

Media Release: 30 April 2019

FSC acknowledges Government progress on culture and conduct reform

The Financial Services Council acknowledges the progress on the Government's financial sector culture and conduct reform work programme with the release of two options papers and welcomes the opportunity to respond to them.

Richard Klipin, CEO of the Financial Services Council said "These latest options papers are important as they speak to improving financial services across the entire sector for the benefit and wellbeing of consumers, and are wide-ranging in their scope.

"We are committed to driving great consumer outcomes, helping consumers better manage risk and being part of the solution to support New Zealanders grow, manage, and protect their wealth" continued Klipin.

"FSC members take this responsibility seriously. The life insurance industry alone pays out an average of \$3.3 million every day in claims* and manage nearly 3 million KiwiSavers investments of \$54.8 billion**.

"We will now consider the proposals in detail, before providing a comprehensive response to the Government. We look forward to working closely with the Minister, MBIE and the Regulators over this process.

"The industry takes culture and conduct matters very seriously and we are currently working on a range of measures aimed at lifting standards across the industry and ultimately building public trust and confidence in the sector.

"Our members are hard at work responding to the issues highlighted in the Financial Markets Authority (FMA) and Reserve Bank of New Zealand (RBNZ) report on Life Insurer Conduct and Culture that was issued earlier in the year.

“In addition over 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 Act as it passed through Royal Assent.

“The option papers released today represent another important step in this process” concluded Klipin.

ENDS

Notes for editors

Spotlight - Industry Key Statistics – Life Insurance (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 by the life insurance industry
- See our research [Towards Prosperity](#) for more information about the Financial Services Sector.

Industry Key Statistics – Kiwisaver (March 2019)**

- \$2.85 million KiwiSavers
- \$54.8 billion total KiwiSaver funds under management
- Average balance in KiwiSaver of just over \$19,000.

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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.

www.fsc.org.nz, twitter: [@FSC_NZ](https://twitter.com/FSC_NZ)

Towards Wellbeing National Conference - 11 and 12 September 2019, Auckland



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