



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

*Insurance Act 1973*

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TO: Boral Insurance Pty Limited ABN 67 000 736 318 (the general insurer)  
Level 39, 50 Bridge Street Sydney NSW 2000

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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 24 June 2002 (the Authorisation); and
  - B. the Authorisation is subject to conditions,
- I, Brandon Kong Leong Khoo, a delegate of APRA:
- (i) under paragraph 13(1)(b) of the Act, VARY those conditions imposed on the Authorisation in the manner specified in the attached Schedule; and
  - (ii) under paragraph 13(1)(a) of the Act, IMPOSE those conditions on the Authorisation, 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 29 July 2013

Brandon Kong Leong Khoo  
Executive General Manager  
Specialised Institutions Division

25/07/2013

## Interpretation

Document ID: 209451

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 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 penalty 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 NSW 2000 .

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

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

3. The general insurer shall at all times maintain its capital base in excess of:

(a) \$2,000,000; or

(b) 1.2 times the Minimum Capital Requirement calculated in accordance with  
GPS 110

whichever is the greater, and in this regard, the general insurer shall not be obliged to comply with paragraph 16 of Prudential Standard GPS 110 made under section 32 of the Act.

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

3. The general insurer shall at all times maintain its capital base in excess of:

(a) \$2,000,000; or

(b) 1.2 times the Minimum Capital Requirement calculated in accordance with  
*Prudential Standard GPS 110 Capital Adequacy*,

whichever is the greater.

## Schedule - the conditions being imposed

4. The general insurer is not required to comply with the prudential requirements in paragraphs 42-63 of *Prudential Standards CPS 510 Governance*.
5. Until 30 June 2015, the general insurer need not comply with the prudential requirements of paragraph 34 of *Prudential Standard GPS 320 Actuarial and Related Matters* but must by 30 September 2015 submit an Insurance Liability Valuation Report (ILVR) for the year ending 30 June 2015. A report on the review of the run-off plan is to be submitted along with the ILVR. In addition:
  - (a) the general insurer's Board will provide APRA with an annual declaration stating that there has been no material change in the circumstances since the 2009 valuation in the general insurer's annual submission; and
  - (b) should a claim be notified, an actuarial report will be required to be prepared by the Appointed Actuary and a copy provided to APRA as soon as practicable.
6. The general insurer need not comply with the requirement to prepare a peer review of the ILVR under paragraph 70 of GPS 320, unless directly instructed by APRA to do so.

## Schedule of consolidated conditions

1. The general insurer may only provide insurance to related bodies corporate as defined in section 50 of the *Corporations Act 2001*.
2. The general insurer may only conduct insurance business in Australia for the sole purpose of discharging liabilities that arose under policies entered into prior to 1 July 2002.
3. The general insurer shall at all times maintain its capital base in excess of:
  - (a) \$2,000,000; or
  - (b) 1.2 times the Minimum Capital Requirement calculated in accordance with *Prudential Standard GPS 110 Capital Adequacy*,
 whichever is the greater.
4. The general insurer is not required to comply with the prudential requirements in paragraphs 42-63 of *Prudential Standards CPS 510 Governance*.
5. Until 30 June 2015, the general insurer need not comply with the requirements of paragraph 34 of *Prudential Standard GPS 320 Actuarial and Related Matters* but must by 30 September 2015 submit an Insurance Liability Valuation Report (ILVR) for the year ending 30 June 2015. A report on the review of the run-off plan is to be submitted along with the ILVR. In addition:
  - (a) the general insurer's Board will provide APRA with an annual declaration stating that there has been no material change in the circumstances since the 2009 valuation in the general insurer's annual submission; and
  - (b) should a claim be notified, an actuarial report will be required to be prepared by the Appointed Actuary and a copy provided to APRA as soon as practicable.
6. The general insurer need not comply with the requirement to prepare a peer review of the ILVR under paragraph 70 of GPS 320, unless directly instructed by APRA to do so.