

Privacy of natural persons

2.04.22

Tom Simcock  
Manager, Financial Markets  
Ministry of Business, Innovation and Employment  
PO Box 1473  
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Dear Sir,

My name can be attached to my correspondence if used in any submission summary.

1 Please peruse the enclosed correspondence to ensure your draft legislation covers the issues raised.

2. Principle.

Principle must hold true in all cases, You cannot have fraud and scam being the unlawful activities of the blue collar criminal while fraud and scam are the permitted activities of the white collar criminal.

For the same reasoning you cannot have laws for licenced Life and Health Insurers , that do not apply to unlicenced Insurers, as in Subpart 447 . The Law is the Law.

3. We already have lots of existing laws / regulations to stop fraud and scam. But they have all failed to achieve their intended outcome for the past fifty years at least, when related to the Life Insurance Industry.

**You need to ask the question WHY ?**

- a. **Life Insurers sell a product that will not be used for ten, twenty or thirty years.**
- b. Dead Policy holders don't talk.
- c. The Six Year Statute of Limitations protects Life Insurers from being held to account.
- d. There is no enforcement of the current law. The FMA, the ISO and the Ministry of Commerce have all become part of the problem rather than its solution. None have gained a conviction for fraud or scam against any Insurer nor their Commission Agents, that I am aware of . Ever. Thus they are encouraging fraud and scam by permitting it.
- e. The FMA report of Feb 2019 shows NZ Commission Agents receiving twice as much as their overseas counterparts. Is fraud and scam being used to sell the benefits of high value ,long term Life Insurance Policies without declaring the debts and expenses to do so? They are all doing it , aren't they? And our enforcement agencies haven't gained one conviction in at least fifty years!

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Insurers are experts in risk. The benefits far outweigh the risk.

If the law is not changed to waive the Six Year Statute of Limitations for Life Insurers and their Commission Agents for the duration of the policy, the benefits of fraud and scam will still outweigh the risk for another fifty years. Commission agents may choose to become employees.

Yours truly,

Privacy of natural persons

Martin Gibbs

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