

25 February 2016

Financial Markets Policy  
Ministry of Business, Innovation  
and Employment  
PO Box 3705  
Wellington  
New Zealand

## Options Paper: Review of the Financial Advisers Act 2008

nib nz limited (**nib**) welcomes the opportunity to make a submission to the Ministry of Business, Innovation and Employment on the Options Paper: Review of the Financial Advisers Act.

nib is the second largest health insurer in New Zealand and has operated as a Qualifying Financial Entity since 2013. nib is owned by nib holdings limited, an ASX-listed Australian health insurer with over 60 years' experience in the health industry. nib has operated in the New Zealand market since 2012, has approximately 160 employees in New Zealand and provides health and medical insurance to over 1.2 million New Zealand and Australian residents.

We support the Ministry's review of the Financial Advisers Act and the goals of the Options Paper to improve the standard of advice in New Zealand. Our submission focusses on a selection of the discrete elements summarised in the Options Paper, rather than a single package of options:

- **Disclosure:** We support a more meaningful form of disclosure for customers and the introduction of a single, streamlined disclosure. We agree with the items in the indicative list of matters to be disclosed on page 43 of the Options Paper. We strongly support changes to ensure that customers are given clear information on the commissions that advisers receive, including any soft-dollar commissions. We welcome any opportunity to submit on the proposed form of new disclosure.
- **Competency:** We support the introduction of competency standards, as a principle-based obligation where advisers would be required to be competent to provide the advice they are providing and be able to demonstrate this to the Regulator when required.
- **Ethical and client care obligations:** We support ethical and client care obligations for all advisers and, as a minimum, a suitability requirement on advisers to ensure that financial products are not sold unless they are suitable for the consumer's needs.
- **'Robo-advice':** The provision of advice through online platforms is a developing area, and one that may provide advice to consumers that are unable to access advice through traditional means. We agree that there needs to be accountability for any advice provided through an online platform and support the options that require any entity providing online advice to be licensed and subject the same, or similar, obligations to other advisers.



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On behalf of nib, I or other representatives of nib, would welcome the opportunity to further discuss our submission with the Ministry.

Yours sincerely

Redacted

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