

1991

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

LIFE INSURANCE SUPERVISORY LEVY AMENDMENT BILL 1991
EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer,
the Hon John Kerin, MP)

LIFE INSURANCE SUPERVISORY LEVY AMENDMENT BILL 1991

GENERAL OUTLINE AND MAIN PURPOSE OF THE BILL

This Bill contains provisions to amend the Life Insurance Supervisory Levy Act 1989 in order to recoup the increased cost of supervision of companies which are required to lodge accounts under the Life Insurance Act 1945.

The Bill will amend the Life Insurance Supervisory Levy Act 1989 by:

- . fixing the statutory upper limit for the life insurance supervisory levy for the 1991-92 financial year; and
- . increasing the annual rate to be used for the purpose of calculating the daily component of the life insurance supervisory levy.

FINANCIAL IMPACT

The measures proposed in the Bill are intended to recover the increased costs of supervising the life insurance industry. It is anticipated that the net impact on the Budget will be nil.

**EXPLANATORY NOTES ON LIFE INSURANCE SUPERVISORY AMENDMENT
BILL 1991.**

CLAUSE 1 SHORT TITLE

1. This clause provides a mode of citation of the Bill, and defines as the Principal Act the Life Insurance Supervisory Levy Act 1989.

CLAUSE 2 COMMENCEMENT

2. This clause provides for the Bill to come into operation on the day it receives Royal Assent.

CLAUSE 3 INTERPRETATION

3. This clause amends the definition of statutory upper limit in section 6 of the Principal Act. It sets the limit for the financial year commencing 1 July 1991 at \$28 000.

CLAUSE 4 DAILY COMPONENT OF LIFE INSURANCE LEVY

4. This clause amends section 9 of the Principal Act by increasing the annual rate used to calculate the daily component of the life insurance supervisory levy to \$25 000.

**CLAUSE 5 APPLICATION OF AMENDMENT - SECTION 9 OF THE
PRINCIPAL ACT.**

5. This clause provides that the new annual rate will apply only to leviable days after 30 June 1991.

