



CONNECT and GROW Ltd



LETTER OF ENGAGEMENT SCOPE OF SERVICE



CONNECT and GROW Ltd

Overview

This information in this document is provided to help you keep informed about Connect and Grow and how we work. It also outlines our services – like what we can help you with, how we are paid, what our obligations are working with you, and what your obligations are working with us.

By instructing us to place cover for you or engaging us to provide advice, you are agreeing to these terms, unless we agree with you in writing otherwise. We may also publish revised terms on our website or send you a copy of revised terms from time to time. These will then apply to all services provided from that date forward. If there is any conflict between these terms and any subsequent legal agreement between us and you then that agreement will prevail unless agreed otherwise.

This document also contains information that the Financial Markets Authority (New Zealand’s compliance and regulatory body) requires businesses in the financial services industry to provide to their clients. More information can be found on the FMA’s website – www.fma.govt.nz.

We are also committed to the security and protection of the personal information that we hold and use. If you have any questions relating to our compliance with the Privacy Act 2020, please read our Privacy Statement on our website: www.connectandgrow.co.nz/privacy.

Feel free to get in touch if you have any questions, do not understand something, or would like to talk some more about the information in this document.



Financial Advice Provider (FAP): Connect and Grow Limited

Connect and Grow Limited is a Licensed Financial Advice Provider. This license is issued by the Financial Markets Authority which allows Connect and Grow Limited to provide financial advice services. Connect and Grow's transitional Financial Services Provider Number (FSP) is 710092.

Our office contact details

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| Physical | 64 Travis Country Drive, Burwood, Christchurch. |
| Postal | PO Box 24 010, City East, Christchurch, 8141. |
| Phone | 03 595 5491 |
| Email | office@connectandgrow.co.nz |
| Website | www.connectandgrow.co.nz |
| Date | 15 March 2021 |

Scope of service

We specialise in providing insurance advice to our clients. Our services include:

Personal insurance – family protection

We work with you to determine appropriate insurance benefits to meet your specific needs and budget.

Personal insurance reviews

If you already have an insurance policy in place, we can review your cover by looking at: the type of policies you have, their cost, and the amount of cover they provide. We will work with you to see if the existing plan still meets your current needs.

Business risk advice

We can advise you on innovative structures and products to safeguard your business against many financial risks. We provide advice on how to protect your business against the negative financial impact resulting from the premature death, temporary, or permanent illness or injury of key people in the business.

Employee benefits advice

We also provide advice on how a business can look after their employees using insurance products. These insurance products will improve their wellbeing and productivity, and help the business attract and retain team members.

We offer advice on the following insurance policies:

- ✘ Life insurance
- ✘ Trauma/Living/Critical Care insurance
- ✘ Income Protection/Disability Cover/Loss of Earnings insurance
- ✘ Mortgage Repayment insurance
- ✘ Total & Permanent Disability insurance
- ✘ Health/Medical insurance
- ✘ Key Person Insurance
- ✘ Debt insurance and Succession Planning insurance
- ✘ Business Disability insurance/ Keyperson insurance
- ✘ Business Expenses insurance

Connect and Grow does not provide advice on existing whole of life or endowment products, you will need to consult a specialist if you would like advice on those products.

The following insurance companies are our product providers:

1. AIA (which now includes Sovereign)
2. Asteron Life
3. Fidelity Life
4. AMP (now owned by Resolution Life)
5. Nib (Health)
6. Accuro (Health)
7. Southern Cross Health Society (Health)
8. Partners Life

At your request, we can also refer you to:

Professionals to review your Wills, Enduring Powers of Attorney and Trusts.

Brokers for general insurance advice. This includes house, car, contents, business, public liability insurance, etc.

Companies for investment, savings, and KiwiSaver advice.

Limitations to our advice

Connect and Grow does not provide advice on existing whole of life or endowment products. It also does not offer advice about investment, mortgage, tax, accounting, regulatory or legal matters and nothing we say should be read as such advice. You will need to consult a specialist if you would like advice on those



services or products. While recommendations will be made for your requirements, insurance products can have a number of exclusions that you should be aware of and you must read the policies carefully.

Our process

We follow a six-step process when giving advice. By following these steps, we will understand your unique circumstances which will help in the development of an insurance or financial plan to cover as many of your identified risks and needs as possible.

After your insurance policies are in place, we will provide annual reviews, help you with claims, or whenever you need support.



Your obligations

Any advice provided as a result of this process can only be as good as the information received from you, so we ask that you provide us with all the information we and insurers request even if you do not deem it relevant.

If you do not provide the correct information about your personal, financial and/or business situation, then any advice we provide you with may not be appropriate to your needs. If you are unsure as to why we need certain information, please ask so that we can explain further.

Circumstances Change

As your circumstances change (e.g., your debts increase) it is important that you notify us to ensure that the cover still meets your needs.

How we get paid

The fees charged for our advice and services may be based on a combination of a set dollar amount and/or a percentage of an insurance policy's annual premium. The actual fee charged to you will depend on the nature and scope of the advice or service we provide. We will discuss and agree the actual fees with you before we proceed and explain how they are payable. The first meeting is at no cost to you. There will be no surprises.

Advice and service fees

Our agreed advice and service fees may include charges for:

-  Initial advice
-  Ongoing or annual advice
-  Business insurance advice
-  Employee benefits advice

Current fees

Please note that our first meeting is at no cost to you. Once the nature and scope of advice is known we will discuss any fees, if applicable, with you prior to commencing the work. You can decide whether or not you wish to proceed.

1. Development of a personal insurance (family protection) plan – \$500 plus GST*.
2. Review your existing insurance plan if not implemented by Connect and Grow Limited – \$750 plus GST*.
3. Development of a business insurance (business protection) plan – \$2,500 plus GST*.
4. Annual reviews for policies implemented and managed by Connect and Grow Limited – no cost to you.
5. Employee of a company Employee Benefits scheme – no cost to you for the advice given on the group policies.
6. Implementation of an Employee Benefits scheme – no cost to the employer as the insurer pays commission to Connect and Grow Ltd.

***Please refer to our fee waiver/refund policy below.**

Note: Fees to be paid within 14 days following the receipt of the recommendations provided to you.

Why do we charge fees?

These fees pay for the time and expertise required for providing professional financial advice. The background work required to provide this advice includes collecting initial information, formulating, and providing recommendations, finding a suitable insurance policy and insurance provider that is appropriate for your needs, and producing your plan. It also includes calculating quotations, completing proposals,



submitting proposals with the relevant insurance provider(s), following up with providers, client management, office expenses, and travel expenses.

Our fee waiver/refund policy

If you take out an insurance policy with Connect and Grow Ltd within two months of receiving our advice or recommendation, with one of our listed providers, then our fee to you will be waived or refunded. This is because the insurance company will pay Connect and Grow commission which covers your fee for the service provided.

Fee payment if you cancel or transfer your policy within 2 years.

If you cancel the policy or transfer the policy to another adviser within two years of implementation, insurers have the right to take the commission back from Connect and Grow Ltd. If this happens, the original fee agreed by us at the onset of our relationship will be payable by you within 14 days of us notifying you. An invoice will be sent to you at that time. Remember to consider this if you are thinking about cancelling your policy within two years of implementation.

You are more than welcome to ask us about our fees, when you may need to pay them, and when the fees may be waived. Please do not hesitate to ask if you have any questions or concerns.

Conflicts of interest and incentives

We are here for you, our clients, and to advise you as best we can. Your interests are our priority.

We do not have any commercial relationships or contractual arrangements that present any particular conflicts of interest to our clients generally which would be reasonably likely to materially influence us in providing the financial adviser service.

To ensure that we prioritise our client's interest above our own, we follow an advice process that ensures our recommendations are based on our client's objectives, needs, and circumstances. We further manage possible conflicts by:

- ✘ Avoiding any production requirements for one product provider.
- ✘ Not accepting any gifts or incentives offered by product providers unless it is to further our education and understanding of the financial services industry – like conferences.
- ✘ Having access to a wide range of product providers.
- ✘ Every six months we use a third-party product research company to do an audit on the different policies offered and make a note of their ratings. This is only a part of our overall analysis on the suitability of a product as we consider a number of other factors when recommending a provider.
- ✘ Our financial advisers undergo annual training about how to manage conflicts of interest.
- ✘ Every year we engage a 3rd party to do file audits.



Commission

Connect and Grow Limited, as the FAP licensee, receives commissions from the relevant insurance company if you take out insurance following Kerstin’s advice. Connect and Grow Ltd retain a percentage to cover their costs and Kerstin, your Financial Adviser, receives an income from Connect and Grow Limited.

To ensure that Kerstin prioritises your interests above her own, she follows an advice process that ensures her recommendations are made on the basis of your individual goals and circumstances. She completes annual training about how to manage conflicts of interest.

Connect and Grow Ltd will receive an upfront commission from the product issuer and ongoing commission will also be paid to Connect and Grow Ltd at the annual renewal of a policy. Commission varies per policy type, purpose, and insurer.

| Policy Type | Initial Commission (%) | Renewal Commission (\$ or %) |
|--------------------------------------|------------------------|---|
| Health insurance | Between 10 - 70 | \$138.38 per person per annum or between 5 - 17 |
| Life, Trauma, TPD, Income Protection | Between 80 - 220 | Between 5 - 30 |
| Employee Benefits | Between 10 - 25 | Between 5 - 15 |
| Referral to other professionals | 0% | 0% |

Complaints handling and disputes resolution

A complaint is an expression of dissatisfaction relating to our financial advice service to which a response or a resolution is explicitly or implicitly expected.

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 Kerstin Bain who can be reached via email at kerstin@connectandgrow.co.nz or on 0274 386 551. Kerstin will reply to you within 2 business days.



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

- ✘ We will consider your complaint and let you know how we intend to resolve it. We may need to contact you to get further information about your complaint.
- ✘ We aim to resolve complaints within 10 working days of receiving them. If we cannot, we will contact you within that time to let you know we need more time to consider your complaint.
- ✘ We will contact you by phone or email to let you know whether we can resolve your complaint and how we propose to do so.

Our external complaints process.

If we cannot agree on how to fix the issue, or if you decide not to use the internal complaints scheme, you can contact our external disputes resolution scheme: The Insurance & Financial Services Ombudsman. This service is free and will help resolve any disagreements.

You can contact the Insurance & Financial Services Ombudsman Scheme at:

Address: P O Box 10-845, Wellington 6143
Telephone number: 0800 888 202 or 04 499 7612
Email address: info@ifso.nz
Website address: www.ifso.nz

Duties information

Connect and Grow Limited, and anyone who gives financial advice on our behalf, have duties under the Financial Markets Conduct Act 2013 relating to the way that we give advice. We are required to:

- ✘ Give priority to your interests by taking all reasonable steps to make sure our advice is not materially influenced by our own interests.
- ✘ Exercise care, diligence, and skill in providing you with advice.
- ✘ Meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that we have the expertise needed to provide you with advice).
- ✘ Meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services (these are 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 Financial Markets Authority website at <https://www.fma.govt.nz>

Limitation of liability

We are a licenced Financial Advice Provider and are subject to the requirements of relevant legislation and regulations in New Zealand. Any additional representations, or warranties about our services are excluded to the extent permitted by law.

We are not an insurer and do not represent that insurance cover will be offered by any insurer for a given risk. We also do not guarantee the solvency of any insurer or that they will accept and pay any given claim. Financial strength ratings for licenced insurers in New Zealand are published by the Reserve Bank of New Zealand on their website.

We do not take responsibility for any inaccuracy in the information received by us or any other default, negligence, error, or omission by any party other than ourselves.

You indemnify us for loss caused or contributed to by any incorrect, inaccurate, or incomplete information provided by you. While we will take care, be diligent and exercise skill in providing our services to you, it is your responsibility to decide whether the residual risks you bear are acceptable to you.

Useful resources

1. Financial Markets Authority: <https://www.fma.govt.nz/>
2. The Code of Conduct standards can be read here: <https://www.fma.govt.nz/assets/assets/code-of-professional-conduct-for-financial-advice-services.pdf>