

General Insurance Supervisory Levy Regulations (Amendment) 1994 No. 326

STATUTORY RULES

Explanatory Statement 1994 No. 326

Issued by Authority of the Treasurer

General Insurance Supervisory Levy Act 1989

General Insurance Supervisory Levy Regulations (Amendment)

Section 11 of the General Insurance Supervisory Levy Act 1989 (the Act) provides that the Governor-General may make regulations for the purposes of subsection 9(1) of the Act.

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 \$13,000 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.

The Insurance Laws Amendment Act (No. 2) 1994 amended the Act by setting the amount of the statutory upper limit in respect of the financial year commencing on 1 July 1994 at \$17,000.

The amending regulations increase, the annual rate of levy from the previous level of \$13,000 to \$16,300 with effect from 1 October 1994. This increase in the rate of the levy is to allow for recovery from the industry of the increased operational costs that will arise in the administration of the Insurance Contacts Act 1984 for which, following commencement of the Insurance Laws Amendment Act (No. 2) 1994, the Insurance and Superannuation Commissioner is now responsible. Internal changes to the method by which Commission-wide costs are allocated to individual operating units of the Commission have also increased the operating costs which need to be recovered under the General Insurance Supervisory Levy Act 1989. The general insurance supervisory levy had been at the previous level of \$13,000 since January 1992.