



Life Insurance Act 1995

COMMISSIONER'S RULES No 23

REINSURANCE REPORTS (s 123(2) & (3))

I, Robert George Glading, Acting Insurance and Superannuation Commissioner, under subsection 252(1) of the *Life Insurance Act 1995* (the "Act"), MAKE the following Commissioner's rules for the purposes of subsections **123(2)** and **(3)** of the Act:

Commencement

1. These rules commence to have effect on 1 January 1997.

Particulars of reinsurance arrangements to be set out in reinsurance report

2. A reinsurance report must set out the particulars in rule 3 in relation to:
 - (a) each reinsurance contract (not being a contract that solely provides facultative reinsurance); and
 - (b) each group of reinsurance contracts that solely provide facultative reinsurance in respect of policies of a particular kind;
that was, or were, in force between the company and a reinsurer during the financial year.
3. The particulars are:
 - (a) the name of the reinsurer and, if it was not a life company registered under the Act, the following details about it:
 - (i) its Australian Company Number or Australian Registered Body Number (if any);
 - (ii) if it was a foreign entity, any number under which it was registered in its place of origin;
 - (iii) the address of its registered office or, if it had no registered office, the address of its principal place of business;
 - (iv) any business name it used in Australia;
 - (v) the name of any life company registered under the Act to which it was related (within the meaning of section 16 of the Act); and

- (b) the type of reinsurance provided for by the reinsurance contract or group of reinsurance contracts (for example, treaty reinsurance or facultative reinsurance); and
 - (c) the main features of the reinsurance contract or group of reinsurance contracts; and
 - (d) the classes of life insurance business that were reinsured; and
 - (e) the categories of life insurance business within each of those classes that were reinsured; and
 - (f) the kinds of policies written by the company within those categories that were reinsured; and
 - (g) the extent of the reinsurance cover provided (including the company's retention parameters); and
 - (h) in the case of a reinsurance contract that does not solely provide facultative reinsurance - how any commission payable by the reinsurer was determined (including selection discount terms); and
 - (i) in the case of a reinsurance contract that does not solely provide facultative reinsurance - the date on which the contract was entered into; and
 - (j) in the case of a reinsurance contract that was still in force at the end of the financial year - the circumstances in which the contract may be terminated; and
 - (k) in the case of a reinsurance contract that was not in force at the end of the financial year - the date on which the contract ceased to be in force.
4. A reinsurance report must also set out the opinion of the company's appointed actuary about:
- (a) whether the company's reinsurance arrangements during the financial year and the way in which it administered those arrangements were adequate and effective; and
 - (b) whether the company's reinsurance arrangements during the financial year have been accounted for in accordance with the actuarial standards in force under Division 4 of Part 6 of the Act.

Time within which reinsurance report must be given to the Commissioner

5. A reinsurance report must be given to the Commissioner within 3 months after the end of the financial year to which it relates.

Dated 12 September 1996

R G Glading
Acting Commissioner