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How to become an insurance broker in New Zealand: A quick guide

Discover how to become an insurance broker in NZ with this comprehensive guide. Learn about licensing requirements and requisite skills to succeed

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Feb 07, 2025 / [Share](#)

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New Zealand is famed for its stunning landscapes, diverse culture, and relatively small population. Affectionately called “The Land of the Long White Cloud” by its native Māori people, NZ remains home

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The country is also blessed with vast natural resources like arable land that hosts a thriving agricultural sector, along with rich deposits of gold, silver, iron, and coal. Its considerable forest and marine resources are plentiful enough to meet domestic needs and have a surplus for export.

As profitable as NZ's many industries are, they have inherent liabilities and risks – and there lies the opportunity for the insurance industry. Whether it's in the agricultural, mineral, marine resource, or forestry sectors, NZ businesses will need to insure their employees, machinery, and equipment.

This spells many opportunities for insurance professionals in the country, particularly for insurance brokers.

Knowing that these opportunities exist, the first step is to start on the path to becoming an insurance broker in NZ. This of course raises important questions like:

- What are the insurance broker qualifications in NZ?
- How do you get an insurance broker licence in NZ?
- Can you get an insurance broker licence in NZ online?

In this guide on how to become an insurance broker in NZ, Insurance Business will shed light on these and more pertinent topics.

Understanding the role of an insurance broker

Many people think that an insurance broker is one who provides insurance advice and sells insurance.

The role of an insurance broker, however, goes beyond this simple definition.

In New Zealand, insurance brokers (Kaitohutohu Inihua in Māori) are considered licensed financial advisers. Their primary role is to give impartial advice to clients regarding the insurance they need and help them get it from insurers.

Working as an insurance broker involves a variety of different duties of responsibilities, including:

- creating a list of clients aka “[building a book](#)”
- assessing clients' needs via interviews
- explaining insurance features to clients
- determining the appropriate types of insurance and recommending the right amount of coverage
- negotiating policy premiums and conditions on the client's behalf
- advising clients about any changes in their insurance policies
- researching and reviewing insurance products of different insurers
- recommending insurance policies that meet clients' instructions and preferences
- building and maintaining client relationships
- reminding clients when their policies are up for renewal or amendment
- working in their clients' best interests
- addressing customer service concerns

What is the role of an insurance broker?



How to become an insurance broker in NZ

Aspiring insurance brokers in New Zealand must first obtain the appropriate certification – the New Zealand Certificate in Financial Services (Level 5). This is the required qualification for anyone who wants to offer financial services, and that includes insurance broking.

This certificate can ensure that insurance brokers have the requisite knowledge and skills to navigate the complexities of insurance products. The licence is also essential for maintaining a sustainable insurance industry composed of individuals who adhere to stringent professional and ethical standards.

Another requirement for insurance broking here is for individuals to have the Financial Advice Provider (FAP) licence – we'll show you how to get both requirements.

Steps in getting the NZ Certificate in Financial Services

These are the key steps to obtaining the NZ Certificate in Financial Services (Level 5).

Step 1. Meet the educational requirements

Broker candidates in NZ must have a minimum of eight NCEA level 2 credits in English, with four credits each in reading and writing.

Step 2. Choose the appropriate course

The level 5 Certificate consists of several different curriculum called strands. Each strand of the certificate pertains to different aspects of financial services. Here are the different strands:

- **General insurance** – this covers the principles of general insurance and provides insight into giving useful advice on appropriate coverage options to small businesses. The general insurance strand is typically suited for insurance brokers in NZ.
- **Life, disability, and health insurance** – is mainly concerned with providing knowledge on various insurance regulations and products that deal with personal lines insurance.
- **Investment** – this strand develops the competencies required to give sound investment advice. Students will learn the market dynamics, investment concepts, and investment regulations from this course.
- **Residential property lending** – this strand provides students with an understanding of the dynamics of residential property lending. The residential property lending strand is meant for advising clients on home financing options.
- **Banking** – retail banking, financial advice, bank products, and providing insights into customer service are what's covered in this strand. This is suitable for those who want to work as bank branch managers or personal bankers.
- **Trustee services** – covers the responsibilities and regulatory requirements relevant to trustee services. This strand prepares students for careers as trust officers or managers within financial institutions.

Step 3. Enrol in a course

Choose an accredited course provider to obtain the certification. A major benefit of the Certificate in Financial Services Level 5 is that it can be done part-time and primarily taken online. If done full-time, the course can take 12 to 16 weeks. But for those who take the course part-time, which is ideal for working students, it can take a minimum of one year to complete.

Step 4. Complete the course

Aspiring brokers are given up to three years to complete the courses, but this deadline can be extended under certain circumstances. Each course has assigned credits, with one credit equivalent to up to 10 hours of study.

Step 5. Take and pass the exams and assessments

Earning this certification can entail different study approaches like online coursework, assignments, and exams. Only upon successfully completing the assignments and passing the exams can students receive the certificate.

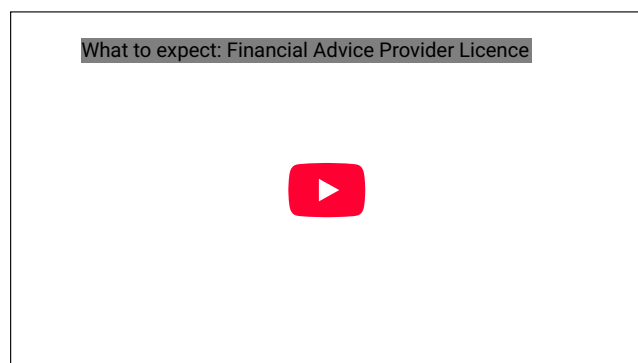
Step 6. Identify insurers you want to work with

Once you obtain the certificate, you can proceed with insurance broking. But to do this, you need to make a list of the insurance companies. List those who offer products and services that align with the cover you want to offer.

Seek out different specialist and general insurers and underwriters. Working with them can place you in a better position to negotiate the best deals for your clients. You can also adopt a proactive approach – try overseas insurers offering coverage for risks that might pique the interest of insurers in the country.

Step 6. Maintain the certification

To keep the certification, insurance brokers must commit to what the industry calls continuing professional development (CPD). This is done by accruing continuing education credits. You can take courses, workshops, or seminars related to financial services, [ethical conduct](#), and compliance standards.



Steps in getting the FAP licence

Apart from the Certificate of Financial Services level 5, insurance brokers in NZ must have the Financial Advice Provider licence. Broker candidates can obtain the FAP licence by following this process:

Step 1. Get familiar with the licensing requirements

The first step is to read up on the relevant regulations on insurance broking, which includes:

- [Financial Markets Conduct Act 2013](#) – promotes transparency, efficiency and fairness in financial markets.
- [Financial Advisers Act 2008](#) - promote the sound and efficient delivery of financial adviser and broking services. This is intended to foster public confidence in the professionalism and integrity of financial advisers and brokers.

NZ insurance brokers, whether newly licensed or seasoned professionals with years of experience are expected to know and adhere to the regulations contained in these Acts.

Step 2. Obtain the requisite qualifications

This entails having the minimum educational requirements and the Certificate in Financial Services Level 5. This is among the essential steps on how to become an insurance broker in NZ.

Step 3. Sign up with the Financial Services Provider Register

This is an essential legal requirement for all financial services providers, insurance brokers included, in NZ.

Step 4. Make a detailed business plan

A comprehensive business plan mapping out your operational framework, marketing strategy, services, and target markets is required. This plan is a crucial part of your licence application.

Step 5. Prepare your application documents

Gather all the essential documents for your FAP licence application, including:

- NZ Certificate in Financial Services Level 5
- business plan
- [professional liability insurance](#)
- documents showing how you intend to comply with the pertinent regulations

Step 6. Submit the application

You can refer to the [FMA guidelines](#) and submit your application on their official website. To avoid delays or rejection, be thorough in filling out the application.

Step 7. Pay the appropriate fees

The application fees for your FAP licence depend on whether you need a Class 1, 2, or 3 licence. Here are the fees for each class:

- Class 1 - \$703.80
- Class 2 - \$882.05
- Class 3 - \$1,060.30

Step 8. Wait for the assessment

The [FMA](#) will then review your application, which can take several weeks. Be prepared to provide any additional information or clarification if requested by the [FMA](#).

Step 9. Pursue Continuing Professional Development

Maintaining your FAP licence requires ongoing professional development. You can achieve this by completing a minimum of 15 CPD hours.

Step 10. Maintain your FAP licence

Finally, ensure that you remain compliant with all the obligations in the FAP licensing regulations.

Do proper record-keeping, maintain impeccable customer service, and undergo regular audits to maintain your licence.

What are the regulatory bodies for insurance brokers in NZ?

The Financial Markets Authority (FMA) is primarily responsible for regulating insurance broking in NZ apart from other finance-related professions and activities. The FMA is an independent government agency that regulates insurers' and financial advisers' conduct. Part of how to become an insurance broker in NZ is getting familiar with this regulatory body.

How does the FMA regulate insurance brokers?

The FMA oversees and monitors insurance brokers by carrying out certain duties and responsibilities, which include:

- enforcing the Financial Markets Conduct Act of 2013, setting the professional standards for insurance brokers
- enforcing the Financial Advisors Act of 2008

- requiring insurance brokers to have the FAP licence and New Zealand Certificate of Financial Services (Level 5)
- holding insurance brokers to higher standards of transparency and accountability, in accordance with the recently drafted [code of professional conduct](#)
- requiring insurance brokers to comply with new disclosure requirements, a [recent feature of the NZ insurance industry](#) that has been well-received by clients

What is the average salary of an insurance broker in NZ?

The [average salary](#) is around \$40,000 a year. For entry-level brokers, it is pegged at \$37,050, while the most experienced brokers earn about \$79,800 a year. However, salaries can vary according to the individual broker’s level of skill, experience, and location.
Here are some of the salaries of insurance brokers in some key NZ cities:

Salaries of insurance brokers in some major NZ cities

City	Annual salary
Wellington	\$79,154
Auckland	\$75,747
Hastings	\$75,747
Palmerston North	\$70,442
Hamilton	\$69,822

Source: [nz.indeed.com](#)

Is becoming an insurance broker in New Zealand worth it?

Whether starting and pursuing an insurance broker career in NZ is worth the effort ultimately depends on the individual. Meeting the licensing and credential requirements can be challenging, as NZ has a more demanding regulatory environment. The cost of licensing and the courses can be costly as well, but there are ways to get financial assistance for this.

Despite the challenges, an insurance broker career can be worth the effort, if it aligns with your personal goals and financial needs. Factors like climate change, economic uncertainties, and a competitive market can pressure brokers to [stay adaptable and knowledgeable about market changes](#).

Regulatory changes and the complexity of insurance products call for ongoing education and compliance, adding to your responsibilities as a broker. [Leveraging modern marketing strategies](#) along with a healthy dose of passion, dedication, hard work and a bit of luck can make you a successful broker in NZ. Who knows, you may even find yourself listed as one the [best insurance brokers](#) locally or even globally.

Did you find this guide on how to become an insurance broker in NZ helpful? Let us know your thoughts in the comments.

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