

12 May 2017

Financial Markets Policy  
Building, Resources and Markets  
Ministry of Business, Innovation and Employment  
PO Box 1473  
Wellington 6140  
New Zealand

By email: faareview@mbie.govt.nz

Dear Sir / Madam

**Re: New Financial Advice Regime**

We refer to the Consultation paper – new Financial Advice Regime on “The draft Financial Services Legislation Amendment Bill and proposed transitional arrangements”.

Willis New Zealand Limited (**Willis**) is part of the Willis Towers Watson group, a leading global advisory, insurance broking and solutions business that helps clients around the world. Willis has been operating as an insurance broking business in New Zealand for over 50 years. Willis supports the Government’s objective of developing a financial advice regime with more informed and confident participation of consumers.

We recognise the challenges of developing a regime to cover all types of financial advice. Insurance broking is a specialist form of advice distinct and separate from other forms of financial advice. To the extent that the new regime will impact insurance broking, Willis endorses the submission by Insurance Brokers Association of New Zealand Inc (IBANZ). In particular, Willis notes:

- In respect of the responses to questions 3 and 19, the confusion from using the terms “broker” and “broking services”, which in the insurance industry are synonymous with insurance broking. We support the IBANZ submission of addressing this terminology to help resolve such confusion; and
- In respect of the response to question 14, that more clarity is required as between wholesale and retail clients and services, given the uncertainty and challenges this could cause for mixed businesses. The majority of Willis clients are wholesale clients, given the nature of insurance broking. However, the

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potential impact of having to treat those clients as retail clients, where Willis deals with a small number of retail clients, is significant.

Finally, Willis notes that whilst the IBANZ submission does not address question 12, Willis strongly supports having a mitigating compliance defence.

Yours sincerely

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**Peter Lowe**  
Chief Executive Officer