

Media Release: 29 January 2019

Industry acting on culture and conduct report

The Financial Services Council welcomed the release of the Financial Markets Authority (FMA) and Reserve Bank of New Zealand (RBNZ) report on Life Insurer Conduct and Culture today and will work with its members in the sector to act on its recommendations.

“The life insurance industry accepts there are improvements to be made in a range of areas outlined by the FMA and RBNZ in the report”, said Richard Klipin, CEO of the Financial Services Council.

“Conduct, culture and ensuring great consumer outcomes is paramount. We also accept that action in some areas was not taken as quickly as desired and that has been a source of frustration for the FMA and RBNZ.

“We will now work through the issues highlighted in the report and respond to the FMA and RBNZ within its timeframes with our action plans.

“We look forward to continuing constructive dialogue between regulators and the industry so that we can drive improvements and focus on providing the best possible outcomes for New Zealanders.

“The financial services sector plays an important role in the prosperity of New Zealand and we are an industry that is entrusted to grow, manage and protect the wealth of Kiwi’s. As such, we welcome and expect scrutiny and are committed to serving New Zealanders in a fair and transparent way,” said Klipin.

In the past 12 months the industry has initiated a number of important steps relating to improving culture and conduct including the adoption of the FSC code of conduct by all our

members, responding to concerns about soft commissions by ending overseas conferences, and strongly supporting the progression of the Financial Services Legislation Amendment Bill.

“We are encouraged that the report did not find evidence of systemic customer harm, and that the regulators highlighted the good work of the many thousands of front line and claims staff and their strong focus on delivering good consumer outcomes.

“Finally I’d like to thank the regulators for their high-quality and robust work on this report and ongoing engagement with the industry,” concluded Klipin.

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Spotlight - Industry Key Statistics (2017)

- \$1.2 billion claims paid each year, that’s an average of \$3.3 million everyday
- \$2.5 billion in-force premiums, around 4 million life insurance contracts/benefits
- \$9.3 billion assets managed
- See our research [Towards Prosperity](#) for more information about the Financial Services Sector.

About the Financial Services Council (FSC)

The Financial Services Council is a non-profit member organisation and the voice of the financial services sector in New Zealand. Our 35 members comprise 95% of the life insurance market in New Zealand and manage funds of more than \$47.5bn. Members include the major insurers in life, disability and income insurance, fund managers, KiwiSaver, professional services and technology providers to the financial services sector.

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