

# *Insurance Acquisitions and Takeovers Act 1991*

## **Decision-making principles IDM 1/1992**

Gazette S 94, 3 April 1992

### **Commencement**

1. These principles commence on 4 April 1992.

### **Interpretation**

2. In these principles:

‘decision-making principles’ has the same meaning as in section 65 of the Act;

‘the Act’ means the *Insurance Acquisitions and Takeovers Act 1991*.

### **Application**

3. Clauses 4, 5 and 6 apply when the Minister is complying, under subsection 65(2) of the Act, with decision-making principles.

### **Fit and proper person**

4. In considering whether a person is a fit and proper person, the Minister must have regard to:
  - (a) whether the person is a disqualified person for the purposes of section 117A of the *Insurance Act 1973* or section 146A of the *Life Insurance Act 1945*; and
  - (b) whether the person has been found guilty of an offence against or arising out of the insurance law of any country; and
  - (c) whether the person has been found guilty of an offence involving dishonest conduct in any country; and
  - (d) whether the person has been in a position of influence over, or taken part in, the management of a company that has been declared insolvent or has entered into an arrangement with its creditors; and
  - (e) all other matters that the Minister considers relevant.

### **Undue concentration of power**

5. In considering whether a proposal is likely to unduly concentrate economic power in the Australian general insurance industry, the Australian life insurance industry or the Australian financial system, the Minister must have regard to:
  - (a) whether the proposal could adversely affect:
    - (i) the supply or pricing of insurance services to the Australian market; or
    - (ii) the supply or pricing of other financial services to the Australian market; and
  - (b) all other matters that the Minister considers relevant.

### **Contrary to the national interest**

6. In considering whether a proposal is contrary to the national interest, the Minister must have regard to:
  - (a) whether the proposal could adversely affect the stability and strength of the Australian general insurance industry, the Australian life insurance industry or the Australian financial system; and
  - (b) whether the proposal could adversely affect the interests of policyholders of an Australian-registered insurance company; and
  - (c) whether the proposal is contrary to Australia's foreign investment policy; and
  - (d) all other matters that the Minister considers relevant.