



Insurance (Prudential Supervision) Act Commencement Order (No 2) 2010

Anand Satyanand, Governor-General

Order in Council

At Wellington this 29th day of November 2010

Present:

His Excellency the Governor-General in Council

Pursuant to section 2 of the Insurance (Prudential Supervision) Act 2010, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following order.

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Order

1 Title

This order is the Insurance (Prudential Supervision) Act Commencement Order (No 2) 2010.

2 Commencement of specified provisions for February 2011 implementation stage

The following provisions of the Insurance (Prudential Supervision) Act 2010 come into force on 1 February 2011:

- (a) sections 17 to 33 (licensing matters):
- (b) sections 34, 35, and 37 to 43 (fit and proper requirements):
- (c) sections 44 to 53 (transfers and amalgamations):
- (d) section 54 (publication of the Reserve Bank of New Zealand's policies):
- (e) section 59 (exemptions relating to solvency standards):
- (f) sections 73(2) and (3) and 74 (risk management programme requirements):
- (g) section 119 (exemptions relating to statutory fund requirements):
- (h) Part 3 (prudential supervision):
- (i) Part 4 (distress management):
- (j) sections 201 to 212 (Lloyd's):
- (k) sections 213 and 214 (access to information by overseas supervisors):
- (l) sections 215 to 217 (offences):
- (m) section 221 (restriction on insurer's constitution):
- (n) sections 222 to 228 (ban order by District Court):
- (o) section 229 (notice and service):
- (p) section 241(2) and Parts 2 and 3 of Schedule 3 (consequential amendments):
- (q) sections 243 and 245 to 248 (transitional provisions):
- (r) Schedule 2 (search powers).

Rebecca Kitteridge,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order brings into force various provisions of the Insurance (Prudential Supervision) Act 2010 (the **Act**) on 1 February 2011.

Various preliminary provisions and provisions containing regulation-making powers are already in force. Section 244 of the Act (which provides for provisional licences) came into force on 30 September 2010 under the Insurance (Prudential Supervision) Act Commencement Order 2010.

The provisions that come into force on 1 February 2011 include provisions relating to—

- the licensing of insurers and transitional provisions relating to the issuing of provisional licences. The provisions include requirements for fit and proper policies and risk management programmes that must be provided when a person applies for a licence:
- the prudential supervision of insurers by the Reserve Bank of New Zealand (for example, provisions that relate to the supply of information and investigations):
- distress management (for example, provisions that relate to recovery plans and the powers to give directions):
- Lloyd's (being provisions that enable Lloyd's to obtain a licence). Section 200 of the Act will, however, come into force at a later date (section 200 provides that Lloyd's underwriters must not carry on insurance business in New Zealand unless Lloyd's holds a licence):
- an offence of making a false declaration or representation for any purpose relating to the Act:
- the restriction on a licensed insurer's constitution in section 221 of the Act:
- the power of a District Court to ban certain persons from participating in insurance business):
- the transitional power in section 243 of the Act (which allows the Reserve Bank of New Zealand to approve transfers of insurance business between insurers).

Other provisions of the Act will come into force at later dates (to be appointed by 1 or more Orders in Council). For example, it is anticipated that—

- the provisions relating to statutory funds will come into force on or about 30 June 2011; and
- the main requirement to be licensed in section 15 of the Act will come into force on or about 7 March 2012. Various enactments that are replaced by the Act will be repealed at that time (including the Insurance Companies' Deposits Act 1953, the Insurance Companies (Ratings and Inspections) Act 1994, and Parts 1 and 1A of the Life Insurance Act 1908).

Issued under the authority of the Acts and Regulations Publication Act 1989.
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This order is administered by the Reserve Bank of New Zealand.
