

#81

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Page 3

Q1 Overall, do you agree or disagree with [standard 1] and proposed commentary? **Agree**

Q2 Please provide any comments on [standard 1] and the proposed commentary.

No additional comments

Page 4

Q3 Overall, do you agree or disagree with [standard 2] and proposed commentary? **Agree**

Q4 Please provide any comments on [standard 2] and the proposed commentary.

No additional comments

Page 5

Q5 Overall, do you agree or disagree with [standard 3] and proposed commentary? **Agree**

Q6 Please provide any comments on [standard 3] and the proposed commentary.

No additional comments

Page 6

Q7 Overall, do you agree or disagree with [standard 4] and proposed commentary? **Agree**

Q8 Please provide any comments on [standard 4] and the proposed commentary.

No additional comments

Page 7

Q9 Overall, do you agree or disagree with [standard 5] and proposed commentary? **Agree**

Q10 Please provide any comments on [standard 5] and the proposed commentary.

No additional comments

Page 8

Q11 Overall, do you agree or disagree with [standard 6] and proposed commentary? **Agree**

Q12 Please provide any comments on [standard 6] and the proposed commentary.

No additional comments

Page 9

Q13 Overall, do you agree or disagree with [standard 7] and proposed commentary? **Agree**

Q14 Please provide any comments on [standard 7] and the proposed commentary.

No additional comments

Page 10

Q15 Overall, do you agree or disagree with [standard 8] and proposed commentary? **Agree**

Q16 Please provide any comments on [standard 8] and the proposed commentary.

No additional comments

Page 12

Q17 Overall, do you agree or disagree with [standard 9] and proposed commentary? **Agree**

Q18 Please provide any comments on [standard 9] and the proposed commentary.

We support view that the core qualification outcomes of the Level 5 qualification are appropriate as the minimum standards of general competence, knowledge, and skill for all financial advisers. The previously separate 'financial advice strand' is now within the new proposed NZQA 'Core'.

Additional strand or strands are a 'particular competence' and belong in Standard 12.

We have concerns regarding the 'equivalency' aspect for RFA's who have and maintain the IBANZ QIB status as this demonstrates assessed and verified New Zealand relevant prior learning competency and learning outcome focused CPD.

With the 'minimum' thematic approach to the Code prior learning whether AFA, RFA or QFE needs to be recognized to ensure all retail client advisers are able to up skill within the 'safe harbour' time period. It should not just be an 'academic cost levy' to establish equivalency.

The Assessment and Verification of alternative Qualifications (or equivalent competence) that are comparable or at a higher level than the NZQA Level 5 core outcomes should be a matter for the relevant Professional Member bodies as they have the relevant industry knowledge and expertise.

The diverse range of financial advice within the scope of the Code and the broad range of possible pathways to achieving 'equivalency', mean that the relevant industry bodies should be providing this level of 'role specific' best practice.

Page 13

Q19 Overall, do you agree or disagree with [standard 10] and proposed commentary? **Agree**

Q20 Please provide any comments on [standard 10] and the proposed commentary.

Defining CPD as possibly something comparable to annually retaking part of the Level 5 qualification focused on NZ regulatory framework is not acceptable.

This contradicts the Codes high level principled approach, as it is a box tick exercise.

To have any rigour in creating a consistent level of developmental learning the Code needs to set a time commitment and quality requirement. Even if it is initially set deliberately low, it does need to be stated clearly in the Code.

A learning time target ensures 'learning' does not stay just a 'good intention'.

Currently as IBANZ members all our client facing brokers must achieve at least 15 hours CPD annually in 'outcome focused' learning (comparable to existing AFA 30 hours every 2 years).

This minimum commitment to undertake beneficial learning has been consistently achievable and has not been onerous.

Defining the 'content' of the CPD for maintaining an up-to-date 'current' competency is industry specific, and as such should be the responsibility of the 'role of the profession' assessed and verified by the relevant industry professional bodies.

This commitment to CPD cannot be left to be finally defined only by FMA licencing.

Page 14

Q21 Overall, do you agree or disagree with [standard 11] and proposed commentary? **Neither agree nor disagree**

Q22 Please provide any comments on [standard 11] and the proposed commentary.

Insurance Broking involves financial risk planning and mitigation based on the 'demands and needs' of the client and is not concerned with financial market investment planning.

The serious retail client confidence & protection issues relating to the investment and financial planning sector should be reflected in separate higher level obligations. It is this sector which can generate the greatest damage to both the individual and the economy. Care must be taken that concerns over this area and its necessary controls is not simplistically expanded to cover every financial adviser with totally different risk impact profiles.

Page 15

Q23 Overall, do you agree or disagree with [standard 12] and proposed commentary? **Agree**

Q24 Please provide any comments on [standard 12] and the proposed commentary.

As noted under Standard 9 which covers the minimum general competency as being the core outcomes of the NZQA Level 5 qualification, the 'particular skills competency' is the equivalency to the outcomes of the relevant additional strand or strands of the NZQA Level 5 qualification.

The relevance of any additional strand or strands of the new NZQA Level 5 to the different areas of Risk mitigation services and Insurance Advice Services that we provide to retail clients should be assessed and verified by the appropriate professional industry body, e.g. IBANZ.

Page 16

Q25 Is there anything missing from the draft Code? **No**

Q26 If you answered yes, what is missing?

The Code as drafted covers the basic minimum conduct framework

Q27 Do you have any feedback on the examples, or suggestions on other examples that should be included in the draft Code?

As a 'minimum conduct' framework, the Code should be kept uncluttered by extra text detailing 'default' examples.

The diverse range of financial advice within the scope of the Code and the broad range of possible pathways to achieving 'equivalency', mean that industry specific guidance examples should be within the 'role of the profession' – with the relevant industry bodies providing this level of 'role specific' best practice.

Q28 Is there anything else you want to say?

The Code Working Group are to be commended for placing the emphasis upon an inclusive framework providing a minimum standard for all the very diverse industries caught within the scope of retail client financial advice.

The various financial services industry professional bodies are best placed to judge the assessment and verification of industry specific competency.

Page 17

Q29 Name

Peter Lowe

Q30 Your role or professional title

Chief Executive Officer

Q31 Individual or organisational submission

This is a submission on behalf of an organisation (eg employer)

Q32 If you give financial advice...

I am a RFA

Q33 My organisation or I give the following types of advice...

Fire and general insurance,
Business insurance,
Life and/or health insurance,

Other (please specify):

Captives/Alternative Risk Transfer, Risk Consultancy

Q34 Organisation Name

Willis New Zealand Limited

Q35 Type of organisation

Insurance broker

Q36 Size of organisation

Large firm (50+ staff)

Q37 If there are other things we should know about you or your business that would provide context to your answers, please provide details below.

Willis New Zealand Limited (Willis) is an Insurance Intermediary and Risk Management Consultancy. It forms part of the Willis Towers Watson group, a leading global advisory, insurance broking and solutions business that helps clients around the world. Willis has been operating as an insurance broking business in New Zealand for over 50 years. We have three main offices in Auckland, Wellington and Christchurch, with smaller offices in Dunedin, Tauranga and Whangarei.

Willis supports the objective of developing the financial advice regime with the aim of having more informed and confident participation of consumers. We recognise the challenges of developing a regime to cover all types of financial advice. Insurance broking is a specialist form of advice distinct and separate from other forms.

Code Working Group - Online Submission Form

Q38 Please indicate whether your submission contains any information that is confidential or whether you do not wish your name or any other personal information to be included in a summary of submissions.

There is no confidential information in our submission

Q39 Please provide your contact details (email and/or phone number) This is the only question that requires an answer. This information would not be released publicly. We may get in touch with you in order to help us understand particular points from your submission.

Email s 9(2)(a)

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