



## Notice varying conditions on Authorisation to carry on insurance business

*Insurance Act 1973*

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TO: Domestic & General Insurance PLC ARBN 124 040 768 (the general insurer)  
Level 21, Australia Square, 264 George Street, SYDNEY

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- 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 7 March 2008 (the Authorisation); and
- B. the Authorisation is subject to conditions,

I, Wayne Byres, a delegate of APRA, under paragraph 13(1)(b) of the Act, VARY those conditions imposed on the Authorisation in the manner specified in the attached Schedule.

When this Notice takes effect, the conditions which apply to the Authorisation are set out in the attached Schedule of consolidated conditions.

Dated 6 October 2009

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Wayne Byres  
Executive General Manager  
Diversified Institutions Division

## Interpretation

Document ID: 174693

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 imposes, varies or revokes the 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.

*Note 5* Under subsection 13(6) of the Act, a decision to impose conditions, or additional conditions, or to vary the conditions on the Authorisation are reviewable decisions to which Part VI of the Act applies. If you are dissatisfied with a reviewable decision, you may seek reconsideration of the decision by APRA in accordance with subsection 63(2) of the Act. The request for reconsideration must be in writing, must state the reasons for the request, and must be given to APRA within 21 days after the decision first comes to your notice or within such further period as APRA allows. If dissatisfied with APRA's reconsidered decision confirming or varying the first decision, you may, subject to the *Administrative Appeals Act 1975*, apply to the Administrative Appeals Tribunal for review of the reconsidered decision.

The address where written notice may be given to APRA is Level 26, 400 George Street, SYDNEY.

## **Schedule - the conditions which are being varied**

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

The insurer shall not carry on insurance business in Australia other than the provision of insurance for the repair or replacement (including but not limited to incidental cover for accidental damage, food spoilage and theft) of consumer products (electrical equipment primarily for domestic use) by means of:

1. The extension or widening of a manufacturer's or retailer's warranty;
2. Offering extended warranties to purchasers of consumer products; or
3. Undertaking liability in respect of a manufacturer's or retailer's guarantee or extended warranty scheme.

### **The condition(s) as varied are:**

A new item 4 has been added to the conditions to allow the insurer to offer insurance cover for accidental damage, theft and food spoilage either in conjunction with extended warranty insurance cover or on a stand alone basis. Previously these classes of insurance cover were only allowed as incidental insurance cover in conjunction with extended warranty insurance cover.

## **Schedule of consolidated conditions**

The insurer shall not carry on insurance business in Australia other than the provision of insurance for the repair or replacement of electrical consumer products primarily for domestic use. Such insurance business may include cover by means of:

1. The extension or widening of a manufacturer's or retailer's warranty;
2. Offering extended warranties to purchasers of electrical consumer products primarily for domestic use;
3. Undertaking liability in respect of a manufacturer's or retailer's guarantee or extended warranty scheme; or
4. Accidental damage, theft and food spoilage.