Reporting Standard HRS 115.0

Insurance Risk Charge

Objective of this Reporting Standard

This Reporting Standard sets out requirements for the provision of information to APRA relating to a private health insurer's insurance risk charge.

It includes associated specific instructions and must be read in conjunction with *Prudential Standard HPS 115 Capital Adequacy: Insurance Risk Charge*, and *Prudential Standard HPS 340 Insurance Liability Valuation*.

Authority

1.   This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001.*

Purpose

2.   The information reported to APRA under this Reporting Standard is used by APRA for the purpose of prudential supervision including assessing compliance with capital standards.

Application and commencement

3.   This Reporting Standard applies to all private health insurers. This Reporting Standard applies for reporting periods ending on or after 1 July 2023.

Information required

4.   A private health insurer must provide APRA with the information required by this Reporting Standard for each reporting period.

Method of submission

5.   The information required by this Reporting Standard must be given to APRA:

(a) in electronic format using an electronic method available on APRA's website; or

(b) by a method notified by APRA prior to submission.

Reporting periods and due dates

6. Subject to paragraph 8, a private health insurer must provide the information required by this Reporting Standard:

   (a) in respect of each calendar quarter (i.e. the periods ending 30 September, 31 December, 31 March and 30 June); and

   (b) in respect of each year ending 30 June.

7. If, having regard to the particular circumstances of a private health insurer, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 7(a) or 7(b), APRA may, by notice in writing, change the reporting periods, or specify reporting periods, for the particular private health insurer.

8. The information required by this Reporting Standard must be provided to APRA:

   (a) in the case of quarterly information, within 28 calendar days after the end of the reporting period to which the information relates;

   (b) in the case of annual information, by 30 September each year; or

   (c) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.

9. APRA may, in writing, grant a private health insurer an extension of a due date, in which case the new due date will be the date on the notice of extension.

   Note: For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, a private health insurer is nonetheless required to submit the information required no later than the due date.

Quality control

10. All information provided by a private health insurer under this Reporting Standard must be subject to systems, processes and controls developed by the private health insurer for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the private health insurer to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.

Annual audit requirements

11. By 30 September each year, a private health insurer must give to APRA an auditor's report relating to:

    (a) the information provided by the private health insurer under this Reporting Standard for each quarter in the year ending 30 June of that year; or

      (b)   if the private health insurer provides an amended quarterly return to replace a return referred to in paragraph (a) — the amended quarterly return.

12.   The auditor providing the report to a private health insurer must not be an Officer of, or employed by, the private health insurer.

13.   For the purposes of paragraph 12, the auditor's report must be addressed to APRA and must set out the auditor's opinion as to whether:

      (a)   the records for the health benefits fund and general fund contain the information required to be kept by this Reporting Standard and the *Private Health Insurance Risk Equalisation (Administration) Rules 2015*;

      (b)   the submitted information for the purposes of this Reporting Standard, accurately reflects the information contained in the records of the health benefits fund and general fund; and

      (c)   the records of the health benefits fund and general fund have been accurately compiled so as to permit the private health insurer to fairly state the information required by this Reporting Standard.

14.   If a private health insurer received a qualified auditor's report for a health benefits fund or the general fund for the year previous to the year for which the report is provided, the report for the year for which the report is provided must state whether the auditor has examined the issues identified and is satisfied that the private health insurer has taken the appropriate steps to rectify the matters raised in the previous report.

15.   The auditor's report must:

      (a)   state details of the program adopted to carry out the audit; and

      (b)   include the name of, and be signed by, the auditor who takes responsibility for the accuracy of the report.

Authorisation

16.   A person who submits the information required under this Reporting Standard must be suitably authorised by an officer of the private health insurer.

Variations

17.   APRA may, in writing, vary the reporting requirements of this Reporting Standard in relation to a private health insurer.

Interpretation

18.   In this Reporting Standard:

      (a)   unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard HPS 001 Definitions* (HPS 001); and

      (b)   the following definitions are applicable:

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

capital standards means the prudential standards which relate to capital adequacy as defined in HPS 001;

fund means each health benefits fund and the general fund, unless otherwise noted;

officer has the meaning in the *Private Health Insurance (Prudential Supervision) Act 2015* (the Act);

private health insurer has the meaning in the Act: and

reporting period means a period mentioned in paragraph 7 or, if applicable, paragraph 8.

19.   Unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard, Australian Accounting or Auditing Standard is a reference to the instrument as in force from time to time.

Reporting Standard HRS 115.0

Insurance Risk Charge

General instructions

Reporting tables

Tables described in this reporting standard list each of the data fields required to be reported. The data fields are listed sequentially in the column order that they will appear in the reported data set. Constraints on the data that can be reported for each field have also been provided.

Any specific combination of values in a table must not appear on more than one row in that table when reported.

Definitions

Terms highlighted in **bold italics** indicate that the definition is provided in these instructions.

A

Accrued premium	This refers to ***accrued premium*** as defined in HPS 001. Report this item net of any reinsurance.
Accrued premium (CE) amount	This is the Central Estimate forecast of ***accrued premium*** for that month.
Accrued premium (AES)	This is the forecast value of ***accrued premium*** after the Adverse Event Stress as defined in HPS 115 for that month.
Accrued premium (MA) amount	The insurer is required to report this item for months 10, 11 and 12 only. This is calculated as the ***Accrued premium (AES)*** after allowing for Management actions as defined in HPS 115. For months 1 to 9 inclusive this is a derived item and is equal to ***Accrued premium (AES) amount***.
Adjustments to Future Exposure Risk Charge HIB as approved by APRA	If APRA is of the view that the Standard Method for calculating the ***Future Exposure Risk Charge (HIB)*** component of the prescribed capital amount does not produce an appropriate outcome in respect of a reporting insurer, or a reporting insurer has used inappropriate judgement or estimation in calculating the ***Future Exposure Risk Charge (HIB)***, APRA may adjust the ***Future Exposure Risk Charge (HIB)*** calculation for that reporting insurer. Approved adjustments are to be reported separately in *Reporting Standard HRS 111.0 Adjustments and Exclusions* (HRS 111.0) highlighting the

	description of the adjustment given, transitional status and amount of adjustment applied. An increase in the risk charge is to be reported as a positive amount.
Adjustments to Future Exposure Risk Charge HRIB as approved by APRA	If APRA is of the view that the Standard Method for calculating the *Future Exposure Risk Charge (HRIB)* component of the prescribed capital amount does not produce an appropriate outcome in respect of a reporting insurer, or a reporting insurer has used inappropriate judgement or estimation in calculating the *Future Exposure Risk Charge (HRIB)*, APRA may adjust the *Future Exposure Risk Charge (HRIB)* calculation for that reporting insurer. Approved adjustments are to be reported separately in HRS 111.0 highlighting the description of the adjustment given, transitional status and amount of adjustment applied. An increase in the risk charge is to be reported as a positive amount.
Adjustments to OCL Risk Charge as approved by APRA	If APRA is of the view that the Standard Method for calculating the *(OCL) Risk Charge* component of the prescribed capital amount does not produce an appropriate outcome in respect of a reporting insurer, or a reporting insurer has used inappropriate judgement or estimation in calculating the *OCL Risk Charge*, APRA may adjust the *OCL Risk Charge* calculation for that reporting insurer. Approved adjustments are to be reported separately in HRS 111.0 highlighting the description of the adjustment given, transitional status and amount of adjustment applied. An increase in the risk charge is to be reported as a positive amount.
Adjustments to Other Insurance Liabilities Risk Charge as approved by APRA	If APRA is of the view that the Standard Method for calculating the *Other Insurance Liabilities Risk Charge* component of the prescribed capital amount does not produce an appropriate outcome in respect of a reporting insurer, or a reporting insurer has used inappropriate judgement or estimation in calculating the *Other Insurance Liabilities Risk Charge*, APRA may adjust the *Other Insurance Liabilities Risk Charge* calculation for that reporting insurer. Approved adjustments are to be reported separately in HRS 111.0 highlighting the description of the adjustment given, transitional status and amount of adjustment applied. An increase in the risk charge is to be reported as a positive amount.
Adjustments to PL Risk Charge as approved by APRA	If APRA is of the view that the Standard Method for calculating the *PL Risk Charge* component of the prescribed capital amount does not produce an appropriate outcome in respect of a reporting insurer, or a reporting insurer has used inappropriate judgement or estimation in calculating the *PL Risk Charge*, APRA may adjust the *PL Risk Charge* calculation for that reporting insurer. Approved adjustments are to be reported separately in HRS 111.0 highlighting the description of the adjustment given, transitional status and

	amount of adjustment applied. An increase in the risk charge is to be reported as a positive amount.
Adjustments to RE Risk Charge as approved by APRA	If APRA is of the view that the Standard Method for calculating the ***RE Risk Charge*** component of the prescribed capital amount does not produce an appropriate outcome in respect of a reporting insurer, or a reporting insurer has used inappropriate judgement or estimation in calculating the ***RE Risk Charge***, APRA may adjust the ***RE Risk Charge*** calculation for that reporting insurer. Approved adjustments are to be reported separately in HRS 111.0 highlighting the description of the adjustment given, transitional status and amount of adjustment applied. An increase in the risk charge is to be reported as a positive amount.

B

Benefits incurred (CE) amount	This is a derived item and is calculated as the sum of: • ***Claims incurred (CE) amount*** • ***Calculated deficit (CE) amount***; and • ***State levies (CE) amount***. Less: • ***Gross deficit (CE) amount***.
Benefits incurred (AES) amount	This is a derived item and is calculated as the sum of: • ***Claims incurred (AES) amount***; • ***Calculated deficit (AES) amount***; and • ***State levies (AES) amount.*** Less: • ***Gross deficit (AES) amount.***
Benefits incurred (MA) amount	This is a derived item and is calculated as the sum of: • ***Claims incurred (MA) amount*** • ***Calculated deficit (MA) amount***; and • ***State levies (MA) amount***. Less: • ***Gross deficit (MA) amount.***
Benefits incurred (pre-MA	This is a derived amount and is calculated as: • $A \times (1 + B)$ Where: A = ***Benefits incurred (AES) amount*** B = ***HIB stress %***

C

Calculated deficit (AES) amount	This is a derived item and is calculated as: • $(A \times B \times 1.2) \div C$ Where: A = *Single Equivalent Units (AES) count* B = *Calculated deficit (CE) amount* C = *Single Equivalent Units (CE) count*.
Calculated deficit (CE) amount	This is the central estimate forecast for the relevant period of the calculated deficit. Where calculated deficit means total amount that is expected to be payable by the private health insurer each *single equivalent unit (SEU)* should be entitled to the average amount as defined in rule 11(1)(e) of the *Private Health Insurance (Risk Equalisation Policy) Rules 2015* or its replacement.
Calculated deficit (MA) amount	This is a derived item. For months 1-9 this is calculated identically to *calculated deficit (AES) amount*. For months 10-12 this item is calculated as: • $(A \times B) \div C$ Where: A = *Single Equivalent Units (MA) count* B = *Calculated deficit (AES) amount* C = *Single Equivalent Units (AES) count*.
Central estimate of OCL	This is a derived item and is calculated as the sum of: • *Claims component - OCL amount*; • *Claims handling expenses - OCL amount*; • *Risk equalisation component - OCL amount*; and • *Processed but not paid claims - OCL amount* Less the sum of: • *Reinsurance recoverables - OCL amount*; and • *Non-reinsurance recoveries - OCL amount*
Central estimate of PL	This is a derived item and is calculated as the sum of: • *Claims component - PL amount*; • *Claims handling expenses - PL amount*; • *Policy Administration Expenses – PL Amount*; and • *Risk equalisation component - PL amount* Less the sum of: • *Expected reinsurance recoveries - PL amount*; and

	• ***Non-reinsurance recoveries - PL amount***
Claims component - OCL amount	This is the value, as at the relevant date, of the claims component of the central estimate of OCL determined in accordance with HPS 340. This includes claims payable for: • Claims that have been reported, but are not yet settled at balance date; • Claims that have been incurred, but not yet reported; and • Claims that have been administratively settled, but which may be reopened. This should not include any other unpaid amounts which are certain, including those that have been processed but not paid. These amounts are to be reported separately. This should be calculated gross of any recoveries, which are separately broken out.
Claims component - PL amount	This is the value, as at the relevant date, of the claims component of the central estimate of PL determined in accordance with HPS 340. This is calculated gross of any Risk Equalisation or reinsurance recoveries, which are reported separately.
Claims handling expenses - OCL amount	This is the value, as at the relevant date, of the claims handling expenses associated with those claims included within the central estimate of OCL determined in accordance with HPS 340.
Claims handling expenses - PL	This is the value, as at the relevant date, of the claims handling expenses associated with those claims included within the central estimate of PL determined in accordance with HPS 340.
Claims incurred	This refers to the relevant forecast of ***claims incurred*** as defined in HPS 001.
Claims incurred (CE) amount	This is the central estimate forecast of ***claims incurred*** for that month.
Claims incurred (AES) amount	This is the forecast of ***claims incurred*** after the Adverse Event Stress as defined in HPS 115.
Claims incurred (MA) amount	The insurer is required to report this item for months 10, 11 and 12 only. This is calculated as the ***claims incurred (pre-MA)*** after allowing for Management actions as defined in HPS 115. For months 1 to 9 inclusive this is a derived item and is equal to ***Claims incurred (pre-MA) amount***.
Claims incurred (pre-MA) amount	This is a derived item. For ***hospital treatment*** it is calculated as:

| | • $(A - B) \div (1 - (C \div D))$

Where:

A = **Benefits incurred (pre-MA) amount**
B = **Calculated deficit (AES) amount**
C = **Gross deficit (CE) amount**
D = **Claims incurred (CE) amount**

For **general treatment** it is calculated as:

• $A \times (1 + B)$

Where:

A = **Claims incurred (AES) amount**
B = **HIB stress %**

For **health-related insurance business** it is calculated as:

• $A \times (1 + B)$

A = **Claims incurred (CE) amount**
B = **HRIB stress %** |
| **Class of business** | Relates to insurance business only. This is can be:

• **Hospital treatment**;
• **General treatment**; or
• **Health-Related Insurance Business** (HRIB). |

E

Expected reinsurance recoveries - PL amount	This is the value of expected reinsurance recoveries receivable by the fund associated with the PL, gross of any provisions for depreciation or impairment. It is determined in accordance with HPS 340.

F

Future Exposure Risk Charge	This is a derived item and is calculated as the sum of: • **Future Exposure Risk Charge - HIB**; and • **Future Exposure Risk Charge - HRIB**.
Future Exposure Risk Charge Amount - HIB	This is a derived item and relates to the risk that financial performance of the **health insurance business** may be materially worse than expected. The calculation of **Future Exposure Risk Charge Amount - HIB** applies the limitation that the estimate cannot result in a profit for months 10 to 12 following management actions, and also that the risk charge cannot be negative, in accordance with HPS 115.

	It is calculated as: • $-1 \times$ minimum of $(A - B, 0)$ where: A = HIB *Net margin (MA) amount* total B = if C > 0 then C, otherwise 0 C = HIB *Net margin (MA) amount* months 10 to 12 total.
Future Exposure Risk Charge Amount - HRIB	This is a derived item and relates to the risk that financial performance of the **health-related insurance business** may be materially worse than expected. The calculation of *Future Exposure Risk Charge - HRIB* applies the limitation that the estimate cannot result in a profit for months 10 to 12 following management actions, and also that the risk charge cannot be negative, in accordance with HPS 115. It is calculated as: • $-1 \times$ minimum of $(A - B, 0)$ where: A = HRIB *Net margin (MA) amount* total B = if C > 0 then C, otherwise 0 C = HRIB *Net margin (MA) amount* months 10 to 12 total.
Future Exposure Risk Charge - HIB	This is a derived item and is calculated as the sum of: • *Future Exposure Risk Charge Amount - HIB*; and • *Adjustments to Future Exposure Risk Charge HIB as approved by APRA*
Future Exposure Risk Charge - HRIB	This is a derived item and is calculated as the sum of: • *Future Exposure Risk Charge Amount - HRIB*; and • *Adjustments to Future Exposure Risk Charge HRIB as approved by APRA*
Future exposure risk charge period	This is the month of the forecast period, and ranges from the month following the reporting date to the month concluding one year following the reporting date.

G

General fund (Private Health Insurer Fund)	This refers to the portion of the insurer referred to as the **general fund** as defined in HPS 001.
General treatment	**General treatment** has the same meaning as in the *Private Health Insurance Act 2007* (PHI Act).

(Class of Business)	
Gross deficit	Gross deficit means the sum of the eligible benefits notionally allocated to the aged-based pool and the high cost claimants pool, calculated for each risk equalisation jurisdiction, in accordance with Part 2, Rule 11(1)(a) of the Private Health Insurance (Risk Equalisation Policy) Rules 2007.
Gross deficit (AES) amount	This is the forecast of the *gross deficit* after the Adverse Event Stress as defined in HPS 115.
Gross deficit (CE) amount	This is the central estimate forecast of *gross deficit* for that month.
Gross deficit (MA) amount	The insurer is required to report this item for months 10, 11 and 12 only. This is calculated as the *gross deficit (pre-MA)* after allowing for Management actions as defined in HPS 115. For months 1 to 9 inclusive this is a derived item and is equal to *Gross deficit (pre-MA) amount*.
Gross deficit (pre-MA) amount	This is a derived item and is calculated as: • $(A \times B) \div C$ where: A = *Gross deficit (CE) amount* B = *Claims incurred (pre-MA) amount* C = *Claims incurred (CE) amount*.
Gross margin (AES) amount	This is a derived item. For *hospital treatment* it is calculated as: • *Accrued premium (AES) amount* less: • *Benefits incurred (AES) Amount.* For **general treatment** it is calculated as: • *Accrued premium (AES) amount* less: • *Claims incurred (AES) amount*
Gross margin (CE) amount	This is a derived item. For *hospital treatment* it is calculated as: • *Accrued premium (CE) amount* less:

	• *Benefits incurred (CE) Amount.* For *general treatment* and *health-related insurance business* it is calculated as: • *Accrued premium (CE) amount* less: • *Claims incurred (CE) amount*
Gross margin (MA) amount	This is a derived item. For *hospital treatment* it is calculated as: • *Accrued premium (MA) amount* less: • *Benefits incurred (MA) Amount.* For *general treatment* and *health-related insurance business* it is calculated as: • *Accrued premium (MA) amount* less: • *Claims incurred (MA) amount*

H

Health benefits fund *(Private Health Insurer Fund)*	*Health benefits fund* has the same meaning as in the Act.
Health insurance business *(Private Health Insurer Business Type)*	*Health insurance business* (HIB) has the same meaning as in the Act.
Health insurance business membership reporting period	*Health insurance business* membership is the hospital treatment *SEUs* at each the relevant date for the relevant fund. The relevant dates are: • as at the current reporting date; • one year prior to the reporting date; • two years prior to the reporting date; and • three years prior to the reporting date.
Health-related insurance business	This refers to the portion of business referred to as the *health-related insurance business* as defined in HPS 001.

(Private Health Insurer Business Type) *(Class of Business)*	
Health-related insurance business accrued premium amount	This is the value of **accrued premium** for **health-related insurance business** for the 12 months up to the reporting date.
HIB stress %	This is the value of the **health insurance business** stress determined in accordance with HPS 115.
HRIB stress %	This is the value of the **health-related insurance business** stress determined in accordance with HPS 115.
Hospital treatment *(Class of Business)*	**Hospital treatment** has the same meaning as in the PHI Act.

I

Individual other insurance liability at 75th POA amount	This is the value of each other insurance liability, determined in accordance with HPS 340.
Individual other insurance liability at 99.5th POA amount	This is the value of each other insurance liability valued at a 99.5 per cent level of sufficiency, determined in accordance with HPS 115.
Individual other insurance liability description	This is the name of the individual other insurance liability. This name will be used to identify the liability and should reflect the reason the liability has arisen.
Insurance Liability Risk Charge	This is a derived item and is calculated as the sum of: • **OCL Risk Charge**; • **PL Risk Charge**; • **RE Risk Charge**; and • **Other Insurance Liabilities Risk Charge**

Insurance Risk Charge	This is a derived item and is calculated as the sum of: • ***Insurance Liability Risk Charge***; and • ***Future Exposure Risk Charge***

M

Management expenses	This refers to the relevant forecast of ***management expenses*** as defined in HPS 001.
Management expenses (CE) amount	This is the central estimate forecast of ***management expenses*** for that month.
Management expenses (AES) amount	This is the forecast ***management expenses*** after the Adverse Event Stress, determined in accordance with HPS 115.
Management expenses (MA) amount	The insurer is required to report this item for months 10, 11 and 12 only. This is calculated as the ***management expenses (pre-MA) amount*** after allowing for Management Actions as defined in HPS 115. For months 1 to 9 inclusive this is a derived item and is equal to ***management expenses (pre-MA) amount***.
Management expenses (pre-MA) amount	This is a derived item. For HIB, it is calculated as: • $A \times (1 + B)$ where: A = ***Management expenses (AES) amount*** B = ***HIB stress %*** For HRIB, it is calculated as: • $A \times (1 + B)$ where: A = ***Management expenses (CE) amount*** B = ***HRIB stress %***

N

Net margin (AES) amount	This is a derived item. It is calculated as: • ***Gross margin (AES) amount*** less: • ***Management expenses (AES) amount***

Net margin (CE) amount	This is a derived item. It is calculated as: • *Gross margin (CE) amount* less: • *Management expenses (CE) amount*
Net margin (MA) amount	This is a derived item. It is calculated as: • *Gross margin (MA) amount* less: • *Management expenses (MA) amount*
Non-reinsurance recoveries - OCL amount	This includes the value of recoveries under arrangements, other than reinsurance and risk equalisation arrangements, receivable by the fund associated with the OCL, net of any provisions for depreciation or impairment. It is determined in accordance with HPS 340.
Non-reinsurance recoveries - PL amount	This includes the value of recoveries under arrangements, other than reinsurance arrangements, receivable by the fund associated with the PL, gross of any provisions for depreciation or impairment. It is determined in accordance with HPS 340.

O

OCL at 75th probability of adequacy	This is a derived item and is calculated as the sum of: • *Central estimate of OCL*; and • *Risk margin at 75th probability of adequacy - OCL amount*.
OCL Risk Charge	This is a derived item and is the *Insurance Liability Risk Charge* in respect of outstanding claims risk, which relates to the risk that the value of OCL is greater than the value determined in accordance with HPS 340. It is calculated as: (*OCL at 75th probability of adequacy* minus *Processed but not paid claims - OCL amount*) multiplied by outstanding claims risk size margin, as set out in HPS 115. The *OCL Risk Charge* must also allow for any *adjustments to OCL Risk Charge as approved by APRA.*
Other Insurance Liabilities Risk Charge	This is a derived item and is the *Insurance Liability Risk Charge* in respect of other insurance liabilities, which relates to the risk that the value of other insurance liabilities is less than the value determined in accordance with HPS 340. It is the sum of each *Individual other insurance liability at 99.5th POA* minus the sum of each *Individual other insurance liability at 75th POA*.

	The ***Other Insurance Liabilities Risk Charge*** must also allow for any ***adjustments to Other Insurance Liabilities Risk Charge as approved by APRA.***

P

PL at 75th probability of adequacy	This is a derived item and is calculated as the sum of: • ***Central estimate of PL***; and • ***Risk margin at 75th probability of adequacy - PL amount***
PL Risk Charge	This is a derived item and is the ***Insurance Liability Risk Charge*** in respect of premiums liabilities risk, which relates to the risk that the value of PL is greater than the value determined in accordance with HPS 340. For HIB, this is calculated as ***PL at 75th probability of adequacy*** for HIB multiplied by ***HIB stress %***. For HRIB, this is calculated as ***PL at 75th probability of adequacy*** for HIB multiplied by ***HRIB stress %***. The ***PL Risk Charge*** is the total for HIB and HRIB. The ***PL Risk Charge*** must also allow for any ***adjustments to PL Risk Charge as approved by APRA.***
Policy administration expenses - PL amount	This is the value, as at the relevant date, of the policy administration expenses associated with those claims included within the central estimate of PL determined in accordance with HPS 340.
Private health insurer fund	This is either ***health benefits fund*** or ***general fund***.
Private health insurer business	This is either ***health insurance business*** or ***health-related insurance business***.
Processed but not paid claims - OCL amount	This is the value, as at the relevant date, of unpaid claims amounts those value has been determined. This includes claims that have been processed but not paid, included within the central estimate of OCL determined in accordance with HPS 340. These items should be disclosed as OCL instead of current liabilities or trade creditors.

R

RE Risk Charge	This is a derived item and is the ***Insurance Liability Risk Charge*** in respect of risk equalisation, which relates to the risk that the value of risk equalisation (RE) is less favourable than the value determined in accordance with HPS 340. It is calculated as ***Unbilled calculated deficit***

	amount multiplied by the risk equalisation risk charge factor of 4%, as set out in HPS 115.
	The **RE Risk Charge** must also allow for any **adjustments to RE Risk Charge as approved by APRA.**
Reinsurance recoverables - OCL amount	This is the value of reinsurance recoverables, being amounts due to the fund under a reinsurance arrangement, that arise from the recognition of the central estimate of the OCL. The value must be reported net of any provisions for doubtful debts and in accordance with HPS 340.
Risk equalisation component - OCL amount	This is the value, as at the relevant date, of any amount estimated to be payable or receivable under the Risk Equalisation Special Account arising from claims incurred and included within the central estimate of OCL determined in accordance with HPS 340.
Risk equalisation component - PL amount	This is the value, as at the relevant date, of any amount estimated to be payable or receivable under the Risk Equalisation Special Account arising from claims included within the central estimate of PL determined in accordance with HPS 340.
Risk equalisation risk margin at 75th POA amount	This is the value, as at the relevant date, of the risk margin component of risk equalisation liability/asset, determined in accordance with HPS 340.
Risk margin at 75th POA - OCL amount	This is the value, as at the relevant date, of the risk margin component of OCL, net of recoveries, determined in accordance with HPS 340. The risk margin refers to the risk margin that has been applied to the Outstanding Claims Liabilities with respect to the whole insurance portfolio within the fund.
Risk margin at 75th POA - PL amount	This is the value, as at the relevant date, of the risk margin component of PL, net of recoveries, determined in accordance with HPS 340. The risk margin refers to the risk margin that has been applied to the Premium Liabilities with respect to the whole insurance portfolio within the fund.

S

Single equivalent units (SEUs)	This refers to the relevant forecast of **Single Equivalent Units** as defined in HPS 001.
Single Equivalent Units (fund) count	This is the value, at the **health insurance business membership reporting period**, of the **SEUs** for the **health benefits fund**. The value of **SEUs** should be consistent with that calculated from the relevant HRS 601 return.

Single Equivalent Units (transferor funds) count	This is the value, at the ***Health insurance business membership reporting period***, of the ***SEUs*** for all health benefits funds which have since transferred into the ***health benefits fund.*** That is, where another fund/s has been transferred into this health benefits fund, the ***Single Equivalent Units (transferor funds) count*** is the total ***SEUs*** from all transferor funds, including from before the transfer took place. For example, where fund A has been transferred into fund B by the end of the reporting period, the ***SEUs*** of fund B should be reported. For periods after the transfer has occurred, the value for the transferor/s ***Single Equivalent Units (transferor funds) count*** is to be reported as zero.
Single Equivalent Units (AES) count	This is the value of forecast ***Single Equivalent Units*** after the Adverse Event Stress as defined HPS 115.
Single Equivalent Units (CE) count	This is the central estimate forecast of ***Single Equivalent Units***.
Single Equivalent Units (MA) count	The insurer is required to report this item for months 10, 11 and 12 only. This is calculated as the ***Single Equivalent Units (AES) count*** after allowing for Management actions as defined in HPS 115. For months 1 to 9 inclusive this is a derived item and is equal to ***Single Equivalent Units (AES) count***.
State levies	***State levies*** are all state ambulance levies payable by the health benefits fund.
State levies (AES) amount	This is the value of ***state levies*** after the Adverse Event Stress as defined in HPS 115.
State levies (CE) amount	This is the Central Estimate forecast of ***state levies***.
State levies (MA) amount	The insurer is required to report this item for months 10, 11 and 12 only. This is calculated as the ***state levies*** amount after allowing for Management actions as defined in HPS 115. For months 1 to 9 inclusive this is a derived item and is equal to ***State levies (AES) amount***.

U

Unbilled calculated deficit amount	Unbilled calculated deficit means the central estimate of the total amount that would have been payable by the insurer should each SEU been entitled to the average amount as defined in rule 11(1)(e) of the *Private Health Insurance (Risk Equalisation Policy) Rules 2015* or its replacement, and under the following conditions: • over the period up to the reporting date; • where the risk equalisation levy has accrued but has not yet been paid; and • where an invoice, notice or receipt from APRA has not yet been received by the private health insurer, for that period.
Unbilled gross deficit amount	Unbilled gross deficit means the sum of the eligible benefits notionally allocated to the aged-based pool and the high cost claimants pool, calculated for each risk equalisation jurisdiction, and under the following conditions: • In accordance with Part 2, Rule 11(1)(a) of the *Private Health Insurance (Risk Equalisation Policy) Rules 2007*; • Over the period up to the reporting date; • Where the risk equalisation special account payments or receipts have accrued but have not yet been paid; and • Where an invoice, notice or receipt from APRA has not yet been received by the private health insurer, for that period.

Specific instructions

Table 1: Insurance Risk Charge - Health-Related Insurance Business Accrued Premium

Reporting basis

This table applies to **health benefits funds** and the **general fund**.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Private Health Insurer Fund Type	• **Health benefits fund** • **General fund**	Report the **private health insurer fund** type.
2	Private Health Insurer Fund Name	Free text	Report the name of the **private health insurer fund**. This is in the event an insurer has multiple health benefits funds. In the event an insurer has only one health benefits fund, its name should be the same as the insurer. For the general fund, report the same name as the insurer.
3	Health-Related Insurance Business Accrued Premium Amount	Whole dollars	Report the **health-related insurance business accrued premium amount**.

Table 2: Insurance Risk Charge - Health Insurance Business Membership

Reporting basis

This table applies to *health benefits funds* only.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Private Health Insurer Fund Name	Free text	Report the name of the health benefits fund. This is in the event an insurer has multiple *health benefits funds*. In the event an insurer has only one *health benefits fund*, its name should be the same as the insurer.
2	Health Insurance Business Membership Reporting Period	• As at the current reporting date • One year prior to the reporting date • Two years prior to the reporting date • Three years prior to the reporting date	Report the *health insurance business membership reporting period*
3	Single Equivalent Units (Fund) Count	Whole number	Report the *Single Equivalent Units (fund) count*.
4	Single Equivalent Units (Transfer Or Funds) Count	Whole number	Report the *Single Equivalent Units (transferor funds) count*.

Table 3: Insurance Liabilities Risk Charge - Outstanding Claims Liabilities

Reporting basis

This table applies to *health benefits funds* and the *general fund*.

Units of measurement

Report values in whole Australian dollars.

	Name	**Valid values**	**Description**
1	Private Health Insurer Fund Type	• *Health benefits fund* • *General fund*	Report the *private health insurer fund* type.
2	Private Health Insurer Fund Name	Free text	Report the name of the *private health insurer fund*. This is in the event an insurer has multiple health benefits funds. In the event an insurer has only one health benefits fund, the name should be the same as the insurer.
3	Private Health Insurer Business Type	• *Health insurance business* • *Health-related insurance business*	Report the *private health insurer business type*. *Health insurance business* does not apply where the *private health insurer fund* type is *general fund*. Report *health-related insurance business* where the *private health insurer fund* type is *general fund*.
4	Claims Component - OCL Amount	Whole dollars	Report the *claims component - OCL amount*.

	Name	Valid values	Description
5	Claims Handling Expenses - OCL Amount	Whole dollars	Report the ***claims handling expenses - OCL amount***.
6	Risk Equalisation Component - OCL Amount	Whole dollars	Report the ***risk equalisation component - OCL amount***. Report risk equalisation amounts payable as a positive value. Report risk equalisation amounts receivable as a negative value.
7	Processed But Not Paid Claims - OCL Amount	Whole dollars	Report the ***processed but not paid claims - OCL amount***.
8	Reinsurance Recoverables - OCL Amount	Whole dollars	Report the ***reinsurance recoverables - OCL amount***.
9	Non-Reinsurance Recoveries - OCL Amount	Whole dollars	Report the ***non-reinsurance recoveries - OCL amount***.
10	Risk Margin At 75th POA - OCL Amount	Whole dollars	Report the ***risk margin at 75th POA - OCL amount***.

Table 4: Insurance Liabilities Risk Charge - Premiums Liabilities

Reporting basis

This table applies to *health benefits funds* and the *general fund*.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Private Health Insurer Fund Type	• *Health benefits fund* • *General fund*	Report the *private health insurer fund* type.
2	Private Health Insurer Fund Name	Free text	Report the name of the *private health insurer fund*. This is in the event an insurer has multiple *health benefits funds*. In the event an insurer has only one *health benefits fund*, the name should be the same as the insurer.
3	Private Health Insurer Business Type	• *Health insurance business* • *Health-related insurance business*	Report the *private health insurer business type*.
4	Claims Component - PL Amount	Whole dollars	Report the *claims component - PL amount*.
5	Claims Handling Expenses - PL Amount	Whole dollars	Report the *claims handling expenses - PL amount*.
6	Policy Administration Expenses - PL Amount	Whole dollars	Report the *policy administration expenses - PL amount*.

	Name	Valid values	Description
7	Risk Equalisation Component - PL Amount	Whole dollars	Report the *risk equalisation component - PL amount*. Report risk equalisation amounts payable as a positive value.
8	Expected Reinsurance Recoveries - PL Amount	Whole dollars	Report the *expected reinsurance recoveries - PL amount*.
9	Non-reinsurance Recoveries - PL Amount	Whole dollars	Report the *non-reinsurance recoveries - PL amount*.
10	Risk Margin At 75th POA - PL Amount	Whole dollars	Report the *risk margin at 75th POA - PL amount*.

Table 5: Insurance Liabilities Risk Charge - Risk Equalisation Liabilities

Reporting basis

This table applies to *health benefits funds* and the *general fund*.

Units of measurement

Report values in whole Australian dollars.

	Name	**Valid values**	**Description**
1	Private Health Insurer Fund Type	• *Health benefits fund* • *General fund*	Report the *private health insurer fund* type.
2	Private Health Insurer Fund Name	Free text	Report the name of the *private health insurer fund*. This is in the event an insurer has multiple *health benefits funds*. In the event an insurer has only one *health benefits fund*, the name should be the same as the insurer.
3	Unbilled Calculated Deficit Amount	Whole dollars	Report the *unbilled calculated deficit amount*.
4	Unbilled Gross Deficit Amount	Whole dollars	Report the *unbilled gross deficit amount*.
5	Risk Equalisation Risk Margin At 75th POA	Whole dollars	Report the *risk equalisation risk margin at 75th POA amount*.

Table 6: Insurance Liabilities Risk Charge - Other Insurance Liabilities

Reporting basis

This table applies to *health benefits funds* and the *general fund*.

Units of measurement

Report values in whole Australian dollars.

	Name	**Valid values**	**Description**
1	Private Health Insurer Fund Type	• *Health benefits fund* • *General fund*	Report the *private health insurer fund* type.
2	Private Health Insurer Fund Name	Free text	Report the name of the *private health insurer fund*. This is in the event an insurer has multiple *health benefits funds*. In the event an insurer has only one *health benefits fund*, the name should be the same as the insurer.
3	Private Health Insurer Business Type	• *Health insurance business* • *Health-related insurance business*	Report the *private health insurer business type*. *Health insurance business* does not apply where the *private health insurer fund* type is *general fund*. Report *health-related insurance business* where the *private health insurer fund* type is *general fund*.
4	Individual Other Insurance Liability Description	Free text	Report the *individual other insurance liability description*.

	Name	Valid values	Description
5	Individual Other Insurance Liability At 75th POA Amount	Whole dollars	Report the **individual other insurance liability at 75th POA amount**.
6	Individual Other Insurance Liability At 99.5th POA Amount	Whole dollars	Report the **individual other insurance liability at 99.5th POA amount**.

Table 7: Future Exposure Risk Charge - Central Estimate

Reporting basis

This table applies to *health benefits funds* and the *general fund*.

Units of measurement

Report values in whole Australian dollars.

	Name	**Valid values**	**Description**
1	Private Health Insurer Fund Type	• *Health benefits fund* • *General fund*	Report the *private health insurer fund* type.
2	Private Health Insurer Fund Name	Free text	Report the name of the *private health insurer fund*. This is in the event an insurer has multiple *health benefits funds*. In the event an insurer has only one *health benefits fund*, the name should be the same as the insurer.
3	Class Of Business	• *Hospital treatment* • *General treatment* • *Health-related insurance business*	Report the *class of business*.
4	Future Exposure Risk Charge Period	• Month 1 • Month 2 • Month 3 • Month 4 • Month 5 • Month 6	Report the *future exposure risk charge period*.

	Name	Valid values	Description
		• Month 7 • Month 8 • Month 9 • Month 10 • Month 11 • Month 12	
5	Single Equivalent Units (CE) Count	Whole number	Report the **Single Equivalent Units (CE) count**. Report this item only where the **class of business** is **hospital treatment**.
6	Accrued Premium (CE) Amount	Whole dollars	Report the **accrued premium (CE) amount**. Report this item net of any reinsurance.
7	Claims Incurred (CE) Amount	Whole dollars	Report the **claims incurred (CE) amount**. Report this item net of any reinsurance.
8	Gross Deficit (CE) Amount	Whole dollars	Report the **gross deficit (CE) amount**. Report this item only where the **class of business** is **hospital treatment**.
10	State Levies (CE) Amount	Whole dollars	Report the **state levies (CE) amount**. Report this item only where the **class of business** is **hospital treatment**.

	Name	**Valid values**	**Description**
11	Management Expenses (CE) Amount	Whole dollars	Report the ***management expenses (CE) amount***.

Table 8: Future Exposure Risk Charge - Adverse Event Stress

Reporting basis

This table applies to *health benefits funds* only.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Private Health Insurer Fund Name	Free text	Report the name of the *private health insurer fund*. This is in the event an insurer has multiple *health benefits funds*.
			In the event an insurer has only one *health benefits fund*, the name should be the same as the insurer.
2	Class Of Business	• *Hospital treatment* • *General treatment*	Report the *class of business*.
3	Future Exposure Risk Charge Period	• Month 1 • Month 2 • Month 3 • Month 4 • Month 5 • Month 6 • Month 7 • Month 8 • Month 9 • Month 10	Report the *future exposure risk charge period*.

	Name	Valid values	Description
		• Month 11 • Month 12	
4	Single Equivalent Units (AES) Count	Whole number	Report the **Single Equivalent Units (AES) count**. Report this item only where the **class of business** is **hospital treatment**.
5	Accrued Premium (AES) Amount	Whole dollars	Report the **accrued premium (AES) amount**. Report this item net of any reinsurance.
6	Claims Incurred (AES) Amount	Whole dollars	Report the **claims incurred (AES) amount**. Report this item net of any reinsurance.
7	Gross Deficit (AES) Amount	Whole dollars	Report the **gross deficit (AES) amount**. Report this item only where the **class of business** is **hospital treatment**.
8	State Levies (AES) Amount	Whole dollars	Report the **state levies (AES) amount**. Report this item only where the **class of business** is **hospital treatment**.
9	Management Expenses (AES) Amount	Whole dollars	Report the **management expenses (AES) amount**.

Table 9: Future Exposure Risk Charge - Adverse Event Stress and Prescribed Benefit Stress including Management Actions

Reporting basis

This table applies to *health benefits funds* and the *general fund*.

Units of measurement

Report values in whole Australian dollars.

	Name	**Valid values**	**Description**
1	Private Health Insurer Fund Type	• *Health benefits fund* • *General fund*	Report the *private health insurer fund* type.
2	Private Health Insurer Fund Name	Free text	Report the name of the *private health insurer fund*. This is in the event an insurer has multiple *health benefits funds*. In the event an insurer has only one *health benefits fund*, the name should be the same as the insurer.
3	Class Of Business	• *Hospital treatment* • *General treatment* • *Health-related insurance business*	Report the *class or business*.
4	Future Exposure Risk Charge Period	• Month 10 • Month 11 • Month 12	Report the *future exposure risk charge period* where management action is possible. That is, only months 10, 11 and 12.

	Name	Valid values	Description
5	Single Equivalent Units (MA) Count	Whole number	Report the **Single Equivalent Units (MA) count**. Report this item only where the **class of business** is **hospital treatment**.
6	Accrued Premium (MA) Amount	Whole dollars	Report the **accrued premium (MA) amount**. Report this item net of any reinsurance.
7	Claims Incurred (MA) Amount	Whole dollars	Report the **claims incurred (MA) amount**. Report this item net of any reinsurance.
8	Gross Deficit (MA) Amount	Whole dollars	Report the **gross deficit (MA) amount**. Report this item only where the **class of business** is **hospital treatment**.
9	State Levies (MA) Amount	Whole dollars	Report the **state levies (MA) amount**. Report this item only where the **class of business** is **hospital treatment**.
10	Management Expenses (MA) Amount	Whole dollars	Report the **management expenses (MA) amount**.