

Name and registration number of Authorised Financial Adviser:

Neil Bradley Clarke – FSP10261

Address: **Level 1, Unit H, 100 Bush Road, Albany, Auckland**

Trading name: **Health Wealth Preservation Ltd**

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This disclosure statement was updated on: **27th January 2012**

My experience and qualifications:

CFP (SA); 20 years in the insurance and investment business, 12 of which are in New Zealand. I am registered as an Authorised Financial Adviser (AFA) with the Financial Markets Authority (FMA).

I have been a financial adviser for **20** years and give advice on Insurance (personal and business); Medical and Investments (Managed funds and KiwiSaver).

My relevant qualifications include: CFP (SA); an Authorised Financial Adviser. I have completing Standard Sets A, B, C & D.

I keep my qualifications up-to-date through continuing education (consisting of seminars, technical briefings, product accreditation and conference workshops) for a minimum of twenty hours per year and sixty hours of continuing professional development every two years. This includes keeping up-to-date with changes to the Code of Professional Conduct for Authorised Financial Advisers and relevant consumers laws such as the Fair Trading Act.

How I Operate

When I give advice I follow the internationally recognised six-step process:

1. Establishing the client-adviser relationship,
2. Gathering client data and determining your goals and expectations,
3. Analysing and evaluating the client's [financial position, personal and business insurance, limited retirement planning, and/or investment needs]
4. Developing and presenting our written advice,
5. Overseeing the implementation of the plan, and
6. Monitoring and reviewing the plan.

This can require a series of meetings with a prospective client before our advice is finalised. It also means I maintain a close ongoing relationship with clients, regularly reviewing progress and working with them over time to ensure their goals can be met.

The services I provide will depend on your needs. They may include any or all of those detailed in this Disclosure Statement.

My advice will take account of your personal objectives, financial situation and needs. It will be clear and concise, with enough detail for you to make an informed decision about whether to act on it.

As part of our report, we utilise IRESS 'Risk Researcher Central' for product analysis/ comparison.

Professional Bodies

I am a member of the Institute of Financial Advisers (membership 4395) and, as a condition of my membership I adhere to the IFA Code of Ethics and IFA Practice Standards in all facets of my practice.

Professional Indemnity Insurance:

I have professional indemnity insurance which covers all my areas of practice as listed above.

This insurance provides protection for clients for:

- any error or omission;
- defamation;
- employee dishonesty; and
- includes full "prior acts" protection (Retroactive date: 26/05/2009).

The underwriter is: DUAL NEW ZEALAND LIMITED on behalf of certain underwriters at Lloyds
Policy number: NI/00184/000/11/C

As with all insurance, this cover has limitations and is subject to certain exclusions and terms and conditions.

Services and products I provide

I provide the following types of financial adviser services:

- Financial advice
- Personal / Business (risk) insurance
- Discretionary investment management services

I provide advice or refer you to an associate in the following subject areas:

Cash/Debt Management Referred to associated professional

Estate Planning Referred to associated professional

Risk Management Personal and business assurance / Medical

Retirement Planning Projected capital estimates not investment planning

Taxation Referred to associated professional

Investment Advice Projected capital estimates not investment planning

The financial adviser services I provide are in relation to the following financial products:

- Taxation planning – refer to associated professional
- **Personal risk (insurance) management**
- Fire and general insurance – refer to associated professional
- **Retirement planning – Projected capital requirements**
- **Investment planning** – a fee is charged for this service
- **Comprehensive financial planning** – a fee is charged for this service
- Specialist building insurance planning – refer to associated professional

I only give advice in the particular subject areas set out above.

I only provide financial adviser services in respect of financial products provided by: Sovereign; Tower; Axa;

Fees

I charge a fee for the financial adviser service I provide to you.

The fee is:

If an investment report is requested HWP will charge a fee of \$500 + GST.

No entry fees on investments are charged for monthly contributions. An initial fee of between 0.5 and 1% may be charged for single premium investments.

The fees you will need to pay me for the services I provide are set out below:

For KiwiSaver – between 0.15 to 0.25%pa of funds under management.

For Unit Trust / Managed funds – 0.5%pa of funds under management.

I estimate the fees you will need to pay me will amount to: Varies as a percentage of funds under management.

If it becomes apparent that this fee estimate is likely to be exceeded I will provide you with a further fee estimate at this time.

Other interests and relationships

HWP has arranged significant facilities that are extended to our clients for wholesale / corporate rates for insurance products. We managed these by relationship with the respective providers and we do not have any underlying arrangement or expectation to maintain business targets or limits. However, it could be deemed that a conflict of interest exists to provide these options. HWP has decided to reduce initial commissions received to be able to offer the reduced premium to our clients. This reduced premium is applied for the term of the contract i.e. our clients will always be paying less than the insurers standard rate. HWP renewal income is enhanced to secure our ability to review our client's insurance portfolio and this removes the temptation to place the business with another insurer. This also ensures an above average persistency with our providers.

WIN 1: CLIENT: With our preferential wholesale rates available to our clients enjoy continual competitive premiums; review of insurance and support.

WIN 2: PROVIDERS: Our providers experience excellent persistency and ongoing support and dialogue with us to ensure and maintain the business relationship – this also enables us to negotiate special terms and conditions where relevant and necessary.

WIN 3: HWP: Our business model has been developed over many years and encourages the ongoing relationship with clients & providers to ensure that the maximum mutual benefit is enjoyed by all parties on a continuous basis.

Claims: We can assist clients where appropriate with their claim. As material non-disclosure is the single biggest factor for claims not being met or accepted by the insurer, we will endeavour or ensure comprehensive information is supplied at application stage. We cannot assist a client should material non-disclosure become apparent.

Our clients are entitled to obtain independent advice on this and are encouraged to request any detail from us.

I do not have any preferential terms (other than those readily offered to other market participants) or production performance agreements with any particular product provider. I do not have any commercial relationships or contractual arrangements that present any particular conflicts of interest to consumers generally which would be reasonably likely to materially influence me in providing the financial adviser service.

I place business with each of: Sovereign, Tower, Southern Cross, Axa, OnePath, Accuro.

I am not required to place any level of business with any supplier or financial organisation.

I also have relationships with the following persons: Accounting: Duberly Vincent & Associates; BDS Chartered Accountants. Legal: Quay Law; George Deeb. Fire & General: JLT.

The nature and extent of my relationship with each of these organisations is: an Associated professional service that may be required by our clients and no income is derived by the introduction or services provided by these entities to HWP.

I am associated with the following persons: No associations are in force.

The nature and extent of my relationship with these persons is: Not applicable.

I do not have any other financial or other relationship with any other person that would be reasonably likely to influence me in giving advice, except as described above.

Remuneration

HWP will or may receive remuneration from the following sources:

Name: Sovereign/Tower/One Path/Axa

Amount or rate: [See below]

Arrangements to manage any conflict of interest arising: This is managed facility to extend the wholesale premium rate to our clients.

Name: Southern Cross

Amount or rate: [See below]

Arrangements to manage any conflict of interest arising: This is managed facility to extend the wholesale premium rate to our clients.

- Introductory commission - a gross commission amount payable by the respective product providers for successful placement of new business with them. This is generally a fixed percentage of the premium, or investment amount placed with them.
 - 33% - Sovereign
 - 100% - OnePath
 - 70% - Tower
 - 70% - Axa
 - 20% - Southern Cross – VIP1 & VIP2
 - 15% - Southern Cross – VIP3
 - 12% - Southern Cross – VIP4
- Renewal (or Service or Trail) commission - a fixed percentage of the ongoing (or in-force) premium, or investment amount held with each product provider for ongoing management of that business.
 - 13.5% - Sovereign (Retail) & 15% Sovereign (Group)

- 4% - Tower
- 4% - Axa
- 10% - Southern Cross VIP1 & VIP 2
- 8% - Southern Cross VIP3
- 5% - Southern Cross VIP4
- Production Bonus Commission - a fixed percentage amount to gross commission over-rider of the volume of new business (or commission) generated through a product provider.
 - 50% - Sovereign
 - 70% - Tower
 - 70% - Axa
- Persistency Bonus / Loyalty Bonus / Quality Booster - a fixed percentage gross commission over-rider of determined by the overall business quality, or persistency.
 - 6% / 7% / 7% - Sovereign
- Non-cash additional rewards - I may receive free and/or corporate gifts from our product providers if I recommend them as a product provider, depending on the total volume of business done with them. I may also receive benefits in the form of entertainment (e.g. rugby and concert tickets, golf days, etc), subsidised professional development (e.g. below actual cost conference attendance, subsidised cost training courses, etc), or office supplies (e.g. notepads, pens, etc) from the product providers.

Other information about me and the services I provide: No Financial Markets Authority restrictions, terms or conditions apply.