



INDEPENDENT CONSUMER & COMPETITION COMMISSION

PRESS STATEMENT

8 November 2007

“ICCC recommends changes to the Governance, Legislative, Institutional and Regulatory arrangements in the General Insurance Industry”

“There is currently a need for a comprehensive examination of the legislative, regulatory and governance framework of the general insurance industry in PNG”, said Thomas Abe, the Commissioner & CEO of ICCC when releasing the Final Report on the Review of the General Insurance Industry in PNG.

The General Insurance Report was commissioned by the Government and has been prepared by the Commission following extensive consultation with industry and other stakeholders including a stakeholder’s workshop held on the 11 July 2007.

‘The Report sets out to highlight the level of competition and the overall state of play in the general insurance industry’, Mr Abe said.

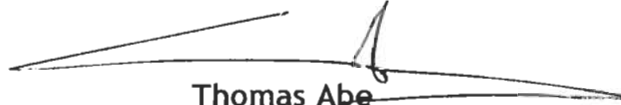
‘The Review has established that within the context of the PNG market and its inherent risk profile, the general insurance industry appears to be reasonably competitive. Nonetheless, the level of competition in the industry can be further enhanced with appropriate changes made to the regulatory, prudential and institutional arrangements in the industry”, Mr Abe said.

‘The Commission’s major recommendation is for the Bank of PNG to oversee the regulation of the general insurance industry going forward. BPNG is currently regulating the Life Insurance and Superannuation industry and therefore has the systems and process in place to effectively oversee the general insurance industry. The financial and statutory independence of BPNG further justifies the need to transfer these functions to BPNG”, Mr Abe said.

‘The Review has also recommended for Brokers to be open and transparent in their overall conduct’.

“The Commission will now present this Report to Government and accordingly, it is the prerogative of the Government to give effect to these recommendations or otherwise”, Mr Abe concluded.

Authorised By:

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Thomas Abe
Commissioner & CEO