

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

INSURANCE AND SUPERANNUATION COMMISSIONER
(CONSEQUENTIAL PROVISIONS) BILL 1987
EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer,
the Hon P.J. Keating, MP)

INSURANCE AND SUPERANNUATION COMMISSIONER (CONSEQUENTIAL
PROVISIONS) BILL 1987

GENERAL OUTLINE AND MAIN PURPOSES OF THE BILL

The Insurance and Superannuation Commissioner Bill 1987 provides for the creation of an office of Insurance and Superannuation Commissioner who will assume overall responsibility, subject to any directions by the Minister, for the existing insurance industry regulatory functions, the new occupational superannuation supervisory functions and the non-statutory actuarial functions of the Australian Government Actuary.

The existing insurance industry regulatory functions are carried out by an office of Insurance Commissioner established under the Insurance Act 1973 and an office of Life Insurance Commissioner established under the Life Insurance Act 1945.

Following enactment of the Insurance and Superannuation Commissioner Bill 1987, it is proposed that responsibility for administration of the existing insurance industry regulatory functions and actuarial functions carried out by the Australian Government Actuary, as well as the new occupational superannuation supervisory functions provided for in the Occupational Superannuation Standards Bill 1987,

will vest in the new office of Insurance and Superannuation Commissioner. The purpose of this proposal is to effect rationalisation of the administration of all insurance, actuarial and superannuation regulatory functions by bringing them together under one office in order to achieve improved efficiency and co-ordination. The approach involves abolition of the existing statutory positions of Insurance Commissioner and Life Insurance Commissioner, and the creation of the new statutory position of Insurance and Superannuation Commissioner; the foreshadowed statutory position of Occupational Superannuation Commissioner will not be proceeded with. Amendments to the Insurance Act 1973, the Insurance (Agents and Brokers) Act 1984, and the Life Insurance Act 1945 are necessary to give effect to this rationalisation of functions and integrate the responsibility for the insurance industry regulatory functions and the occupational superannuation supervisory functions. Some minor consequential amendments are also needed to the Companies Act 1981 and the Public Service Act 1922.

The purpose of the Insurance and Superannuation Commissioner (Consequential Provisions) Bill 1987 is to effect those amendments.

FINANCIAL IMPACT STATEMENT

This Bill provides for the abolition of the statutory offices of the Insurance Commissioner and the Life Insurance Commissioner. The integration of functions should improve efficiency and provide savings in administration.

EXPLANATORY NOTES ON THE INSURANCE AND SUPERANNUATION
COMMISSIONER (CONSEQUENTIAL PROVISIONS) BILL 1987

PART I - PRELIMINARY

CLAUSE 1 SHORT TITLE

Self explanatory.

CLAUSE 2 COMMENCEMENT

This clause provides for the provisions of the Bill to come into operation on the day of commencement of the Insurance and Superannuation Commissioner Act 1987.

PART II - AMENDMENTS OF THE COMPANIES ACT 1981

Clauses 3 and 4 in this part set out amendments to the Companies Act 1981. They provide for substitution of the reference in the Act to the Insurance Commissioner with a reference to the new Insurance and Superannuation Commissioner.

PART III - AMENDMENTS OF THE INSURANCE ACT 1973

Clauses 5 to 9 in this part set out amendments to the Insurance Act 1973.

They provide for:

- (a) substituting the references to the Insurance Commissioner in the Act and regulations made pursuant to the Act, with references to the new Insurance and Superannuation Commissioner;
- (b) repeal of those sections of the Act dealing with the terms and conditions of appointment of an Insurance Commissioner and an acting Insurance Commissioner (corresponding provisions relating to the new Insurance and Superannuation Commissioner are contained in Part III of the Insurance and Superannuation Commissioner Bill 1987); and
- (c) amendment of section 126 of the Act dealing with secrecy provisions so that they continue to apply to any person who was the Insurance Commissioner or a member of the staff of that Commissioner.

PART IV - AMENDMENTS OF THE INSURANCE (AGENTS AND BROKERS)
ACT 1984

Clauses 10 to 25 in this part set out amendments to the Insurance (Agents and Brokers) Act 1984.

They provide for:

- (a) substituting the references to the Insurance Commissioner, the Life Insurance Commissioner or a relevant Commissioner in the Act and regulations made pursuant to the Act, with references to the new Insurance and Superannuation Commissioner;
- (b) applications for registration under the Act in respect of both life insurance business and general insurance business to be made to the new Insurance and Superannuation Commissioner instead of to either the Life Insurance Commissioner or the Insurance Commissioner as the case may be; and
- (c) the new Insurance and Superannuation Commissioner to keep the Register of Life Insurance Brokers and the Register of General Insurance Brokers instead of either the Life Insurance Commissioner or the Insurance Commissioner as the case may be.

PART V - AMENDMENTS OF THE LIFE INSURANCE ACT 1945

Clauses 26 to 29 in this part set out amendments to the Life Insurance Act 1945.

They provide for:

- (a) substituting the references to the Life Insurance Commissioner in the Act and regulations made pursuant to the Act, with references to the new Insurance and Superannuation Commissioner; and
- (b) repeal of those sections of the Act dealing with the terms and conditions of appointment of a Life Insurance Commissioner and an Acting Life Insurance Commissioner (corresponding provisions relating to the new Insurance and Superannuation Commissioner are contained in Part III of the Insurance and Superannuation Commissioner Bill 1987).

PART VI - AMENDMENTS OF THE PUBLIC SERVICE ACT 1922

Clauses 30 and 31 in this part set out amendments to the Public Service Act 1922. They provide for deletion of the reference to appointment of an officer as Insurance Commissioner.

PART VII - TRANSITIONAL

Clauses 32 and 33 in this part set out transitional provisions whereby certain acts and things done by the Insurance Commissioner or Life Insurance Commissioner as the case may be, are deemed to have been done by the new Insurance and Superannuation Commissioner.

