

## Michael Chapman

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**From:** Nick Thomson Privacy of natural persons  
**Sent:** Wednesday, 21 April 2021 3:42 pm  
**To:** Tom Simcock  
**Subject:** Re: Conduct of Financial Institutions - Release of discussion documents on regulations and treatment of intermediaries [UNCLASSIFIED]

Dear Mr Simcock,

Thank you for your eMail.

I feel very strongly that New Zealand needs an Insurance Commissioner - to whom complex problems can be referred. This is common practice in many countries throughout the world.

I admit that I have a personal interest in this ~ but I also believe that it is vital for our society.

At one point of time, from memory, in the 1970s there were something like 43 Insurers. But now there are probably less than a dozen.

That has changed the dynamic from an insurance market influenced by insurance brokers to a market entirely controlled by insurance companies - since there are fewer alternatives.

As an example of why I believe a Commissioner (with muscle) is needed:

- In September 2014 our major house alterations were to have been completed.
- The Structural Engineer made an error which resulted in severe damage to our house (it leaks and is badly cracked).
- We have been advised by professionals that the best method of repairing our house is to **demolish and rebuild** it.
- Our Contact Works Insurer denied liability on the grounds that there is an Exclusion for damage due to fault or error in design (quite correct and a standard Exclusion).
- We claimed against the Structural Engineer who, in due course, **admitted liability** (and apologised through his Insurer's lawyers).
- The letter to us making the offer in compensation was headed "Without Prejudice" and was totally inadequate to effect repairs (about one third as calculated by a QS)
- We were told by the Insurer's new lawyer that we now needed to obtain proper costs.
- We approached Engineers and Quantity Surveyors; all of which took time and were costly.
- We reverted to the Engineer's Insurers with the correct costs only to be told that our claim was time barred.

Six and a half years later, and in **our seventies**, we are having to employ a very expensive QC and we are very nearly destitute.

All of this could have been avoided had there been an Insurance Commissioner to lean on people.

As a retired technical insurance broker I am aware that many insurance policies provide very much less protection than they could and that is another reason that we need an Insurance Commissioner!

Regards

Nick Thomson  
New Zealand

Tel: + Privacy of natural persons

On 21/04/2021, at 2:43 PM, Tom Simcock <[Tom.Simcock@mbie.govt.nz](mailto:Tom.Simcock@mbie.govt.nz)> wrote:

Tēnā koutou katoa

As a valued stakeholder and given your previous interest in MBIE's work on the conduct of financial institutions, we wish to let you know that MBIE has released two discussion documents for public consultation today in relation to the new conduct regime.

The first is titled *Regulations to support the new regime for the conduct of financial institutions* and seeks feedback a range of regulations to support the operation of the Financial Markets (Conduct of Institutions) Amendment Bill (the Bill). The discussion document, a shorter consumer summary, submission template and information about how to give your feedback are available at: <https://www.mbie.govt.nz/have-your-say/conduct-of-financial-institutions-regulations>. Submissions close at **5pm on Friday 4 June**.

This discussion document seeks feedback on a number of proposed areas of regulations, particularly relating to:

- additional or more detailed requirements for fair conduct programmes
- the regulation of sales incentives offered or provided by financial institutions and intermediaries
- the requirement to publish information about fair conduct programmes
- exclusions of certain occupations from the definition of an intermediary
- calling in contracts of insurance as financial products under the 'fair dealing' provisions of the FMC Act.

The second is titled *Treatment of intermediaries under the new regime for the conduct of financial institutions* and seeks feedback on a range of issues about the Bill's obligations on financial institutions in relation to their intermediaries. The discussion document, submission template and information about how to give your feedback are available at: <https://www.mbie.govt.nz/have-your-say/conduct-of-financial-institutions-treatment-of-intermediaries>. Submissions on this paper also close at **5pm on Friday 4 June**.

This discussion document seeks feedback on policy objectives and a range of options for possible amendments to the Bill to address concerns raised by industry in relation to the treatment of the intermediaries of financial institutions, particularly:

- the definition of an intermediary
- the obligations that apply in respect of intermediaries
- the obligations that apply in respect of employees and agents.

MBIE would welcome your submission on all or some of the issues considered in the either or both discussion documents.

In addition to the formal consultation process, we welcome feedback at any time about the review. If you would like to contact us, or have any questions about the submission process, please email [financialconduct@mbie.govt.nz](mailto:financialconduct@mbie.govt.nz).

Ngā mihi

**Conduct of Financial Institutions Review Team**

[FinancialConduct@mbie.govt.nz](mailto:FinancialConduct@mbie.govt.nz)

[www.govt.nz](http://www.govt.nz) - your guide to finding and using New Zealand government services

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