



Submission to the Ministry of Business, Innovation and Employment, on the Consultation Paper – New Financial Advice Regime, The draft Financial Services Legislation Amendment Bill and proposed transitional arrangements

31 March 2017

Background

The Health Funds Association of NZ (HFANZ) appreciates the opportunity to make a submission on the consultation paper and exposure draft of the Financial Services Legislation Amendment Bill. HFANZ submitted on the 2015 options paper, and reiterate the points made in that submission.

HFANZ is the industry body representing health insurers. Members include friendly societies, mutual, and subsidiaries of public companies. HFANZ's eight members together account for over 80% of lives covered by PHI in New Zealand. It is noted that individual HFANZ members may be making their own submissions on aspects of the consultation paper.

This submission is general in nature, with the expectation of a more detailed submission following the eventual introduction of the Bill in its final form.

HFANZ Submission

HFANZ generally supports the proposed package of amendments set out in the draft Bill, including:

- Simplification with one class of financial advice, no product advice differentials, and one type of adviser (with the addition of advice representatives);
- Formal licensing regime rather than simple registration;
- Putting client interest at the centre, with all advice falling under code of conduct and more meaningful disclosure requirements.

We support efforts to limit the regulatory cost impact on financial service providers (and ultimately consumers), and acknowledge that the proposed licensing regime appears simplified insofar as possible.

Thank you again for the opportunity to make this submission.

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Roger Styles
Chief Executive