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14 January 2010

The Editor, *The Australian*

Your article 'Farcical end to five-year lawsuit' (14 January) on the defamation claim against APRA by Rural & General Insurance Broking Pty Limited requires clarification and correction. The claim related to an APRA warning that Rural & General was offering unauthorised foreign insurance to Australian customers. In June 2008, Rural & General discontinued its claim against APRA and APRA was awarded 75 per cent of its costs in addition to existing costs orders against the company.

On no occasion did APRA offer any financial settlement to Rural & General as stated in the article. APRA did attempt to settle the proceedings but on terms in which Rural & General would pay APRA some of its legal costs in defending the claim. APRA's position has always been that it was right to issue a consumer warning in respect of conduct by Rural & General and that its defamation claim was baseless. The ultimate decision by Rural & General to abandon its claim and the Court's order that it must pay costs bore this out.

Regards,

Andrew McCutcheon
Public Affairs Manager