



Notice varying conditions on Authorisation to carry on insurance business

Insurance Act 1973

TO: Auto & General Insurance Company Limited ABN 42 111 586 353 (the general insurer)

Level 6, Toowong Tower, 9 Sherwood Road, Toowong QLD 4066

SINCE

- A. APRA issued to the general insurer an Authorisation to carry on insurance business in Australia under subsection 12(1) of the *Insurance Act 1973* (the Act), on 14 June 2005 (the Authorisation); and
- B. the Authorisation is subject to conditions;

I, Brandon Kong Leong Khoo, a delegate of APRA, under paragraph 13(1)(b) of the Act, VARY those conditions imposed on the Authorisation in the manner set out in the Schedule attached to this Notice.

Dated

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Brandon Kong Leong Khoo
Executive General Manager
Specialised Institutions Division

Interpretation

In this Notice

APRA means the Australian Prudential Regulation Authority.

insurance business has the meaning given in section 3 of the Act.

prudential standard has the meaning given in section 3 of the Act.

Note 1 Under subsection 13(1) of the Act, APRA may, at any time, by written notice to the general insurer impose conditions or additional conditions or vary or revoke conditions imposed on the insurer's authorisation under section 12 of the Act. The conditions must relate to prudential matters.

Note 2 Under subsection 13(2) of the Act, a condition may be expressed to have effect despite anything in the prudential standards.

Note 3 Under subsection 13(4) of the Act, if APRA varies conditions on a general insurer's authorisation, APRA must give written notice to the insurer and ensure that notice that the action has been taken is published in the *Gazette*.

Note 4 Under subsection 14(1) of the Act, a general insurer commits an offence if:

- (a) the insurer does an act or fails to do an act; and
- (b) doing the act or failing to do the act results in a contravention of a condition of the insurer's authorisation under section 12 of the Act; and
- (c) there is no determination in force under subsection 7(1) of the Act, that subsection 14(1) of the Act does not apply to the insurer.

The maximum penalty is 300 penalty units. Under subsection 14(1A) of the Act, where an individual commits an offence against subsection 14(1) of the Act, because of Part 2.4 of the *Criminal Code* or commits an offence under Part 2.4 of the *Criminal Code* in relation to an offence against subsection 14(1) of the Act, the individual is punishable, on conviction, by a fine not exceeding 60 penalty units. Under subsection 14(2) of the Act, an offence against section 14 of the Act, is an offence of strict liability.

Schedule - the conditions which are being varied

The existing condition(s) which are to be varied:

1. The Applicant shall not carry on insurance business other than domestic motor vehicle insurance.

The condition(s) as varied are:

1. The general insurer may only underwrite the following classes of insurance:
 - a. motor vehicle insurance;
 - b. home buildings insurance; and
 - c. home contents insurance.

Interpretation

In this Schedule:

motor vehicle insurance means contracts of insurance that provide insurance cover in respect of one or more of the following:

- a. loss of or damage to a domestic motor vehicle;
- b. liability for loss of or damage to property caused by or resulting from impact of a domestic motor vehicle with some other thing.

home buildings insurance means contracts of insurance that provide insurance cover in respect of destruction of or damage to a home building, and includes any cover commonly provided under a home buildings policy of insurance.

home contents insurance means contracts of insurance that provide insurance cover in respect of loss of or damage to the contents of a residential building, and includes any cover commonly provided under a home contents policy of insurance.