

APRA
GPO Box 9836
Sydney NSW

PLEASE REPLY DIRECT TO:



info@apra.gov.au

2 March 2012

By Post and email

Dear APRA,

Review of Capital Standards for General Insurers

We refer to the Response to Submissions of 8 December 2012 with call for comment due by 24 February.

We note the proposed standard GPS 110 contains the following dispensation in respect of a regulated institution that is part of a Level 2 insurance group at para 10:-

10. A regulated institution that is part of a Level 2 insurance group may rely on the ICAAP of the Level 2 insurance group provided that the Board of the regulated institution is satisfied that the group ICAAP meets the criteria in paragraph 11 of this standard in respect of the regulated entity.

We also note there is no equivalent provision for Branches or indeed reference to the role of the Senior officer in the response paper issued in December 2011 or the proposed Standard.

Since a category C insurer is part of an insurance group it should be possible to leverage the group's risk management practices.

The potential of Branches to fulfil obligations depends to a significant extent on the capitalization of the head office. So, the group ICAAP would have significant relevance to the local management. We would not expect that it would be necessary to provide the full group ICAAP to APRA and would propose that only a summary version which contains the relevant information relevant for the Australian branch need be supplied.

We request that para 10 be amended to include the following:-

A regulated institution that is a Category C insurer may rely on the ICAAP equivalent of the Head Office provided that the Senior Officer Outside Australia and Agent in Australia of the regulated institution is satisfied that the ICAAP equivalent meets the criteria in paragraph 11

of this standard in respect of the regulated entity.

Yours faithfully



Marcus John, Director
Thomas Miller (Australasia) Pty Ltd
as agents for the TT Club

e-mail:



CC Risk Director TT Club Ian Rosenthal
Senior Officer Outside Australia Phillip Emmanuel