



Authorisation to carry on insurance business

Insurance Act 1973

To: Arch LMI Pty Ltd ABN 60 601 356 174 (the Applicant)
Suite 11.02, 175 Pitt Street, Sydney NSW 2000

SINCE the Applicant applied to APRA under subsection 12(1) of the *Insurance Act 1973* (the Act), on 30 June 2017 for authorisation to carry on insurance business in Australia;

I, Brandon Kong Leong Khoo, a delegate of APRA, under subsection 12(2) of the Act, AUTHORISE the Applicant to carry on insurance business in Australia, and under paragraph 13(1)(a) of the Act, IMPOSE the conditions set out in the Schedule attached to this Notice.

This Authorisation commences on 17 January 2019.

Dated: 16 January 2019

[Signed]

Brandon Kong Leong Khoo
Executive General Manager
Diversified Institutions Division

Interpretation

In this Notice:

APRA means the Australian Prudential Regulation Authority.

Insurance business has the meaning given in section 3 of the Act.

Note 1 Under subsection 12(4) of the Act, if APRA authorises an applicant, APRA must give written notice to the Applicant and ensure that notice of the authorisation is published in the *Gazette*.

Note 2 APRA may revoke an authorisation in accordance with section 15 and 16 of the Act.

Note 3 Under subsection 13(1) of the Act, APRA may, at any time, by written notice to a 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 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 maximum 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 fine 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 on the Authorisation is a reviewable decision to which Part IV of the Act applies. If you are dissatisfied with this 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 12, 1 Martin Place, Sydney NSW 2000.

Schedule – the conditions imposed on the Authorisation

1. Arch LMI Pty Ltd may only enter into or otherwise underwrite contracts of insurance that provide lenders mortgage insurance and no other kind of insurance.

Interpretation

In this schedule:

‘Lenders mortgage insurance’ has its ordinary commercial meaning and includes insurance under a policy which protects a lender from losses in the event of borrower default on a loan secured by mortgage over residential or other property.