Hawkes Bay Mortgage & Insurance Limited Public Disclosure Statement

Licensing Information

Hawkes Bay Mortgage & Insurance Limited T/a HBMI & NIMS (Nelson Insurance & Mortgage Services). It operates as a Financial Advice Provider under a current licence issued by the Financial Markets Authority in the name of NZ Financial Services Group Limited.
There are no conditions attached to this licence on the advice that may be given.

NZ Financial Services Group Limited's Financial Services Provider Number is FSP286965.
Our Financial Services Provider Number is FSP753951.

Our contact details are:
Phone: 027 747 2856
Email: paul@hbmi.co.nz
Head Office: 121 Arataki Road, Havelock North 4130
Postal: PO Box 8517, Havelock North 4157

Nature and Scope of Our Advice

Our Services:
Lending including borrowing for personal, business and investment purposes
Personal Insurance
Business Insurance

We can give advice on:
Home Loans
Business Loans
Commercial Property Loans
Overdraft Facilities
Personal Loans
Personal Risk Insurance (life, trauma, total & permanent disability, income protection, mortgage protection and medical cover).
Business Insurance (key person, business debt protection and share holder protection).

Providers we work with:

Insurers	Lenders		
AIA	AIA	Cressida	Pepper Money
Asteron Life	ANZ	Finbase	Prospa
Chubb	ASAP Finance	First Mortgage Trust	SBS
Fidelity Life	ASB	Funding Partners	Scotpac
NIB	Avanti Finance	General Finance	Southern Cross
Partners Life	Basecorp Finance	Heartland Bank	The Cooperative Bank
Southern Cross	Bizcap	KiwiBank	TSB
UniMed	Blossum	Lendr	Unity
	BNZ	Liberty Financial Limited	Welcome
	CFML	Midlands Funds Management	Westpac
	DBR	Pallas Capital	Xceda

We also have referral arrangements in place with the following entities:
Better Asset Finance
Common Sense Financial Planning
Gallagher – formally Crombie Lockwood
Heretaunga Building Society
Rothbury Insurance Brokers
Initio Insurance
Tower Insurance
UK Pension Transfers
XE Money

If a provider other than the above has a particular product you are interested in, please let us know and we will be happy to provide advice on it or refer you to another party.

If you require specialist accounting or legal advice or other advice that is outside what we can provide in regard to your purchase, taxation, estate etc please do not hesitate to ask and we will refer you to several trusted professionals.

Commissions

On settlement of a loan or issuance of a risk insurance policy, we usually receive commission from the applicable product provider. The commission is generally of an upfront nature but may also include a renewal or trail commission.

This commission is used to remunerate the financial adviser that provides the advice, and to pay the expenses associated with running our business including any rent, staff costs and IT resources. From this commission we also pay NZ Financial Services Group Limited for services they provide to us in connection with our authorisation under their licence from the Financial Markets Authority.

We take steps to ensure that the receipt of commissions does not influence the advice we give to you and that our advisers prioritise your interests by recommending the best product for your purpose regardless of the type and amount of commission we or they may

receive. We do this by:
• Ensuring our advisers follow an advice process that ensures they understand your needs and goals and that their recommendations regarding loan products or insurance cover meets those needs and goals.
• Ensuring our advisers receive annual training on how to manage conflicts of interest.
• Providing you with a schedule showing commission rates and types by product provider. This schedule is contained within each Financial Adviser's personalised Disclosure Guide. A Financial Adviser will provide you with more information about commissions during the advice process.

We may also receive commission from product providers we refer you to. This may be paid as a percentage of their share of an initial commission paid to them or a one off fee or a percentage of their share of any ongoing commission.

Fees or Expenses

Generally we don't charge you any fee for the advice and transactional solutions that we provide to you. This is possible because, on settlement of a loan or issuance of a risk insurance policy, we usually receive commission from the applicable product provider as described above. There are some exceptions to this general position which are explained below.

Adviser Fee:
Some lenders I deal with will charge a fee which is capitalised (or added) to the amount of your loan. This fee is normally calculated as a percentage of your loan at drawdown. This fee is then paid to me by the lender, in lieu of or in addition to any commission payment I receive from that lender. If I recommend to you a loan with a lender where this fee applies, I will let you know that this fee applies to you and the amount of the fee (or the percentage that the lender will use to calculate the fee).

We may charge you a one-off fee in the following situations:
(a) No commission: If you request that we provide services in relation to a product or service and we do not receive a commission. Any such fee would be agreed and authorised by you in writing before we complete the services and would be based on an estimate of the time spent providing the advice. This may arise in the rare event that you request that we provide services in relation to either a product that is offered by a provider that we do not hold an accreditation with, or a product that is outside our usual arrangements with our product providers.
(b) Reduced commission for advice given: If you request that we provide services in relation to a product or service and the commission is not likely to reflect the time we need to spend in completing any applications and/or providing the advice to you we reserve the right to charge a fee. Any such fee would be agreed and authorised by you in writing before we complete the services and would be based on an estimate of the time spent providing the advice.
(c) Reduced commission for business lending and/or commercial lending: If you request that we provide services in relation to business lending and/or commercial lending some lenders may not pay commission and some lenders may pay a reduced commission. Any such fee would be agreed and authorised by you in writing before we complete the services and would be based on an estimate of the time spent providing the advice. This may arise in the

rare event that you request that we provide services in relation to either a product that is offered by a provider that we do not hold an accreditation with, or a product that is outside our usual arrangements with our product providers.
(d) Repayment of commission: If you repay your loan within 28 months of settlement (drawdown) or cancel your risk insurance within 24 months of the later of the start date or issuance of the new or increased policy Hawkes Bay Mortgage & Insurance Limited will be required to repay up to all of the commission received to the lender or insurer. This is known as "commission clawback" and we will need to on charge this to you. Any such fee would be no more than $3,000 (plus GST if any) per loan or per insurance policy and would be calculated based on a rate of $250 (plus GST if any) per hour of the financial adviser's time spent providing services to you in connection with the applicable loan or insurance policy. The fee charged will not exceed the amount of commission clawed back from the lender or insurer.
(e) Where other costs are incurred in the process of providing our advice and services to you, you may be liable for these costs. However, we will agree all additional costs with you prior to incurring them.
(f) In the event you use my advisory services and then instruct me not to proceed with an application for the product we've been discussing, I may charge you a one-off fee to cover the cost of my time. Any such fee would be calculated based on a rate of $250 (plus GST, if any) per hour of my time spent providing financial advice to you in connection with the applicable product.
(g) When I don't receive a trail commission payment or a fixed rate rollover fee from the relevant lender, I may charge you a fee to cover the service I will provide to you in relation to obtaining new fixed rates from the lender. If this fee applies I will let you know. My fee would be calculated based on a rate of $250 (plus GST, if any) per hour of my time spent providing the service. I'll provide you with an estimate of how long this will take me.

Should we need to charge you a fee, you will be invoiced, and you will be given up to 30 days to make payment.

Conflicts of Interest or Other Incentives

We recognise Conflicts of Interest may occur from time to time and we do receive gifts or benefits from time to time from clients, product providers and businesses we refer to. We have set policies in place to manage them when they occur, these policies include:
• We prioritise our clients interests above our own
• We follow a six step advice process, which includes thorough research and diligence with our product selection to meet our clients' specific needs. This can involve a series of meetings prior to finalising our advice. We maintain ongoing relationship with clients, regularly working with them over time to help them meet their goals.
• Any conflicts of interest or incentives are managed via our internal Conflicts of Interest Policy and Gifts Policy. This also includes maintaining registers which are monitored regularly, and additional training is provided as required.
• We undertake annual training and have a compliance program in place with New Zealand Financial Service Group.

Below are some examples of Conflicts of Interest and Incentives:
• We are paid commission and/or fees by product providers when a loan is finalised or an

insurance policy is finalised.
• Commission paid to us maybe higher if your lending is refinanced to another lender or your insurance is switched to a new provider.
• We may act for both the vendor and the purchaser of a property.
• We may act for both parties in a separation at the same time or soon after.
• We may refer you to friends or family or close business associates that may offer a service you require.
• Product providers may offer discounts for use of their systems and/or subsidised training.
• An adviser or staff member may be a Board Member or Director for a product provider that you may deal with and in doing so we may receive revenue from that product provider.
• An adviser or staff member may hold an interest (by way of shares) in a financial institution we have a contractual relationship with.

Duties Information

We are bound by the duties of the Financial Markets Conduct Act (431I, 431K, 431L and 431M) to:
• Meet the standards of competence, knowledge and skill set out in the Code of Conduct
• Give priority to the clients' interest and
• Exercise care, diligence and skill and
• Meet the standards of ethical behaviour, conduct, and client care set out in the Code of Conduct.

Complaints Handling Policy

Our internal complaints process:

If you have a problem, concern or complaint about any part of our advice or service, please tell us so that we can try to fix the problem.

Our internal complaints manager is Paul who can be reached via email at paul@hbmi.co.nz or 027 747 2856. Paul will respond to you within 2 working days if practical and will try to resolve your complaint.

When we receive as complaint, we will assess it by following our internal complaints process:
• We will respond to your complaint and may request you respond to an email with questions about your complaint and/or complete a complaint form.
• When you reply to our questions about the complaint or return the complaint form we will acknowledge your complaint and provide you Complaint Disclosures and record the complaint in our complaints register.
• We will seek to understand your complaint.
• We will aim to resolve your complaint within 7 working days. If we cannot meet this time frame we will contact you to let you know we need more time to consider your complaint and provide you with a realistic timeframe.
• We will contact you by phone or email to let you know we can resolve your complaint and how we propose to do so.

• We will action any resolution agreed and record the outcome of your complaint in our complaints register.

Our external compliance process:

If we cannot agree on how to fix the issue, you can refer your complaint to our external dispute resolution service – Insurance & Financial Services Ombudsman Limited. This service will cost you nothing and will help us resolve any disagreements. Details of this service are:

Insurance & Financial Services Ombudsman Limited
Address: PO Box 10-845, Wellington 6143
Telephone number: 0800 888 202
Email address: info@ifso.nz

Financial Advice Provider

New Zealand Financial Services Group holds the Financial Advice Providers licence we operate under. There contact details are:

New Zealand Financial Services Group
FSP Number FSP286965
Address: PO Box 38485, Wellington Mail Centre 5045
Telephone number: 0508 87 87 88
Email address: info@nzfsg.co.nz