
A.M. BEST ASIA-PACIFIC (SINGAPORE) PTE. LTD

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25 May 2017

Attention: Mr Richard Johnson
Manager, Senior Advisor, Prudential Supervision Department
Reserve Bank of New Zealand

Dear Mr Johnson,

Subject: Review of the Insurance (Prudential Supervision) Act 2010 (IPSA)

We have analyzed the "IPSA" Issues Paper and whilst we do not have any specific comments to make by way of response to the actual paper, we would like to offer our contribution to this important review. Having taken the mandatory ratings strategy, the Reserve Bank of New Zealand (RBNZ) is well aware of A. M. Best's involvement in the market where we currently rate 33 companies.

There are many areas of interest in the IPSA review and we would like to specifically refer to the following sections:

Section 2.4 – Role of key officers and key control functions

A key component of our rating process covers in some detail these important factors. The management and the controls are critical and we assess these issues across all rated entities.

Section 2.7 – Solvency requirements

Capital and solvency are central to our rating assessment methodology.

Section 3.1 – Questions 19-21

We have assessed these questions as they currently relate to the "published" rating process. A. M. Best continues to be committed to providing a versatile and responsive service to our clients, many of whom are smaller scale insurers. We believe the benefits to consumers and our rated clients of a published International Credit Rating from an Insurance sector specialist rating agency bring significant value to the market as a whole.



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We would welcome the opportunity to discuss this review and how A. M. Best can assist the RBNZ going forward.

Yours Sincerely,

[REDACTED]
Scott Ryrie

Commercial Director, Asia-Pacific - Market Development



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