

Unfit directors to go

Australia's prudential regulator is considering whether it should strike out executives within insurance companies that may no longer meet the requirements of fitness and propriety.

This review by the regulator, the Australian Prudential Regulatory Authority, follows the release of the HIH Royal Commission report. It will encompass an examination of the fitness of directors, senior managers, auditors and actuaries of general insurers.

Charles Littrell, APRA's executive general manager, says the "Commissioner's report had added weight and substance to the regulator's own information, producing a list of around ninety individuals who may have breached 'fitness and propriety' requirements in the Insurance Act".

"We don't expect that APRA will need to disqualify all or even perhaps the majority of these people, but these decisions will require substantial work over the coming months."

Littrell also asserts that APRA is seeking to ensure individuals from insurance entities based in other countries mentioned in the HIH Royal Commission report are referred to relevant regulators in those jurisdictions.

This article was supplied by Tom Ravlic. Tom Ravlic is a financial journalist who has spent the past seven years covering the accounting profession, accounting and audit standard setting and corporate governance. His work has appeared in various publications including *Business Review Weekly*, *Personal Investment* (now *Personal Investor*), *The Age*, *CFO Magazine*, the *Australian CPA*, the *Company Director Journal* and the newsletters of the internationally renowned Lafferty Group. In addition to his freelance commitment to a wide range of publications, Tom has recently accepted an appointment to be editor of *Chartac Accountancy News*, published by Melbourne-based publisher Crown Content.