GRF_430_0 Claims Expense by State and Territory of Australia

These instructions must be read in conjunction with the general instruction guide.

Explanatory notes

Reporting basis

Total claims expense is to be based on claims expense reported in *GRF 310.2 Claims Expense and Reinsurance Recoveries* (GRF 310.2). Where the reporting insurer has no claims liabilities and claims expense associated with business outside of Australia the amounts should reconcile.

Reporting entities

This form is required to be completed by insurers that write direct classes of business.

Instructions for specific items

Claims expense

Report claims expense in Australia according to where the risk is located. Claims expense for the purpose of this form is to be interpreted as having the same meaning as Column 5 *Total gross claims expense* in GRF 310.2.

Where the insurer does not have insurance business outside of Australia (i.e. claims liabilities), the total claims expense amounts across the direct classes of business on this form should correspond to Column 5 *Total gross claims expense* for *Total direct business* in Section 3 of GRF 310.2.

Total business

Each item in this row is automatically calculated as the sum of each State across the classes of business.

Class of business

Claims expense is to be reported for direct business. Insurance business written directly by the reporting insurer is to be reported in accordance with the direct classes of business in Attachment B of *Prudential Standard GPS 001 Definitions* (GPS 001).

For the purpose of calculating the Insurance Risk Charge in respect of the 'Other' class of business as per GPS 001, the Appointed Actuary is required to determine the most appropriate category (i.e. category A, B or C) in Table 1 and Table 2 of Attachment A of *Prudential Standard GPS 115 Capital Adequacy: Insurance Risk Charge* (GPS 115) that this business falls within. The choice must be based on the underlying risk characteristics of the business being written. The amounts reported in

the *Other direct - category A*, *Other direct - category B* or *Other direct - category C* line items are to follow this basis.