



# Adviser Oversight Framework

 nib







# Message from nib's CEO

**At nib, we believe health comes first and are driven by our mission and vision of Kiwis enjoying better health. We recognise that how we go about our business, including through our valued partners, directly and indirectly impacts the communities in which we operate and their own sustainability.**

Our members are at the core of everything we do. We've reinforced this through the development of our Adviser Oversight Framework which sets out the commitments and principles we expect of all advisers as they partner with us to support the health and financial wellbeing needs of their clients, our members. It recognises that treating customers fairly is the shared responsibility of nib and our financial adviser partners.

The Framework builds upon the expectations we've established in our agreement with advisers who recommend nib's products and services. It also supports the requirements of both nib and financial advisers as articulated in various laws and regulations in New Zealand.

It's essential that when partnering with nib, advisers review the Framework and ensure that their business and advice practices as well as engagement with nib members are carried out in accordance with the Framework.

Please read the Framework carefully. If you require any further information, assistance, or are uncertain about the application of this Framework, please contact nib's Adviser Partner team or email [advisersupport@nib.co.nz](mailto:advisersupport@nib.co.nz).

We look forward to continuing to deliver great member experiences together with advisers as we support Kiwis to live healthier lives.

Rob Hennin  
Chief Executive Officer







# Purpose of the Adviser Oversight Framework

The Adviser Oversight Framework (Framework) was developed to outline the standards we expect from advisers to ensure the delivery of ethical business and advice practices as well as deeper, proactive engagement with members.

The purpose of the Framework is to ensure nib's adviser partners comply with relevant New Zealand legislation and regulations and complements the obligations advisers have under the licence they work under, including the Code of Professional Conduct for Financial Advice Services. We also want to ensure that adviser partners continue to meet nib's expectations concerning good

member outcomes and to assist nib in meeting its obligations under the Conduct of Financial Institutions regime.

In addition, it allows nib to identify opportunities to enhance the specialist knowledge, skills and processes used by advisers at all stages of the advice process and subsequently when providing ongoing service. The Framework also sets out how we will address any identified concerns with current adviser practices.

This Framework applies to all advisers who advise and support their clients with nib's products and services.

## Commitments and principles

nib recognises the important role financial advisers play in supporting the better health and financial wellbeing of Kiwis. That's why we want to be your partner of choice, aligned in our commitments and principles for ensuring good member outcomes. We acknowledge that treating customers fairly is the shared responsibility of nib and our adviser partners.



### nib's expectations are that advisers will:

#### Follow a needs based advice process

A documented needs based advice process takes into account the client's individual circumstances and provides for ongoing review to ensure the solutions put in place remain relevant as the client's circumstances change over time.

#### Proactively engage with members

Taking a proactive approach helps to ensure that advisers are meeting client expectations, rather than waiting until problems occur and then responding to them. This Framework is part of the early warning system that makes advisers and nib aware of potential client dissatisfaction.

#### Have strong knowledge about nib's products and services

Complete all nib's product training and accreditation requirements before discussing, recommending or completing applications for nib's products and services. This also ensures advisers can discuss and recommend nib's products in an informed way.

#### Act in line with the nib Intermediary Agreement

Conduct business and engagement with nib members in accordance with the expectations set out in the contract between nib and the financial adviser known as the nib Intermediary Agreement.



### Indicators of an adviser's good business practice:

- Positive client feedback – formal and informal.
- Client endorsements – solicited and unsolicited.
- Fewer complaints and complaints that conclude with a more satisfied client.
- Longevity of the relationship between the client, the adviser and nib where that is in the client's best interests.
- Continued growth of the business through new clients and existing clients seeking further advice and service.

# Delivering good member outcomes

nib works closely with financial advisers and recognises the important role they play in ensuring Kiwis anticipate and are well prepared to overcome the challenges that can come with illness or deteriorating health.

Advisers help their clients by simplifying complex issues and helping them to assess and prioritise their goals. Advisers also have the responsibility of putting their client's decisions into action and to maintain regular and frequent communication, ensuring the agreed 'solutions' remain appropriate over time and with changes in life circumstances.

Advisers also have the responsibility of putting their client's decisions into action and to maintaining regular and frequent communication with those clients to ensure the agreed 'solutions' remain appropriate over time and with changes in life circumstances, and to ensure that those clients have access to updated information relating to any product enhancement.

We realise financial advisers have specialist knowledge and skills and that the structured advice process advisers use helps to ensure clients make decisions based on careful consideration of all the issues.

Importantly, we recognise financial advisers are expected to put their client's interests first, which is very much aligned with nib's own commitment to our members.

As such, we have designed the Framework with the aim of also helping identify opportunities to enhance the knowledge, skills and processes used by advisers at all stages of the advice process and subsequently when providing ongoing service.

**nib recognises that meeting client expectations requires a systematic process.**

**This usually comprises four elements:**

- 01. Strong policy and practices**  
It's important to develop and implement policies and practices that ensure good member outcomes. Some policies and practices will be common to all adviser businesses (e.g. keeping client data secure) while others will depend on the type of services the business is providing, its size and its complexity. Policies and processes set expectation and provide guidance on how good member outcomes will be achieved.
- 02. Business wide policy and practice adoption**  
Most advisers have support staff and many advisers work in teams. Everyone in the business should know how their role contributes to good member outcomes, what they have to do to achieve this and be provided with the training necessary to do so.
- 03. Monitoring and reporting**  
This is part of the early warning system that alerts the advisers and managers in a financial advice business to potential client dissatisfaction. Reports help highlight the need for further investigation.
- 04. Action plans**  
When non-compliance or an opportunity to improve advice and business practice is indicated, a plan for further investigation and remedial or improvement action is required.



**Good advice and business practices does not mean treating everyone the same way or rigidly following a single process.**

**For example, nib has identified various groups of vulnerable clients who may need a different approach to advice and service compared to other clients.**

**These include:**

- Clients for whom English is a second language.
- Clients with limited ability to consider or understand what they are being recommended.
- Clients who are not familiar with the public health service and welfare benefits in New Zealand and the role they can play in a protection plan.
- Clients who are currently in a crisis, such as a recent bereavement or are experiencing high stress levels at the time the recommendations are being made.
- Older clients who may have different health or life and living cover needs due to the impact of pre-existing health conditions or their retirement expectations.

Recognising and responding to the needs of vulnerable clients will contribute to enhanced adviser - client relationships and reduces the risk of complaints and disputes.



# Monitoring and governance

nib collects information from various sources to build a comprehensive picture of how advisers engage with nib members and the practices they are utilising. This information can then be used to identify practices and trends that require further investigation.

The Framework has been designed to ensure minimal business disruption to an adviser so they can continue to devote their time to meeting the needs of Kiwis and their communities.



## Ways nib collects information about advisers:

### Applying for an nib Agency

nib builds an understanding of our advisers including their relevant experience and why they want to recommend and service nib members through the agency application form and an interview with an nib Adviser Partner Manager. We also conduct background reference checks.

### nib member feedback

nib surveys members at regular intervals to find out how well nib and the adviser have met their needs and to identify areas for improvement.

### Annual adviser declarations

nib undertakes an annual adviser declaration which requires advisers to confirm and, in some cases, provide evidence that they are continuing to meet their licensing and other obligations.

### Business activity monitoring

nib combines information from a variety of internal business reports into a dashboard that enables adviser monitoring and indicates where advice or business practice might not meet the required standards or where further enquiry by nib is indicated. nib takes a risk based approach and may adjust the intensity and frequency of review to reflect the level of risk. Over time, nib will refine the Framework and may incorporate new methodologies to streamline the oversight process.



# Compliance with the Adviser Oversight Framework

There is an expectation that nib's adviser partners abide by all laws and regulations that govern financial services as well as nib's requirements under the terms of the nib Intermediary Agreement. We expect advisers to conduct their business in a manner that is of the highest ethical and moral standards when providing services to nib members.

In case of non-compliance with this Framework, nib will look to work with the adviser to remedy the non-compliance and implement improved advice and business processes.

Where a breach of this Framework is ongoing or serious, nib will consider suspending or ending the adviser's agreement with us.

## Outside of impacts on your relationship with nib, there may be other consequences for the adviser that may include:

- A complaint to your dispute resolution scheme.
- Restraints or termination of entitlements to provide financial advice.
- Legal action, fines or restitution and payment of related costs.
- Damage to reputation and business.
- Fewer new clients, loss of existing clients and diminished business value.

nib's Adviser Oversight Framework was last updated in March 2024. It is subject to change from time to time. Advisers are encouraged to visit our website or speak with their Adviser Partner Manager to ensure they have the most recent version.

If you have any questions about the Framework or would like further information, please contact nib's Adviser Partner Manager team or email [advisersupport@nib.co.nz](mailto:advisersupport@nib.co.nz).

