



INDEPENDENT CONSUMER & COMPETITION COMMISSION

PUBLIC NOTICE

REVIEW OF THE FIRE & GENERAL INSURANCE INDUSTRY IN PAPUA NEW GUINEA

NOTICE PURSUANT TO SECTION 124 OF THE *INDEPENDENT CONSUMER & COMPETITION COMMISSION ACT 2002* ("the ICCC ACT")

The Government as part of its 2007 Budget Strategy has announced the review of certain industries in Papua New Guinea ("PNG") with a view to considering competition issues and the behaviour of participants within these industries. Accordingly, the level of competition and market conduct of participants in the Fire and General Insurance Industry in PNG has been earmarked for a comprehensive Review ("Review") to be undertaken by the Independent Consumer and Competition Commission ("Commission").

The provisions of Part VIII of the ICCC Act empowers the Commission to conduct specific inquiries necessary and desirable for the purposes of the Commission in despatching its functions or as directed by the Minister responsible for Treasury matters or by Parliament. On the 6th December 2006, the Minister for Treasury ("Treasurer") formally referred this Review to be undertaken by the Commission.

Purpose of the Inquiries

The Review is to focus upon Fire and General Insurance including marine insurance, and special forms of insurance for other sectors of the economy (for example for the aviation industry), and insurance brokers, re-insurers, and underwriters servicing and operating in this industry.

The principle objectives of the Reviews are to:

- Report on the current operation of the Fire and General Insurance Industry in PNG with a particular focus upon;
 - the size and other characteristics of the domestic industry
 - the competitive behaviour of participants in the industry,
 - impediments to competition, both regulatory and non-regulatory,
 - the role of insurance brokers and their relationship with the insurance companies themselves,
 - the role of reinsurance and underwriting businesses,
 - the interaction between the Fire and General Insurance industry in PNG and the industry overseas, and
 - the prudential control and supervision arrangements for the industry in PNG.
- Identify issues and areas where Government action may be appropriate to improve the overall competitiveness, efficiency and effectiveness of the Fire and General Insurance Industry in PNG

- Make recommendations on what action may be appropriately taken by Government to rectify any problems in the current structure, regulation and operation of the Fire and General Insurance industry with a view to improving competition and cost competitiveness in the industry while maintaining appropriate due diligence and prudential requirements.

Timeframe and deliverables

The timeframe for the respective Reviews are as follows:

Deliverables	Timeframe
Release of Issue Paper	8 March 2007
Receipt of submissions from Issues Paper	29 March 2007
Release of Draft Report	19 June 2007
Submissions due on Draft Report	13 July 2007
Release of Final Report	30 August 2007

The deadline for the release of the Final Report is absolute. Other dates may be altered by the Commission as and when necessary.

Public participation

The Commission will conduct the Review in an open and transparent manner in accordance with sections 124 and 125 of the Act. These sections of the Act require the Commission to receive and consider submissions and comments from industry stakeholders, interested parties and the general public at large during the course of the review process. The Commission will also notify the public of any public hearings that will be held as part of the Review. The form and nature in which written submissions would be required will be detailed in the Issues Paper and the Draft Report that will be issued by the Commission as part of the overall public and stakeholder consultation process.

Copies of the official Terms of References for the Review as issued by the Treasurer are available at the offices of the Commission. Electronic copies can be obtained by emailing salphonse@iccc.gov.pg or tmengi@iccc.gov.pg or by contacting the Commission on the number and address stated below.

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Authorised by:

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