



# **Delta Insurance New Zealand Limited**

## **Public Disclosures**



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## Public Disclosures

### Licences

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Delta Insurance New Zealand Limited (New Zealand Company Number 4948339) (**Delta**) is the holder of a Transitional Finance Advice Provider Licence (the **Licence**) as granted by the New Zealand Financial Markets Authority (the **FMA**).

The Licence was granted on 21 October 2020.

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

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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.
- The Licence comes into effect on 15 March 2021 and expires two years after that date, however that it can be cancelled earlier or superseded if a full licence is granted by the FMA before then.
- 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 type 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

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

Delta's current insurance products are as follows:

- Management Liability Insurance.
- Professional Indemnity Insurance.
- Directors & Officers Liability Insurance.
- Cyber Liability Insurance.
- General, Employers & Statutory Liability Insurance.
- Technology Liability Insurance.
- Environmental & Pollution Liability Insurance for Fixed Sites.
- Environmental and Pollution Liability Insurance for Service Industries.
- Contractors Professional and Pollution Liability Insurance.
- UAV Operators Insurance.
- Manufacturing Liability Insurance.
- Food Manufacturing Liability Insurance.
- Intellectual Property Legal Expenses Insurance.
- Personal and Household Cyber Protection Insurance.
- Optima Management Liability Package.
- Legal Expenses Insurance.
- Medical Malpractice & Legal Expenses Defence & Pursuit Cover.

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**

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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**

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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 Dispute Resolution**

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Delta has a formal process for dealing with complaints.

If you are not satisfied with Delta's products or services you can make a complaint by:

- sending an email to us at [complaints@deltainsurance.co.nz](mailto:complaints@deltainsurance.co.nz);
- calling us on +64 9 300 3079; or



- writing to us at Delta Insurance New Zealand Limited, Level 8, 57 Fort Street, Auckland 1010, New Zealand.

When we receive a complaint, we will consider it following our internal complaints process, as follows:

- We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to obtain further information about your complaint.
- We aim to resolve complaints within 15 working days of receiving them. If we cannot do so, we will contact you within that time to let you know that we need more time to consider your complaint.
- We will contact you by email, phone or letter to let you know whether we can resolve your complaint and how we propose to do so.

If we cannot resolve your complaint, or you are not satisfied with the way we propose to do so, you can contact the Insurance & Financial Services Ombudsman (**IFSO**).

IFSO operates a free, independent dispute resolution service called the "Insurance & Financial Services Ombudsman Scheme". That service may help investigate or resolve the complaint if it is not resolved to your satisfaction using our internal complaints process.

You can contact IFSO by:

- sending them an email to [info@ifso.nz](mailto:info@ifso.nz);
- calling them on +64 4 499 7612; or
- writing to them at PO Box 10-845, Wellington 6143, New Zealand.

## Duties Information

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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

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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@delta.co.nz](mailto:underwriting@delta.co.nz).