



Reporting Standard HRS 114.0

Asset 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 asset risk charge.

It includes associated specific instructions and must be read in conjunction with *Prudential Standard HPS 114 Capital Adequacy: Asset Risk Charge*.

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.
5. The information required by this Reporting Standard must be provided, as relevant, for:
 - (a) each health benefits fund of the private health insurer; and
 - (b) the general fund of the private health insurer.

Method of submission

6. 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

7. 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.
8. 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.
9. 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.
10. 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

11. 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

12. 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.
- 13. The auditor providing the report to a private health insurer must not be an Officer of, or employed by, the private health insurer.
- 14. 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.
- 15. 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.
- 16. 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

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

Variations

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

Interpretation

- 19. 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*;

private health insurer has the meaning in the *Private Health Insurance (Prudential Supervision) Act 2015*; and

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

- 20. 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 114.0

Asset 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.

Look-through treatment

For asset and liability items that have been treated on a look-through basis for the purpose of *Prudential Standard HPS 114 Capital Adequacy: Asset Risk Charge* (HPS 114), report the effective underlying exposures after adjustments for look-through as well as their resultant impacts on capital base respectively.

Derivative treatment

All items should be reported gross of impacts from derivatives. Report the fair value of open derivative positions under *derivatives (liabilities)* and *derivatives (assets)*.

Assets subject to stress

Exclude from the calculation of *Asset Risk Charge* all components of assets that are either:

- deducted from total assets for the purpose of determining the capital base; or
- subject to the Asset Concentration Risk Charge.

Include investment income receivable with the asset that generated the income.

Asset stress scenario

Private health insurers are not required to report the components of impact on the fund's capital base for asset stress scenarios where it is determined that those scenarios would improve the capital base (i.e. result in a *zero-risk charge component*) as at the end of the relevant reporting period.

Private health insurers must report all asset stress scenarios that would give rise to a positive *risk charge component*.

Definitions

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

A

<i>Adjusted pre-stress amount</i>	This is the value of relevant items of the fund. Report amounts before the application of any designated asset stresses, net of the effect of any look-through adjustments and applying the fair value requirement outlined in <i>Prudential Standard HPS 112 Capital Adequacy: Measurement of Capital</i> (HPS 112) and HPS 114.
<i>Adjustments to Asset Risk Charge as approved by APRA</i>	<p>If APRA is of the view that the Standard Method for calculating the <i>Asset Risk Charge component</i> of the prescribed capital amount does not produce an appropriate outcome in respect of the fund, or a private health insurer has used inappropriate judgement or estimation in calculating the <i>Asset Risk Charge</i>, APRA may adjust the <i>Asset Risk Charge</i> calculation for that fund.</p> <p>Approved adjustments are to be reported separately in the <i>Reporting Standard HRS 111.0 Adjustments and Exclusions</i> 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.</p>
<i>Aggregated risk charge component</i>	This is the aggregated result of applying the aggregation formula set out in HPS 114 to the capital base for each <i>risk charge components</i> . The formula allows for the likelihood of the asset risk stress scenarios occurring simultaneously.
<i>Asset Risk Charge</i>	<p>The <i>Asset Risk Charge</i> relates to the risk of adverse movements in the value of a fund's capital base due to credit or market risks. It is determined in accordance with HPS 114.</p> <p>It is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>Aggregated risk charge component</i>; and • <i>Adjustments to Asset Risk Charge as approved by APRA</i>.
<i>Assets subject to credit spreads stress type</i>	<p>This is the category of assets subject to <i>credit spreads stress</i>. The options are:</p> <ul style="list-style-type: none"> • bonds and other non-securitised assets; • structured and securitised assets; and • re-securitised assets. <p>The counterparty grade is to be determined in accordance with HPS 001. Assets guaranteed by an Australian state or territory government must be reporting in the counterparty grade that applies after rating up one grade in accordance with HPS 114.</p>

C

<i>Capital regulatory</i>	These are the adjustments to CET1 capital relating to accounts receivables and accounts payables, excluding the reversal of tax impact. For clarity,
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<i>adjustments subject to stress</i>	<p>items reported here should not be excluded from the other categories of the reporting tables, in particular accounting assets, accounting liabilities, reinsurance and non-reinsurance assets. This item is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>Premiums receivable;</i> • <i>Reinsurance recoveries receivable;</i> • <i>Non-reinsurance recoveries receivable;</i> • <i>Other accounts receivable;</i> and • <i>Regulatory adjustments to CET1 capital for payables excluding reversal of tax impact of accounts payables.</i>
<i>Cash and cash equivalents</i> <i>(Items subject to Asset Risk Charge type)</i>	This is the value, as at the relevant date, of notes and coins; deposits withdrawable or redeemable within 24 hours; and securities purchased under agreements to resell.
<i>Credit spread fair value amount</i>	This is the fair value of assets that are subject to <i>credit spreads stress</i> .
<i>Credit spread stressed amount</i>	This is the stressed value of assets that are subject to <i>credit spreads stress</i> .
<i>Credit spreads stress</i> <i>(Stress scenario type)</i>	<p>This is the impact on the fund's capital base of an increase in credit spreads and the risk of default and is calculated in accordance with HPS 114.</p> <p>This stress applies to interest bearing assets, including cash deposits and floating rate assets. Credit derivatives and zero-coupon instruments such as bank bills must also be included.</p>
<i>Currency downwards stress</i> <i>(Stress scenario type)</i>	This is the impact on the fund's capital base of downward changes in foreign currency exchange rates and is calculated in accordance with HPS 114.
<i>Currency upwards stress</i> <i>(Stress scenario type)</i>	This is the impact on the fund's capital base of upward changes in foreign currency exchange rates and is calculated in accordance with HPS 114.
<i>Current tax assets</i>	This is the value of <i>current tax assets</i> determined in accordance with Australian Accounting Standards.

<i>(Items subject to Asset Risk Charge type)</i>	
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D

Default stress <i>(Stress scenario type)</i>	This is the impact on the fund's capital base of the risk of counterparty default and is calculated in accordance with HPS 114. It applies to reinsurance assets, over the counter derivatives, unpaid premiums and all other credit or counterparty exposures that have not been affected by the credit spreads stress . In accordance with HPS 114, only the central estimates of reinsurance assets are to be subject to default stress .
Deferred tax liabilities <i>(Items subject to Asset Risk Charge type)</i>	This is the value of taxes payable in future periods in respect of taxable temporary differences. The definition is interpreted consistently with <i>Australian Accounting Standard AASB 112 - Income Taxes</i> (AASB 112).
Deferred tax assets <i>(Items subject to Asset Risk Charge type)</i>	This is the value of tax benefits that may be recognised in future financial periods, as consistent with the asset risk scenario under consideration.
Derivatives (assets) <i>(Items subject to Asset Risk Charge type)</i>	This is the value of all open derivative positions reported as assets.
Derivatives (liabilities) <i>(Items subject to Asset Risk Charge type)</i>	This is the value of all open derivatives positions reported as liabilities.
Dividend yield used in determination of equity stress <i>(Yields used in stress scenarios type)</i>	<p>This is the dividend yield of the ASX 200 index used in determining the reduction in equity asset values under the equity stress scenario.</p> <p>This item is only required if the risk charge component for the equity stress is greater than zero.</p>

E

<i>Earnings yield used in determination of property stress</i> <i>(Yields used in stress scenarios type)</i>	<p>This is the average earnings yield before taxes used in determining the reduction in infrastructure asset values under the property stress scenario.</p> <p>This item is only required if the risk charge component for the <i>property stress</i> is greater than zero due to infrastructure assets.</p>
<i>Equity stress</i> <i>(Stress scenario type)</i>	<p>This is the impact on the fund's capital base of a fall in equity and other asset values and is calculated in accordance with HPS 114.</p> <p>This stress applies to both listed and unlisted equity assets and to any other assets that are not considered in any of the other asset risk stresses. This stress also includes an increase to equity volatility.</p>
<i>Equities (direct)</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value, as at the relevant date, of equity securities and of subordinated debt securities. Equity securities are, as defined by the Australian Accounting Standards, contracts that evidence a residual interest in the assets of an entity after deducting all its liabilities. This includes equity securities lent or sold by the entity under repurchase agreements, where the transaction does not result in the transfer of the rights of ownership of the securities away from the entity to another party. Subordinated debt is a debt security where the claim to repayment ranks lower in priority to other claims.</p>
<i>Expected inflation downwards stress</i> <i>(Stress scenario type)</i>	<p>Expected inflation stress measures the impact on the fund's capital base of changes to expected Consumer Price Index inflation rates. It also affects nominal interest rates.</p> <p>This item reports the impact on the capital base of the fund arising from the application of the downward expected inflation stress and is calculated in accordance with HPS 114.</p>
<i>Expected inflation upwards stress</i> <i>(Stress scenario type)</i>	<p>Expected inflation stress measures the impact on the fund's capital base of changes to expected Consumer Price Index inflation rates. It also affects nominal interest rates.</p> <p>This item reports the impact on the capital base of the fund arising from the application of the upward expected inflation stress and is calculated in accordance with HPS 114.</p>
<i>Expected reinsurance recoverables</i>	<p>This is the amount due to the fund from a reinsurer that arises from the recognition of premiums liabilities referred to in the PHI Prudential Standards (including <i>Prudential Standard HPS 340 Insurance Liability Valuation</i> (HPS 340)). This is distinguished from reinsurance recoverables.</p>

<i>(Items subject to Asset Risk Charge type)</i>	
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<i>HPS 340 other insurance liabilities</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of the other insurance liabilities determined in accordance with HPS 340.</p>
<i>HPS 340 outstanding claims liabilities</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of the outstanding claims liabilities determined in accordance with HPS 340.</p>
<i>HPS 340 premium liabilities</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of the premium liabilities determined in accordance with HPS 340.</p>
<i>HPS 340 Reinsurance assets for default stress</i>	<p>This is the value of the central estimates of reinsurance assets of the fund. This must only be used for calculating the default stress.</p> <p>It is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>Reinsurance recoverables on outstanding claims and paid claims;</i> • <i>Expected reinsurance recoverables;</i> and • <i>Other reinsurance assets.</i>
<i>HPS 340 risk equalisation liability</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of the risk equalisation liability determined in accordance with HPS 340.</p>

I

<i>Impact of diversification</i>	This is calculated as the sum of the <i>risk charge components</i> used in calculating the <i>aggregated risk charge component</i> , less the <i>aggregated risk charge component</i> as set out in HPS 114.
<i>Impact on the fund's capital base</i>	<p>This shows the impact on the capital base of each asset risk stress scenario as set out in HPS 114. A negative number indicates a reduction in the capital base.</p> <p>This item is calculated for each <i>stress scenario type</i> as the sum of:</p> <ul style="list-style-type: none"> • <i>Cash and cash equivalents</i> • <i>Current tax assets</i> • <i>Interest rate investments (direct)</i> • <i>Equities (direct)</i> • <i>Property (direct)</i> • <i>Loans (direct)</i> • <i>Indirect investments</i> • <i>Deferred tax assets</i> • <i>Derivatives (assets)</i> • <i>Investments in related entities (associates, joint ventures, subsidiaries)</i> • <i>Other assets subject to Asset Risk Charge</i> • <i>Deferred tax liabilities</i> • <i>Derivatives (liabilities)</i> • <i>Other liabilities subject to Asset Risk Charge</i> • <i>Reinsurance recoverables on outstanding and paid claims</i> • <i>Expected reinsurance recoverables</i> • <i>Other reinsurance assets</i> • <i>HPS 340 outstanding claims liabilities</i> • <i>HPS 340 premium liabilities</i> • <i>HPS 340 risk equalisation liability</i> • <i>HPS 340 other insurance liabilities</i> • <i>Off-balance sheet exposures</i> • <i>Premiums receivable</i> • <i>Reinsurance recoveries receivable</i> • <i>Non-reinsurance recoveries receivable</i> • <i>Other accounts receivable</i> • <i>Regulatory adjustments to CET1 capital for accounts payables excluding reversal of tax impact of accounts payables</i>
<i>Indirect investments</i> <i>(Items subject to Asset Risk Charge type)</i>	This is the value of the net assets of unit trusts or managed investment schemes invested in by the fund, or mandates individually managed on behalf of the fund.

<i>Interest rate investments (direct)</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of debt securities held by the fund as at the relevant date, plus the value of deposits and placements that have been classified by the private health insurer as assets backing insurance liabilities for statutory reporting purposes. A debt security is a transferable instrument evidencing a relationship of indebtedness. It is characterised by having a definable return that is not based on the economic performance of the issuing entity.</p>
<i>Investments in related entities (associates, joint ventures, subsidiaries)</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of strategic investments or acquisitions of the fund.</p> <p>This includes investments in associates, joint ventures and subsidiaries from the <i>AASB 17 Insurance Contracts</i> (AASB 17) balance sheet.</p> <p>This does not include investments that constitute assets backing private health insurance liabilities.</p>

L

<i>Loans (direct)</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of <i>loans (direct)</i>. <i>Loans (direct)</i> includes financial leases and mortgages, and are typically non-negotiable on the secondary market.</p>
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N

<i>Non-reinsurance recoveries receivable</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of recoveries, other than reinsurance, receivable by the fund. This reflects the non-recoveries receivable amount recognised as a separate asset on the balance sheet under <i>AASB 1023 General Insurance Contracts</i> (AASB 1023) which is added to insurance contract assets or netted against insurance contract liabilities under AASB 17.</p>
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O

<i>Off-balance sheet exposures</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of off-balance sheet exposures that are subject to the <i>Asset Risk Charge</i>.</p>
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<p><i>Other accounts receivable</i></p> <p><i>(Items subject to Asset Risk Charge type)</i></p>	<p>This is the amount related to any other relevant accounts receivable not reported in <i>premiums receivable, reinsurance recoveries receivable</i> and <i>non-reinsurance recoveries receivable</i>. This may include (but is not limited to) levies, taxes, rebates, fees and commissions.</p>
<p><i>Other assets subject to Asset Risk Charge</i></p> <p><i>(Items subject to Asset Risk Charge type)</i></p>	<p>This is the value of the assets that have not been reported elsewhere in:</p> <ul style="list-style-type: none"> • <i>Cash and cash equivalents</i> • <i>Current tax assets</i> • <i>Deferred tax assets</i> • <i>Derivatives (assets)</i> • <i>Investments in related entities (associates, joint ventures, subsidiaries)</i> • <i>Interest rate investments (direct)</i> • <i>Equities (direct)</i> • <i>Property (direct)</i> • <i>Loans (direct)</i> • <i>Indirect investments</i> <p>This does not include assets in excess of the concentration limits set out in <i>Prudential Standard HPS 117 Capital Adequacy: Asset Concentration Risk Charge</i> or assets which are deducted from capital base of the fund such as surplus in defined benefit superannuation funds of which the private health insurer is an employer-sponsor.</p> <p>Additionally, this excludes the following items from the AASB 17 balance sheet:</p> <ul style="list-style-type: none"> • Insurance contract assets; and • Reinsurance contract assets.
<p><i>Other liabilities subject to Asset Risk Charge</i></p> <p><i>(Items subject to Asset Risk Charge type)</i></p>	<p>This consists of all other liabilities of the fund not separately reported under <i>deferred tax liabilities</i> or <i>derivatives (liabilities)</i>.</p> <p>Additionally, this excludes the following items from the AASB 17 balance sheet:</p> <ul style="list-style-type: none"> • Insurance contract liabilities • Reinsurance contract liabilities
<p><i>Other reinsurance assets</i></p> <p><i>(Items subject to Asset Risk Charge type)</i></p>	<p>This is the value of the central estimate of any asset recognised by the fund that relates to reinsurance other than:</p> <ul style="list-style-type: none"> • <i>reinsurance recoverables on outstanding and paid claims</i>; and • <i>expected reinsurance recoverables</i>.

P

<i>Premiums receivable</i> <i>(Items subject to Asset Risk Charge type)</i>	This is the amount related to insurance premiums due but not yet received. Premiums should be gross of reinsurance and commissions, before profit share rebates, and inclusive of stamp duty, policy fees, loadings and discounts. This reflects the <i>premiums receivable</i> amount recognised as a separate asset on the balance sheet under AASB 1023 which is netted against insurance contract liabilities or added to insurance contract assets under AASB 17.
<i>Property stress</i> <i>(Stress scenario type)</i>	This is the impact on the fund's capital base of changes in property and infrastructure asset values and is calculated in accordance with HPS 114.
<i>Property (direct)</i> <i>(Items subject to Asset Risk Charge type)</i>	This is the value of property held by the fund, in accordance with the classification and measurement basis under the relevant Australian Accounting Standards.

R

<i>Real interest rates upwards stress</i> <i>(Stress scenario type)</i>	<p>The real interest rates stress measures the impact on the fund's capital base of upward changes in real interest rates. It also affects nominal interest rates.</p> <p>This item is calculated in accordance with HPS 114.</p>
<i>Real interest rates downwards stress</i> <i>(Stress scenario type)</i>	<p>The real interest rates stress measures the impact on the fund's capital base of downward changes in real interest rates. It also affects nominal interest rates.</p> <p>This item is calculated in accordance with HPS 114.</p>
<i>Regulatory adjustments to CET1 capital for accounts payables excluding reversal of tax impact of accounts payables</i>	<p>These are adjustments to be deducted from CET1 capital relating to accounts payables as per <i>Prudential Standard HPS 112 Capital Adequacy: Measurement of Capital</i>, excluding reversal of tax impact of payables. This includes:</p> <ul style="list-style-type: none"> • claims payable; • reinsurance premiums payable; • reinsurance recoveries and other recoveries payable; and • other accounts payable.

<i>(Items subject to Asset Risk Charge type)</i>	
<i>Reinsurance recoverables on outstanding and paid claims</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the value of the central estimate of reinsurance recoverables in relation to reinsurance contracts for both paid and outstanding claims. This item does not include amounts that do not comprise an executed and legally binding reinsurance contract as per <i>Prudential Standard HPS 112 Capital Adequacy: Measurement of Capital</i>.</p>
<i>Reinsurance recoveries receivable</i> <i>(Items subject to Asset Risk Charge type)</i>	<p>This is the amount related to reinsurance recoveries due but not yet received. This reflects the <i>reinsurance recoveries receivable</i> amount recognised as a separate asset on the balance sheet under AASB 1023 which is added to reinsurance contract assets or netted against reinsurance contract liabilities under AASB 17.</p>
<i>Rental yield used in determination of property stress</i> <i>(Yields used in stress scenarios type)</i>	<p>This is the average rental yield for the property assets, based on current leases, and net of expenses.</p> <p>If rental yields and falls in value have been determined separately for each property asset, an estimate of the average rental yield should be entered for this item. This item is only required if the risk charge component for the <i>property stress</i> is greater than zero due to property assets.</p>
<i>Risk charge components</i>	<p>This item is calculated for each <i>stress scenario type</i> as the greater of zero and the <i>impact on the fund's capital base</i> amount. If the <i>impact on the fund's capital base</i> is less than zero then the <i>risk charge component</i> is zero; if the <i>impact on the fund's capital base</i> is greater than zero then the <i>risk charge component</i> is equal to the <i>impact on the fund's capital base</i>.</p>

S

<i>Stress scenario amount</i>	<p>This the contribution of the relevant items towards the change in capital base under the <i>stress scenario types</i>.</p> <p>Specifications of the stresses are determined in accordance with HPS 114.</p>
<i>Stress scenario type</i>	<p>This consists of the stress scenarios that must be applied to individual items under HPS 114. The scenarios are:</p> <ul style="list-style-type: none"> • <i>Real interest rates upwards stress</i>; • <i>Real interest rates downwards stress</i>; • <i>Expected inflation upwards stress</i>; • <i>Expected inflation downwards stress</i>;

	<ul style="list-style-type: none">• <i>Currency upwards stress;</i>• <i>Currency downwards stress;</i>• <i>Equity stress;</i>• <i>Property stress;</i>• <i>Credit spreads stress;</i> and• <i>Default stress.</i>
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Specific instructions

Table 1: Adjusted Pre-Stress Amount

Reporting basis

Report all relevant items within the balance sheet of the fund as listed under items subject to *Asset Risk Charge* type.

Report values before the application of any designated asset stresses, and net of the effect of any look-through adjustments.

Units of measurement

Report values in whole Australian dollars (no decimal places).

	Name	Valid values	Description
1	Private Health Insurer Fund Type	<ul style="list-style-type: none"> • 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.
3	Items Subject To Asset Risk Charge Type	<p>Accounting assets subject to stress:</p> <ul style="list-style-type: none"> • <i>Cash and cash equivalents</i> • <i>Current tax assets</i> • <i>Interest rate investments (direct)</i> • <i>Equities (direct)</i> • <i>Property (direct)</i> • <i>Loans (direct)</i> • <i>Indirect investments</i> • <i>Deferred tax assets</i> • <i>Derivatives (assets)</i> 	<p>Report the items subject to <i>asset risk charge</i> type.</p> <p>Items categorised under accounting assets subject to stress must exclude the following items from the AASB 17 balance sheet:</p> <ul style="list-style-type: none"> • Insurance contract assets; and • Reinsurance contract assets.

	Name	Valid values	Description
		<ul style="list-style-type: none"> • <i>Investments in related entities (associates, joint ventures, subsidiaries)</i> • <i>Other assets subject to Asset Risk Charge</i> <p>Accounting liabilities subject to stress:</p> <ul style="list-style-type: none"> • <i>Deferred tax liabilities</i> • <i>Derivatives (liabilities)</i> • <i>Other liabilities subject to Asset Risk Charge</i> <p>HPS 340 Reinsurance assets subject to default stress:</p> <ul style="list-style-type: none"> • <i>Reinsurance recoverables on outstanding and paid claims</i> • <i>Expected reinsurance recoverables</i> • <i>Other reinsurance assets</i> <p>HPS 340 Insurance liabilities subject to stress:</p> <ul style="list-style-type: none"> • <i>HPS 340 outstanding claims liabilities</i> • <i>HPS 340 premium liabilities</i> • <i>HPS 340 risk equalisation liability</i> • <i>HPS 340 other insurance liabilities</i> <p>Capital regulatory adjustments subject to stress:</p> <ul style="list-style-type: none"> • <i>Premiums receivable</i> • <i>Reinsurance recoveries receivable</i> • <i>Non-reinsurance recoveries receivable</i> • <i>Other accounts receivable</i> • <i>Regulatory adjustments to CET1 capital for accounts payables excluding reversal of tax impact of accounts payables</i> <p>Off balance sheet exposures subject to stress:</p>	<p>Items categorised under accounting liabilities subject to stress must exclude the following items from the AASB 17 balance sheet:</p> <ul style="list-style-type: none"> • Insurance contract liabilities; and • Reinsurance contract liabilities.

	Name	Valid values	Description
		<ul style="list-style-type: none"> <i>Off-balance sheet exposures</i> 	
4	Adjusted Pre-Stress Amount	Whole dollars	Report the <i>adjusted pre-stress amounts</i> on a look-through fair value basis. Report items as positive values.

Table 2: Impact on the fund's Capital Base**Reporting basis**

Report the impacts on the fund's capital base of the application of the *stress scenario types*. Reported values in Column 5 should represent the contribution of the relevant items in Column 3 to the change in capital base under a given *stress scenario type* in Column 4. Report decreases to assets and increases to liabilities as negative values in Column 5. Report increases to assets and decreases to liabilities as positive values in Column 5.

Units of measurement

Report values in whole Australian dollars (no decimal places).

	Name	Valid values	Description
1	Private Health Insurer Fund Type	<ul style="list-style-type: none"> • 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.
3	Items Subject To Asset Risk Charge Type	<p>Accounting assets subject to stress:</p> <ul style="list-style-type: none"> • <i>Cash and cash equivalents</i> • <i>Current tax assets</i> • <i>Interest rate investments (direct)</i> • <i>Equities (direct)</i> • <i>Property (direct)</i> • <i>Loans (direct)</i> • <i>Indirect investments</i> • <i>Deferred tax assets</i> • <i>Derivatives (assets)</i> 	<p>Report the items subject to <i>Asset Risk Charge</i> type.</p> <p>Items categorised under accounting assets subject to stress must exclude the following items from the AASB 17 balance sheet:</p> <ul style="list-style-type: none"> • Insurance contract assets; and • Reinsurance contract assets.

	Name	Valid values	Description
		<ul style="list-style-type: none"> • <i>Investments in related entities (associates, joint ventures, subsidiaries)</i> • <i>Other assets subject to Asset Risk Charge</i> <p>Accounting liabilities subject to stress:</p> <ul style="list-style-type: none"> • <i>Deferred tax liabilities</i> • <i>Derivatives (liabilities)</i> • <i>Other liabilities subject to Asset Risk Charge</i> <p>HPS 340 Reinsurance assets subject to default stress:</p> <ul style="list-style-type: none"> • <i>Reinsurance recoverables on outstanding and paid claims</i> • <i>Expected reinsurance recoverables</i> • <i>Other reinsurance assets</i> <p>HPS 340 Insurance liabilities subject to stress:</p> <ul style="list-style-type: none"> • <i>HPS 340 outstanding claims liabilities</i> • <i>HPS 340 premium liabilities</i> • <i>HPS 340 risk equalisation liability</i> • <i>HPS 340 other insurance liabilities</i> <p>Capital regulatory adjustments subject to stress:</p> <ul style="list-style-type: none"> • <i>Premiums receivable</i> • <i>Reinsurance recoveries receivable</i> • <i>Non-reinsurance recoveries receivable</i> • <i>Other accounts receivable</i> • <i>Regulatory adjustments to CET1 capital for accounts payables excluding reversal of tax impact of accounts payables</i> <p>Off balance sheet exposures subject to stress:</p> <ul style="list-style-type: none"> • <i>Off-balance sheet exposures</i> 	<p>Items categorised under accounting liabilities subject to stress must exclude the following items from the AASB 17 balance sheet:</p> <ul style="list-style-type: none"> • Insurance contract liabilities; and • Reinsurance contract liabilities.

	Name	Valid values	Description
4	Stress Scenario Type	<ul style="list-style-type: none"> • <i>Real interest rates upwards stress</i> • <i>Real interest rates downwards stress</i> • <i>Expected inflation upwards stress</i> • <i>Expected inflation downwards stress</i> • <i>Currency upwards stress</i> • <i>Currency downwards stress</i> • <i>Equity stress</i> • <i>Property stress</i> • <i>Credit spreads stress</i> • <i>Default stress</i> 	Report the <i>stress scenario type</i> .
5	Stress Scenario Amount	Whole dollars	<p>Report the <i>stress scenario amount</i>.</p> <p>Report decreases to assets and increases to liabilities as negative values. Report increases to assets and decreases to liabilities as positive values.</p>

Table 3: Counterparty Grade**Reporting basis**

Report the fair value and stressed value of assets that are subject to *credit spreads stress*, subdivided by counterparty grade type and *assets subject to credit spreads stress type*.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Private Health Insurer Fund Type	<ul style="list-style-type: none"> • General fund • Health benefits fund 	Report the private health insurer fund type.
2	Private Health Insurer Fund Name	<ul style="list-style-type: none"> • Free text 	Report the name of the private health insurer fund.
3	Assets Subject To Credit Spreads Stress Type	<ul style="list-style-type: none"> • Bonds & other non-securitised assets • Structured / securitised assets • Re-securitised assets 	Report the <i>assets subject to credit spreads stress type</i> .
4	Counterparty Grade Type	<ul style="list-style-type: none"> • Grade 1 (Government) • Grade 1 (Other) • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 • Grade 7 	<p>Report the counterparty grade type.</p> <p>This is the classification applied to an investment or exposure as per the requirements of HPS 001. Assets guaranteed by an Australian state or territory government must be reported in the counterparty grade that applies after rating up one grade in accordance with HPS 114.</p>

	Name	Valid values	Description
5	Credit Spread Fair Value Amount	Whole dollars	Report the <i>credit spread fair value amount</i> .
6	Credit Spread Stressed Amount	Whole dollars	Report the <i>credit spread stressed amount</i> .

Table 4: Yields**Reporting basis**

Report each of the *yields used in stress scenarios* as at the reporting date.

Units of measurement

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	Private Health Insurer Fund Type	<ul style="list-style-type: none"> • General fund • Health benefits 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.
3	Dividend Yield Used In Determination Of Equity Stress Percent	Percentage	<i>Dividend yield used in determination of equity stress</i> is only required if the <i>risk charge component</i> for the <i>equity stress</i> is greater than zero.
4	Rental Yield Used In Determination Of Property Stress Percent	Percentage	<i>Rental yield used in determination of property stress</i> is only required if the <i>risk charge component</i> for the <i>property stress</i> is greater than zero due to property assets. If rental yields and falls in value have been determined separately for each property asset, enter an estimate of the average rental yield for this item.

	Name	Valid values	Description
5	Earnings Yield Used In Determination Of Property Stress Percent	Percentage	<i>Earnings yield used in determination of property stress</i> is only required if the <i>risk charge component</i> for the <i>property stress</i> is greater than zero due to infrastructure assets.