



General Insurance Supervisory Levy Imposition Amendment Act 2006

No. 42, 2006

***An Act to amend the *General Insurance Supervisory
Levy Imposition Act 1998*, and for related purposes***

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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No. 42, 2006

An Act to amend the *General Insurance Supervisory Levy Imposition Act 1998*, and for related purposes

[Assented to 22 May 2006]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *General Insurance Supervisory Levy Imposition Amendment Act 2006*.

2 Commencement

This Act commences on the day after it receives the Royal Assent.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments

General Insurance Supervisory Levy Imposition Act 1998

1 Section 6

Insert:

special statutory upper limit means:

- (a) in relation to the financial year commencing on 1 July 2006—\$500,000; or
- (b) in relation to a later financial year—the amount calculated by multiplying the special statutory upper limit for the previous financial year by the indexation factor for the later financial year.

2 Before subsection 8(1)

Insert:

- (1AA) The amount of levy payable by a general insurance company for a financial year is the sum of the general component and the special component for the general insurance company for the financial year.

Note: For *general component*, see subsections (1) to (2). For *special component*, see subsection (2A).

3 Subsection 8(1)

Omit “the amount of levy payable by”, substitute “the *general component* for”.

4 Subsection 8(2)

Omit “the amount of levy payable by”, substitute “the general component for”.

5 After subsection 8(2)

Insert:

- (2A) The *special component* for a general insurance company for a financial year is:

- (a) nil, if the general insurance company belongs to a class of general insurance company for which no provision is made in the Treasurer's determination under paragraph (3)(h); or
- (b) if the general insurance company belongs to a class of general insurance company for which provision is made in the Treasurer's determination under paragraph (3)(h):
 - (i) unless subparagraph (ii) or (iii) applies—the amount that, for the financial year, is the special levy percentage of the general insurance company's eligible premium income; or
 - (ii) if the amount worked out under subparagraph (i) exceeds the special maximum levy amount for the financial year—the special maximum levy amount; or
 - (iii) if the amount worked out under subparagraph (i) is less than the special minimum levy amount for the financial year—the special minimum levy amount.

Note: The special levy percentage, the special maximum levy amount and the special minimum levy amount are as determined under subsection (3).

6 Subsection 8(3)

Omit "in writing", substitute "by legislative instrument".

7 At the end of subsection 8(3)

Add:

- ; and (e) the *special maximum levy amount* for each financial year; and
- (f) the *special minimum levy amount* for each financial year; and
- (g) the *special levy percentage* for each financial year; and
- (h) how a *general insurance company's eligible premium income* is to be worked out.

8 After subsection 8(4)

Insert:

- (4A) An amount determined under subsection (3) as the special maximum levy amount must not exceed the special statutory upper limit as at the time when the determination is made.

9 Subsection 8(6)

Repeal the subsection, substitute:

- (6) The Treasurer's determination under paragraph (3)(h) of how a general insurance company's eligible premium income is to be worked out is to include, but is not limited to, a determination of:
 - (a) that part of the premium income of a company that is eligible premium income; and
 - (b) the period for which the eligible premium income is to be worked out.
- (7) A determination under subsection (3) may make different provision for different classes of general insurance company.

10 Application of amendments

The amendments made by this Schedule apply in relation to levy payable for the financial year commencing on 1 July 2006 and later financial years.

*[Minister's second reading speech made in—
House of Representatives on 2 March 2006
Senate on 9 May 2006]*

(12/06)
