

member update

AUTUMN 2018



SHAPING FUTURES 2018



member update

AUTUMN 2018

WELCOME

2018 has started with a **bang!** Legislation, regulation, FMA reports, FSC research and an outstanding breakfast with Min. Faafoi are highlights.

This Autumn update brings you news on what's been happening since January and a view of what 2018 holds. As always, it's important that FSC conversations are fact-based, and on pages 8 & 9 the Insurance and KiwiSaver spotlights provide information on the current state of the market.

POLICY AND ADVOCACY

All FSC policy and advocacy activity supports the delivery of strong and sustainable consumer outcomes, sustainability of the financial services sector, and increasing professionalism and trust of the industry. Focus areas for this quarter are:



Financial Services Legislation Amendment Bill and Code

- The FSC submission supported the intent of the Bill with six recommendations including a request for supporting documents, regulations and clarity as soon as possible. We have asked to present at Select Committee.
- FSC Regulation Committee is working on the FSC response to the Financial Advice Code Working Group's consultation on the Code of Professional Conduct for the financial advice sector, with submissions due 30 April. Webinars and roadshows have generated plenty of ideas and debate.

Insurance Law and IPSA

- Terms of Reference on Insurance Contracts Law Reform indicate we can expect an Issues Paper in mid-2018, followed by an Options Paper later in the year. This is a key focus for the Government.
- IPSA, however, is on the back burner, with RBNZ recently saying that the first consultation has been delayed beyond Q2 2018.

KiwiSaver and KiwiFund Bill

- FSC submission on the KiwiFund Bill is due 13 April and the Regulation Committee is working hard on the FSC response.

Political and Regulator Engagement

- In March a FSC Board delegation met with Fletcher Tabuteau and members of the Select Committee with a focus on the KiwiFund Bill process and next steps. The delegation used the opportunity to help inform and educate the Select Committee on KiwiSaver facts, figures and key issues. Building relationships and facilitating member engagement with Government remains a key focus for 2018.
- FSC Tax Advisory Group is considering ways to engage with the Tax Working Group (of which the Chair is Sir Michael Cullen), including creating the FSC response to the 'Future of Tax' consultation.
- Regular engagement continues with the FMA, MBIE, RBNZ and other key stakeholders, with more than 20 meetings so far this year.

Remember the FSC Regulatory Outlook is available to members on request, providing a view of open, expected and past regulatory consultations. Please email haydee.stroud@fsc.org.nz to request a copy. You can find all FSC submissions on the [FSC website - news>submissions](#).



FSC IN THE NEWS

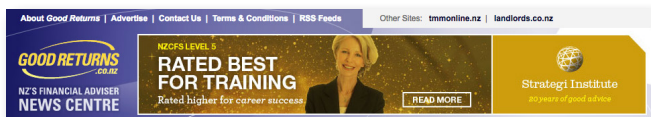
The FSC is now regularly called on to provide comment and opinion on financial matters. The recent FSC research – [Great Expectations](#) – provided an excellent platform for discussion on:

- KiwiSaver
- The nature of retirement
- Funding gaps
- Work and leisure for NZ
- As well as what comes next...

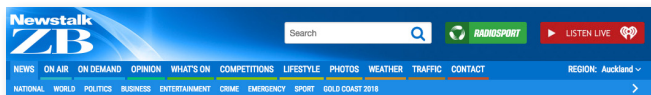
In recent weeks the FSC has commented on:

- The FMA insurance report
- OECD pension report
- Financial Services Legislation Amendment Bill and the Code Working Group
- And a raft of issues impacting our sector

This is a clear part of our strategy and reflects the voice of industry.



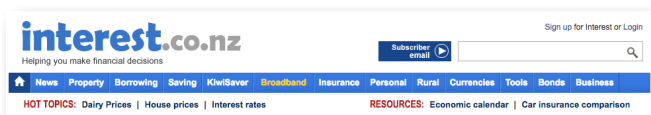
nib joins up with FSC



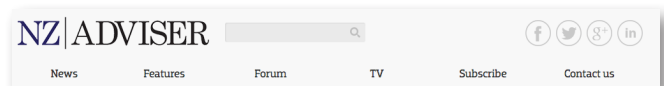
Does NZ have one of the least generous pensions?



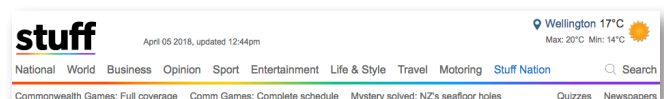
FSC will engage with KiwiFund Bill



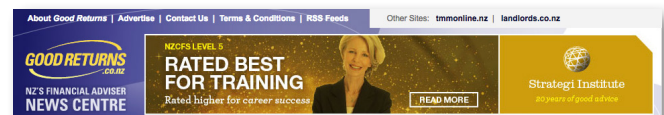
KiwiFund Bill to establish a committee to set up government-run KiwiSaver scheme passes first reading; National dubs it misguided and unnecessary; Industry speaks out against 'political tinkering'



FSC and PAA welcome FMA life insurance report



FINANCIAL PLANNING CONSIDERATIONS DIFFERENT FOR WOMEN



'not all advisers churning'

New Zealand's financial advice sector has welcomed the Financial Markets Authority's long-awaited report into life insurance churn - but said its findings shouldn't be taken as representative of the industry as a whole.

You can find all FSC media releases on the FSC website – [news>media releases](#)

INDUSTRY BEST PRACTICE



SHAPING FUTURES NATIONAL CONFERENCE

6-7 SEPTEMBER, 2018
PULLMAN HOTEL, AUCKLAND

FinancialServicesCouncil.
Growing and protecting the wealth of New Zealanders

Workplace Savings NZ
Te māngai penapena ā-mahi

GREAT REASONS TO ATTEND

**SHAPING
FUTURES**
NATIONAL CONFERENCE
6-7 SEPTEMBER, 2018



PROFESSIONAL
DEVELOPMENT
AND LEARNING



CONNECT WITH
YOUR COMMUNITY



SHOWCASING
EXCELLENCE



INDUSTRY
MARKETPLACE



CELEBRATE



INVESTMENTS
WHAT'S ON THE
HORIZON AND HOW
DOES IT AFFECT
CONSUMERS?



INSURANCE
SHAPING CONSUMER
CONFIDENCE, CAPABILITY
AND ENGAGEMENT



**CONSUMER
INSIGHTS**
FOCUSING ON
CONSUMER BEHAVIOUR

2017 HIGHLIGHTS

Very well run and great, diversified content.

At Conference	Average rating	%
Quality of presentations	4.18	83.53
Relevance of presentations	4.11	82.22
Coverage of topics	4.25	85.00
Meeting expectations	4.11	82.16
Total average	4.16	83.23



**MORE NEWS COMING
IN APRIL...**

FinancialServicesCouncil.
Growing and protecting the wealth of New Zealanders

Workplace Savings NZ
Te māngai penapena ā-mahi

INDUSTRY LEADERSHIP AND INSIGHTS

Reaching beyond the FSC's traditional membership, and bringing together leaders from the investment and insurance worlds, the breakfast with Min Faafoi on 16 March was a resounding success.

More than 130 people attended the event, where we experienced a morning of thought-provoking content including the current state of the industry, the fee debate and what we need to do differently to drive strong and sustainable consumer outcomes.

Attendee feedback recognised the value of hearing direct from Minister Faafoi and those present gained valuable insights into the new Government's thinking.



CODE OF CONDUCT

The FSC Code of Conduct's final consultation is now complete, and thank you to those who submitted a response. Industry self-regulation through the Code of Conduct is fundamental to lifting standards, increasing trust and delivering strong and sustainable consumer outcomes. The Code will launch on 1 July 2018 and the Code Implementation Team are working hard to help every member know what's expected before launch. More news in our next update.

COMING EVENTS

May 2018 – Launch of 'Generation KiwiSaver' exploring the behaviours and attitudes to retirement of younger New Zealanders.

COMMUNITY OF PROFESSIONALS

FSC Committees continue to produce excellent outputs and outcomes, and are a fantastic way for members to share best practice and meet new (and old!) friends.

Highlights include:

REGULATION COMMITTEE	Submissions on Financial Services Legislation Amendment Bill, KiwiFund Bill and the Financial Advice Code
TAX ADVISORY GROUP	Submission on GST – Unit Trust Management Fees and the Future of Tax
STRATEGIC RESEARCH COMMITTEE	KiwiSaver research Phase 3 – Generation KiwiSaver
CONFERENCE COMMITTEE	‘Shaping Futures’ Conference planning and development

DEVELOP THE FSC

Technology doesn’t stand still for anyone, and we’re excited to let you know that we are reviewing and revamping the FSC website. Our aim is to bring you the information you want in an easy to find and simple to access way. Let us know what you’d like to see on the website by emailing fsc@fsc.org.nz

NEW MEMBERS

Welcome to our new member



nib New Zealand CEO, Rob Hennin, said ‘we are excited to join the FSC and become part of the conversation to drive further innovation in our industry for the benefit of all New Zealand consumers.’

Thanks for reading the autumn newsletter. We’re always interested in your feedback. Please contact us on **09 985 5762** or fsc@fsc.org.nz with your thoughts and opinions.



Rob Flannagan
Chairman



Richard Klipin
CEO

SPOTLIGHT ON **INSURANCE**



4.01
MILLION

NUMBER OF INSURANCE POLICIES

\$2.52 **BILLION**
ANNUAL INSURANCE PREMIUMS



4.87
MILLION
NUMBER OF PEOPLE IN NZ

\$1.22
BILLION

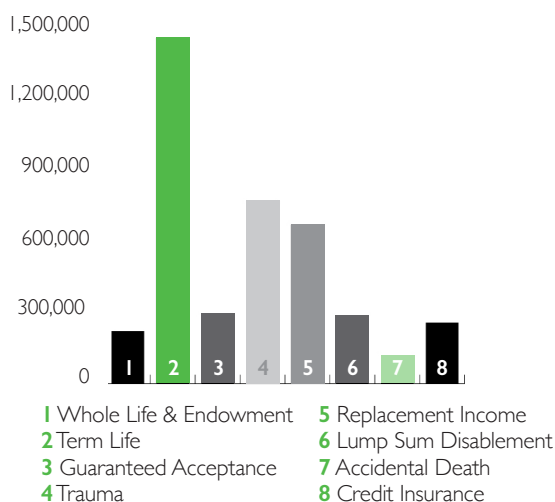


CLAIMS PAID TO 31 DEC 2017
(12 MONTHS)

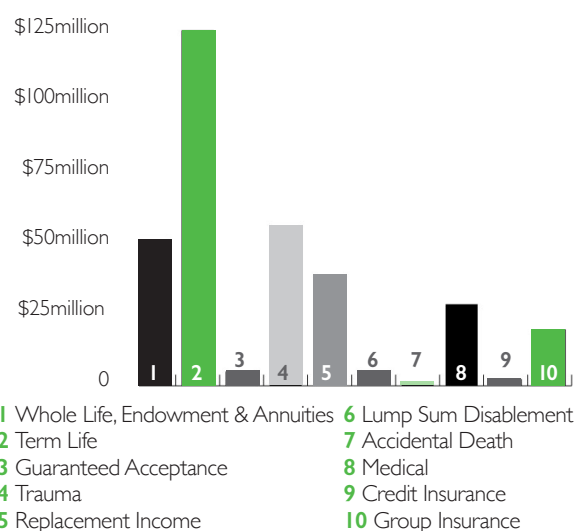
39% OF CLAIMS PAID
TO 31 DEC 2017
WERE TERM LIFE POLICIES

\$323 **MILLION**
CLAIMS PAID
(IN THREE MONTHS TO DEC 2017)

NUMBER OF INSURANCE POLICIES 12 MONTHS TO 31 DEC 2017



CLAIMS PAID THREE MONTHS TO 31 DEC 2017



Sources: Financial Services Council Statistics, 31 December 2017 / Stats NZ Population Clock, 20 March 2018

SPOTLIGHT ON **KIWISAVER**



\$47.4
BILLION

TOTAL KIWISAVER FUNDS

\$46.4 BILLION

MANAGED BY FSC/WSNZ MEMBERS

24.1% GROWTH

IN FUNDS UNDER MANAGEMENT
IN THE YEAR TO 31 DEC 2017



2.74
MILLION

KIWISAVER MEMBERS

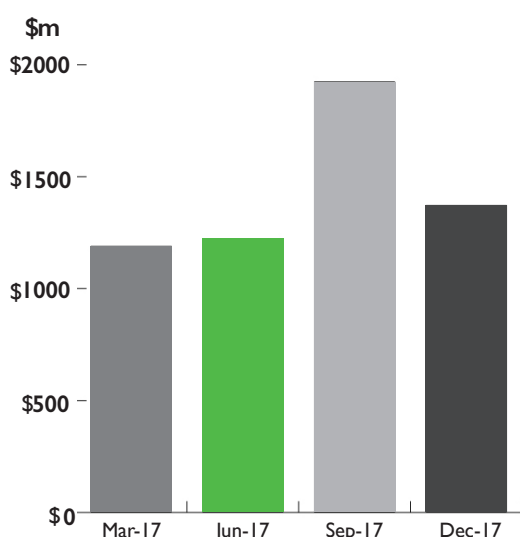
1.85 MILLION

MEMBERS WITH DEFAULT PROVIDERS

3.9% GROWTH
IN KIWISAVER MEMBERS
OVER THE YEAR

KIWISAVER CONTRIBUTIONS

12 MONTHS TO 31 MARCH 2017



Sources: Workplace Savings NZ Quarterly KiwiSaver Survey, 31 Dec 2017

\$5.71 BILLION

TOTAL CONTRIBUTION
FOR YEAR TO 31 DEC 2017

\$1.37 BILLION

CONTRIBUTION IN THE THREE MONTHS
TO 31 DEC 2017

\$2,121 AVERAGE

MEMBER 12-MONTH CONTRIBUTION

\$16,917

AVERAGE MEMBER BALANCE