

## LICENCES

Delta Insurance New Zealand Limited (New Zealand Company Number 4948339) (**Delta**) holds a Class 3 financial advice providers licence issued by the Financial Markets Authority (**FMA**), with effect from 15 March 2023.

The Licence is issued so that **Delta** can provide a financial advice service.

Please note that **Delta** is also registered on the Financial Service Providers Register. **Delta's** FSP number is FSP387886 and it has been registered since 17 July 2014.

## LICENSING CONDITIONS

The Licence is subject to a number of conditions that limit or restrict the advice that may be given by **Delta** or a person giving advice on **Delta's** behalf.

The effect of these conditions is briefly summarised as follows:

- **Delta** can only provide financial advice in respect of contracts for insurance.
- **Delta** may nominate an individual as a nominated representative only if, immediately prior to 9 April 2019, it was an entity registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (**FSP Act**) and engaged one or more individuals, who are not registered under the **FSP Act**, to provide a "class service" (as defined in the Financial Advisers Act 2008) on its behalf. The types of advice that **Delta's** nominated representatives can provide are limited to that which **Delta** itself can provide.
- **Delta** must create in a timely manner, and maintain, adequate records in respect of its financial advice services.
- **Delta** must have an internal complaints process for resolving client complaints relating to its financial advice service.
- **Delta** must send a report to the **FMA** if:
  - it is, or it is likely that, it will become subject to an insolvency event;
  - a director or senior manager of **Delta** or any of the key personnel of **Delta** (together, **Key Persons**) are adjudicated bankrupt or it is likely that any Key Person will be adjudicated

bankrupt (whether in New Zealand or overseas);

- a relevant proceeding or action has been commenced or taken against **Delta** or any Key Person (a "**relevant proceeding**" being civil or criminal proceedings or regulatory actions (whether in New Zealand or overseas) of financial markets legislation, overseas law that regulates the supply of any financial service, any dealing in financial products, or the management of an entity and a regulatory or disciplinary action for a breach of a professional or industry code of conduct or the rules of a financial product market (whether in New Zealand or overseas));
- if a Key Person resigns, is removed or otherwise ceases to hold the office or position, or if a Key Person is appointed, employed, or engaged;
- if the auditor of **Delta** resigns or otherwise ceases to hold the office or is appointed (other than by way of reappointment);
- if **Delta** proposes to change its name or its legal structure;
- if **Delta** proposes to enter into a major transaction (within the meaning of section 129 of the Companies Act 1993); and
- if **Delta** becomes aware that a transaction or an arrangement has been entered into, or it is likely that a transaction or arrangement will be entered into, that will result or has resulted in a person obtaining or losing control of **Delta**.

## NATURE AND SCOPE OF FINANCIAL ADVICE

**Delta's** business entails selling insurance products in New Zealand in its capacity as a Lloyd's Coverholder (**Lloyd's Syndicates**). Further information on being a Lloyd's Coverholder is provided below.

**Delta's** current insurance products include but are not limited to the following:

- Commercial Legal Expenses
- Cyber Liability
- Environmental Liability Insurance Fixed Site
- Environmental Liability Insurance Contractors Professional Environmental Liability (CPEL)
- Environmental Liability Insurance Contractors

Pollution Liability (CPL) Occurrence

- Environmental Liability Insurance Contractors Pollution Liability (CPL) Claims Made
- Food & Beverage Manufacturing General Liability Insurance
- General Liability
- Manufacturing Liability Insurance
- Material Damage & Business Interruption Insurance
- Medical Malpractice
- Natural Disaster Deductible Buy Down
- Optima Management Liability Package
- Professional Indemnity
- Technology Liability
- UAV Operators Insurance

The financial advice that may be tendered by **Delta** will be:

- whether or not a particular claim, or particular circumstances, would be covered under an insurance policy offered by **Delta**; and
- whether or not certain costs that the insured will incur under a claim would be covered by the relevant insurance policy.

#### BEING A LLOYD'S COVERHOLDER

Lloyd's is a specialist insurance market whereby syndicates of insurance underwriters join together to share risk in relation to insurance products (**Lloyd's Syndicates**).

As a Lloyd's Coverholder, **Delta** is subject to specific underwriting authorities with the **Lloyd's Syndicates**. These authorities specifically regulate what insurance products **Delta** can and cannot offer in the New Zealand marketplace. Therefore, **Delta** will only offer insurance products under and in accordance with these authorities.

**Delta** is therefore not a direct insurer, but rather is an agent selling "contracts of insurance" (within the meaning of section 6 of the Financial Markets Conduct Act 2013) on behalf of the **Lloyd's Syndicates**.

Given this capacity in which **Delta** offers insurance products, it is not in the core business of providing

financial advice to clients in New Zealand. Rather, it sells insurance products and its clients ordinarily rely on insurance brokers for financial advice on these products. These brokers are external to **Delta** and not part of its staff. If **Delta** did tender financial advice on its insurance products, such advice would be as set out above.

Further information on Lloyds can be obtained from [www.lloyds.com](http://www.lloyds.com).

#### FEES AND EXPENSES OR OTHER AMOUNTS CHARGED FOR FINANCIAL ADVICE

**Delta** does not charge its clients any fees or expenses for providing financial advice to its clients.

**Delta's** remuneration comes through the payment of commissions, the details of which are set out below.

#### CONFLICTS OF INTERESTS, COMMISSIONS AND INCENTIVES

As a Lloyds Coverholder, **Delta** will receive commissions from the relevant Lloyds underwriting syndicate if you elect to acquire our insurance products.

The commissions payable to **Delta** are variable. They will depend on the type of insurance product that you acquire and the underlying contractual arrangement that **Delta** has with the Lloyds syndicate that underwrites your insurance product.

From the commission that **Delta** receives from underwriters we will in turn pay our operational costs, underwriting expenses, claims handling services, any commissions that we have to pay to your insurance broker or financial advisor, and payment of any risk management services if applicable.

In addition, **Delta** may also be eligible to receive a profit share commission based on the overall profitability of the underwriting portfolio to the Lloyd's underwriters in any given financial year.

In order to ensure that **Delta** prioritises your interests over and above our own, we follow a rigorous process that ensures that any advice that we provide is given on the basis of your own individual goals, needs and circumstances. We also undertake training to ensure that our advice is robust and lawfully compliant, and that we know how to handle and manage any conflicts of interest that may arise.

To this end, we keep internal registers of conflicts of

interest and we monitor and record all commissions and other incentives that we receive. We also hold a monthly review of our compliance matters in order to ensure that our business adheres to applicable legal requirements and standards.

### COMPLAINTS PROCEDURES AND EXTERNAL DISPUTES RESOLUTION

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure. In the first instance, please contact:

#### THE COMPLAINTS OFFICER

Delta Insurance

complaints@deltainsurance.co.nz

+64 9 300 3079

PO Box 106 276, Auckland 1143

We will acknowledge receipt of your complaint within 5 business days and do our utmost to resolve the complaint to your satisfaction within 10 business days, unless we require further information in which case, we will agree an alternate time frame with you. If we cannot resolve your complaint to your satisfaction, you can escalate the matter to Lloyd's General Representative in New Zealand:

#### LLOYD'S GENERAL REPRESENTATIVE IN NEW ZEALAND

Email: idrnz@lloyds.com

Telephone: +64 4 472 7582

Post: PO Box 5639 Wellington New Zealand

Following receipt of your complaint, you will be advised whether your dispute will be handled by the Complaints team at Lloyd's Australia or the Lloyd's Complaints team in the UK, or what other avenues are available to you. A final decision will be provided to you within two months of the date on which you first made the complaint unless certain exceptions apply.

If your complaint is not resolved in a manner satisfactory to you or we do not resolve your complaint within two months of originally receiving it, you may refer the matter to the Insurance and Financial Services Ombudsman (**IFSO Scheme**). The **IFSO scheme** can be contacted as follows:

Telephone: 0800 888 202 or +64 4 499 7612

Email: info@ifso.nz or via their website [www.ifso.nz](http://www.ifso.nz)

Post: PO Box 10-845 Wellington 6143, New Zealand

Your complaint must be referred to the **IFSO Scheme** within 3 months of the final decision, unless the **IFSO Scheme** considers special circumstances apply. If your complaint is not eligible for consideration by the **IFSO Scheme**, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

### DUTIES INFORMATION

**Delta**, and any person giving advice on **Delta's** behalf, is bound by the duties in sections 431I, 431K, 431L, and 431M of the Financial Markets Conduct Act 2013 to:

- meet the standards of competence, knowledge, and skill set out in the Code of Professional Conduct for Financial Advice Services (**Code of Conduct**);
- give priority to its client's interests, including by taking all reasonable steps to make sure our advice is not materially influenced by our own interests;
- exercise care, diligence, and skill; and
- meet the standards of ethical behaviour, conduct, and client care set out in the **Code of Conduct**.

Please note that the **Code of Conduct** is designed to make sure we treat you as we should, and give you suitable advice.

This is only a summary of the duties that we have. More information is available by contacting us, or by visiting the **FMA's** website at [www.fma.govt.nz](http://www.fma.govt.nz).

### REQUESTS FOR FURTHER INFORMATION

**Delta's** clients may at any time request further information about the company, its business, products, services, its Licence, the financial advice the company provides, and any other information relating to the foregoing, by emailing [underwriting@deltainsurance.co.nz](mailto:underwriting@deltainsurance.co.nz)