



Financial Claims Scheme (General Insurers) Levy Act 2008

No. 104, 2008

An Act to provide for the imposition of a levy on general insurers

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

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[Assented to 17 October 2008]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Financial Claims Scheme (General Insurers) Levy Act 2008*.

Section 2

2 Commencement

- (1) Each provision of this Act 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
Provision(s)	Commencement	Date/Details
1. Sections 1 and 2 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	17 October 2008
2. Sections 3 to 6	The later of: (a) the start of the day on which this Act receives the Royal Assent; and (b) the commencement of Schedule 1 to the <i>Financial System Legislation Amendment (Financial Claims Scheme and Other Measures) Act 2008</i> . However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	18 October 2008

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

3 Definitions

In this Act:

APRA has the same meaning as in the *Insurance Act 1973*.

APRA's financial claims scheme costs for a general insurer in relation to which Division 3 of Part VC of the *Insurance Act 1973* applies or applied means the sum of:

- (a) entitlements under that Division relating to the insurer; and
- (b) the costs of the following:
 - (i) the administration of that Part in relation to the insurer;
 - (ii) the exercise of APRA's powers under that Part in relation to the insurer;
 - (iii) the performance of APRA's functions under that Part in relation to the insurer; and
- (c) the costs of any borrowing under section 54E of the *Australian Prudential Regulation Authority Act 1998* connected with the application of that Division in relation to the insurer.

general insurer has the same meaning as in the *Insurance Act 1973*.

levy means levy imposed under this Act.

4 Regulations may impose levies

- (1) In connection with the application of Division 3 of Part VC of the *Insurance Act 1973* in relation to a general insurer, the regulations may impose levy on the gross premiums received by general insurers in a class prescribed by the regulations, in a financial year or other 12-month accounting period used instead of a financial year.
- (2) The regulations must prescribe the class so as to exclude all general insurers in relation to which that Division applies.

5 Amount of levy

- (1) The amount of levy is the amount worked out in accordance with the regulations.
- (2) However, the amount of levy on the gross premiums received by a general insurer cannot be more than 5% of the amount, worked out in accordance with the regulations, of those gross premiums.

- (3) The regulations may prescribe:
 - (a) different ways of working out for the purposes of subsection (1) the amount of levy on gross premiums received by general insurers in different classes prescribed by the regulations; and
 - (b) different ways of working out for the purposes of subsection (2) the amounts of gross premiums received by general insurers in different classes prescribed by the regulations.

6 Regulations

- (1) The Governor-General may make regulations prescribing matters required or permitted by this Act to be prescribed.
- (2) Before the Governor-General makes a regulation affecting the imposition or amount of a levy connected with the application of Division 3 of Part VC of the *Insurance Act 1973* in relation to a general insurer, the Minister must be satisfied the regulation will help achieve the objective in subsection (3) of this section.
- (3) The objective is that the total amount of levy connected with the application of that Division in relation to the insurer equal the excess of APRA's financial claims scheme costs for the insurer over the sum of amounts paid to APRA by the insurer in connection with that Part or in the winding up of the insurer.

*[Minister's second reading speech made in—
House of Representatives on 15 October 2008
Senate on 16 October 2008]*

(206/08)

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