

The Insurance (Prudential Supervision) Act: A Post-Enactment Assessment

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After what has seemed (to some) to be a long gestation, the development of a prudential regulatory model for the New Zealand insurance industry is now finally an enacted reality. The Insurance (Prudential Supervision) Act was passed into law in September 2010.

From its earliest beginnings in the Law Commission's Preliminary Paper on Life Insurance, published in December 2003, and the then government's review of Financial Products and Providers in 2005, the new statute has emerged via a complex and comprehensive, but well-planned, path. There has been significant international reference and research, extensive stakeholder consultation, plentiful inter-agency discussion and cooperation and a robust parliamentary process toward the outcome that is now enacted legislation.

So, has the legislation delivered on the regulatory obligations with which the government has charged the Reserve Bank? Has it achieved the expectations of the industry over which it has regulatory view? And, given the highly evolutionary nature of the international insurance regulatory environment, what may be the forward development path of the New Zealand legislation?

Finally, and, in keeping with the conference theme, is the new legislation leading actuaries and insurers into uncharted waters?