

Life and Living Products: Variation to your nib Intermediary Agreement

Background

- A. You are party to an nib Intermediary Agreement that sets out, amongst other things, the terms under which you are authorised to sell nib's health insurance products.
- B. nib wishes to make available a suite of life and living insurance products, underwritten by its related party nib nz insurance limited.
- C. This variation to your Intermediary Agreement will extend your Intermediary Agreement to apply to the sale and service of life and living insurance products.

Agreement

The parties agree that the Intermediary Agreement be varied as follows, effective from the date that you sign this variation letter (**Variation**):

Schedule 1

1. Contracts Privy: Schedule 1, clause 10.1 is deleted and replaced with the following:

10.1 The parties acknowledge and agree that:
 - (a) nib is entering into this agreement for the benefit of itself and nnzil (except that this agreement may be amended in accordance with its terms without the need for the agreement of nnzil);
 - (b) nnzil and other members of the nib Group will have benefits as contemplated by Part 2 of the Contract and Commercial Law Act 2017. Other than that, this agreement is not intended to confer a benefit on any person or class of persons who is not a party to it.
2. Definitions: The definition of nib Group in clause 11 is deleted and replaced with the following:

nib Group means nib, nnzil and any other related company of nib.
3. Definitions: A new definition of nnzil is added to clause 11, in the definitions section:

nnzil means nib nz insurance limited.



Schedule 2

4. **New Products:** The table of products in the commission schedule is amended by adding the following rows at the end of the table:

Product	Commission type	Initial Commission	Supplementary Commission	Servicing Commission
Life Insurance Products				
Life & Living Insurance – individual retail products - also applies to any additional covers added to the policy at a later date	Spread commission– but subject to the two-year responsibility period on initial commission (see below)	20%	n/a	20%
Group Life & Trauma Insurance – group/corporate schemes	Spread commission	To be negotiated with nib for each group/corporate scheme	n/a	To be negotiated with nib for each group/corporate scheme

5. **Commission on additional covers:** Clause 2.1 is amended by adding a new 2.1(d) to provide for additional commission to be paid when a member with a life insurance product purchases an additional cover, which is added to their existing life insurance policy:

(d) A new cover is added to an existing Life & Living Insurance Policy, with the Initial Commission for that new cover being payable at the same rate as the Initial Commission.

6. **Transfer of Servicing Commission:** A new clause 2.5A is added after clause 2.5 to provide for the transfer of Servicing Commission relating to a life insurance Policy.

2.5A Notwithstanding clause 2.5, where you wish to transfer your rights to receive Servicing Commission relating to a life insurance Policy, the new adviser must have an nib Intermediary Agreement or be a Representative under an nib Intermediary Agreement and, in either case, the new adviser must have also agreed to the terms of this variation.

7. **Persistency:** A new clause 3.1A is added to Schedule 2:

3.1A The Persistency Rate will be calculated separately for health and life Products, in each case using the methodology set out in this clause 3.

8. **Payment Method:** A new clause 4.1A is added to Schedule 2:

4.1A Clauses 4.1 to 4.4 (inclusive) apply to the payment of Commission relating to health insurance Policies only.

9. **Payment Method – life insurance Policies Commission:** New clauses 4.5 to 4.7 are added to Schedule 2

4.5 For Initial and Servicing Commission payable in respect of life insurance Policies, the following terms will apply.

4.6 Initial Commission is payable once a life insurance Policy has been issued and Servicing Commission is payable on the anniversary date of the life insurance Policy if that Policy is renewed.



4.7 For life insurance Policies, Commission is paid once each month on the third Business Day of the month, for commission earned in the previous calendar month.

10. Clawback of commission on additional covers: Clause 5.1(a) is updated to reflect the different terminology used with the life insurance products.

5.1 (a) Removal of an option from a health insurance Policy or a cover from a Life & Living Insurance Policy.

11. Clawback of Initial commission: Clause 5.5 is deleted and replaced with the following new clause 5.5:

5.5 All Initial Commission is subject to a Responsibility Period on a proportional basis within either 24 months or 12 months of inception if a Policy is terminated as set out below:

- (a) For all Life & Living Insurance Products, including spread commission models, and for all health insurance Products except level, spread or hybrid commission, “Active”, “Select”, “GP” and “Dental and Optical” options.

Period from inception of Policy that Termination occurs	Clawback % of Initial Commission
0 to 5 months	100 %
6 to 11 months	75 %
12 to 17 months	50 %
18 to 23 months	25 %

- (b) Health insurance only: For spread commission, “Active”, “Select”, “GP” and “Dental and Optical” options, a pro-rata refund of Initial Commission becomes payable by you based on the Premium paid over a 12-month period. For example, where a Policy is terminated after two months, an Initial Commission refund by you of 10/12ths of the Initial Commission paid will apply.

The remainder of the terms in Schedule 2 remain unchanged. Commission for the Life & Living Insurance and Group Life & Trauma Insurance products will be payable by nib and subject to clawback in line with the current terms for commission set out in Schedule 2.

General

12. The parties agree that, except as specifically amended by this Variation, the provisions of the Intermediary Agreement remain in full force and effect.
13. To the extent that there is a conflict between the terms of this Variation and the Intermediary Agreement, the terms of this Variation prevail.
14. This Variation is governed by the laws of New Zealand and each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning this Variation.
15. Capitalised terms used but not defined in this Variation have the meaning given to those terms in the Intermediary Agreement.
16. If this Variation is signed by any party using an electronic signature, the parties consent and agree to enter into this Variation in electronic form; and to either or both of the parties signing this Variation using an electronic signature.



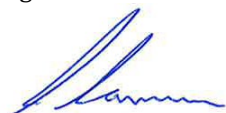
Acceptance

17. By signing this Variation, you acknowledge having carefully read and understood, and agree to be bound by, the terms of this Variation.
18. Persons signing this Variation warrant that they are an authorised representative of a party to this Variation and have authority to bind that party to the terms of this Variation.

Execution

19. Please sign the attached copy of this Variation where indicated and return it to variation@nib.co.nz to confirm your agreement to this Variation.

Signed for and on behalf of **nib nz limited** by Chris Carnall, Head of Distribution



Signed for and on behalf of _____ (please write in the legal name of adviser/adviser company as shown on your nib Intermediary Agreement)

Signature of director/authorised signatory

Date:

Name of director/authorised signatory

UAN:

