



## Welcome...

Triplejump is committed to developing effective ways of increasing the awareness of Human Capital Risk issues for New Zealand's Small to Medium Enterprises (SMEs). With close to 450,000 SMEs in New Zealand, it is important we work towards protecting the wealth created by these private enterprises.

It is natural to be optimistic about the future but experience has taught us that good business management includes planning for those defining events that could have undesirable outcomes especially where those events could erode your wealth.

Triplejump continues to grow from strength to strength with 17 Franchise offices now established throughout New Zealand. Keep an eye on our website which shows you where we are. Our Advisers look forward to hearing from you and your family and friends.

### Best wishes



Triplejump Limited

0800 874 753

www.triplejump.co.nz

info@triplejump.co.nz

## Regulation

*As of April 1st 2011 the first of the changes made to the Financial Advisers Act 2008 (FAA) and the Financial Services Providers (Registration and Dispute Resolution) Act 2008 (FSPA) came into force imposing new legal obligations onto Financial Advisers providing advice in savings, investment and insurance.*

The Financial Advisers Act 2008 (FAA) was implemented to assist in ensuring that New Zealand consumers are provided sound financial advice. The belief is that this will help the public to have confidence in the professionalism and integrity of Financial Advisers and Brokers.

### The act requires Financial Advisers to:

- Take an appropriate degree of care in providing services
- Ensure all clients receive a prescribed level of disclosure so that they can make informed decisions
- Acquire and maintain a minimum level of competency
- To be held accountable for the services they provide

The Financial Services Providers (Registration and Dispute Resolution) Act 2008 requires all Financial Advisers to be registered with the Securities Commission and to belong to a Disputes Resolution scheme with the aim of improving consumer's access to redress where there is a dispute about the service they have been provided by a Financial Adviser.

### The main requirements of the Act are:

- That the register of all Financial Adviser providers be made publicly available so that Advisers can be identified and monitored
- That there is a comprehensive approach to consumer dispute resolution and redress

The FAA has differentiated the compliance requirements for Financial Advisers based on the types of products they sell. Products which are complex investment or savings products have been classified as Category 1



and products which are insurance or 'simple' investments such as term bank deposits have been classified as Category 2. Advisers that wish to continue providing financial services in relation to Category 1 products after 1st April 2011 must be registered and by July 1st 2011 they must also be authorised (known as AFA's). To obtain authorisation they must complete a Certificate in Financial Services (NZCFS) or hold other qualifications recognised by the Act. Advisers providing advice only in Category 2 products are required to be registered but not authorised (known as RFA's).

Initially, the majority of Triplejump Advisers will be RFA's as they are only providing advice in Insurance products. Triplejump has elected to belong to Financial Disputes Resolution (FDR) as our partner for resolving any disputes that arise from our clients that we cannot resolve through our own internal disputes resolution process. In the very near future our Disputes Resolution Process will be available on our

# as life happens



website. This will act as a guide on how to engage with us if there is a complaint and to ensure you understand your rights in respect of a concern about service you have received from a Triplejump Adviser.

Although it is not required by the law, Triplejump has made the commitment that all of our Advisers will complete the education required to become AFA's. We believe that this is in our client's best interests and maintains the commitment we have made to be the leading professional Advisers

in Human Capital Risk Management by providing the highest standard of advice in the market.

We are confident that the processes we have developed to ensure our clients have appropriate and effective risk management plans in place already exceed the standard required under the Acts and so you will continue to receive the high quality advice and service you expect from Triplejump.

Remember it is now a legal requirement for

all Advisers providing a financial service to be registered or to belong to a registered Qualified Financial Entity (QFE). They are obliged to confirm this with you before giving you advice.

*If you have any questions about these changes please contact your Adviser. To view the financial provider's register you can visit the following website [www.business.govt.nz/fsp](http://www.business.govt.nz/fsp)*

## Non Pharmac Funded Drugs and your Medical Cover

New Zealand is fortunate in that the Government provides a subsidy on a wide range of medicines we use or may require throughout our lifetime, through Pharmac, the Government drug funder. The subsidy applies to many drugs we use on a daily basis and also drugs that we may need at a specific point in time to save our lives. Although the range of Pharmac funded drugs is broad there are a number of drugs that are Medsafe approved for use in New Zealand but that are not subsidised by Pharmac. Consumers need to meet the total cost of these drugs if they are prescribed to them to treat their ailments and these drugs can be expensive.

Many people have elected to have Medical Insurance policies which do not cover day to day prescriptions and in our view this is a prudent decision. However there are times when drugs are prescribed to treat illnesses that fit under the claimable costs of a Major Claim type of insurance policy. Drugs used to treat cancer often fit in this category.

But not all Medical Insurance policies are the same. There are many that expressly exclude claiming for reimbursements for drugs that are not subsidised by Pharmac. These are commonly referred to in the insurance industry as non Pharmac funded drugs. So if the Government does not

subsidise a drug you are prescribed and your Medical Insurance does not cover you either then you could be left to pay substantial costs out of your own pocket if you want the treatment recommended to you by your health physician.

**Here are some examples of the actual costs some cancer patients have had to meet to obtain the drugs recommended for their treatment:**

A woman in her late 30's was diagnosed with breast cancer – she chose private treatment as many people may during this difficult time in their lives. Because she chose private treatment Herceptin was not funded. She is half way through her treatment and the cost so far has been \$38,000.

A young mother was diagnosed with lung cancer in 2008 – it was considered terminal but with the use of treatment is still alive today and facing one more year of chemotherapy. To date the cost of non funded chemotherapy is standing at \$164,000.



Claim examples from a leading insurance provider in the last three months have seen payments for non funded Pharmac drugs for treatment of cancer of \$175,000 for Lung Cancer; of \$30,000 - \$85,000 for Breast Cancer and \$10,000 for Rectal Cancer. Many of the lower amounts paid related to newer claims where the treatment programme was not yet complete so the expectation was for the claim payments to rise.

If you are concerned or not entirely sure exactly what your Medical Insurance policy covers you for please contact your Adviser to discuss this. Even if the option to change your cover is not relevant for you it is important to be aware of what your policy includes so there are no unexpected surprises if you need to claim. If your cover does not include reimbursement for non Pharmac funded drugs you could find yourself facing very substantial bills during a time when the last thing you need to worry about is whether you can afford the treatment required to bring you back to health.

A Disclosure Statement is available on request, free of charge. All information in this newsletter is general information. No liability will be accepted by the authors or publishers for actions taken by any person on the strength of this information alone.

**triplejump®**

**As life happens We'll be there**