

# **Insurance Contracts Amendment Regulations 2002 (No. 1) 2002 No. 18**

## **EXPLANATORY STATEMENT**

### **Statutory Rules 2002 No. 18**

Issued by the Parliamentary Secretary to the Treasurer

*Insurance Contracts Act 1984*

Insurance Contracts Amendment Regulations 2002 (No. 1)

Section 78 of the *Insurance Contracts Act 1984* (the Insurance Contracts Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing matters required or permitted to be prescribed, necessary or convenient to be prescribed for the purpose of carrying out or giving effect to the Act, or certain other specified purposes.

The Regulations make amendments consequential on the reforms to the regulation of the financial services industry which are included in the *Financial Services Reform Act 2001* and associated legislation.

The *Financial Services Reform Act 2001* amends the *Corporations Act 2001* and the *Australian Securities and Investments Commission Act 2001*, and will provide:

- a single licensing regime for financial sales, advice and dealings in relation to financial products;
- consistent and comparable financial product disclosure; and
- a single authorisation procedure for financial exchanges and clearing and settlement facilities.

The amendments omit Regulations 33 to 35 and Schedule 3 of the *Insurance Contracts Regulations 1985*. The provision under which these regulations were made (section 71A) is repealed by the *Financial Services Reform (Consequential Provisions) Act 2001*. They related to the 'point of sale' disclosure requirements in relation to risk insurance products which are now specified under Division 2 of Part 7.9 of the *Corporations Act 2001*.

The regulations commence at the same time as Item 1 of Schedule 1 of the *Financial Services Reform Act 2001* commences. This Item has been proclaimed to commence on 11 March 2002.