

1 September 2006

Peter Lowe
NZ Captive Insurance Association
PO Box 369
Auckland

Dear Peter

REVIEW OF FINANCIAL PRODUCTS AND PROVIDERS: RELEASE OF DISCUSSION DOCUMENTS

On Thursday 31 August, the Minister of Commerce, Hon Lianne Dalziel, announced the release of nine discussion documents as Stage Three of the Review of Financial Products and Providers ("Review"). The media release is attached.

As you will know, the Review has been underway since March 2005. Stage One (entailing the establishment of the framework for the review, problem identification, and development of general options for reform) was completed in July 2005. Since then, officials have been undertaking Stage Two – the development of draft options for reform – in conjunction with eight advisory groups and a series of one-on-one meetings with people from key industry and consumer organisations, industry participants, professional organisations and government bodies. This consultation has fed into the drafting of the discussion documents.

The release of the discussion documents for public consultation marks Stage Three of the Review. The input from the advisory groups has been extremely valuable in developing the options for reform, and we are now ready to test these options with a wider audience. We welcome any contribution you would like to make.

The nine discussion documents are as follows:

1. Overview of the Review & Registration of Financial Institutions;
2. Insurance;
3. Supervision of Issuers;
4. Consumer Dispute Resolution and Redress;
5. Non-Bank Deposit-Takers;
6. Collective Investment Schemes (including superannuation);
7. Mutuals' Governance;
8. Securities Offerings; and
9. Platforms and Portfolio Management Services.

We are sending you the documents that we believe are of particular interest to you. The other documents are available for download at <http://www.med.govt.nz/rfpp/stage-3/>. Should you require a hard copy of any of the other discussion documents, please e-mail fppreview@med.govt.nz, or phone 04 474 2668.

We have included a copy of the "Overview of the Review and Registration of Financial Institutions" discussion document, and recommend that you begin by reading this document in order to obtain an understanding of the framework within which the nine discussion documents sit, and how the documents relate to each other. Additionally, the part of the discussion document addressing registration of financial institutions is relevant to all financial institutions.

The "Overview of the Review & Registration of Financial Institutions" discussion document also contains detailed information on how to make a submission.

The submission period is three months long, beginning on **Friday 1 September 2006** and closing on **Friday 1 December 2006**. After receiving submissions, the Ministry will evaluate them and develop policy recommendations for Ministers and then Cabinet to consider.

We encourage you to make a submission as your input will be valuable to us as we move into the next stage of the review.

If you would prefer not to make a written submission, officials are happy to arrange a meeting with you to hear your views.

We thank you for your interest in the review to date, and look forward to receiving your submissions.

Yours sincerely



Kirstie Hewlett
Manager Financial Sector
Regulatory and Competition Policy