



BLUEPRINT FOR GROWTH



FSC. VISION

**GROW THE FINANCIAL
CONFIDENCE AND
WELLBEING OF
NEW ZEALANDERS**

FSC.

WORKING TOGETHER

As the voice of the financial sector, the FSC's 100+ members offer products and services that support New Zealanders in their time of need, saving for retirement, and lifting the financial literacy of New Zealanders. The financial sector has an excellent record of working together with Government to support New Zealanders through their financial lifecycles.

We are in unprecedented times facing higher levels of risks and unfortunately, we are not adequately protected. Whether it is insurance of which New Zealanders are significantly underinsured, with one of the lowest levels of insurance in OECD countries, or an ageing population who don't have enough funds for a rainy day or retirement, we have a responsibility to address these gaps with effective regulation and policy.

FSC has invested in data and research to make informed, data driven recommendations to build New Zealand's financial wellbeing.

Our policy principles are to support the development of:

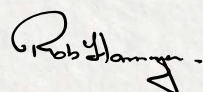
SUSTAINABLE policies that are cost-effective for consumers and the government and improve New Zealanders' lives;

INTEGRATED policies using the financial and health sectors' significant experience, systems, knowledge and skills to work together with government to provide cost-effective solutions, and;

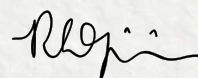
ASPIRATIONAL policies, as it is critical for New Zealanders to make better choices by growing their financial literacy and wellbeing.

From diversity and inclusion to growing financial literacy in schools, it is imperative that there are a wide range of education programmes that underpin all policy that grows New Zealanders' financial confidence and wellbeing.

We look forward to the coming months to develop policies that support New Zealanders.



Rob Flannagan
Independent Chair



Richard Klipin
CEO, FSC

THE VOICE OF THE SECTOR

The FSC is a non-profit member organisation with a vision to grow New Zealanders' financial confidence and wellbeing. FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Our members manage funds for KiwiSaver and retirement of \$85b, annual life premiums of \$3b, and annual health insurance premiums of \$1.85b.

"The FSC has played a leading role in the past five years in navigating a period of change. Under Richard's leadership it has upscaled, upskilled and increased its engagement with senior staff at the FMA and across Government. The FSC is a great example of what can be achieved."

Samantha Barrass, CEO FMA

113
FSC MEMBERS

2.96m
FSC MEMBER
KIWISAVERS³

\$18.75b
FINANCIAL
& INSURANCE
SERVICES GDP¹

\$85b
FSC MEMBERS
FUNDS UNDER
MANAGEMENT³

1.39b
FSC MEMBERS
HEALTH
CLAIMS PAID²

4.1m
FSC MEMBERS
LIFE
INSURANCE
COVERS⁴

\$1.85b
IN-FORCE
HEALTH
PREMIUMS²

\$3.02b
FSC MEMBER
LIFE
PREMIUMS⁴

¹The Financial & Advisory Services Industry Sector Snapshot, Ringa Hora Services (2022)

²FSC Spotlight Health Insurance (2022)

³FSC Spotlight KiwiSaver (2023)

⁴FSC Spotlight Life Insurance (2022)

GROW FINANCIAL CONFIDENCE AND WELLBEING OF NEW ZEALANDERS

1

NEW ZEALANDERS AREN'T FINANCIALLY LITERATE

OUR ASPIRATION

Kiwis better manage their finances and seek advice

"53% of Kiwis can't access \$5,000 within a week in time of emergency"¹

2

NEW ZEALANDERS TAKE TOO MUCH RISK

OUR ASPIRATION

Kiwis better manage and understand their risk

"70% of Kiwis are under insured"²

3

NEW ZEALANDERS AREN'T PREPARED FOR RETIREMENT

OUR ASPIRATION

Kiwis have a dignified retirement

"56% of Kiwis don't feel they are financially prepared for retirement"³

4

NEW ZEALANDERS WORRY ABOUT HEALTHCARE ACCESSIBILITY AND AFFORDABILITY

OUR ASPIRATION

Kiwis have accessible and affordable healthcare

"39% of Kiwis worry about the financial consequences of a significant health event"²

¹ FSC Research, Financial Resilience Index (2023), ² FSC Research, Money and You, Taking Cover (2022), ³ FSC Research, Money and You, KiwiSaver At A Crossroads, (2021)

POLICY PRIORITY



KIWIS BETTER MANAGE THEIR FINANCES AND SEEK ADVICE

FSC research highlights the gap between perceived financial confidence (which is high) and financial literacy (which is low) and the need to urgently lift New Zealanders' financial wellbeing (FSC Research, Money and You, 2022). New Zealanders are worried about their financial wellbeing (Te Ara Ahunga Ora Survey 2019) yet lack the skills to do something about it.

POLICY RECOMMENDATIONS:

Partner with the sector to launch public education initiatives.

Include financial capability in the school curriculum.

Improve access to financial advice.



KIWIS BETTER MANAGE AND UNDERSTAND THEIR RISK

New Zealand is one of the most underinsured nations in the OECD (FSC, Money and You, 2022) and our levels of risk are only increasing putting at risk health and income. Insurance plays an important role in spreading the costs of risk and solutions that ensure financial stability. FSC Research showed that "affordability" and "unsure where to get advice" contributed to underinsurance (FSC, Gambling on Life, 2020).

POLICY RECOMMENDATIONS:

Remove barriers and support employer-based schemes for life, health and income protection.

Provide protection mechanisms for Kiwis with significant mortgage debt to manage their risk.

Utilise the financial sector knowledge, skill and expertise to manage and prepare for risk events.

POLICY PRIORITY



KIWIS HAVE A DIGNIFIED RETIREMENT

Most Kiwis believe they won't have sufficient retirement funds (Te Ara Ahunga Ora) and for many Kiwis, they're right. Having financial security in retirement is critical for without it, there is a poor quality of life and a lack of choices from where to live to accessing healthcare. By 2050 the number of over 65's will have doubled affecting Kiwis' standard of living and insufficient spending in the economy (Mercer CFA Institute Global Pension Index 2022).

POLICY RECOMMENDATIONS:

Increase contributions to KiwiSaver and retirement investment schemes.

Increase the number of Kiwi's participating in retirement savings.

Raise the financial capability of New Zealanders.



KIWIS HAVE ACCESSIBLE AND AFFORDABLE HEALTHCARE

By 2050, the number of New Zealanders over 65 will double putting significant pressure on the health sector. The private sector can provide quicker access to services and there is demand for employer-based schemes to support productivity and manage health risks whether it is through injury or sickness. It's important to New Zealanders to 'age well' and access to health prevention services has never been more important.

POLICY RECOMMENDATIONS:

Remove barriers for employer based schemes.

Increase collaborations with the private sector on prevention education and programmes.

Utilise the private sectors skills, knowledge and capability to ease the burden on the public system.

FSC. INFLUENCING NEW ZEALAND'S POLICY AGENDA

MACRO POLICY SETTINGS TO SUPPORT NEW ZEALANDERS

Grow financial literacy.

Improve KiwiSaver settings
to support retirement.

Addressing underinsurance.

Growing access and availability
of financial advice.

RESPONDING AND ENGAGING WITH REGULATORY AGENCIES

FSC consultation submissions through
regulatory affairs.

Recent submissions include:
COFI, FSLAA, IFRS17,
Climate Change and Reporting,
KiwiSaver Hardship Funds.

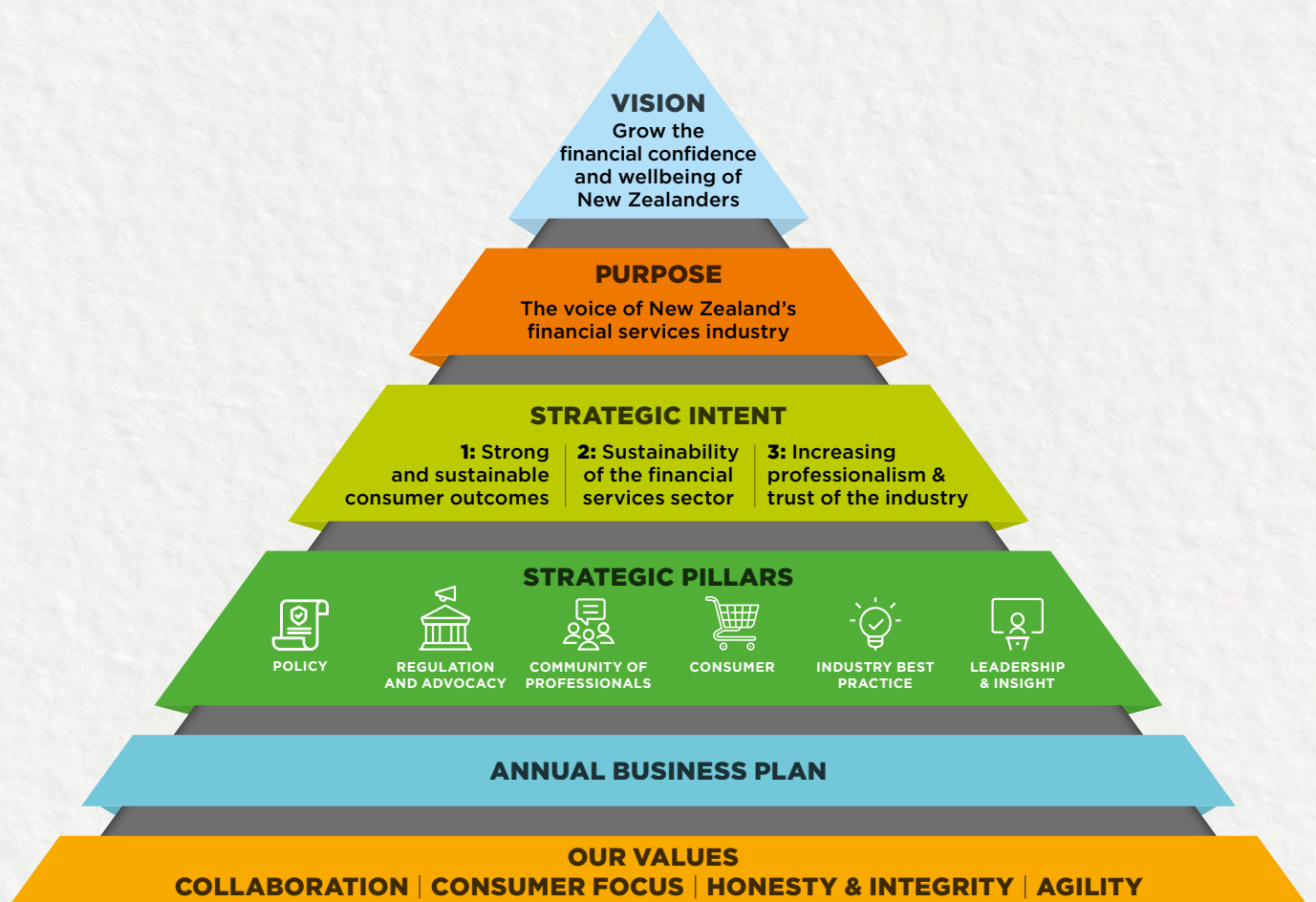
ADVOCATING FOR GOOD POLICY

Advocating for change when policy
positions may have unintended
consequences for New Zealanders.

Recent examples include the GST
for KiwiSaver fees and the deferral
of the NZIIS scheme.











































FIND OUT MORE

Our 100+ members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes, professional service providers, and technology providers to the financial services sector.



FSC MEMBERS

MEMBERS

AIA Insurance	ANZ Bank	AON	ASB
			
Asteron Life Ltd	BNZ Investments and Insurance	Chubb	Civic Financial Services
			
Clarity Funds Management	Consilium	Co-operative Life Limited	Craigs Investment Partners
			
Fidelity Life Assurance Co Ltd	Fisher Funds Management Ltd	FNZ	Foodstuffs Provident Fund
			
Forsyth Barr	FundRock NZ Ltd	Generate KiwiSaver	Kernel
			
Medical Assurance Society New Zealand Limited	Mercer (NZ) Ltd	Milford Asset Management Limited	Momentum Life
			
nib	New Zealand Post Superannuation Plan	Octagon Asset Management	Partners Life
			
Pie Funds	Pinnacle Life	Police Association	Resolution Life
			
SBS Insurance	SBS Wealth	Sharesies	SmartsharesNZ
			
Southern Cross	Te Rūnanga o Ngāi Tahu	The New Zealand Anglican Church Board	UniMed
			
Unisaver Limited	Westpac Bank		
			

3M Superannuation Scheme

Baptist Union Superannuation Scheme

BECA Super Scheme

BOC NZ Retirement Plan

BP New Zealand Retirement Plan

Colgate-Palmolive Superannuation Plan

Dairy Industry Superannuation Scheme

DXC (New Zealand) Staff Superannuation Fund

Government Superannuation Fund Authority

Manchester Unity Friendly Society

Maritime Retirement Scheme

MISS Scheme

MERBP Trustee Limited

mysuper Superannuation Scheme

Nestlé Pensions (New Zealand) Limited

New Zealand Steel Pension Fund

NZAS Retirement Fund

FireSuper

The Presbyterian Church of Aotearoa New Zealand Beneficiary Fund

Police Superannuation Scheme

Ports Retirement Plan

Reserve Bank of New Zealand Staff Superannuation and Provident Fund

Retirement Income Group Ltd

Sealed Air (New Zealand) Superannuation Fund

Shell New Zealand Pensions Limited

The Trustees of the Church of Jesus Christ of Latter-Day Saints Deseret Benefit Plan for New Zealand

ASSOCIATE MEMBERS

New Zealand Automobile Association	AlphaCert Labs Limited	Advanced Management Systems Ltd	Anthony Harper	Apex Advice Group Limited
				
Apex Group	Bell Gully	BNP Paribas	Bravura Solutions	Chapman Tripp
				
Compliance Refinery Limited	Cygnus Law	Davies Financial & Actuarial Ltd	Deloitte	Dentons Kensington Swan
				
DLA Piper	Ernst & Young	Fee Langstone	Farmers' Mutual Group	Guardian Trust
				
GenRe	Hannover Life Re	Healthcare Plus	KPMG	Lane Neave
				
Link Market Services	Lockton	Mahony Horner Lawyers	Melville Jessup Weaver	Merkle
				
Minter Ellison Rudd Watts	Morningstar	Mosaic	MunichRE	MyFiduciary Ltd.
				
NZX Wealth Technologies Ltd	Objective Corporation Limited	Partner Reinsurance Asia Pte Ltd	PwC New Zealand	Public Trust Corporate Trustee Services
				
Quality Product Research Limited	RGA Reinsurance	Russell McVeagh	SCOR Global Life	Sheffield North Island
				
Shift Advisory Limited	Stratigi Group	Swiss Re	The Compliance Company	Trustees Executors Limited
				

New Zealand Home Loans Company Ltd

FSC SECTOR RESEARCH



INDUSTRY WIDE:

- Financial Resilience Index (2023)
- Insights & Trends: Financial Resilience Trends in New Zealand
- Money & You: The Lost Generation? (2022)
- Financial Resilience Index (2022)
- Money and You: Women & Financial Wellbeing in NZ (2021)
- Money & You: Generation Rent (2021)
- Financial Resilience Index (2021)
- Money and You: It's not about the money, it's about you (2020)
- Financial Resilience Index (March + August 2020)
- Towards Prosperity: An insight into New Zealand's financial services sector (2018)



LIFE AND HEALTH INSURANCE:

- Money & You: Taking Cover
- Life Insurance Industry Data Spotlight (quarterly)
- Health Insurance Industry Data Spotlight (quarterly)
- Gambling on life: The problem of underinsurance (2020)
- Moments of Truth: Key insights into the New Zealand life insurance industry (2019)
- Risking Everything: An insight into how New Zealanders manage risk (2019)
- Exploring underinsurance in New Zealand (2011)



INVESTMENT AND FUNDS:

- Money & You: Investing in volatile times (2022)
- Money and You: The rise of the digital investor (2021)



KIWISAVER AND RETIREMENT:

- KiwiSaver Industry Data Spotlight (quarterly)
- Money and You: KiwiSaver at a crossroads (2021)
- KiwiSaver 2050: Pathways to the future (2019)
- Shaping Futures: Closing the KiwiSaver Gap (2018)
- Generation KiwiSaver (2018)
- Great Expectations: Retirement realities for older New Zealanders (2017)
- Growing the KiwiSaver Pie (2017)
- KiwiSaver and the wealth of New Zealanders (2015)



PROFESSIONAL ADVICE:

- Unlocking the potential of New Zealand's financial front line (2021)
- Money and You: Breaking through the advice barrier (2020)
- Money and You: Literacy, Insight & Advice (2020)

Financial Services Council NZ



Grow the financial
confidence and wellbeing
of New Zealanders

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