

1 July 2013

Mr Neil Grummitt
General Manager, Policy Development
Policy, Research and Statistics
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2001

Email: riskmanagment@apra.gov.au

Dear Mr Grummit

Re: Discussion Paper – Harmonising cross-industry risk management requirements

We refer to the recent APRA Discussion Paper noted above and make the following submission on behalf of Medical Insurance Australia Pty Ltd.

We support APRA's philosophy of harmonising risk management requirements across the industry sectors that it regulates to the extent that the requirements can be appropriately implemented consistently.

Medical Insurance Australia is a mono-line insurer that provides medical indemnity insurance to doctors, midwives, medical students and corporate entities that provide healthcare services.

We support the proposed risk management requirement outlined in the discussion paper except in relation to the requirements in relation to the appointment of a Chief Risk Officer (CRO).


As a smaller insurer in the market we have limited staff resource. Whilst we agree that a strong risk management focus is imperative for all insurers, a requirement to have a resource designated solely to risk management would be a significant burden to our organisation. The proposed requirement for the CRO role to have direct reporting lines to the CEO and not have any other business line, finance function or revenue generating responsibility will add a significant cost whilst only providing a very limited scope of services to the business.

We propose that APRA amend the requirements in relation to the CRO and allow insurers to seek approval from APRA for the functions of the CRO role to be undertaken within a role with broader responsibility where it is appropriate for an insurer based on size or reduced operational risk, for example where the insurer is mono-line.

Please contact Mandy Anderson, CEO, or Natalie Simmons, Corporate Services Manager, of our office if you have any questions in relation to this submission.

We look forward to APRA's response to submissions.

Yours sincerely


Mandy Anderson
CEO

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