



Reporting Standard GRS 301.0_G (2009)

Reinsurance Assets and Risk Charge

Objective of this reporting standard

This reporting standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001* (the Collection of Data Act). It requires Level 2 insurance groups to report to APRA, generally on a semi-annual and annual basis, information in relation to reinsurance assets and their associated risk charges.

This reporting standard outlines the overall requirements for the provision of this information to APRA. It should be read in conjunction with:

- *Form GRF 301.0_G Reinsurance Assets and Risk Charge* (Form GRF 301.0_G) for a Level 2 insurance group and the associated instructions (which are attached and all form part of this reporting standard); and
- any prudential standards referenced in the attached instructions.

Purpose

1. Data collected in Form GRF 301.0_G is used by APRA for the purpose of prudential supervision including assessing a Level 2 insurance group's compliance with the capital standards.

Application and commencement

2. This reporting standard applies to all Level 2 insurance groups for reporting periods commencing on or after 30 June 2009.

Information required

3. A Level 2 insurance group must provide APRA with the information required by the Form GRF 301.0_G for each reporting period specified in paragraph 5 for the Level 2 insurance group.

Forms and method of submission

4. The information required by this reporting standard must be given to APRA either:
 - (a) in electronic form using the 'Direct to APRA' application, applying one of the electronic submission mechanisms under that application; or
 - (b) by manually completing Form GRF 301.0_G on paper and mailing the completed form to APRA's head office at Level 26, 400 George Street, Sydney, New South Wales.

Where the information is submitted by means of an agent to whom the Level 2 insurance group has outsourced the function of providing the information on the Level 2 insurance group's behalf, the agent may only provide the information in accordance with subparagraph 4(b) if the agent has contacted APRA and advised that the agent cannot submit the information in electronic form under subparagraph 4(a).

Note: the Direct to APRA application software and paper forms may be obtained from APRA.

Reporting periods and due dates

5. Subject to paragraph 6, a Level 2 insurance group must provide the information required by this reporting standard:
 - (a) in respect of each half year based on the financial year (as defined in *Prudential Standard GPS 001 Definitions (GPS 001)*) of the Level 2 insurance group on an unaudited basis; and
 - (b) in respect of each financial year (as defined in GPS 001) of the Level 2 insurance group on an audited basis.

Note: The annual information required by paragraphs 3, 4 and 5(b) together with certain annual information required by other reporting standards, will form part of the Level 2 insurance group's annual accounts within the meaning of GPS 001. *Prudential Standard GPS 311 Audit and Actuarial Reporting and Valuation: Level 2 Insurance Groups (GPS 311)* contains the relevant provisions governing audits.

6. APRA may, by notice in writing to the parent entity, change the reporting periods, or specified reporting periods, for a particular Level 2 insurance group to require it to provide the information:
 - (a) more frequently (if, having regard to the particular circumstances of the Level 2 insurance group, APRA considers it necessary or desirable to

obtain information more frequently for the purposes of the prudential supervision of the Level 2 insurance group); or

- (b) less frequently (if, having regard to the particular circumstances of the Level 2 insurance group and the extent to which it requires prudential supervision, APRA considers it unnecessary to require the Level 2 insurance group to provide the information as frequently).
7. The information required by paragraph 3 of this reporting standard from a Level 2 insurance group must be provided to APRA by the following times:
- (a) in the case of the half yearly information required by subparagraph 5(a) – three months after the end of the reporting period to which the information relates; and
 - (b) in the case of the audited annual information required by subparagraph 5(b) – four months after the end of the reporting period to which the information relates.

Note: GPS 311 requires a Level 2 insurance group to ensure that its Group Auditor conducts a limited assurance review of the group's annual accounts. Accordingly, the Group Auditor's report(s) as required by GPS 311 (relating to the information required by paragraph 3) must be provided to APRA by the time specified in subparagraph 7(b) of this reporting standard (unless an extension is granted under paragraph 8).

8. APRA may by notice in writing to the parent entity grant a Level 2 insurance group an extension of a due date for the provision of the information, in which case the new due date will be the date on the notice of extension.
9. On the written application of the parent entity of a Level 2 insurance group, APRA may by notice in writing to the parent entity exclude the requirement under subparagraph 5(a) to provide half yearly information.

Quality control

10. The information provided by a Level 2 insurance group under this reporting standard must be the product of processes and controls that have been reviewed and tested by the Group Auditor of the Level 2 insurance group. This will require the Group Auditor to review and test the systems, processes and controls supporting the reporting of the information to ensure that they produce accurate data and are otherwise reliable. This review and testing must be done on:
- (a) an annual basis to enable the Group Auditor to form an opinion on the accuracy and reliability of the data; and
 - (b) at least a limited assurance engagement consistent with the professional standards and guidance notes issued by the Auditing and Assurance Standards Board (AUASB) as may be amended from time to time, to the extent that they are not inconsistent with the requirements of *Prudential Standard GPS 311 Audit and Actuarial Reporting and Valuation: Level 2 Insurance Groups*.

11. The information provided by a Level 2 insurance group under this reporting standard must be subject to processes and controls developed by the Level 2 insurance group for the internal review and authorisation of that information. It is the responsibility of the board and senior management of the parent entity of the Level 2 insurance group to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.

Authorisation

12. If an officer of a parent entity¹ of a Level 2 insurance group provides the information required by this reporting standard:
 - (a) under subparagraph 4(a), the officer must digitally sign, authorise and encrypt the information (for which purpose APRA's certificate authority will issue digital certificates, for use with the 'Direct to APRA' application, to officers of the parent entity of the Level 2 insurance group who have authority from the parent entity of the Level 2 insurance group to transmit data to APRA); or
 - (b) under subparagraph 4(b), the completed form must be signed in accordance with paragraph 13.
13. If a Level 2 insurance group provides the information required by this reporting standard through an agent under either subparagraphs 4(a) or (b), the agent will not be required to sign or authorise the information. However, the Level 2 insurance group must:
 - (a) obtain from the agent a paper copy of the completed form as provided to APRA (whether it was provided under subparagraph 4(a) or (b)); and
 - (b) cause the paper copy to be signed in accordance with paragraph 13; and
 - (c) lodge the signed paper copy with APRA by mailing the completed form to APRA's head office at Level 26, 400 George Street, Sydney, New South Wales, by the relevant due date (unless APRA, in writing, waives the requirement to lodge the signed paper copy with APRA by varying this reporting standard in relation to the Level 2 insurance group).

Note: APRA may, for example, determine to waive the requirement under subparagraph 13(c) where a Level 2 insurance group has undertaken to retain the signed copy of the completed form for an agreed period of time.
14. If information under this reporting standard is provided in paper form, it must be signed on the front page of the relevant completed form by either:
 - (a) the Principal Executive Officer of the parent entity of the Level 2 insurance group; or
 - (b) the Chief Financial Officer of the parent entity of the Level 2 insurance group (whatever his or her official title may be).

¹ As defined in *Prudential Standard GPS 001 Definitions (GPS 001)*.

Minor alterations to forms and instructions

15. APRA may make minor variations to the instructions to a form, to clarify their application to the form without changing any substantive requirement in the form or instructions.
16. If APRA makes such a variation it must notify the parent entity of each Level 2 insurance group in writing.

Transition

17. Where APRA has granted a period of transition to a Level 2 insurance group by determining a later effective date for:
 - (a) *Prudential Standard GPS 111 Capital Adequacy: Level 2 Insurance Group*;
 - (b) *Prudential Standard GPS 221 Risk Management: Level 2 Insurance Group*; and
 - (c) *Prudential Standard GPS 311 Audit and Actuarial Reporting and Valuation: Level 2 Insurance Group*

a later effective date for this Reporting Standard will apply to the Level 2 insurance group as determined by APRA.

Adjustments

18. The parent entity of a Level 2 insurance group may apply in writing to APRA to vary the reporting requirements of *GRF 301.0_G Reinsurance Assets and Risk Charge* in relation to that Level 2 insurance group. APRA may in its discretion in writing approve such an application.

Interpretation

- 19 In this reporting standard (including the attachments):
- (a) Unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard GPS 001 Definitions*;
 - (b) **APRA-authorised reinsurer** means an insurer carrying on reinsurance business. For the purposes of this definition, a Lloyd's underwriter as defined under the Act is an APRA-authorised reinsurer if it carries on reinsurance business;

business days means ordinary business days, exclusive of Saturdays, Sundays and public holidays;

capital standards means the prudential standards which relate to capital adequacy as defined in *Prudential Standard GPS 001 Definitions*;

foreign insurer means a foreign general insurer within the meaning of the Insurance Act;

Note: A reference to a 'branch' or 'branch operation' is a reference to the Australian operations of a foreign insurer.

Group Auditor has the meaning given in *Prudential Standard GPS 311 Audit and Actuarial Reporting and Valuation: Level 2 Insurance Groups*;

Insurance Act means the *Insurance Act 1973*;

insurer means a general insurer within the meaning of the Insurance Act;

Note: In the forms and instructions, a reference to an 'authorised insurer', 'authorised insurance entity' or 'licensed insurer' is a reference to an insurer, and a reference to an 'authorised reinsurance entity' is a reference to an insurer whose business consists only of undertaking liability by way of reinsurance.

Non-APRA authorised reinsurer means any reinsurer that is not an APRA-authorised reinsurer;

Principal Executive Officer means the current principal executive officer of the entity, regardless of title, and whether or not he or she is a member of the governing board of the entity;

reporting period means a period mentioned in subparagraph 5(a) or (b) or, if applicable, paragraph 6.

- 20 A reference to a prudential standard is a reference to the applicable prudential standard made under section 32 of the Insurance Act, as amended from time to time. If the prudential standard has been revoked and replaced, the reference shall be taken to be to the prudential standard that has replaced it.