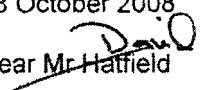




Mr. David Hatfield
Director
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 520
MELBOURNE VIC 3001
Email address: simon.mitchell@accc.gov.au

28 October 2008


Dear Mr Hatfield

AUSTRALIAN PROPERTY INSTITUTE (API) APPLICATION FOR MINOR VARIATION TO AUTHORISATION A90545

Thank you for your letter of 9 October 2008 inviting comments on the above proposed variation to enable the API to change certain provisions of its Rules of Conduct (the Rules). The Insurance Council of Australia¹ (Insurance Council) appreciates the opportunity of being part of the consultative process.

The proposed changes to the Rules are of interest to our lenders' mortgage insurer (LMI) members which rely on valuation reports, and which may be exposed to loss if the valuation is negligent. The new Rules provide greater clarity as to the types of valuations that can be undertaken by Provisional Members. As the changes will help ensure that API members have the requisite knowledge and experience to provide professional valuations, the Insurance Council supports the amendments.

Although not directly relevant to the authorisation application, the Insurance Council notes the concern of its LMI members that API members who are not Certified Practising Valuers (CPV) are able to perform valuations without the requirement for the property to be inspected by the supervising CPV. The Insurance Council submits that there is a case for the Rules to be strengthened by requiring that properties that are the subject of a valuation report should be inspected by a CPV, and that the valuation report is signed by a CPV who then takes full responsibility for the report.

If you require any further information please do not hesitate to contact Mr John Anning, General Manager – Policy, Regulation Directorate on (02) 9253 5121 or janning@insurancecouncil.com.au

Yours sincerely


Kerrie Kelly
Executive Director & CEO

¹ The Insurance Council of Australia is the representative body of the general insurance industry in Australia. Our members represent more than 90 percent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the financial services system. June 2008 Australian Prudential Regulation Authority statistics show that the private sector insurance industry generates gross premium revenue of \$31.2 billion per annum and has assets of \$91.0 billion. The industry employs approx 60,000 people and on average pays out about \$87 million in claims each working day.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, commercial property, and directors and officers insurance).