

COMMONWEALTH OF AUSTRALIA

Insurance Acquisitions and Takeovers Act 1991

DECISION-MAKING PRINCIPLES

IDM 1/1992

I, JOHN DAWKINS, Treasurer, make the following principles under subsection 65 (1) of the *Insurance Acquisition and Takeovers Act 1991*.

Dated 2nd April 1992

JOHN DAWKINS
TREASURER

Commencement

1. These principals commence on 4 April 1992.

Interpretation

2. In these principals:
“**decision-making principals**” has the same meaning as in section 65 of the Act;
“**the Act**” means the *Insurance Acquisitions and Takeovers Act 1991*.

Application

3. Clauses 4, 5 and 6 apply then the Minister is complying, under subsection 65 (2) of the Act, with decision-making principles.

Fit and proper person

4. In considering whether a person is a fit and proper person, the Minister must have regard to:

- (a) whether the person is a disqualified person for the purpose of section 117A of the *Insurance Act 1973* or section 146A of the *Life Insurance Act 1945*; and
- (b) whether the person has been found guilty of an offence against or arising out of the insurance law of any country; and
- (c) whether the person has been found guilty of an offence involving dishonest conduct in any country; and
- (d) whether the person has been in a position of influence over, or taken part in, the management of a company that has been declared insolvent or has entered into an arrangement with its creditors; and
- (e) all other matters that the Minister considers relevant.

Undue concentration of power

5. In considering whether a proposal is likely to unduly concentrate economic power in the Australian general insurance industry, the Australian life insurance industry or the Australian financial system, the Minister must have regard to:

- (a) whether the proposal could adversely affect:
 - (i) the supply or pricing of insurance services to the Australian market; or
 - (ii) the supply or pricing of other financial services to the Australian market; and
- (b) all other matters that the Minister considers relevant.

Contrary to the national interest

6. In considering whether a proposal is contrary to the national interest, the Minister must have regard to:

- (a) whether the proposal could adversely affect the stability and strength of the Australian general insurance industry, the Australian life insurance industry, or the Australian financial system; and
 - (b) whether the proposal could adversely affect the interests of policy holders of an Australian-registered insurance company; and
 - (c) whether the proposal is contrary to Australia's foreign investment policy; and
 - (d) all other matters that the Minister considers relevant.
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