

## PI cover requirements.

Section 7.0 of the Distribution Agreement (dated 31 July 2021) sets out the Professional Indemnity insurance requirements for all intermediaries distributing Fidelity Life products. The specific insurance requirements are set out below:

- Any business or individual that distributes Fidelity Life products must be covered by Professional Indemnity insurance. If you have Representatives, you must make sure that they're also covered by Professional Indemnity insurance.
- The amount of cover required depends on the number of financial advisers engaged by the Financial Advice Provider (FAP):
  - A FAP with less than five advisers = no less than \$1M per claim and with an aggregate of no less than \$2M.
  - A FAP with five or more advisers = no less than \$2M per claim and with an aggregate of no less than \$5M.
- When an intermediary's distribution arrangement with Fidelity Life ends, they must have a minimum of 5-years run-off cover for them and any Representatives. This is because a claim may arise after the end date of the arrangement.
- The Professional Indemnity insurance must be underwritten by an insurer [Licensed by the Reserve Bank of New Zealand](#).