



Financial Services Federation

Media Release

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Industry launches *Responsible Credit-Related Insurance Code*

Members of New Zealand’s finance industry have joined forces to help consumers be better informed when it comes to credit-related insurance.

“If something unexpected happened to me, could I continue paying my bills?” – this is a question which anyone with a loan or credit should ask themselves.

Credit-related insurance is designed to protect you if you are unable to work due to issues like accident, illness, or redundancy. But there are certain things consumers need to look out for.

New Zealand insurance companies have joined together to help consumers understand their rights and obligations when dealing with credit-related insurance products, and what responsible providers will – and won’t – do.

On July 4, the Commerce and Consumer Affairs Minister, Hon Jacqui Dean, will join members of the [Financial Services Federation](#) to launch the *Responsible Credit-Related Insurance Code*.

This is the latest resource provided by the Financial Services Federation (FSF), the voice of New Zealand’s responsible, non-bank financial institutions.

The Code is written with consumers in mind, using simple and informative language, and has been formulated with the help of budget advisory services.

It explains the types of credit-related insurance available and what they do, as well as the correct application process, key features of insurance contracts, how a responsible insurer should behave, and the consumer’s responsibilities.

Lyn McMorran, FSF's Executive Director, says the key thing about the Code is letting consumers know what responsible credit-related insurance providers do, and the value of the protection this type of optional insurance provides.

"We also hope the Code will be used as a reference for regulators to understand that there is a responsible credit-related insurance sector in New Zealand. The Code is intended to assist them in identifying what responsible behaviour looks like so that they can perform their enforcement duties where necessary.

"It is also a way for Financial Services Federation members to say, 'This is who we are and what we stand for'. We want consumers to be aware of and understand the value of credit-related insurance, because being informed and having protection is important."

Minister Dean says, "The code is a good example of providers taking their responsibilities seriously and assisting consumers to make informed decisions,".

The *Responsible Credit-Related Insurance Code* will be available in hard copy at [FSF member company's](#) branches from July 5, 2017, on their websites, and www.FSF.org.nz.

For all media enquiries, image and interview requests, please contact Hannah McKee, at hmckee@fsf.org.nz.

[The Financial Services Federation \(FSF\)](#)

The Financial Services Federation (FSF) is New Zealand's largest industry organisation representing responsible, non-bank financial institutions.

The FSF has a strict joining criteria and takes a "quality over quantity" approach to its membership numbers. The Federation currently has 56 members, all of which are subject to a Code of Conduct which ensures its reputation as the setter of industry standards in responsible lending.

In 2009, FSF released the [Responsible Lending Guidelines](#) to inform consumers about what they should expect from a lender when borrowing money. The Federation also joined forces with New Zealand Federation of Family Budgeting Services to develop the [Code of Responsible Borrowing](#) to inform consumers of what they need to know and their obligations when borrowing.

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