

# APRA : CURRENT DEVELOPMENTS

## IAAust XIVth General Insurance Seminar 2003

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APRA Member

Important sector of Australian economy :

- Annual Premium Income \$20 Billion
- Assets >\$14 Billion
- Important Corporate Investors
- Protection of policyholders
- Employers of Australian labour force

## Section 8 Purpose for establishing APRA:

- (1) APRA is established for the purpose of regulating bodies in the financial sector in accordance with other laws of the Commonwealth that provide for prudential regulation or for retirement income standards, and for developing the administrative practices and procedures to be applied in performing that regulatory role.
- (2) In performing and exercising its functions and powers, APRA is to balance the objectives of financial safety and efficiency, competition, contestability and competitive neutrality,

APRA'S Role is to:

Establish and enforce prudential standards and practices that are designed to ensure that , under all reasonable circumstances, financial promises made by institutions we supervise are met within a stable, efficient and competitive financial system.

- Data acquisition
  - D2A Reporting
  - Annual Actuarial reports
  - Annual Financial reports
- Off site Analysis
  - PAIRS Assessments
  - SOARS Strategy

Further info: [www.apra.gov.au/pairs](http://www.apra.gov.au/pairs)

- On Site Visits
  - 'test' offsite views
  - 'test' company systems
- Specialist Skills
  - Consulting specialists
  - Technical support

- New APRA Members
- Response to the HIH Royal Commission Report
- Industry Specialists
- PAIRS Industry Analysis
- International Accounting Standards

Release of GI Reform Mk II discussion paper in December 2003 will include:

- Refinement of Existing Standards
- Governance
- RMS and REMS guidance
- Disclosure by Insurers and APRA

Conglomerates/ Consolidated Groups - To be addressed separately in early 2004

Ongoing IAS monitoring and development

- Submission to Inquiry into DOFIs
- Participation in Compensation Inquiry
- CLERP 9



Questions?



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