

REGULATION

- Industry Implications

- Insurance Council – what's our role in this?
- Regulation Avalanche 2009
- Solvency - Issues for the industry
- Solvency - Technical issues
- Wider issues concerning the industry

Insurance Council

- Represent the General Insurance industry
- Regulatory committee
- Success depends on the participation of a broad cross section of the industry

Regulation Avalanche 2009

Since May 2009, eight Discussion Papers have been issued seeking comments from the industry.

- Securities Commission staff paper on Financial Adviser Competency.
- Insurance (Prudential Supervision) Bill.
- Draft guidelines for Disputes Resolution Scheme.
- Proposed Reserve Disputes Resolution Scheme.
- Securities Commission paper on regulating and supervising Financial Advisers (QFE's).
- Financial advisers Act Disclosure Regulations.
- Solvency Standards for non-life insurance.
- Anti-Money Laundering and Countering the Financing of Terrorism Reform Bill.

Solvency – Issues for the industry

- Principles followed
- Financial Condition Reports
- Actuaries Role
- Compliance Costs
- Higher solvency required than Auz

Solvency – Technical Issues

- Definition of capital – NZGAAP aligned
- Deductions from capital – Future tax benefits, branch accounts,
- Consolidation of subsidiaries
- Asset risk capital charges – up to 40% higher than Auz
- Treatment of DAC?
- Liquidity risk capital charge – Not in Auz?

Wider Industry Issues

- What are actuaries???
- Where are the actuaries???
- Compliance Costs
- Training of Staff and others
- Financial Condition Reports
- Communication