

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2017 - 2018

Division/Agency: Financial System Division
Question No: 208
Topic: Banking Executive Accountability Regime
Reference: Written
Senator: Ketter, Chris

Question:

In relation to the following passage:

Senator KETTER: Will the new Banking Executive Accountability Regime apply to executives in life insurance companies?

Mr Lonsdale : It will apply to ADIs. To the extent that you have an ADI with a life insurer as part of it, the answer is yes.

Senator KETTER: Could it have applied to the managing director of CommInsure?

Ms Brown : If that executive is part of the ADI, it would apply.

1. Please clarify whether the Banking Executive Accountability Regime could apply to all executive employees of a life insurer that is owned by an ADI, notwithstanding that their employment is with the life insurer itself?
2. If the Banking Executive Accountability Regime would apply, what would be the test for determining whether a life insurer is part of an ADI?
3. How would the new banking executive accountability regime apply to an executive of a life insurer that is not part of an ADI?

Answer:

The Banking Executive Accountability Regime (the BEAR) will apply to authorised deposit-taking institutions and their subsidiaries, including life insurers.

The Government released a consultation paper on 13 July 2017, which discusses the design details of the BEAR.