

6 April 2018

[REDACTED]  
OIA s9(2)(a) - privacy  
[REDACTED]

[REDACTED]

On Tuesday 16 March you made a request to the Reserve Bank under section 12 of the Official Information Act (the OIA), as follows:

*I write to you with regards to your investigation into CBL Ltd. Can you please advise the following;*

- *The date the decision was first taken to investigate the Company.*
- *The Banks authority for not advising the NZX that it was instigating an investigation into the Company.*
- *The Banks authority for not seeking a trading halt in the Company's shares at the time of instigating the investigation.*

## **Response**

The Reserve Bank made a decision on 21 August 2017 to commission an investigation to independently value the amount that CBL Insurance Limited needed to set aside as reserves to cover claims costs from its reinsurance of French construction insurance business.

Sections 135 and 136 of the Insurance (Prudential Supervision) Act 2010 prevent the Reserve Bank from disclosing information when carrying out prudential supervision activities and investigations of licensed insurers unless certain criteria are met. The confidentiality provisions of the law recognise that much information provided by insurers and about insurers is sensitive, and that it is beneficial to the stability of the insurance sector if insurers can discuss matters candidly with us as their regulator. In this case, it was appropriate to maintain confidentiality at the commencement and during the investigation because the Reserve Bank could not be sure of the nature and extent of the issues with CBL Insurance Ltd's French construction business so it would have been premature to make anything public.

Decisions about whether or not to suspend the shares in CBL Corporation Limited, the share market-listed parent company of CBL Insurance Limited, are not decisions that the Reserve Bank has a role in making. It is the role and duty of the Directors of CBL Corporation Ltd to consider all relevant information about the company and whether or not shares in the listed entity should remain trading on the share market. Otherwise it is a matter for the NZX.

The Reserve Bank considers that this correspondence fully responds to your OIA request.

The Reserve Bank intends to publish this response to your request, at  
<https://www.rbnz.govt.nz/research-and-publications/official-information-requests>

Under section 28 of the OIA, you have the right to complain to the Ombudsman about the Reserve Bank's decisions in relation to your request.

Yours sincerely



Angus Barclay  
External Communications Advisor

