

EXPLANATORY STATEMENT
STATUTORY RULES 1990 NO. 188
GENERAL INSURANCE SUPERVISORY LEVY REGULATIONS
ISSUED BY AUTHORITY OF THE TREASURER

The General Insurance Supervisory Levy Act 1989 (the Act) provides for the imposition of an annual levy on authorised general insurers and Lloyd's to recover the ongoing costs of supervision under the Insurance Act 1973 by the Insurance and Superannuation Commissioner.

Subsection 9(1) of the Act sets out the method of calculation of the daily component of the levy and provides that the annual rate of such levy shall be \$11 000 or such other amount as is applicable under the regulations.

Subsection 9(2) provides that the prescribed annual rate of levy shall not exceed a statutory upper limit, while subsection 9(3) provides that an amount cannot be prescribed in respect of a leviable day occurring before 1 July 1990.

Section 10 establishes the procedure for calculating the indexation factor used to adjust annually the amount of the statutory upper limit. On this basis, the statutory upper limit in respect of the financial year commencing on 1 July 1990 has been calculated to be \$11 946.

The regulations prescribe an increase in the annual rate of levy to \$11 600 with effect from 1 July 1990.

Insurance and Superannuation Commission
CANBERRA ACT