

Media Release

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The Insurance (Prudential Supervision) Bill

“The Insurance (Prudential Supervision) Bill, tabled in Parliament this week, has been improved through the Reserve Bank consultation process” says Bruce Kerr, Executive Director of Workplace Savings NZ.

Workplace Savings NZ (formerly ASFONZ – the voice of workplace super) commented on the draft Bill in June 2009.

“We focused our efforts on a single issue that was of concern to our members” says Mr Kerr.

That issue was that the draft Bill could be interpreted as requiring all registered superannuation and KiwiSaver schemes that offer insured benefits to their members to be classified as insurers.

That would have resulted in a large number of superannuation schemes becoming subject to prudential supervision by the Reserve Bank, which could have resulted in significant, unnecessary costs and complications for all concerned.

“We are delighted that the consultation process has worked in this instance and the Reserve Bank has carved insured superannuation scheme benefits out of the Bill introduced to Parliament” said Mr Kerr.

There will be a further opportunity for insurers and other interested parties to pursue other change through submissions to the select committee.

For further information

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