



10 December 2013

To: CEOs of life companies (including friendly societies) and other interested parties

Draft Prudential Practice Guide LPG 270 Group Insurance Arrangements

APRA has today released for consultation a draft *Prudential Practice Guide LPG 270 Group Insurance Arrangements* (Draft LPG 270).

PPGs do not impose requirements on APRA-regulated institutions. Rather, they aim to assist institutions by providing targeted guidance in relation to requirements in APRA prudential standards or on good practices identified by APRA as part of its prudential supervision.

Draft LPG 270 provides guidance to insurers on good practice for group insurance arrangements with regards to the identification of risks in accordance with the insurer's risk management framework, responding to tenders and data management. The main area of focus is in relation to insurance provided to a Registrable Superannuation Entity (RSE) licensee. Many of the practices are also relevant for group insurance contracts where the policy owner is not an RSE licensee.

Draft LPG 270 also discusses the implications for insurers of *Prudential Standard SPS 250 Insurance in Superannuation* (SPS 250). SPS 250 sets out APRA's requirements for RSE licensees in relation to making insured benefits available to beneficiaries.

APRA welcomes feedback on Draft LPG 270 by 7 March 2014. Submissions should be sent to Insurance.Policy@apra.gov.au. APRA will consider any feedback received and expects to release the final version of LPG 270 in the second quarter of 2014.

Draft LPG 270 is available at: <http://www.apra.gov.au/lifs/Pages/Draft-Prudential-Practice-Guide-LPG-270-Group-Insurance-Arrangements.aspx>

Yours sincerely

A handwritten signature in black ink, appearing to read 'Charles Littrell', written over a light-colored rectangular background.

Charles Littrell
Executive General Manager
Policy, Statistics and International

Important Disclosure Notice - Publication of Submissions

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under the *Freedom of Information Act 1982* (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA. Information in the submission about any APRA regulated entity which is not in the public domain and which is identified as confidential will be protected by section 56 of the *Australian Prudential Regulation Authority Act 1998* and therefore will ordinarily be exempt from production under the FOIA.