



**Office of the Hon Lianne Dalziel**  
**MP for Christchurch East**  
Minister of Commerce  
Minister for Small Business  
Minister of Women's Affairs

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Peter Lowe  
New Zealand Captive Insurance Association  
PO Box 369  
AUCKLAND

Dear Peter Lowe

Thank you for your further inquiry about part 5 of the Business Law Reform Bill in relation to the Insurance Companies Deposits Act.

As you know, the Bill has been introduced. Thank you for your written submission and for your oral submission to the Select Committee. While I am not in a position to provide you with legal advice on this issue, as a general comment I respond as follows.

Part 5 of the Bill is not intended to change the status quo in relation to captive insurers lodging deposits under the Insurance Companies Deposits Act 1952, Life Insurance Act 1908, and Mutuals Insurance Act 1955. The criteria applied to bring an entity within the scope of these Acts is that the entity will be carrying on insurance business in New Zealand. This is wider than offering insurance products in New Zealand. Hence, many captive insurers currently meet the criteria, lodge a deposit pursuant to those Acts and comply with other applicable insurance law in New Zealand.

Whether a new captive insurer is carrying on insurance business in New Zealand for the purposes of these Acts is determined by the particular type and manner of insurance operations to be carried out in New Zealand by that insurer. The Bill does not disrupt this process. If a captive insurer is carrying on insurance business in New Zealand pursuant to those Acts then the amendment set out in the Bill would not apply to them, so no action would be required on their part.

Again, thank you for raising this issue with me. I hope the above assists.

Yours sincerely

Hon Lianne Dalziel  
**Minister of Commerce**