



5 March 2018

Mr Wayne Poels  
Executive Director  
Office of Best Practice Regulation  
Department of the Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600

Email: [helpdesk-OBPR@pmc.gov.au](mailto:helpdesk-OBPR@pmc.gov.au)

Dear Mr Poels

### PRUDENTIAL STANDARD LPS 230 REINSURANCE

I am writing to the Office of Best Practice Regulation (OBPR) regarding *Prudential Standard LPS 230 Reinsurance* (LPS 230), which, as per the *Legislative Instruments Act 2003*, had been scheduled to sunset on 1 April 2018.

The Australian Prudential Regulation Authority certifies that the policy approach in LPS 230 of requiring APRA approval of certain reinsurance contracts is operating effectively and efficiently, and that therefore a Regulation Impact Statement is not required for this regulation to be remade. However, it has been decided that the instrument is to be remade with amendments designed to simplify and enhance its operation by clarifying the circumstances under which contracts are subject to approval by APRA and streamlining the process for approval.

APRA's assessment of the instrument has been informed by a consultation process which involved the life insurance industry, over the period 3 November to 22 December 2017.

I acknowledge that the OBPR will publish this letter for transparency purposes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Geoff Summerhayes'.

Geoff Summerhayes  
Member