CALI Council of Australian Life Insurers

PO Box R1832
Royal Exchange NSW
Australia 1225
ACN 659 620 998

2 October 2026

[redacted]
General Manager, Policy and Frameworks
Policy and Advice Division
Australian Prudential Regulation Authority
GPO Box 9836
Sydney NSW 2001

By e-mail: PolicyDevelopment@apra.gov.au

Dear [redacted]

CALI submission – Consultation on streamlining FAR administration

The FAR framework supports clear governance, oversight and well-defined individual accountabilities for life insurers.

CALI welcomes the opportunity to provide feedback to APRA's proposal for streamlining FAR administration, without compromising its strength. We strongly support APRA and ASIC commitments to better regulation.

We have considered the proposed changes and agree that the proposed changes can reduce the volume of reporting and notifications. While CALI supports the proposals, we believe the impact may not be significant for the life insurance industry.

We appreciate APRA and ASIC interest in exploring other areas where clarity could be provided and further practical changes could be achieved. We have proposed further suggestions for this purpose including:

- Clarity on materiality change requiring notification
- Process for replacing and registering accountable persons
- Registering accountable persons based offshore
- Interim appointments
- Complexities specific to mergers and acquisitions; and
- ARPA Connect system functionality

We consider that our proposals are largely process and operational in nature and do not materially impact on FAR's standards of accountability.

The CALI submission is attached below. Please do not hesitate to contact [redacted] at [redacted] if you require any assistance.

Yours sincerely,

[redacted]

[redacted]
[redacted]
Council of Australian Life Insurer

About CALI

CALI is the leading voice of life insurance in Australia. We support Australians to make informed choices about their future and help them live in a healthy, confident and secure way over their lifetime.

Our members' products and services give people peace of mind when making important decisions and provide a financial safety net during life's biggest challenges.

We advocate for national policy settings that expand Australians' access to the life insurance protection that suits them when they need it most.

CALI represents all life insurers and reinsurers in Australia. The Australian life insurance industry is today a $26.4 billion industry, employing thousands of Australians and paying billions of dollars of benefits each year.

For more information, visit www.cali.org.au

CALI submission – APRA consultation on streamlining FAR administration

Summary and recommendations

CALI recommendations below could give rise to administrative and operational improvements if implemented. The changes could support the strength of the accountability regime by reducing risks of gaps, delays, duplication and human errors.

1. **Quantifying time and cost savings of proposed changes**
   - CALI supports both APRA's proposed changes to reduce reporting and notification by regulated industries. CALI agrees that these changes will reduce ongoing notification requirements for enhanced entities. However, the reduction in costs and regulatory burden may not be significant for life insurers.
2. **Will changes weaken accountability?**
   - CALI believes changes will not weaken accountability. Key functions were already mapped to prescribed responsibilities, and accountability would continue to be addressed through those prescribed responsibilities.
3. **Other areas APRA and ASIC could provide further clarity on or reduce regulatory burden**
   - Greater clarity on the definition on what constitutes material change requiring notification could reduce the volume of lodgements.
   - The 90-day grace period for filling vacant accountable person roles could be extended by 21 days (to 111 days) to allow for the registration of the replacement accountable person prior to commencement and for the fit and proper assessment. This allows more time for entities to consider and manage any uncertainties with regards to recruitment/backfilling AP roles, with less risk of inadvertently breaching the registration requirements.

Recommendations (con't)

3. Other areas APRA and ASIC could provide further clarity on or reduce regulatory burden (con't)

- Clarification is needed on the meaning of "unforeseen circumstances" for the purposes of vacancy provisions — specifically, whether resignation of an accountable person qualifies, or whether the provision is intended only for circumstances such as extended sick leave.
- Greater flexibility in registration timeframe is appropriate where reasonable cross-jurisdictional fit and proper checks cannot be completed within the standard timeframe and/or when there are dependencies with other mandatory corporate frameworks e.g. applications to the Australian Business Registry Services.
- CALI would welcome consideration of a more proportionate process for genuinely short-term interim appointments, without diminishing the substantive accountabilities applying during the interim period.
- APRA and ASIC could provide specific guidance during changes of control and other merger and acquisition transactions so that there is clarity about which entity is expected to undertake particular registration and notification steps during the period between signing, completion and post-completion transition.
- APRA could amend APRA Connect functionality allowing common accountable-person information to be entered once and applied across multiple entities within a group, subject to entity-specific review and confirmation.

1. Quantifying time and cost savings of proposed changes

CALI supports both APRA's proposed changes to reduce reporting and notification by regulated industries. CALI agrees that they will reduce ongoing notification requirements for enhanced entities. However, the reduction in costs and regulatory burden may not be significant for life insurers.

CALI considers that removing "key functions" from the FAR Register reporting requirements could reduce the volume of data included in submissions. However, due to the size of life insurance businesses in Australia, it is unlikely to materially reduce the frequency of lodgements, and therefore time, effort and resources.

Similarly, the modest size of insurance businesses means the removal of the reporting lines requirement from accountability maps would represent only modest reduction of notifications, monitoring time and overall compliance costs.

For example, total time spent on APRA Connect and internal governance processes is unlikely to be significantly reduced for life insurers. The proposed changes are not material for life insurers. Refer to section 3 below for further ideas.

2. Will changes weaken accountability?

CALI believes changes will not weaken accountability.

The removal of Key functions from the FAR register should not create gaps in accountability. Accountabilities will continue to be addressed through the general and prescribed responsibilities.

Key functions reflect critical enterprise frameworks required for insurers. Routine monitoring and oversight of Key Functions against allocated accountabilities will remain regardless of whether they appear in the FAR register via reporting under APRA Connect.

On the proposal to remove reporting lines in accountability maps, CALI agrees with APRA that reporting lines to accountable persons provide organisation context but are not essential to understanding FAR accountable person. Importantly, the proposed change does not remove the statutory requirement to identify accountable persons and describe their responsibilities.

3. Other areas APRA and ASIC could provide further clarity on or reduce regulatory burden

Clarity on materiality change requiring notification

Life insurers are interested in greater clarity on what constitutes a material change requiring notification. Greater clarity on the definition of materiality could meaningfully reduce the volume of lodgements.

For Core entities, a material change includes a change to information relating to an Accountable Person that is contained in the FAR Register. The Information Paper currently provides little guidance such that changes that are trivial in nature (such as the correction of an immaterial typographical error) would not be considered a material change.

APRA and ASIC could provide further practical examples about the materiality threshold applies to Core entity notification obligations, similar to the examples provided for Enhanced entities. For example, guidance could clarify when changes to an Accountable Person's reporting line, position title or other information contained in the FAR Register would not constitute a material change.

Process for replacing and registering accountable persons

The 21-day accountable persons registration timeframe and the 90-day grace period for vacant accountable person roles present practical challenges.

Currently, a replacement accountable person must be registered at least 21 days prior to commencing in the role. Given this, the practical recruitment window within the 90-day temporary vacancy grace period may be considerably shorter, which is also often insufficient for executive-level recruitment. This has led entities to register an interim person only to lodge a cessation notification once the intended accountable person is appointed, creating significant unnecessary administration.

The 21-day registration lead time which includes the completion of for fit and proper assessments prior to lodging registration is also practically challenging. Appointments and commencement dates do not always align with this timeframe, requiring expedited registrations.

We recommend that the 90-day grace period should be extended by 21 days (to 111 days) to allow for the registration of replacement accountable person and for the completion of the fit and proper assessment.

Clarification is also needed on the meaning of "unforeseen circumstances" for the purposes determining when the 90 day grace period could apply. Clarity is sought on whether the resignation of an accountable person can be regarded as an “unforeseen circumstance”, or whether the provision is intended only for circumstances such as extended sick leave.

Registering accountable persons based offshore

Fit and proper processes for offshore persons can require checks across multiple jurisdictions, making compliance with current timeframes particularly difficult. This is particularly relevant for entities that are part of a global group, where certain Accountable Persons may be based offshore and additional time may be required to complete the necessary Fit and Proper checks across different jurisdictions.

CALI believes greater flexibility in registration timeframes is appropriate where reasonable cross-jurisdictional fit and proper checks cannot be completed within the standard timeframe.

Interim appointments

Concerns were raised about the administrative burden associated with FAR requirements for short-term interim appointments, including the breadth of accountabilities assigned to interim appointees relative to what can realistically be achieved during a brief tenure.

Administrative burden arising from short-term interim appointments can be disproportionately high. Interim accountable persons must be registered, associated documentation updated and notifications subsequently reversed when the permanent appointee commences.

CALI would welcome consideration of a more proportionate process for genuinely short-term interim appointments, without diminishing the substantive accountabilities applying during the interim period.

Complexities specific to mergers and acquisitions

Acquisition of a regulated entity presents specific challenges during the cut-over period, where the prior entity retains responsibility for FAR registration, but the mechanics of the process is the responsibility of the acquiring entity.

CALI recommends that APRA and ASIC provide specific guidance during changes of control and other merger and acquisition transactions so that there is clarity about which entity is expected to undertake particular registration and notification steps during the period between signing, completion and post-completion transition.

APRA Connect system functionality

The administrative burden of APRA Connect can be high for entities operating across group structures. There is significant duplication of data entry when processing a single accountable person across several entities which can take over an hour per individual. The system is unintuitive and prone to human error, particularly when updating key functions or changing dates.

For example, streamlining how and when accountability statements are input into the APRA Connect system would likely reduce the risk of gaps, delays, duplication and human error in recording who is accountable for what – supporting the intent of the regime itself.

APRA could consider functionality allowing common accountable-person information to be entered once and applied across multiple entities within a group, subject to entity-specific review and confirmation.