them to resist a price increase by the merged entity.

31. We set out in Attachment A what we are particularly interested in the views of Partners Life, Fidelity Life and other interested parties on to assist in our assessment of unilateral effects.

Coordinated effects: would the proposed acquisition make coordination more likely?

32. A merger or acquisition can substantially lessen competition if it increases the potential for the merged entity and all or some of its remaining competitors to coordinate their behaviour and collectively exercise market power or divide up the market such that output reduces and/or prices increase. Unlike a substantial lessening of competition which can arise from the merged entity acting on its own, coordinated effects require some or all of the firms in the market to be acting in a coordinated way.[30]

33. In the Application, PGHL submits that the Proposed Merger would not be likely to increase the risks of coordinated effects because:[31]

33.1 it would not enhance the ability of the merged entity to coordinate with its competitors; and

33.2 the relevant market(s) are not vulnerable to coordination, and this would not be likely to change following the Proposed Merger, as:

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29 The Application at [193].

30 Mergers and Acquisitions Guidelines above n3 at [3.84].

31 The Application at [209]-[210].

33.2.1 a number of strong and well-established competitors would remain, and markets with a large number of active participants and no single dominant firm are generally not conducive to coordination;

33.2.2 life insurers differ in size, costs, and business model, as well as significantly by channel mix, and markets with firms of different sizes and cost structures are generally not conducive to coordination. The Proposed Merger would also not remove a market participant of a unique size or cost structure, and therefore would not meaningfully reduce the range of sizes and cost structures;

33.2.3 life insurers use different price and non-price strategies across a varying mix of sales channels that would make it difficult to develop a coordinated pricing strategy and structure across insurers. The Proposed Merger would not alter the incentives of insurers to compete very aggressively on price. The role of IFAs also mitigates against any anti-competitive coordination on price and ensures that customers receive competitive offers, as IFAs are not loyal to any particular pricing or market participant;

33.2.4 life insurers do not operate in an environment of stable demand. The potential for life insurance to expand its reach helps drive innovation in terms of methods of engaging and serving customers. This lack of stable demand, and the culture of innovation, would be unaffected by the Proposed Merger; and

33.2.5 At present, there is limited interaction between market participants and the Proposed Merger would not increase the merged entity's visibility of other life insurers' competitive positions. It would also not create any mechanisms (such as joint ventures or information sharing arrangements) that would facilitate coordination.

34. We will assess whether any of the relevant market(s) are vulnerable to coordination, and whether the Proposed Merger would change the conditions in the relevant market/s so that coordination is more likely, more complete or more sustainable. We invite submissions on why the Proposed Acquisition may, or may not, increase the risk of coordinated effects.

Next steps in our assessment

35. The Commission is currently scheduled to make a decision on whether to give clearance to the Proposed Merger by **11 February 2027**. However, this date may be extended with the agreement of the applicant if the material before the Commission at that time does not allow it to be satisfied that the proposed acquisition will not have, or would not be likely to have, the effect of substantially lessening competition

in a market in New Zealand.[32] In particular, if we need to test and consider the issues identified above further, the decision date is likely to extend.

36. As part of our assessment, we will be identifying and contacting parties that we consider will be able to help us assess the preliminary issues identified above.

Making a submission

37. If you wish to make a submission, please send it to us at registrar@comcom.govt.nz with the reference "Partners Life/Fidelity Life" in the subject line of your email, or by mail to The Registrar, PO Box 2351, Wellington 6140. Please do so by close of business on **9 December 2026**.

38. If you would like to make a submission but face difficulties in doing so within the timeframe, please ensure that you register your interest with the Commission at registrar@comcom.govt.nz so that we can work with you to accommodate your needs where possible.

39. Please clearly identify any confidential information contained in your submission and provide both a confidential and a public version. We will be publishing the public versions of all submissions on the Commission's website. If you make a submission and we do not acknowledge receipt of that submission within two working days, you should resubmit your submission.

40. All information we receive is subject to the Official Information Act 1982 (OIA), under which there is a principle of availability. We recognise, however, that there may be good reason to withhold certain information contained in a submission under the OIA, for example in circumstances where disclosure would unreasonably prejudice the supplier or subject of the information.

[32] The Commission maintains a case register on our website where we update any changes to our deadlines and provide relevant documents.

Attachment A: Matters which we are interested in receiving information on

Party type	Matters/questions
All parties	• The extent to which the different types of life insurance products (eg, life insurance, income protection and trauma) are substitutable for each other on the supply side or demand side. • How closely Partners Life and Fidelity Life compete to supply life insurance, and the extent to which they competitively react to each other. • Who else competes closely with Partners Life and Fidelity Life to supply life insurance. • The factors or key dimensions on which life insurers compete, or are seen to compete, to supply life insurance. • The extent to which there is differentiation amongst life insurers in terms of the types of life insurance they offer, the risks they cover (including in terms of customer demographics or occupations covered), the channels in which they offer insurance, premium levels, acceptance rates or other aspects (eg, benefit periods, exclusions, maximum cover or in definitions of trauma, disability etc). • How life insurance is sold through different sales channels. • Whether any life insurers have any particular strengths relative to other insurers. • The extent to which life insurance premiums are bespoke for each customer/policy or based on standard rules. • Whether discounting of premiums (to win new business) is common, and why discounting occurs. • The impact that the Proposed Merger may have on the state of competition in the relevant markets.
Life insurers	• Importance of different sales channels in terms of generating new life insurance business, including online comparison tools. • Whether you sell life insurance through all the same sale channels as Partners Life and Fidelity Life, and have any specific strengths in any channels. • The portion of your new business that is generated through IFAs. • Whether you are growing or plan to grow your sales of any specific types of life insurance, or sales through specific channels. • How you set your life insurance premiums. • How easy it is to enter and start supplying life insurance in New Zealand, and information on recent entry. • How easily you can expand and sell more life insurance in New Zealand.

Party type	Matters/questions
IFAs	• What role you see yourself playing in the supply of life insurance in New Zealand. • How you decide the life insurers that you will work with. • The extent to which you have preferred life insurers that you work with, and the reasons why. • The proportion your life insurance sales that are through Partners Life and Fidelity Life? • What influences your decision to recommend or not recommend one life insurer over another. • Any differences in your commercial dealings with Partners Life and Fidelity Life, including in relation to premium, service, cover or other aspects of a life insurance offering. • The extent to which you can readily switch between different life insurers, including what is required to switch and information on past switching. • Whether you can play different life insurers off against each other to get a better premium, service, cover or other aspects of a life insurance offering. • The extent to which you operate online comparison tools for life insurance, and the reasons for doing so.
Banks and other distribution partners	• What role you see yourself playing in the supply of life insurance in New Zealand. • What you consider when choosing a partner for life insurance. • Any differences in your commercial dealings with Partners Life and Fidelity Life, including in relation to premium, service, cover or other aspects of a life insurance offering. • The extent to which you can readily switch between partnering with different life insurers, including what would be required to switch and information on past switching. • When any existing contract(s) you have for life insurance come up for renewal/expires, or you are otherwise likely to test the market. • Whether you can play different life insurers off against each other to get a better premium, service, cover or other aspects of life insurance offering. • The extent to which you could sponsor the entry of a new life insurer or support a smaller insurer to grow. • Whether you could switch to self-supplying your own life insurance, including any barriers to doing so and information on any switching that has already occurred.

Party type	Matters/questions
Group customers	• The specific features and type of cover that you are looking for in group life insurance. • Why you seek group life insurance cover. • What you consider when choosing a provider of group life insurance. • Whether Partners Life and Fidelity Life are both equally active in the sale of life insurance to group customers. • Any differences in your commercial dealings with Partners Life and Fidelity Life, including in relation to premium, service, cover or other aspects of a life insurance offering. • Whether only some life insurers offer group cover or all life insurers. • The extent to which you can readily switch between different life insurers, including what is required to switch and information on past switching. • When any existing contract(s) you have for life insurance come up for renewal/expires, or you are otherwise likely to test the market. • Whether you can play different life insurers off against each other to get a better premium, service, cover or other aspects of life insurance offering.