



Competition and Consumer (Price Monitoring—General Insurance Policies) Direction 2022

I, Michael Sukkar, Assistant Treasurer, Minister for Housing, and Minister for Homelessness, Social and Community Housing, give the following direction to the Australian Competition and Consumer Commission.

Dated 12 January 2022

Michael Sukkar
Assistant Treasurer
Minister for Housing
Minister for Homelessness, Social and Community Housing

Contents

Part 1—Preliminary	1
1 Name	1
2 Commencement	1
3 Authority.....	1
4 Definitions	1
Part 2—Price monitoring of general insurance policies	3
5 Object	3
6 Commission to monitor prices	3
7 Direction to give special consideration to specified matters	3

Part 1—Preliminary

1 Name

This instrument is the *Competition and Consumer (Price Monitoring—General Insurance Policies) Direction 2022*.

2 Commencement

- (1) Each provision of instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Competition and Consumer Act 2010*.

4 Definitions

Note Expressions have the same meaning in this instrument as in the *Competition and Consumer Act 2010* as in force from time to time—see paragraph 13(1)(b) of the *Legislation Act 2003*.

In this instrument:

ANZSIC means the *Australian and New Zealand Standard Industrial Classification 2006* (1292.0) published by the Australian Statistician, as revised and in force on the day this instrument commences.

Note: In 2021, the text of the *Australian and New Zealand Standard Industrial Classification 2006* was accessible through the Australian Bureau of Statistics website (<http://www.abs.gov.au>).

auxiliary insurance industry means the auxiliary insurance services (class 6420) as classified in ANZSIC.

contents, in relation to a residential building, has the same meaning as in the *Insurance Contracts Regulations 2017*.

Section 4

covered insurance policies means insurance cover in respect of the destruction of, or damage to one or more of the following:

- (a) a home building;
- (b) contents of residential building;
- (c) a strata title residence;
- (d) commercial premises, and contents of those commercial premises, if the sums insured do not exceed \$5 million.

exempt supply has the same meaning as in Part VIIA of the Act.

general insurance industry means the general insurance industry (class 6322) as classified in ANZSIC.

good has the same meaning as in Part VIIA of the Act.

home building has the same meaning as in the *Insurance Contracts Regulations 2017*.

price has the same meaning as in Part VIIA of the Act.

real property has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999*.

residential building has the same meaning as in the *Insurance Contracts Regulations 2017*.

service has the same meaning as in Part VIIA of the Act.

State or Territory authority has the same meaning as in Part VIIA of the Act.

strata title residence has the meaning given by subsection 33(3) of the *Insurance Contracts Regulations 2017*.

supply has the same meaning as in Part VIIA of the Act.

the Act means the *Competition and Consumer Act 2010*.

Part 2—Price monitoring of general insurance policies

5 Object

The object of this instrument is to monitor prices, costs and profits relating to the supply of insurance cover in respect of the destruction of, or damage to, a home building, contents of a residential building, a strata title residence, and certain commercial premises and contents of those commercial premises, before and after the introduction of a cyclone and related flood damage reinsurance pool.

6 Commission to monitor prices

- (1) Under subsection 95ZE(1) of the Act, the Commission is directed:
 - (a) to monitor prices, costs and profits relating to the supply of goods and services in the general insurance industry and the auxiliary insurance industry; and
 - (b) to give the Minister a report on the monitoring at least once each calendar year during the period 1 January 2022 to 30 June 2026.
- (2) Subsection (1) does not apply in relation to:
 - (a) an exempt supply; or
 - (b) the supply of a good or service by a State or Territory authority.

7 Direction to give special consideration to specified matters

Under subsection 95ZH(1) of the Act, the Commission is directed to give special consideration, to:

- (a) the object of this instrument; and
 - (b) monitoring the prices, costs and profits relating to the supply of covered insurance policies (regardless of when the policies were entered into) before and after the introduction of a cyclone and related flood damage reinsurance pool; and
 - (c) *not* monitoring the prices, costs and profits relating to the supply of insurance cover unrelated to the supply of covered insurance policies;
- in exercising its powers and performing its functions under Part VIIA of the Act in relation to the direction in section 6.