

# Summary of Changes

## Updated nib Intermediary Agreement

Agreement effective 1 April 2025, except for the provisions enabling you to sell life insurance products, which will come into effect on the date of the launch of Ultimate Life & Living Insurance

Clause(s) in Agreement	Change Relates to	Changes	Reason for Change
Throughout Agreement	Product scope of Agreement	New references to life insurance products, as appropriate. Removal of words that limit the Agreement to only apply to nib's health products	Agreement terms to apply to nib's recently launched retail and group life and living insurance product range
<b>Schedule 1</b>			
2.1	Regulatory and conduct	New clause setting out nib conduct expectations	Brings the Agreement into line with recent legislative, regulatory and conduct requirements
2.9(c)	Administrative enabler	New obligation to notify us 60 days before a group scheme anniversary if a group is renewing	Improvements to reflect group/corporate scheme practices
2.39(d)	Regulatory and conduct	New obligation to notify nib of any misconduct or poor conduct by master agent or representatives in relation to new conduct obligation in cl 2.1	Enabling actions/requirements in relation to recent legislative and regulatory requirements
2.40	Regulatory and conduct	New oversight obligation – adviser to ensure oversight of representatives in accordance with cl 2.1	Enabling actions/requirements in relation to recent legislative and regulatory requirements
2.57 – 2.58	Administrative enabler	New section on adviser online portal – advisers to use portal for relevant business (e.g. health business)	Clarifies how nib will provide and advisers will access information provided by nib, consistent with technology and common business practice
3.5(a)	Communication and service enabler	New reference to nib contacting adviser clients to follow up on arrears and make continuation offers for group schemes	Clarifies and reflects business practices and improvements associated with group/corporate scheme practices

# Summary of Changes – Updated nib Intermediary Agreement (continued)

Clause(s) in Agreement	Change Relates to	Changes	Reason for Change
4.2	Clarification	New clause to confirm that this nib Intermediary Agreement doesn't replace adviser agreements with OnePath Limited that were transferred across to nib in 2015	Clarifies Agreement status for advisers who have OnePath Limited agreements
7	Administrative enabler	New section that allows nib to suspend payments in limited circumstances, rather than moving straight to termination	Provides an additional response when there are indications or evidence that aspects of the Agreement are not being met, without triggering termination clauses
11.1	Includes nib nz insurance limited (nnzil – nib's life insurance company) in the Agreement	Update to contracts privacy clause to provide that the Agreement is also for the benefit of nnzil, related to the inclusion of the life insurance products (underwritten by nnzil) into the Agreement	Recognises nnzil as an nib related company providing the life insurance products and services
12	Updates to Agreement definitions	Inclusion of nnzil in nib Group definition	Enables life insurance sales and reflects business practices
		Update to member definition to reflect that some advisers are not the originating adviser, but are appointed by the member after the policy sale	Clarification of member definition to provide for situations where members move between the member registers of different advisers
		Update to representatives definition to reflect that advisers may appoint locums if they are not available for a period	Allows for use of locum advisers and ensures they are subject to the terms of the Agreement
		Update to internal transfer definition to reflect that a replacement group scheme will not be considered an internal transfer	Clarifies expectations for group schemes which may replace existing group or individual cover

# Summary of Changes – Updated nib Intermediary Agreement (continued)

Clause(s) in Agreement	Change Relates to	Changes	Reason for Change
<b>Schedule 2</b>			
Throughout	Simplification	Removal of references to Supplementary Commission as quantum now included in Initial Commission	Part of commission improvements
	Life and Living products	Addition of life and living insurance products and commission rates	Specifies commission rates and other terms of commission for the life and living products
Commission table	non-PHARMAC Plus Option	Addition of the non-PHARMAC Plus Option	Addition to reflect launch of the non-PHARMAC Plus Option since the previous agreement
	Increase in selected commissions rates	Increase in the Initial Commission of on-sale retail health products (Ultimate Health Max, Ultimate Health and Easy Health) by 15% for the Base Cover, Specialist Option and non-PHARMAC Plus Option	Increase in selected initial commission rates
	Group health products	Addition of commission rates for options under the corporate health products	Provide additional information concerning commission rates for options added to a member's group health cover
	Clarification of scope	New section at end of table to clarify position for advisers who have clients with Major Medical or other ex-OnePath Limited health products in force	Clarification of conduct requirements applicable to advice given to members with Major Medical cover
	Life & Living Commissions	Inclusion of commission tables for the Life & Living products underwritten by nnzil	New products available for advisers in market
1.7 and 5.3(d)	Split commissions	New split commissions clauses	Confirms and clarifies availability of commission splits if requested and the terms that apply to these
2.2(b) and 2.3(d)	Life and living commission	Clarifies if Initial and Servicing Commission is payable for CPI increases to Life & Living Insurance products	Clarifies if commission is payable on CPI increases

# Summary of Changes – Updated nib Intermediary Agreement (continued)

Clause(s) in Agreement	Change Relates to	Changes	Reason for Change
2.4	Group renewal commission	Clause on payment of servicing commission for group business, confirming that servicing commission paid while the group has appointed you as their group adviser, reflecting current business practices	Confirms entitlement to servicing commission on group business
3.1		Confirmation that the persistency rates will be calculated separately for health and life business	Clarifies that health persistency and life and living persistency calculations will be separate
4	System/ administrative change	Updates to section 4 to reflect new payment timings for commission runs. Commission will be paid the same way, regardless of the payment frequency selected by the client	New commission systems are being implemented and with these, changes to commission payment dates (and resulting small increase in the number of payments made per year)
5.3(b)	Commission clawback	Clarifies how commission clawbacks will be refunded when there is insufficient future commission payable	Additional clarification of how clawbacks are to be paid
5.5	Simplification	All initial commission now subject to 24 month clawback period	The former Initial Commission clawback terms now apply to the new Initial Commission
5.6 and 5.7	Clarification	Updated and new clause clarifying payment and clawback terms for Servicing Commission	Specifies terms for payment and clawback of Servicing Commission

This is a summary only of the key changes that will apply from 1 April 2025. We recommend you read the full agreement.

# Frequently Asked Questions

## Updated nib Intermediary Agreement

Agreement effective 1 April 2025, except for the provisions enabling you to sell life insurance products, which will come into effect on the date of the launch of Ultimate Life & Living Insurance

### Why is nib updating the Intermediary Agreement?

There have been many changes in the financial services market since the nib Intermediary Agreement was last updated in March 2021. nib's adviser channel proposition and product range has also changed in that time. The changes include:

- Changes to the regulatory environment and the cost of meeting these obligations
- The previous launch of nib's retail and group life and living product range
- A steady move to providing technology-based tools and solutions for advisers to use in their advice and service role, with a goal of enhanced availability and efficiency
- The launch of nib's new Ultimate Life & Living Insurance range

The updated Agreement is a response to these changes.

### What changes are being made to the nib Intermediary Agreement?

Refer to the "Summary of Changes" which precede these FAQ.

### What do I need to do with the updated nib Intermediary Agreement?

You need to read the updated Agreement and ensure that you and the people working for and in your business understand and are complying with the terms of the Agreement. Some of the terms of the Agreement will apply to people in advice roles, administration roles and third-party suppliers who support your professional practice and service delivery.

### Do I need to sign or return a copy of the updated Agreement?

You do not need to sign or return a copy of the updated Agreement. This is an update to your existing Agreement.

### When will the updated nib Intermediary Agreement take effect?

The updated Agreement (with the exception of the health insurance commission rates), will take effect automatically on the 1 April 2025, and will cover existing and new policies. The Ultimate Life & Living commission rates will also apply from the date of launch. Changes to existing policies (e.g. addition of new lives insured or Options) will be at the commission rates applicable to the original policy.

The updated Agreement replaces the current nib Intermediary Agreements (other than agreements transferred from OnePath, which remain unchanged).

### Are nib's adviser commission rates being increased or reduced?

The adviser initial commission rates for retail health are being increased. The increase for advisers is as a result of a review and reallocation of commission payments nib is making to the various parties involved in the adviser channel. The overall amount of commission being paid by nib in total is not changing.

There are no changes to nib's group health commission rates or to the commission rates on nib's existing retail and group life and living products.

# Frequently Asked Questions – Updated nib Intermediary Agreement (continued)

**What specifically are the changes to the adviser initial commission rates?**

Schedule 2 of the Agreement provides the full details of the new commission rates as they apply to each nib health product and to the new Ultimate Life & Living product suite, and the terms that apply to commission. In summary, the changes are:

- An increase in adviser Initial Commission rates of 15% paid on the Base Cover, Specialist and non-PHARMAC Plus Options for new nib retail health policies
- “Supplementary Commission” is no longer separately itemised – for simplification reasons, it is now included with “Initial Commission”
- The clawback terms that previously applied to Initial Commission will now apply to updated “Initial Commission”
- Including provision for commission splits (e.g. to another advisers, FAPs or to dealer groups)

There won't be changes to commission rates paid on group policies or to additions to existing retail policies. The latter will have commission paid at the same rates as the original policy.

**Are Servicing Commission rates changing?**

No.

**Will there be changes to nibAPPLY as a result of these changes?**

Yes. There will be a change to the way advisers specify the commission model (i.e. upfront, hybrid or spread) to be applied when they are completing an application for a new policy.

There will also be new functionality for advisers to select a commission split (from previously arranged splits) when completing an application.

Agreement holders will be able to lock down the choices of commission model and commission splits available to their sub-advisers.

**What are the overall commission system related changes that nib is making?**

nib is introducing a number of complex changes including those relating to new products and new systems and these are being introduced progressively due to their size and complexity. The first change involves moving health commissions on to a new system and this will be followed in six to twelve months by the integration of health and life commissions into a single system.

**What changes will there be to the way I receive nib commission reports?**

nib will stop emailing advisers commission reports progressively from 1 April 2025. Instead, you will be able to download commission reports at your convenience by logging into nib adviser access [www.nib.co.nz/adviser](https://www.nib.co.nz/adviser). This will mean that you can access the reports when you need them, and avoids the need to search through historic emails. The new process is in-line with current practice throughout New Zealand when suppliers provide reports, statements etc. to their customers and it will increase the security of the information provided.

**Are there any other changes of a similar nature?**

Yes. Buyer created tax invoices will also be available through nib adviser access.

# Frequently Asked Questions – Updated nib Intermediary Agreement (continued)

## What changes will there be to the nib commission reports?

Life and health commission reports will be processed separately. As new commission systems are deployed, the layout and style of the reports will be refreshed to make them easier to read. The information in the reports will not change. There will be one .pdf statement showing the commission balances for each adviser number in your agency which have had commission activity for the week. These are combined into a final payment due to your bank account/or debt balance. This will be accompanied by a commission report in .csv format which will detail all commission transactions for each adviser number which contribute to the statement amounts.

## What changes are being made to the frequency of commission payments and reports?

Commission payments processed through the new systems will be processed weekly and paid into your bank on Wednesday morning. The corresponding report and statement will also be loaded to nib adviser access on Wednesday morning. This means that there will be up to 52 commission payments per annum (previously, there were 48). When the commission day of the week is a public holiday, it will be loaded on the next available business day.

The cut-off date for transactions included in a payment and report will be COB on the Tuesday.

The frequency of health commission statements under the existing system will not change until the new health commission system is deployed.

New Life & Living commission payments will be made weekly, and current life and living commission payments will continue to be made monthly on the third business day of the month.

## Does the updated nib Intermediary Agreement apply to the sub-advisers who have been working for me under my existing nib Intermediary Agreement?

Yes. You are required to ensure they are complying with the terms of the updated Agreement. This also applies to people in service roles who engage with nib members or who access their personal and policy details.

## What should I do if I don't understand or if I disagree with aspects of the updated nib Intermediary Agreement?

Please contact your nib Adviser Partner Manager so that they can assist you.