

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates, 2 November to 3 November 2005

**Question: SBT 45**

**Topic: APRA – HIH Royal Commission**

**Hansard Page: Written**

Senator Webber asked:

Why has APRA not adopted recommendation 34 of the HIH Royal Commission? HIH went into provisional liquidation on 15/3/01, and the HIH Royal Commission reported in April 2003. Recommendation 34 was:

“I recommend that authorised insurers be required to make greater disclosure of information about their financial position. In particular, all financial and statistical information general insurers currently provide to the Australian Prudential Regulatory Authority in their regular returns should be made public.”

Answer:

Recommendation 34 of the HIH Royal Commission stated that all information provided to APRA in statistical returns of general insurers should be made public. In November 2003, APRA provided an interim response to this recommendation in its discussion paper stating that full disclosure of the information may not be warranted.

Subject to the current consultation to determine audited annual returns to be non-confidential, APRA will release individual data of insurers, primarily through the proposed *Half-Yearly General Insurance Bulletin*.

The unaudited quarterly returns provide APRA with key prudential information and form the basis of APRA’s supervisory activities. While the data are adequate for supervisory purposes, the data are generally not at a quality level considered fit for public release, primarily due to lack of audit.