

**Media Release: Tuesday 17 September 2019**

**Financial Services Council comment on FMA & RBNZ Review**

The Financial Services Council acknowledges the release of the Financial Markets Authority (FMA) and Reserve Bank (RBNZ) review into the response of life insurers' to the Conduct and Culture Review process, and the strong message that faster progress is needed.

"It is clear that as a sector we need to do more and do it faster to improve identified issues especially in relation to legacy products, customer communications, and product design", said Richard Klipin, CEO of the Financial Services Council.

"Conduct, culture and ensuring great consumer outcomes is paramount. Improvements across the sector remain a work in progress and this latest review from the FMA and RBNZ demonstrates that.

"Individual members will now work through their specific issues raised by the FMA and respond appropriately with steps to rectify them.

"It is important to note that there is a lot of work going on across the sector in addition to the regulator processes to improve culture and conduct. This includes the development of an FSC code of conduct, ending overseas conferences and other soft commissions, and strongly supporting the progression of the Financial Services Legislation Amendment Act.

"Good progress has been made in recent months but we need to continue to work with urgency and focus to build the trust of stakeholders and to ensure we are serving New Zealanders in a fair and transparent way.

"We expect strong scrutiny on us as an industry until we get this right and I'd like to thank the FMA and the RBNZ for their work on this report.

“We are committed to building a sector that has good customer outcomes at its centre and look forward to continued engagement with regulators and Government on this”, concluded Klipin.

**ENDS**

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### **Spotlight - Industry Key Statistics – Life Insurance (2019)**

- \$1.47 billion claims paid each year, that’s around of \$4 million everyday
- \$2.61 billion in-force premiums, around 4 million life insurance contracts/benefits
- \$9.3 billion assets managed by the life insurance industry

### **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 50 members comprise 95% of the life insurance market in New Zealand and manage funds of more than \$57.3bn. 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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