

## NATURE & SCOPE OF SERVICES AND ENGAGEMENT

Version 1.0 Effective from 15<sup>th</sup> March 2021

This Nature & Scope of Services and Engagement ('Scope of Engagement') sets out the services that we will provide to you, including any important information you should know before deciding to obtain financial advice from us.

### About your Financial Advice Provider

Tulip Financial Services Limited (FSP301226) holds a Financial Advice Provider (FAP) license issued by the Financial Markets Authority to provide financial advice.

### About your Financial Adviser

I am a Financial Adviser (FSP654691) and am giving advice on behalf of Tulip Financial Services Limited trading. My details are as follows:

<b>Name:</b>	Bhupinder Kaur
<b>Telephone:</b>	09 215 4044 or 022 400 1005
<b>Email:</b>	b.kaur@tulipfinance.co.nz
<b>Business Address:</b>	127 May Road, Mt Roskill, Auckland 1041

### Reliability event

Neither Tulip Financial Services Limited nor I have been subject to a reliability event. A reliability event is something that might materially influence you in deciding whether to seek advice from me or from Tulip Financial Services Limited. As an example, it would include legal proceedings against me, or if I had been discharged from bankruptcy in the last four (4) years.

### Nature and Scope of My Advice

Tulip Financial Services Limited provides advice to our clients about their life, disability and health insurance. We are able to provide financial advice from the following product providers:

<b>Life and disability insurances</b>	AIA, Asteron, CHUBB Life, Fidelity Life, Partners Life & Resolutions Life
<b>Health Insurances</b>	Accuro, AIA, nib, Partners Life

We use an internal product selection process to choose the product and product provider that best suits your needs.

### Out of scope

We do not provide investment advice.

## **Timeframes**

The estimated time of the planning process is approximately three to four hours of the first meeting and two to three meetings may be required for the entire process. At the future mutually agreeable time, a review of your personal situation may involve a further one-to-two-hour interview in order to update mutually agreed levels of cover. In most cases, reviews take place generally annually unless otherwise agreed.

## **How do I get paid?**

My service to you includes understanding your requirements and personal situation, analysing the options available, researching the suitability of the products and/or Product Providers, and providing you with my written recommendations.

Both myself and Tulip Financial Services are paid in the form of a commission ('Insurance Commission') by the Product Providers if you take out an insurance policy or invest in a KiwiSaver scheme following my advice.

The commission I am paid for the risk business is initial commission, bonuses and renewal commission is based on the volume of new business placed with each insurance company. The commission varies from company to company.

## **Insurance Commission**

The commission is between 120% and 230% of the first year's premiums of your policy. The amount depends on which insurance company and which insurance policy you choose. I also receive a commission of between 3% and 20% of the premium for each year the policy remains in force.

## **How I manage any conflicts of interest and/or incentives**

I have an obligation to act in the best interests of clients when making a recommendation. Should any actual or potential conflicts of interest arise during the advice process, I undertake to bring any such conflict of interest to your attention so that you may assess my advice objectively. At present, I have identified the following conflicts of interest:

### **Product Provider Commission:**

- If you accept and act on my advice, I will receive a commission. Conversely, if you do not accept and act upon my advice, I will not receive a commission.

### **Performance Based Remuneration:**

To ensure that I prioritise your interests above my own, I follow an advice process that ensures my recommendations are made on the basis of your individual goals and circumstances.

I complete annual training about how to appropriately manage conflicts of interest. Tulip Financial Services Limited periodically undertake a compliance review of my advice process. Tulip Financial Services Limited also engage an independent compliance consultancy firm to conduct ongoing independent compliance reviews and audits.

### **Fees and Expenses**

I may charge you a fee for the financial advice I provide if you cancel a life, disability, or health insurance policy within two years of inception. The fee charged for the financial advice provided to you will be calculated on the following basis: \$200.00 + GST per hour. While I am unable to provide you with an estimate of the fee at this time, I will confirm this with you in my statement of advice. This fee will be payable by you by the 20<sup>th</sup> of the month after an invoice is issued.

### **Termination**

I undertake to exercise care, diligence and skill in providing you with a financial adviser service. If at any time you wish to terminate this engagement, you must advise me in writing.

### **Professional indemnity insurance**

Tulip Financial Services Limited and I are covered under a professional indemnity insurance policy through Ando Insurance Group Ltd. This policy applies when I act in my professional capacity as a financial adviser. As with all insurances, these covers have limitations and are subject to certain exclusions, terms, and conditions.

### **Our financial advice processes**

When I give advice, I follow the six step advice processes:

- Establish client-adviser relationship
- Gathering client data and determining the goals and expectations
- Analysing and evaluating the client's financial position
- Developing and presenting our advice
- Overseeing the implementation of the plan, and
- Monitoring and reviewing the plan

### **Client responsibilities**

It is your responsibility to provide me with accurate and relevant information anytime information is being gathered or requested. If you provide me with incomplete or inaccurate information, I may not be able to provide you with the advice, products or services you are seeking.

It is important that you understand your obligation to provide me with accurate and relevant information in order for the financial services provider to appropriately assess the risk and make an informed decision about whether or not to implement our advice.

For insurance products, in order for the insurer to assess the risk and the appropriate premium, the law requires you to disclose all the information you know, or should know, that would influence the judgment of a prudent insurer in deciding whether or not to insure you, and if so on what terms and at what cost. This is called your **duty of disclosure**. For example, you should disclose your current income, medical history and all information about insured and uninsured losses and claims.

### **Referrals to other professionals**

If at any time during the term of engagement, a potential need arises for the use of another professional, I undertake to refer you to an appropriate professional such as Lawyer, Accountant, Real Estate Agents, Immigration Agents, Stockbrokers, Fire & General or Commercial Insurance Brokers.

You will not be billed or involved for such a service at any time by me. If an appropriate professional cannot be located, I undertake to advise you as soon as possible so that you may engage a professional of your choice or seek advice in regard to the same. Should another professional be engaged, I do not accept any liability whatsoever for the advice provided or the fees involved by that other professional, regardless of how the engagement came about.

### **Client confidentiality**

Confidentiality is very important to me. I acknowledge that your personal details and details of your financial position are confidential. I undertake not to divulge any information that you have disclosed to me to any person or body except under the conditions noted below in 'Use of information'.

If your details are entered into our electronic record system, I will keep those details on file for a period of seven years or longer whether or not this engagement terminates. All the information provided by you will be dealt strictly under the Privacy Act 2020.

### **Use of information**

I will collect personal information (including full name, address and contact details) so that I may administer our client/adviser relationship and provide clients with the products and services they request. This information is held at my offices. I comply with the Privacy Act 2020, including collecting, holding, using and disclosing your personal information. If at any time you wish to have access to, or correct any of, the information obtained with your permission, please contact me.

I may be allowed or obliged to disclose information by law, e.g. Under Court Orders or Statutory notices pursuant to taxation laws. I may also disclose personal /business information to other financial institutions and organisations at their request if you seek to obtain products and/or services from them. Personal/business information may also be disclosed to:

- Professionals including but not limited to Lawyer, Accountant, Real Estate Agents, Immigration Agents, Mortgage Brokers, Stockbrokers, Fire & General or Commercial Insurance Brokers when a referral is required, at your request;
- The Financial Markets Authority, disputes resolution scheme, compliance consultants or claims assessors;
- If you have insurance, those involved in the insurance process including but not limited to claims investigations, medical practitioners, re-insurers, insurance reference agencies.

From time to time, this information may be updated and/or changed and I undertake to advise you of material changes to any of the items and/or products/services noted above by email and/or mail.



Your details will be added to the Tulip Financial Services database so that you can receive regular updates and information on additional services provided by Tulip Financial services. If you wish to opt out of this service, please advise me.

## Summary

A Scope of Engagement document begins the process of setting out the mutually agreed terms of engagement between us.

I am happy to answer any questions you may have. If you are completely satisfied with the contents of this document and have no further questions, please sign in acknowledgement below that you have read and understood its contents.

<b>Adviser Signature</b>		<b>Date</b>	/ /
<b>Client Signature</b>		<b>Date</b>	/ /
<b>Client Signature</b>		<b>Date</b>	/ /