



Insurer that has not yet commenced business

Guidelines Licensed insurers

Insurance Policy
Prudential Supervision Department

February 2011

Purpose of this guideline

- 1 This document sets out the Reserve Bank of New Zealand's (Reserve Bank) guidelines in relation to conditions placed upon a licensed insurer that has not yet commenced business.
- 2 The [Insurance \(Prudential Supervision\) Act 2010](#) (the Act) allows the Reserve Bank to impose two types of conditions on an insurer that, at the time of making a licence application, has not yet commenced business.
- 3 The purpose of this guideline is to clarify how the conditions will apply.
- 4 This guideline relates solely to the requirements under the Act, and does not cover requirements of other legislation that may also be of relevance to licensed insurers.
- 5 Nothing in this guide overrides the provisions of the Act.

Licensing for new insurers

- 6 Persons who want to commence carrying on insurance business in New Zealand after 7 September 2010 must obtain a full licence before commencing business. These persons will need to provide the Reserve Bank with information to satisfy all licensing requirements as described in [section 19](#).
- 7 For further information refer to our guideline on [Application for a licence](#).

Licensing conditions for insurers that have not yet commenced business

- 8 [Section 21\(2\)\(e\)](#) of the Act provides for the Reserve Bank to impose two types of condition on a person that, at the time of making a licence application, has not yet commenced business. One or both of these conditions may be applied to specify:
 - (a) the time period within which a person must commence carrying on insurance business in New Zealand; and

- (b) an amount of insurance business in New Zealand that an insurer must have within a specified period.

- 9 These conditions will be used to enforce the requirement that entitlement to a licence is based on:

- (a) a definite and time-bound intention to carry on insurance business in New Zealand; and
- (b) a genuine business plan to gain business.

- 10 A person that is unsure of the timeframe in which they will commence business or who is applying for a licence for other reasons, such as name protection, will not be granted a licence. Similarly, a person who, for whatever reason, intends to gain a licence but does not intend to carry on insurance business in New Zealand will not be granted a licence.

Contact

- 11 A person that wants to apply for a licence but who is not yet carrying on insurance business in New Zealand is encouraged to contact the Reserve Bank to discuss their plans. The contact is:
 - (a) [Contact us](#) on Reserve Bank's website; and
 - (b) Phone enquiries to: +64 4 471 3591.



Website

<http://www.rbnz.govt.nz/regulation-and-supervision/insurers>

Email

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