

Code of Professional Conduct for Financial Advice Services

Submission Template

Submissions close Monday 30 April 2018

Please send submissions to:

code.secretariat@mbie.govt.nz or

Code Working Group

c/o Code Secretariat (Poppy Haynes and Max Lin)

Ministry of Business, Innovation & Employment

PO Box 1473

Wellington 6140

New Zealand

Submissions process

The Code Working Group (CWG) seeks written submissions on the issues raised in this document by **5pm on Monday 30 April 2018**

We welcome submissions on any or all consultation questions. You are welcome to comment only on the issues most relevant to you.

Where possible, please include evidence to support your views, for example references to independent research, facts and figures, or relevant examples.

Please direct any questions that you have in relation to the submissions process to code.secretariat@mbie.govt.nz.

Use of information

The information provided in submissions will be used to inform the CWG's development of the draft Code. We may contact submitters directly if we require clarification of any matters in submissions.

Release of information

The CWG intends to upload PDF copies of submissions received to MBIE's website at www.mbie.govt.nz. The CWG will consider you to have consented to publication of your submission, unless you clearly specify otherwise in your submission.

If your submission contains any information that is confidential or you otherwise wish us not to publish, please:

- indicate this on the front of the submission, with any confidential information clearly marked within the text
- provide a separate version excluding the relevant information for publication on our website.

Submissions remain subject to request under the Official Information Act 1982. Please set out clearly in the cover letter or e-mail accompanying your submission if you have any objection to the release of any information in the submission, and in particular, which parts you consider should be withheld, together with the reasons for withholding the information. The CWG will take such objections into account and will consult with submitters when responding to requests under the Official Information Act 1982.

Private information

The Privacy Act 1993 establishes certain principles with respect to the collection, use and disclosure of information about individuals. Any personal information you supply to the CWG in the course of making a submission will only be used for the purpose of assisting in the development of the draft code. Please clearly indicate in the cover letter or e-mail accompanying your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that the CWG may publish.

Information about you

Share your details	
i.	<p>Please provide your name and (if relevant) the organisation you represent</p> <p>Jeff Tobin CLU, ANZIIF (Snr Assoc) C.I.P.</p>
ii.	<p>Please provide your contact details</p> <p>Jeff Tobin t/a Tobin Insurance Services PO Box 720 Kumeu 0841; Tele: S 9 (2) (a)</p> <p>E: S 9 (2) (a)</p>
iii.	<p>Please provide any other information about you or your organisation that will help us understand your perspective (e.g. the financial advice situations you have experience with)</p> <p>I have worked in the general insurance industry for 39 years. The last 31 plus years since February 1987 as a self-employed- sole trader, insurance adviser. I give advice on life, medical and fire and general insurance products. I employ 2 full time back up staff. I am qualified as a Chartered Life Underwriter (CLU), and Senior Associate of the Australian and New Zealand Institute of Insurance and Finance, ANZIIF (Snr Assoc) and a certified insurance professional via the ANZIIF . I am a member of the Institute of Financial Advisers (IFA), the Professional Advisers Association (PAA), the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) and a member of the Triple A Advisers Association.</p>
iv.	<p>Please indicate whether your submission contains any information that is confidential or whether you do not wish your name or any other personal information to be included in a summary of submissions. (See page 2 of this document) There is no confidential information in this submission.</p>

Principles for drafting the Code

Share your views	
A.	<p>What comments do you have regarding the overarching theme of “good advice outcomes” and the underlying principles?</p> <p>Same principles I have always subscribed to, so no problem with these.</p>
B.	<p>Are there any further principles that should be included, or existing principles that should be removed?</p>

Ethical behaviour

Act with honesty, fairness and integrity

Share your views	
C.	<p>Do you agree with a requirement to act with honesty, fairness and integrity? If not, please set out your reasoning.</p> <p>Yes I agree, again same principles I have anyway. If you don't abide by these basic principles you will not last in business for very long. There are some universal and natural justice laws that apply here.</p>

Keep the commitments you make to your client

D.	<p>Should minimum standards for ethical behaviour for the provision of financial advice extend beyond strict legal obligations, to include meeting less formal understandings, impressions or expectations that do not necessarily amount to strictly legal obligations? If no, please give reasoning. If yes, please propose how a standard for such commitments might be framed.</p> <p>Yes, to answer this question please refer to the copies of the Institute of Financial Advisers (IFA) and the Professional Advisers Association (PAA) code of Ethics that I follow as a member of both of these organisations.</p>
E.	<p>If there was a minimum standard requiring Financial Advice Providers – or Financial Advice Providers in some situations – to have their own code of ethics in addition to the Code, how would you frame the requirement for it to deal with keeping commitments?</p> <p>See above answer D (No need to “reinvent the wheel here”).</p>

Manage and fully disclose conflicts of interest

F.	<p>Should the Code include a minimum standard on conflicts of interest in addition to the legislation?</p> <p>Any conflicts of interest should be disclosed, need to define what a conflict of interest is in the Code though.</p>
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Do no harm to the client or the profession

G.	<p>Do you agree that a person who gives financial advice must not do anything or make an omission that would or would be likely to bring the financial advice profession into disrepute? If not, please set out your reasoning.</p> <p>Yes agree.</p>
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H.	Is an additional minimum standard on doing no harm to the client necessary? If so, what standard do you propose? None.
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Keep your client's data confidential

I.	In which situations, if any, should the retention, use or sharing of anonymised bulk customer data be subject to Code standards? Same as Privacy Act
J.	Do you agree that the Code should cover the various aspects of maintaining client confidentiality discussed in this paper? No because the Privacy Act already covers this off.
K.	Are there other aspects of maintaining client confidentiality to consider? Privacy Act clearly states legal obligations

Ethical processes in Financial Advice Provider entities

L.	Do you agree that the Code should require the Financial Advice Provider to document and maintain its "ethical processes"? Possibly, Continuing Education Ethic credits are required as being a member of the IFA and are recorded.
M.	Should the Financial Advice Provider be required to have a publicly available corporate code of ethics? Are there particular situations where a corporate code of ethics should be or should not be required? That might be okay for a large corporate organisation such as a bank, insurance or finance company, but not for small adviser businesses.
N.	Should Financial Advice Providers also be subject to additional standards in respect of leadership and culture? If so, how should these be framed? No.
O.	Do you propose other additional standards of ethical behaviour that should apply to Financial Advice Providers? No

Ethics training

P.	<p>Do you agree that Financial Advice Providers should be required to meet standards relating to ethics training? If not, please state your reasoning.</p> <p>Yes, Ethic credits are required as being a member of the IFA and are recorded.</p>
Q.	<p>Should ethics training requirements apply to all officers and employees of a Financial Advice Provider, as appropriate to their role and contribution to the process of financial advice provision? If not, please state your reasoning.</p> <p>No that's an over the top requirement in the code in my opinion.</p>
R.	<p>Should there be a requirement for ongoing refresher training on ethics?</p>

Resolving ethical dilemmas

S.	<p>Do you agree that Financial Advice Providers should be required to have in place, and use, a framework for resolving ethical dilemmas that may arise in giving financial advice? If not, please set out your reasoning.</p> <p>Define first what an ethical dilemma is- what is meant by this? In a small one adviser practice, who do we report to, ourselves? We already have complaints procedures in place.</p>
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Compliance functions

T.	<p>Should there be a requirement for explicit sign-off on the soundness of financial advice provided directly by a Financial Advice Provider?</p> <p>Sign off from whom? We must be trusted to do our job and get on with it.</p>
U.	<p>Do you agree that Financial Advice Providers should be required to have in place a compliance function aimed at following up on concerns raised by employees and other stakeholders? If not, please set out your reasoning.</p> <p>Depends on what type of concerns you are talking about? I do not consider this part of giving financial advice on financial products or recommendations to a client. So No.</p>
V.	<p>Should this extend further into an internal audit obligation, having in place processes to systematically test for and detect violations of ethical behaviour?</p> <p>Not for small firms, unnecessary compliance costs/time.</p>
W.	<p>Are there any potential compliance costs for small and/or large Financial Advice Providers that need to be considered?</p> <p>All compliance costs need to be considered for an effective outcome. Costs of staying in business are ever increasing.</p>

Responsibility for the whole advice process

X.	Do you agree that Financial Advice Providers should be required to be able to demonstrate that they meet the standards of ethical behaviour as if the Financial Advice Provider carried out the whole advice process directly itself? If not, please set out your reasoning.
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Reinforcing good ethical behaviour

Y.	<p>What principle or mechanism do you propose the Code could include to reinforce good ethical behaviour on a day-to-day basis?</p> <p>Both the PAA and IFA have a code of ethics that as members we sign up to and agree to abide by. I have attached both organisations code of ethics for your reference. Perhaps these codes or a version of these codes can be used by the wider adviser community?</p>
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Conduct and client care

Advice situations

<i>Share your views</i>	
Z.	Are there other delivery methods that should be considered when testing our thinking?

Advice-giving standards

AA.	How do the current client care standards work in practice, especially in advice-giving situations not previously covered by the AFA Code? In answering this question, please ignore “scope of advice” (CS-8) and “suitability” (CS-9 and part of CS-10).
BB.	Could any aspect of the current client care standards be worded better? (For example, we are aware that the definition of “complaint” could be improved.)
CC.	Are there any aspects of the current client care standards that could be expanded or clarified (for example, in light of the published findings of the Disciplinary Committee)?

DD.	Are there any potential compliance costs for small and/or large Financial Advice Providers that need to be considered?
EE.	Are there any additional matters that should be addressed in the advice-giving standards? Those listed above? Others?

Advice process

FF.	Do you think there are any other components that should be included in the design considerations of an advice process?
GG.	Should the Code include guidance material to help determine what needs to be considered when designing an advice process?
HH.	Are there any other important aspects you think should be included in the advice process for all types of financial advice activities under the new regime? Yes, you don't always need to do a full financial plan if it's limited advice, perhaps just a quote that is required by a client, or at review time.
II.	Should any of the key aspects that we have listed above be removed? If so, why?
JJ.	Are there any situations in which an advice process need not be followed? Basic pricing on products, some clients want to compare premium first/affordability and then may be open to advice on quality of products/ benefits and relevance to their situation and needs. Sometimes the client/prospect has to get past the price aspect first. Subsequently they can be educated on quality/benefits of product recommendations and suitability for their needs.

Personalised suitability

KK.	What comments do you have about a proposed minimum standard on personalised suitability analysis? What are your views on the example above?
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Organisational standards

LL.	What are the practical advantages and disadvantages of including organisational standards as described? What explanatory material or examples could we provide in the Code that might help to make these standards easier to comply with in practice?
MM.	<p>Would implementing these organisational conduct and client care standards create a particular compliance burden for your firm? If yes, please explain why.</p> <p>Yes, There is one adviser and 2 full time staff in our practice who don't have any spare time to dedicate to time consuming and possibly expensive corporate administration distractions. We need to be servicing our clients.</p>

General competence, knowledge and skills

<i>Share your views</i>	
NN.	Do you agree with our interpretation of the meaning of “competence, knowledge, and skills”? If not, why not?
OO.	Are there other factors, which contribute to combined expertise , that we have not listed? We are particularly interested in factors that are relevant to financial advice that is given by a Financial Advice Provider directly, including by digital means.
PP.	What do you think are the advantages of this approach to general competence, knowledge and skills?
QQ.	What do you think are the disadvantages of this approach to general competence, knowledge and skills?
RR.	In what ways do you think this proposed standard contributes to, or detracts from, the legislative purposes (for example ensuring the quality and availability of advice, avoiding unnecessary compliance costs, and promoting innovation and flexibility)?
SS.	<p>What factors should we consider in determining whether to make the proposed unit standard a renewing obligation?</p> <p>If you have qualified by examination and obtained a certificate or degree you shouldn't have to keep on resitting it. Continuing education credits and opportunities provided by the likes of adviser organisations or other providers can help keep advisers up to date.</p>

Particular competence, knowledge and skills

<i>Share your views</i>	
TT.	<p>What are the advantages and disadvantages of our approach of identifying two types of financial advice? What impact would it have on the type of advice you give and on your compliance costs?</p> <p>Sometimes clients or prospective clients want advice and quotes only on a single insurance product for example medical or house insurance, they do not want a full financial plan/report. Having too many compliance steps to offer single or simple product advice will not help the public or adviser deliver the information and service to the client, that the client needs.</p>

UU.	<p>How should RFA's experience be recognised?</p> <p>To qualify as a Chartered Life Underwriter (see below) YY. you must have a minimum of 5 years' experience. (It will usually take at least that long to obtain this qualification anyway). Any adviser who has more than 5 years' experience and success staying in business as an adviser must be doing many things right. There are many advisers with many more years experience than 5 years as well, such as myself with more than 31 years experience. You cannot obtain this experience by obtaining qualifications, you can only gain real depth of knowledge by being out in the field and dealing with numerous client situations including in particular claims for insurance adviser clients. I believe there must be some recognition for multiple years of continued adviser practice.</p>
VV.	<p>What do you think are the advantages of this approach to particular competence, knowledge, and skill?</p> <p>Acknowledging 5 or 10 years plus service is practical for reasons stated above and reduce compliance costs and time.</p>
WW.	<p>What do you think are the disadvantages of this approach to particular competence, knowledge, and skill?</p>
XX.	<p>In what ways do you think this proposed standard contributes to, or detracts from, the legislative purposes (for example ensuring the quality and availability of advice, avoiding unnecessary compliance costs, and promoting innovation and flexibility)?</p>

YY.	<p>What alterations, if any, would you suggest to the baselines we have nominated: specialist strand for product capability, Level 5 for discipline capability, and relevant degree (or other degree plus Level 6) for planning capability?</p> <p>I feel there is an over emphasis on AFA standard/code meeting the proposed standards. AFA is not a qualification. There must be recognition for those advisers who have obtained formal qualifications, level 7 degree, Chartered Life Underwriter (CLU) which is the pinnacle internationally recognised qualification for financial planning specialising in risk management, now offered in NZ as Certified Life Underwriter and/or CFP Certified Financial Planner. (CFP)It would be interesting to know how many AFA's have these formal premier qualifications or any other degree relevant to the industry. It doesn't matter if you are an RFA or AFA if you hold either of these qualifications, regardless of when achieved, you have met and exceeded the proposed code requirement and reached the recognised pinnacle qualification relevant to the industry. I attach a copy of the brochure from the FPIA "Why Choose a Chartered Life Underwriter? CLU advisers follow the six step process when writing a plan, are subject to a minimum of ongoing education requirements and honour the ethical doctrines of placing the client first, integrity, objectivity, competence, confidentiality, professionalism and diligence. Please also refer to the "Professionally Qualified" brochure attached from the Institute of Financial Advisers (IFA).</p> <p>There are also advisers that have qualified through examination and experience as Associates, Senior Associates or Fellows of the Australian and New Zealand Institute of Insurance and Finance. I qualified as a Senior Associate of the ANZIIF as part of the qualification toward obtaining the CLU designation. The ANZIIF (Snr Assoc) qualification would be at a level 6.</p> <p>I have also completed this year the level 5 Certificate in Financial Services and can confirm both the ANZIIF and CLU requirements far exceed the certificate in level 5 requirements.</p>
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Other comments

<i>Share your views</i>	
ZZ.	<p>Are there any other comments you would like to make to assist us in developing the Code?</p> <p>Please do not make it too onerous or expensive for small adviser businesses/ sole practitioner/sole traders with or without support staff to continue to practice. There is a very real risk senior experienced advisers who service many clients may decide it's all too hard and leave the industry prematurely, which would be a loss to the industry, their clients-public and the adviser's employees and families. The last thing small businesses need is to have to employ a compliance manager to get through all the red tape in order to do we what do. Therein lies the risk of an exodus of experienced advisers from the industry and a barrier to new advisers from joining into a rewarding and worthy career.</p>

PAA Code of Ethics

Objective of the Code

The Objective of the Code of Professional Ethics is to specify and set forth the means to enforce the minimum ethical conduct expected of all members as professionals, and to facilitate voluntary compliance with standards considerably higher than the required minimum. The code prescribes two kinds of standards:

- Canons and
- Rules.

Canons serve as model standards of exemplary professional conduct. They express general concepts and principles from which the more specific Rules are derived. The Rules are specific standards of a mandatory and enforceable nature. They prescribe the absolute minimum level of conduct required of every member. Only a violation of the Rules will constitute sufficient grounds for disciplinary action. The Canons are used by the Ethics Committee to apply and interpret the Rules uniformly with reference to the general principles and concepts they embody.

There are five canons that form the PAA code of ethics, these are:

- **Advocacy**
- **Diligence**
- **Compliance**
- **Development**
- **Integrity** (avoid activities that detract from the integrity of the PAA)

1. ADVOCACY

Endeavor to provide advice and service which are in the client's best interest.

Rules

- 1.1. A member possessing a specific body of knowledge which is not possessed by the general public has an obligation to use that knowledge for the benefit of the client and to avoid taking advantage of that knowledge to the detriment of the client.
- 1.2. In a conflict of interest situation, the interest of the client must be paramount.

2. DILIGENCE

Provide ongoing professional advice and service to clients

Rules

- 2.1 The member must make a conscientious effort to ascertain and understand all relevant circumstances surrounding the client.
- 2.2 Advice and service is to be competent and ongoing to best match the client's changing circumstances.
- 2.3 Remain informed of economic and legislative changes which relate to the client-member relationship
- 2.4 In the making of oral or written recommendations to clients, a member shall:
 - Distinguish clearly between fact and opinion
 - Base recommendations on sound professional evaluation of the client's needs and
 - Support the recommendations with appropriate research and adequate documentation of the facts.

3. COMPLIANCE

Obey all laws governing business and/or professional activities

Rules

- 3.1 Members must comply with all relevant legislation
- 3.2 A member shall be subject to disciplinary action for professional conduct and has the duty to know and abide by the laws and regulations and all the legal limitations pertaining to the member's professional activities.
- 3.3 In marketing a product, a member shall not knowingly misrepresent or conceal any material limitations on the product's ability to meet the financial needs of the client and shall avoid any statements likely to mislead the client regarding the future results of any recommendation.

4. DEVELOPMENT

Continue educational development

Rules

- 4.1 A member shall keep informed on all matters that are essential to the maintenance of the member's professional competence in the area in which he/she specialises or claims expertise.
- 4.2 Members shall satisfy all minimum continuing education requirements set by the Association.

5. INTEGRITY

Maintain a level of integrity expected of a professional.

Rules

- 5.1 A member is to accord due courtesy and consideration to those engaged in related professions who are also serving the client.
- 5.2 In the conduct of business or professional activities, a member shall not engage in any act or omission of a dishonest, deceitful, or fraudulent nature.
- 5.3 A member shall not disclose to any other person any confidential information entrusted to or obtained by the member in the course of the member's business or professional activities, unless a disclosure of such information is required by law or is made to a person who necessarily must have the information in order to discharge legitimate occupational or professional duties.



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P1 - CODE OF ETHICS

EFFECTIVE 1 JANUARY 2012

Introduction

There are many benefits of belonging to the Institute of Financial Advisers, but none is more important than what being a member says to your clients and the public.

Membership of the Institute of Financial Advisers and compliance with the Code of Ethics and practice Standards marks you as a professional: a financial adviser people can rely on for quality advice, given in their interests.

Because of that, fundamental to being a member is accepting the responsibility to act professionally. Ensuring that Institute of Financial Advisers membership continues to have meaning to the public places an obligation on all members: each of us has a responsibility to all of us.

The responsibilities of membership are expressed in the Institute of Financial Advisers Code of Ethics (Code). The Code provides guidance on the standards of professional conduct members expect of each other. The Principles are inspirational and are intended to provide guidance for appropriate and acceptable professional behaviour.

Complying with the Code is a requirement of memberships of the Institute of Financial Advisers, and failing to comply can result in disciplinary action and loss of membership. But – more importantly – the Code provides the framework for members to create successful and enduring relationships with clients.

For most members therefore, the expectations of the Code should already be second nature, because the Code simply makes explicit what they already intuitively understand: this is the way professionals conduct business.

The Institute of Financial Advisers affirms its adherence to certain ethical principles and accepts responsibility for delineating the standards of ethical behaviour expected of professional financial advisers.

Notes:

1. The Code of Ethics, Practice Standards and Rules of Conduct, make up a package of requirements for good practice for IFA members.
2. A separate Glossary sets out definitions of terms used in these documents

PRINCIPLES

Principle 1 – Client First

Place the client's interests first.

Placing the client's interests first is a hallmark of professionalism, requiring the financial adviser to act honestly and not place personal gain or advantage before the client's interests.

Principle 2 – Integrity

Provide professional services with integrity.

Integrity requires honesty and candour in all professional matters. Financial advisers are placed in positions of trust by clients, and the ultimate source of that trust is the financial adviser's personal integrity. Allowance can be made for legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles. Integrity requires the financial adviser to observe both the letter and the spirit of the Code of Ethics.

Principle 3 – Objectivity

Provide professional services objectively.

Objectivity requires intellectual honesty and impartiality. Regardless of the services delivered or the capacity in which a financial adviser functions, objectivity requires financial advisers to ensure the integrity of their work, manage conflicts and exercise sound professional judgment.

Principle 4 – Fairness

Be fair and reasonable in all professional relationships. Disclose and manage conflicts of interest.

Fairness requires providing clients what they are due, owed or should expect from a professional relationship, and includes honesty and disclosure of material conflicts of interest. It involves managing one's own feelings, prejudices and desires to achieve a proper balance of interests. Fairness is treating others in the same manner that you would want to be treated.

Principle 5 – Professionalism

Act in a manner that demonstrates exemplary professional conduct.

Professionalism requires behaving with dignity and showing respect and courtesy to clients, fellow professionals, and others in business-related activities, and complying with appropriate rules, regulations and professional requirements. Professionalism requires the financial adviser, individually and in cooperation with peers, to enhance and maintain the profession's public image and its ability to serve the public interest.

Principle 6 – Competence

Maintain the abilities, skills and knowledge necessary to provide professional services competently.

Competence requires attaining and maintaining an adequate level of abilities, skills and knowledge in the provision of professional services. Competence also includes the wisdom to recognize one's own limitations and when consultation with other professionals is appropriate or referral to other professionals necessary. Competence requires the financial adviser to make a continuing commitment to learning and professional improvement.

Principle 7 – Confidentiality

Protect the confidentiality of all client information.

Confidentiality requires client information to be protected and maintained in such a manner that allows access only to those who are authorised. A relationship of trust and confidence with the client can only be built on the understanding that the client's information will not be disclosed inappropriately.

Principle 8 – Diligence

Provide professional services diligently.

Diligence requires fulfilling professional commitments in a timely and thorough manner, and taking due care in planning, supervising and delivering professional service.



Professionally Qualified

Your financial adviser is a Chartered Life Underwriter.



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Working with an insurance adviser

In business – and in life – the secret to success is not to avoid risk, but to manage risk. And the more successful you become, the more responsibility you have to manage risk wisely.

Which is why you are considering using the professional services of an insurance adviser. Someone who can help you make better decisions about things that affect the financial security of you and your family.

Life insurance, trauma cover, income protection insurance, health insurance, legal and taxation issues, group benefits and estate planning. It's a complex field, with plenty of options to consider. What you need is someone who will take the time to understand your particular circumstances and put together a plan that makes sense for you. Someone you can trust.

A specialist risk management adviser will provide you with expert guidance on insurance topics for you, your family, or your business. They will recommend the products that provide an appropriate level of financial security and they will review your plan with you regularly to ensure it stays relevant for your changing circumstances.



The value of a qualified professional

The impact of the risk management decisions you make – or don't make – today may not be obvious for some time, but they may be absolutely critical to the future financial security of you and your family. Which makes it so important that you seek the advice of someone you can trust and someone who is competent.

The insurance adviser you are talking to is a member of the Institute of Financial Advisers. That means they have embraced our code of ethics and our structured process for preparing and presenting advice. You can have confidence that you are dealing with a professional, someone committed to helping you achieve the outcome that is right for you.

Importantly, you are talking to a Chartered Life Underwriter. The CLU qualification is a world standard for risk management professionals and it means you can be confident that your adviser has the experience, education, and knowledge to ensure you receive professional, competent advice.

Eight things our members believe in:

Client first Placing your interests first.

Integrity Being truthful and trustworthy.

Objectivity Acting in your best interests.

Fairness Respecting others.

Competence Maintaining the necessary skills, knowledge and business expertise.

Confidentiality Protecting your private information.

Professionalism Maintaining an ethical reputation.

Diligence Delivering. Promptly and thoroughly.



Being authorised to use the CLU mark means your insurance adviser has met the following professional requirements:

Experience

CLU professionals have had, as a minimum, five years experience in the risk management process.

Education

CLU professionals have built their theoretical and practical financial planning knowledge by completing a comprehensive course of study and passing the required examinations.

Professional Development

CLU professionals keep their knowledge up to date by taking part in at least 60 hours of relevant continuing education every two years.

Choosing a Chartered Life Underwriter to help you manage risk is a smart choice. If we can help you with any more information, then please get in touch.

Contact us

on the web: www.ifa.org.nz

email: info@ifa.org.nz

by phone: **0800 404 422**

by fax: **04 499 8064**

by mail: **PO Box 5513 Wellington**

Why choose a Chartered Life Underwriter



"it's your life"

Financial
Planners
& Insurance
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"it's your life"



As the demand for professional and objective risk management advice continues to grow worldwide, more and more people are looking for professionals with credible and tangible qualifications. They need the reassurance, quite rightly, that they are dealing with advisers who have their best interests at heart and who have specialist experience and knowledge.

This brochure lays out some of the steps we believe you should follow to ensure you get the best possible advice.

Insist on dealing with an FPIA member

We view this as very important. By choosing an FPIA member, you are automatically protected by a range of benefits and safeguards that may not be available to you elsewhere:

- We give an undertaking that our members will abide by the FPIA's Code of Ethics and Professional Conduct.
- Our members must meet the professional body's rigorous education and experience standards.
- We have established a Complaints and Disciplinary Resolution procedure for your protection.

Financial
Planners
& Insurance
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- Our members are obliged to only ever act in their clients' best interests. They must produce their Disclosure Document to you as required by the Investment Advisers (Disclosure) Act 1996.
- Our members are required to have professional indemnity insurance.

Choose

a qualified practitioner

Chartered Life Underwriter (CLU) is a specific, professional designation internationally recognised as one of the most powerful, standout credentials an insurance adviser can have after their name. When you do business with a person with CLU designation, you know that you are dealing with a professional equipped to give you the best advice.

The CLU designation also requires the holder to continue to pursue a broad based education programme which ensures their ability to continue to meet your needs.

Understanding what a

qualified

practitioner can do for you

A qualified practitioner strives to help you define, review and reach your financial goals and meet your risk management objectives. They follow a six step process to achieve this:

One: They will help you to compile a complete picture of your current situation and determine your objectives. A qualified professional will work with you to gain an understanding of your current situation. From there, they will help you to define your personal objectives.

Two: They will work with you to identify your financial goals and insurance and investment needs.

Three: They will analyse your current situation. In choosing how to proceed, there are many aspects to weigh up: for example, your assets, your liabilities, your dependents, your income earning ability, your business interests, estate issues and so on. Your adviser will carefully analyse these along with your objectives in the light of the current legal, tax and economic conditions.

Four: They will identify weak points and recommend improvements. They will work with you to identify and overcome weaknesses or shortcomings in your current situation by providing specific recommendations on how you can improve your situation.

Five: They will co-ordinate the implementation of your plan. Your professional adviser will ensure all the elements of your plan are implemented. In doing so, they will co-ordinate with other professional specialists as required, such as solicitors or accountants.

Six: They will review your plan with you regularly. Your adviser will continue to work

with you to ensure your plan is relevant for your circumstances and actively working to help you reach your objectives.



9 steps to choosing the right adviser for you

Here are our recommendations on how to find the best adviser for your needs:

1. Shop around - choose an adviser you feel comfortable with. If necessary, compare two or three different advisers.
2. Ask plenty of questions.
3. Ask about his or her qualifications and experience and if he/she is a member of FPIA.
4. Ask for a copy of their Disclosure Document. An adviser is required to supply this to you.
5. If your adviser has been recommended to you, ensure that you still complete 1-4 above.
6. Get your adviser to complete a full needs analysis for you with a written report or plan. This makes sure your exact needs are met. Don't invest large sums of money

without a written plan that you feel comfortable with.

7. Look for any danger signs especially inflated promises, returns that seem too good to be true (they probably are!), putting all your eggs in one basket, an unbalanced plan, high fees, no prospectus ... and anything else that makes you feel uncomfortable! Keep an eye on your investments or policy - watch for changes that might affect you.
8. Act on the advice - otherwise what's the point in having sought it?
9. Regularly review your programme with your adviser. (We suggest on an annual basis.)

Find out more

A list of the CLU qualified practitioners in your area is available at our website www.fpia.org.nz, or you can phone us on 0800 404 422 for further information.



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