



Reporting Standard LRS 117.0

Asset Concentration Risk Charge

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA in relation to calculating a life insurance company's Asset Concentration Risk Charge.

It includes associated specific instructions and must be read in conjunction with *Reporting Standard LRS 001 Reporting Requirements* (LRS 001), including the general instruction guide, and *Prudential Standard LPS 117 Capital Adequacy: Asset Concentration Risk Charge* (LPS 117).

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 adequacy standards.

Application and commencement

3. This Reporting Standard applies to all life insurance companies including friendly societies (together referred to as 'life companies') registered under the *Life Insurance Act 1995* (Life Act). This Reporting Standard applies for reporting periods commencing on or after 1 July 2023.

Information required

4. A life company must provide APRA with the information required by this Reporting Standard for each reporting period.

5. The information reported to APRA under this Reporting Standard is not required to be given to policy owners pursuant to section 124 of the Life Act. It does not constitute a reporting document for the purposes of section 124.

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 life company must provide the information required by this Reporting Standard:
 - (a) in respect of each quarter based on the financial year of the life company on an unaudited basis; and
 - (b) in respect of each financial year of the life company on an audited basis.

Note 1: This means that information provided under this Reporting Standard will be submitted five times for a full financial year.

Note 2: The annual audited information provided under this Reporting Standard must be submitted in conjunction with the annual auditor's report, as required under *Prudential Standard LPS 310 Audit and Related Matters*.

8. If, having regard to the particular circumstances of a life company, 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 life company.
9. The information required by this Reporting Standard in respect of a life company must be provided to APRA:
 - (a) in the case of quarterly information, within 20 business days after the end of the reporting period to which the information relates;
 - (b) in the case of annual information, within three months after the end of the reporting period to which the information relates; 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 life company 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 life company is nonetheless required to submit the information required no later than the due date.

Quality control

11. The information provided by a life company under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Auditor of the life company. This will require the Auditor to review and test the life company's systems, processes and controls supporting the reporting of the information to enable the life company to provide reliable financial information to APRA. This review and testing must be done on:
 - (a) an annual basis or more frequently if necessary to enable the Auditor to form an opinion on the reliability and accuracy of data; and
 - (b) at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of *Prudential Standard LPS 310 Audit and Related Matters*.
12. All information provided by a life company under this Reporting Standard must be subject to systems, processes and controls developed by the life company for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the life company to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.
13. Actuarial valuations and calculations included in or used in the preparation of the information provided to APRA must be in accordance with the prudential standards in force for the reporting period. However, life companies may use reasonable estimates when preparing information that will not be audited (i.e. for the first four submissions of information for a full financial year).

Authorisation

14. When an officer or agent of a life company provides the information required by this Reporting Standard using an electronic format, the officer or agent must digitally sign the relevant information using a digital certificate acceptable to APRA.
15. An officer or agent of a life company who submits information under this Reporting Standard must be authorised by either:
 - (a) the Principal Executive Officer of the life company; or
 - (b) the Chief Financial Officer of the life company.

Variations

16. APRA may, by written notice to the life company, vary the reporting requirements of this Reporting Standard in relation to that life company.

Transition

17. A life company must report under the old reporting standard in respect of a transitional reporting period. For these purposes:

old reporting standard means the reporting standard revoked in the determination making this Reporting Standard; and

transitional reporting period means a reporting period under the old reporting standard:

- (a) which commenced before 1 July 2023; and
- (b) in relation to which the life company was required, under the old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

Note: For the avoidance of doubt, if a life company was required to report under an old reporting standard, and the reporting documents were due before the date of revocation of the old reporting standard, the life company is still required to provide any overdue reporting documents in accordance with the old reporting standard.

Interpretation

18. In this Reporting Standard:

- (a) unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard LPS 001 Definitions* (LPS 001); and
- (b) the following definitions are applicable:

Auditor means an auditor appointed under paragraph 83 of the Life Act.

capital adequacy standards means the prudential standards which relate to capital adequacy as defined in LPS 001.

Chief Financial Officer means the chief financial officer of the life company, by whatever name called.

financial year has the meaning in the *Corporations Act 2001*.

general instruction guide refers to the general instruction guide set out in Attachment A of LRS 001.

Life Act means the *Life Insurance Act 1995*.

Principal Executive Officer means the principal executive officer of the life company, by whatever name called, and whether or not he or she is a member of the governing board of the entity.

reporting period means a reporting period under subparagraph 7(a) or 7(b) 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 LRS 117.0

Asset Concentration Risk Charge

General instructions

Reporting tables

Tables in these instructions 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 the 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

<p><i>Asset Concentration Risk Charge (ACRC)</i></p>	<p>The <i>Asset Concentration Risk Charge</i> is the minimum amount of capital required to be held against asset concentration risks. The <i>Asset Concentration Risk Charge</i> relates to the risk resulting from investment concentrations in individual assets or large exposures to individual counterparties or groups of related counterparties resulting in adverse movements in the fund's capital base.</p> <p>This must be determined in accordance with LPS 117.</p>
<p><i>ACRC for aggregate offshore reinsurance asset exposure</i></p>	<p>This is the excess (if any) of the net exposure amount for offshore reinsurance asset exposures over and above the aggregate limit specified in paragraph 3 of Attachment A to LPS 117.</p>
<p><i>ACRC for individual asset exposure</i></p>	<p>This is the excess (if any) of the net exposure amount for an individual asset or credit exposure over and above the respective asset concentration limit specified in paragraph 1 of Attachment A of LPS 117.</p>
<p><i>ACRC aggregate limit for offshore reinsurance asset exposure</i></p>	<p>This is the aggregate limit for offshore reinsurance asset exposures specified in paragraph 3 of Attachment A to LPS 117.</p> <p>The aggregate limit applies across all reinsurance arrangements which are not with a registered life company or appropriate retrocessionaire. Life companies must apportion the aggregate limit across all such arrangements in proportion to the exposure amounts being assessed against the aggregate limit.</p>

<p><i>ACRC limit for individual asset exposure after cumulative exposure adjustment</i></p>	<p>This is the individual asset or credit exposure asset concentration limit specified in paragraph 1 of Attachment A to LPS 117, reduced for cumulative exposures to the same counterparty or related counterparties in respect of all asset classes with lower limits.</p>
<p><i>ACRC limit for individual asset exposure before cumulative exposure adjustment</i></p>	<p>This is the individual asset or credit exposure asset concentration limit specified in paragraph 1 of Attachment A to LPS 117, before adjusting for cumulative exposures to the same counterparty or related counterparties in respect of all asset classes with lower limits.</p>
<p><i>Actual offshore reinsurance premium for group risk business</i></p> <p><i>Actual offshore reinsurance premium for individual risk business</i></p> <p><i>Actual offshore reinsurance premium for other business</i></p>	<p>This is reinsurance premium expense accrued over the reporting period in respect of group risk business / individual risk business / other business under reinsurance arrangements that are not with a registered life company or appropriate retrocessionaire.</p> <p>For <i>actual offshore reinsurance premium for group risk business</i>, where an offshore reinsurance arrangement relates to group risk business and another type of business, it is the proportion of the accrued reinsurance premium expense that relates to group risk business.</p> <p>For <i>actual offshore reinsurance premium for individual risk business</i>, where an offshore reinsurance arrangement relates to individual risk business and another type of business, it is the proportion of the accrued reinsurance premium expense that relates to individual risk business.</p> <p>For <i>actual offshore reinsurance premium for other business</i>, where an offshore reinsurance arrangement relates to individual or group risk business and another type of business, it is the proportion of the accrued reinsurance premium expense that does not relate to individual or group risk business.</p> <p>Outwards reinsurance premium expense of a registered life company represents inwards reinsurance premium income for the offshore reinsurer.</p> <p>The definition for the offshore reinsurer's accrued inwards reinsurance premium income should be consistent with the definition of premium in <i>Reporting Standard LRS 750.0 Claims and Disputes</i> (LRS 750.0). Premium is defined as gross of commissions, before profit share rebates, and inclusive of stamp duty, policy fees, loadings and discounts.</p> <p>Accrued reinsurance premium expense is defined as:</p> <p>Reinsurance premiums paid - A + B, where:</p>

	<p>A = Reinsurance premiums paid in advance at the end of the specified period – Reinsurance premiums paid in advance at the start of the specified period; and</p> <p>B = Unpaid reinsurance premiums at the end of the specified period – Unpaid reinsurance premiums at the start of the specified period.</p> <p>Life companies may use approximate methods and may take into account materiality (i.e. whether it would result in a materially different outcome from applying the outlined definition) to report this item if accrued premium which meets the outlined definition is not readily available.</p>
<i>Adjusted reinsurance asset</i>	This is the amount by which the adjusted policy liabilities of the fund (as determined under <i>Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital</i> (LPS 112)) would increase, if the adjusted policy liabilities were determined gross of that particular reinsurance exposure.
<i>Adjustment for exposure to eligible collateral items</i>	<p>This is the amount of eligible collateral held against the underlying asset such that the underlying asset is subject to the limits in Attachment A with respect to the collateral, rather than the underlying counterparty. This applies where a fund possesses eligible collateral against an asset and is treating the underlying asset as an exposure to the eligible collateral items.</p> <p>Where the eligible collateral items are held in respect of a reinsurance arrangement that is not with a registered life company, the adjustment amount is subject to the LPS 117 paragraph 43 and 44 limitation on recognition of risk mitigants.</p>
<i>Adjustment for exposure to guarantor</i>	<p>This is the amount subject to a guarantee or letter of credit in respect of the underlying asset such that the underlying asset is subject to the limits in Attachment A as an exposure to the guarantor, rather than an exposure to the underlying counterparty. This applies where a fund possesses a guarantee or letter of credit and is treating the underlying asset as an exposure to the guarantor or the issuer of the letter of credit.</p> <p>Where the guarantee or letter of credit is held in respect of a reinsurance arrangement that is not with a registered life company, the adjustment amount is subject to the LPS 117 paragraph 43 and 44 limitation on recognition of risk mitigants.</p>
<i>Adjustment for other arrangement</i>	This is the amount of any other arrangement (i.e. other than eligible collateral items, guarantees or letter of credit) which is held against the underlying asset that substitutes for the underlying asset when applying the limits in Attachment A. This item is intended to capture any other types of risk mitigant that APRA may recognise in place of an asset.

<p><i>Amount by which reinsurance counterparty exposure has been reduced through explicit netting arrangements</i></p>	<p>LPS 117 specifies that assets and liabilities arising from arrangements with a reinsurer may be netted to the extent they are subject to a legally enforceable right of offset in circumstances including the default, liquidation, bankruptcy or winding-up of the life company, the reinsurer or both.</p> <p>Contractual terms in a reinsurance treaty that alter the underlying reinsurance premium and claim recovery cash flows or involve other payments may reduce an insurer’s exposure to a reinsurance counterparty.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • premium deferral: where the insurer is allowed to defer reinsurance premiums, either in the normal course of business or as a means of avoiding an ACRC; • funds withheld: where a portion of reinsurance premiums is withheld, typically equal to the reinsurer’s expected share of expected incurred claims. • deposit back: where the reinsurer invests the assets backing the reinsured policy liabilities with the cedant. • modified coinsurance: where reinsurance recoveries are based on changes to policy liabilities or incurred claims reserves instead of paid claims. <p>Where an insurer uses these types of netting arrangements to reduce its exposure to a reinsurance counterparty, it must report the amount by which the exposure has been reduced as a result of netting.</p>
<p><i>Asset identifier</i></p>	<p>This is an individual whole number assigned to each line item such that each line item has a unique identifier.</p> <p><i>Asset identifiers</i> must be assigned to both underlying assets and individual eligible collateral items, guarantee and letter of credit exposures that are recognised in place of the underlying assets.</p>
<p><i>Asset identifier to which risk mitigant asset relates</i></p>	<p>This is a cross-reference identifier which links an individual risk mitigant asset to the underlying asset against which it is held. For example, if an eligible collateral item is held in place of an underlying asset with the <i>asset identifier</i> of 3, the life company must put 3 as a value under this data item in respect of the eligible collateral item. If a fund is treating a reinsurance asset (with <i>asset identifier</i> 5) that has been guaranteed by a bank as an exposure to the guarantor (reported with <i>asset identifier</i> 6) the life company must report 5 for this data item in the exposure to guarantor asset line item.</p>
<p><i>Assets backing non-participating benefits with</i></p>	<p>This is the amount of assets allocated to support non-participating benefits with entitlement to discretionary additions (gross policy liabilities only).</p>

<i>entitlement to discretionary additions</i>	These assets are excluded for the calculation of <i>VAF for reinsurance assets</i> together with <i>assets backing participating traditional business and participating unbundled investment business</i> .
<i>Assets backing participating traditional business and participating unbundled investment business</i>	<p>This is the amount of assets allocated to support:</p> <ul style="list-style-type: none"> • participating traditional business; and • participating unbundled investment business. <p>It represents the amount of gross policy liabilities, policy owners' retained profits and shareholders' retained profits in respect of these types of business.</p> <p>These assets are excluded for the calculation of <i>VAF for reinsurance assets</i> together with <i>assets backing non-participating benefits with entitlement to discretionary additions</i>.</p>

C

<i>Counterparty grade 1, 2 or 3 before downgrade</i>	<p>This is an indicator that identifies whether the reinsurance counterparty had a counterparty grade 1, 2 or 3 at the time that the reinsurance arrangement was entered into. This relates to reinsurance arrangements with a registered life company, an APRA approved affiliated entity or an appropriate retrocessionaire where LPS 117 specifies a phased reduction in the asset concentration limit in the event of the reinsurance counterparty being downgraded below grade 3.</p> <p>Possible values are:</p> <ul style="list-style-type: none"> • yes; • no; and • not applicable.
<i>Counterparty group name</i>	<p>For each counterparty entity to which the life company has exposure, this is the registered business name of the corporate group to which the counterparty entity belongs.</p> <p>Where the counterparty entity does not belong to a group, it is the <i>counterparty name</i>.</p>
<i>Counterparty name</i>	This is the registered business name of the counterparty entity to which the life company has exposure.
<i>Current counterparty grade</i>	This is the counterparty grade of the asset or counterparty to which the life company has exposure. The counterparty grade must be determined in accordance with LPS 001 as at the reporting date.

E

<p><i>Exposure amount assessed against individual ACRC limit</i></p>	<p>This is the amount of <i>on-balance sheet</i> or <i>off-balance sheet</i> exposure which is assessed against <i>ACRC limit for individual asset exposure after cumulative exposure.</i></p> <p>For exposures to reinsurance assets it is the stressed value of the reinsurance asset, net of any regulatory adjustments to capital base related to the exposure, less the sum of:</p> <ul style="list-style-type: none"> • <i>adjustment for exposure to eligible collateral items;</i> • <i>adjustment for exposure to guarantor;</i> and • <i>adjustment for other arrangement.</i> <p>For non-reinsurance assets it is the fair value of the non-reinsurance asset, net of any regulatory adjustments to capital base related to the exposure, less the sum of:</p> <ul style="list-style-type: none"> • <i>adjustment for exposure to eligible collateral items;</i> • <i>adjustment for exposure to guarantor;</i> and • <i>adjustment for other arrangement.</i> <p>For eligible collateral, exposures to a guarantor or other types of risk mitigant that APRA recognises in place of an underlying asset, it is the amount recognised by APRA.</p>
<p><i>Exposure amount assessed against aggregate ACRC limit</i></p>	<p>This is the amount of exposure which is assessed against <i>ACRC aggregate limit for offshore reinsurance asset exposure.</i></p> <p>For reinsurance arrangements that are not with a registered life company or appropriate retrocessionaire, it is the <i>exposure amount assessed against individual ACRC limit</i> subject to a maximum of <i>ACRC limit for individual asset exposure after cumulative exposure adjustment.</i></p>
<p><i>Exposure category</i></p>	<p>This is the category of exposure. Possible exposure categories are:</p> <ul style="list-style-type: none"> • underlying asset; • eligible collateral item (this would apply if the asset is an eligible collateral item that is being recognised in place of the underlying non-reinsurance or reinsurance asset); • exposure to guarantor (this would apply if the item is an exposure to a guarantor or issuer of a letter of credit that is being recognised in place of the underlying non-reinsurance or reinsurance asset); and • other (this would apply for another type of risk mitigant asset or exposure that APRA recognises in place of the underlying non-reinsurance or reinsurance asset).
<p><i>Exposure description</i></p>	<p>This is brief description of the exposure in question which provides additional information to help APRA to better understand the exposure. For example, this would allow APRA to understand multiple exposures</p>

	which may be classified under the same <i>exposure type</i> with the same counterparty.
<i>Exposure type</i>	This is the type of exposure. Possible <i>exposure types</i> are outlined in Appendix A.

F

<i>Fair value of non-reinsurance asset</i>	For non-reinsurance assets, this is fair value of the asset, before offsets for deferred tax provisions or other liabilities related to the asset that would be realised if the asset was sold. It is the value before being reduced by any amounts that have been treated as deductions from the capital base, as determined under LPS 112.
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L

<i>Life company fund</i>	This means the type of <i>life company fund</i> . Possible types are: <ul style="list-style-type: none"> • statutory fund; • benefit fund; • shareholder fund; and • management fund.
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N

<i>Notional offshore reinsurance premium for group risk business</i>	<p>This is notional reinsurance premium expense over the reporting period in respect of group risk business under reinsurance arrangements that are not with a registered life company or appropriate retrocessionaire.</p> <p>Notional reinsurance premiums are measured on the premium basis of the underlying group risk policies that have been reinsured offshore. This is the reinsurance premium that would be paid if the reinsurer charges the cedant on the same basis as the premium basis that the cedant applied to charge to its policyholders.</p> <p>Life companies may use approximate methods and may take into account materiality (i.e. whether it would result in a materially different outcome from applying the outlined definition) to report this item.</p>
<i>Notional offshore reinsurance premium for individual risk business</i>	<p>This is notional reinsurance premium expense over the reporting period in respect of individual risk business under reinsurance arrangements that are not with a registered life company or appropriate retrocessionaire.</p> <p>Notional reinsurance premiums are measured on the premium basis of the underlying individual risk policies that have been reinsured offshore. This is the reinsurance premium that would be paid if the reinsurer charges the cedant on the same basis as the premium basis that the cedant applied to charge to its policyholders.</p>

	Life companies may use approximate methods and may take into account materiality (i.e. whether it would result in a materially different outcome from applying the outlined definition) to report this item.
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O

<i>Offshore reinsurance premium ratio for group risk business</i>	This is the ratio of <i>notional offshore reinsurance premium for group risk business</i> relating to a particular reinsurance arrangement to total gross premium expense for group risk business for the statutory fund. This reflects the proportion of group risk business risks that is being ceded offshore.
<i>Offshore reinsurance premium ratio for individual risk business</i>	This is the ratio of <i>notional offshore reinsurance premium for individual risk business</i> relating to a particular reinsurance arrangement to total gross premium expense for individual risk business for the total statutory fund. This reflects the proportion of individual risk business risks that is being ceded offshore.
<i>On-balance sheet / off-balance sheet</i>	This is to identify whether an exposure is on balance sheet or off balance sheet. Possible values are: <ul style="list-style-type: none"> • on-balance sheet; and • off-balance sheet.

P

<i>Period after downgrade below grade 3</i>	Where the reinsurer had a counterparty grade of 1, 2 or 3 at the time the the reinsurance arrangement was entered into but a <i>current counterparty grade</i> below grade 3, this is the length of period post downgrade below grade 3. This relates to reinsurance arrangements with a registered life company, an APRA approved affiliated entity or an appropriate retrocessionaire where LPS 117 specifies a phased reduction in the asset concentration limit in the event of the reinsurance counterparty being downgraded below grade 3. The categories of period can be: <ul style="list-style-type: none"> • 0 to 3 months; • more than 3 months to 12 months; • more than 12 months to 24 months; and • more than 24 months.
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R

<i>Reinsurance arrangement description</i>	This is brief description of the reinsurance arrangement which provides additional information to help APRA to better understand the risks covered under the offshore reinsurance arrangement.
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S

<p><i>Stressed value of reinsurance asset under combination-stress method</i></p>	<p>LPS 117 specifies that if a reinsurance asset would increase in value when one or more of the equity, property, credit spreads, currency or default stresses specified in <i>Prudential Standard LPS 114 Capital Adequacy Asset Risk Charge</i> (LPS 114) are applied to the fund's other assets, the stressed value of the reinsurance asset must be determined as the greater of an amount determined in accordance with the insurance-stress method and an amount determined in accordance with the combination-stress method.</p> <p>The stressed value of a reinsurance asset under the combination-stress method is calculated in accordance with paragraph 19 of LPS 117.</p> <p>This value should be reported at this item for any reinsurance assets that increase in value when the equity, property, credit spreads, currency or default stresses are applied.</p>
<p><i>Stressed value of reinsurance asset under insurance-stress method</i></p>	<p>For reinsurance exposures, this is the amount by which the stressed policy liabilities of the fund (as determined under <i>Prudential Standard LPS 115 Capital Adequacy: Insurance Risk Charge</i>) would increase, if the stressed policy liabilities were determined gross of that particular reinsurance exposure.</p>

V

<p><i>Value of assets of the fund (VAF) for non-reinsurance assets</i></p>	<p>This is the value of the assets of the fund determined for the purpose of calculating asset concentration limits for non-reinsurance asset exposures in the fund.</p>
<p><i>VAF for reinsurance assets</i></p>	<p>This is the value of the assets of the fund determined for the purpose of calculating asset concentration limits for reinsurance asset exposures in the fund.</p>

Specific instructions

Table 1: Value Of Assets Of The Fund (VAF)

Reporting basis

This table applies to life companies including friendly societies. This table applies to non-investment linked statutory, shareholder, non-investment linked benefit and management funds.

Report all information as at the reporting date.

Reporting threshold

This table must be completed (i.e. VAF for non-reinsurance and reinsurance assets must be calculated) on quarterly and annual bases regardless of the underlying asset concentration profiles.

Units of measurement

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> • Statutory fund • Shareholder fund • Benefit fund • Management fund 	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .

	Name	Valid values	Description
3	VAF For Non-Reinsurance Assets	Whole dollars	Report <i>VAF for non-reinsurance assets</i> amount.
4	VAF For Reinsurance Assets	Whole dollars	Report <i>VAF for reinsurance assets</i> amount.
5	Assets Backing Participating Traditional Business And Participating Unbundled Investment Business	Whole dollars	Report <i>assets backing participating traditional business and participating unbundled investment business</i> amount
6	Assets Backing Non-participating Benefits With Entitlement To Discretionary Additions	Whole dollars	Report <i>assets backing non-participating benefits with entitlement to discretionary additions</i> amount.

Table 2: All Reinsurance Exposures And Related Risk Mitigants**Reporting basis**

This table applies to life companies including friendly societies. This table applies to non-investment linked statutory, shareholder, non-investment linked benefit and management funds.

This table applies to reinsurance exposures and related risk mitigant assets (e.g. eligible collateral items and exposures to guarantors that are recognised in place of an underlying reinsurance exposure). Life companies must report the underlying reinsurance exposure and each risk mitigant asset item on a separate line. For example, eligible collateral items of cash (a deposit at a particular bank) and Commonwealth government securities that are held against a reinsurance asset in a collateral trust would be reported on two lines. The underlying reinsurance asset would be reported on a third line.

As per paragraph 23 of LPS 117, where the fund has a significant cumulative exposure through different classes of assets (across both reinsurance and non-reinsurance assets) to a single counterparty or related counterparties, the limit for that counterparty in respect of any particular asset class must be reduced by the lesser of the actual exposure or the exposure limit to that same counterparty in respect of all asset classes with lower limits in Attachment A of LPS 117.

Report all information as at the reporting date.

Reporting threshold

This table is to be completed both on a quarterly and an annual basis for each exposure to a reinsurance counterparty or group of reinsurance counterparties regardless of size.

This table is to be completed both on a quarterly and an annual basis for each eligible collateral item that is being recognised in place of an underlying reinsurance asset where the fair value of the eligible collateral item, after adjusting for derivatives, is greater than one per cent of the fund's *VAF for non-reinsurance assets*.

This table is to be completed both on a quarterly and an annual basis for each exposure to a guarantor or issuer of a letter of credit that is being recognised in place of an underlying reinsurance asset regardless of the size of the guarantee exposure.

Units of measurement

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> • Statutory fund • Shareholder fund • Benefit fund • Management fund 	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .
3	Exposure Description	Free text	Report <i>exposure description</i> .
4	On-balance Sheet / Off-balance Sheet	<ul style="list-style-type: none"> • On balance sheet • Off balance sheet 	Report <i>on-balance sheet / off-balance sheet</i> indicator.
5	Exposure Category	<ul style="list-style-type: none"> • Underlying asset • Eligible collateral item • Exposure to guarantor • Other 	Report <i>exposure category</i> .
6	Current Counterparty Grade	<ul style="list-style-type: none"> • Grade 1 • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 • Grade 7 • Unrated 	Report <i>current counterparty grade</i> .

	Name	Valid values	Description
		<ul style="list-style-type: none"> Not applicable 	
7	Counterparty Grade 1, 2 Or 3 Before Downgrade	<ul style="list-style-type: none"> Yes No Not applicable 	Report <i>counterparty grade 1, 2 or 3 before downgrade</i> indicator.
8	Period After Downgrade Below Grade 3	<ul style="list-style-type: none"> 0 to 3 months More than 3 months to 12 months More than 12 months to 24 months More than 24 months Not applicable 	Report <i>period after downgrade below grade 3</i> This is only applicable where the counterparty grade is below 3 but was grade 1, 2 or 3 at time of agreement.
9	Exposure Type	Refer to Appendix A	Report <i>exposure type</i> .
10	Counterparty Name	Free text	Report <i>counterparty name</i> .
11	Counterparty Group Name	Free text	Report <i>counterparty group name</i> . Where the counterparty does not belong to a group, enter <i>counterparty name</i> .
12	Counterparty ACN, ABN Or ARBN	9-digit valid ACN, 11-digit valid ABN or 9-digit valid ARBN	Report the counterparty ACN, ABN or ARBN. Report the ACN of the reported counterparty. In cases where a counterparty does not have an ACN but it does have an ABN or an ARBN, report the ABN or ARBN. Input the number without spaces. If a counterparty does not have an ACN, ABN, or ARBN leave this item blank.

	Name	Valid values	Description
13	Adjusted Reinsurance Asset	Whole dollars	<p>Report <i>adjusted reinsurance asset</i> amount.</p> <p>This item only applies when <i>exposure category</i> is:</p> <ul style="list-style-type: none"> • Underlying asset. <p>Report this item after allowing for any netting arrangements that are in place.</p>
14	Stressed Value Of Reinsurance Asset Under Insurance-stress Method	Whole dollars	<p>Report <i>stressed value of reinsurance asset under insurance-stress method</i> amount.</p> <p>This item only applies when <i>exposure category</i> is:</p> <ul style="list-style-type: none"> • Underlying asset. <p>Report this item after allowing for any netting arrangements that are in place.</p>
15	Stressed Value Of Reinsurance Asset Under Combination-stress Method	Whole dollars	<p>Report <i>stressed value of reinsurance asset under combination-stress method</i> amount.</p> <p>If the reinsurance asset does not increase in value when the equity, property, credit spreads, currency or default stresses are applied, leave this item blank.</p> <p>This item only applies when <i>exposure category</i> is:</p> <ul style="list-style-type: none"> • Underlying asset.

	Name	Valid values	Description
			Report this item after allowing for any netting arrangements that are in place.
16	Amount By Which Reinsurance Counterparty Exposure Has Been Reduced Through Explicit Netting Arrangements	Whole dollars	Report <i>amount by which reinsurance counterparty exposure has been reduced through explicit netting arrangements</i> . This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> Underlying asset.
17	Adjustment For Exposure To Eligible Collateral Items	Whole dollars	Report <i>adjustment for exposure to eligible collateral items</i> amount. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> Underlying asset. Report the reduction in exposure to the reinsurer as a positive number.
18	Adjustment For Exposure To Guarantor	Whole dollars	Report <i>adjustment for exposure to guarantor</i> amount. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> Underlying asset. Report the reduction in exposure to the reinsurer as a positive number.

	Name	Valid values	Description
19	Adjustment For Other Arrangement	Whole dollars	<p>Report <i>adjustment for other arrangement</i>.</p> <p>This item only applies when <i>exposure category</i> is:</p> <ul style="list-style-type: none"> • Underlying asset <p>Report the reduction in exposure to the reinsurer as a positive number.</p>
20	Exposure Amount Assessed Against Individual ACRC Limit	Whole dollars	<p>Report <i>exposure amount assessed against individual ACRC limit</i> amount.</p> <p>When <i>exposure category</i> is underlying asset, report the stressed value of the reinsurance asset, net of any regulatory adjustments to capital base related to the exposure, less the sum of:</p> <ul style="list-style-type: none"> • <i>adjustment for exposure to eligible collateral items</i>; • <i>adjustment for exposure to guarantor</i>; and • <i>adjustment for other arrangement</i>. <p>Where the value of the collateral, guarantee or other type of risk mitigant covers the full value of the underlying asset, report a value of zero.</p> <p>When <i>exposure category</i> is eligible collateral item, exposure to guarantor or other, report the amount that is being treated as an exposure to eligible collateral, guarantors or other type of risk mitigant.</p>

	Name	Valid values	Description
21	ACRC Limit For Individual Asset Exposure Before Cumulative Exposure Adjustment	Whole dollars	Report <i>ACRC limit for individual asset exposure before cumulative exposure adjustment</i> amount.
22	ACRC Limit For Individual Asset Exposure After Cumulative Exposure Adjustment	Whole dollars	Report <i>ACRC limit for individual asset exposure after cumulative exposure adjustment</i> amount.
23	ACRC For Individual Asset Exposure	Whole dollars	Report <i>ACRC for individual asset exposure</i> amount.
24	Exposure Amount Assessed Against Aggregate ACRC Limit	Whole dollars	Report <i>exposure amount assessed against aggregate ACRC limit</i> amount. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> • Underlying asset. For reinsurance arrangements with a registered life company or appropriate retrocessionaire, leave this item blank.
25	ACRC Aggregate Limit For Offshore Reinsurance Asset Exposure	Whole dollars	Report <i>ACRC aggregate limit for offshore reinsurance asset exposure</i> amount. This item only applies when <i>exposure category</i> is:

	Name	Valid values	Description
			<ul style="list-style-type: none"> Underlying asset <p>For reinsurance arrangements with a registered life company or appropriate retrocessionaire, leave this item blank.</p>
26	ACRC For Aggregate Offshore Reinsurance Asset Exposure	Whole dollars	<p>Report <i>ACRC for aggregate offshore reinsurance asset exposure</i> amount.</p> <p>This item only applies when <i>exposure category</i> is:</p> <ul style="list-style-type: none"> Underlying asset <p>For reinsurance arrangements with a registered life company or appropriate retrocessionaire, leave this item blank.</p>
27	Asset Identifier	Whole number from 1 onwards	Report <i>asset identifier</i> number.
28	Asset Identifier To Which Risk Mitigant Asset Relates	Whole number from 1 onwards	<p>Report <i>asset identifier to which risk mitigant asset relates</i> number.</p> <p>This item only applies when <i>exposure category</i> is:</p> <ul style="list-style-type: none"> Eligible collateral item Exposure to guarantor; or Other

Table 3: Large Non-reinsurance Exposures And Related Risk Mitigants

Reporting basis

This table applies to life companies including friendly societies. This table applies to non-investment linked statutory, shareholder, non-investment linked benefit and management funds.

This table applies to large non-reinsurance exposures and related risk mitigant assets (e.g. eligible collateral items and exposures to guarantors that are recognised in place of an underlying non-reinsurance exposure). Life companies must report the underlying non-reinsurance exposure and each risk mitigant asset item on a separate line. For example, if a life company has a legally enforceable security interest over two eligible collateral items held as collateral against a non-reinsurance asset, the two eligible collateral items would be reported on separate lines. The underlying non-reinsurance asset would be reported on a third line.

If a look-through basis has been used for assets under LPS 114, the same look-through basis must be used for reporting exposures in this table.

As per paragraph 23 of LPS 117, where the fund has a significant cumulative exposure through different classes of assets (across both reinsurance and non-reinsurance assets) to a single counterparty or related counterparties, the limit for that counterparty in respect of any particular asset class must be reduced by the lesser of the actual exposure or the exposure limit to that same counterparty in respect of all asset classes with lower limits in Attachment A of LPS 117.

Report all information as at the reporting date.

Reporting threshold

This table is to be completed both on a quarterly and an annual basis for each non-reinsurance exposure to an asset, a counterparty or a group of counterparties where the fair value of the exposure, after adjusting for derivatives, is greater than one per cent of the fund's *VAF for non-reinsurance assets*.

This table is to be completed both on a quarterly and an annual basis for each eligible collateral item that is being recognised in place of an underlying non-reinsurance asset where the fair value of the eligible collateral item, after adjusting for derivatives, is greater than one per cent of the fund's *VAF for non-reinsurance assets*.

This table is to be completed both on a quarterly and an annual basis for each exposure to a guarantor or issuer of a letter of credit that is being recognised in place of an underlying non-reinsurance asset regardless of the size of the guarantee exposure.

Units of measurement

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> • Statutory fund • Shareholder fund • Benefit fund • Management fund 	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .
3	Exposure Description	Free text	Report <i>exposure description</i> .
4	On-balance Sheet / Off-balance Sheet	<ul style="list-style-type: none"> • On balance sheet • Off balance sheet 	Report <i>on-balance sheet / off-balance sheet</i> indicator.
5	Exposure Category	<ul style="list-style-type: none"> • Underlying asset • Eligible collateral item • Exposure to guarantor • Other 	Report <i>exposure category</i> .
6	Current Counterparty Grade	<ul style="list-style-type: none"> • Grade 1 • Grade 2 • Grade 3 • Grade 4 • Grade 5 	Report <i>current counterparty grade</i> .

	Name	Valid values	Description
		<ul style="list-style-type: none"> • Grade 6 • Grade 7 • Unrated • Not applicable 	
7	Exposure Type	Refer to Appendix A	Report <i>exposure type</i> .
8	Counterparty Name	Free text	Report <i>counterparty name</i> .
9	Counterparty Group Name	Free text	Report <i>counterparty group name</i> . Where the counterparty does not belong to a group, enter <i>counterparty name</i> .
10	Counterparty ACN, ABN Or ARBN	9-digit valid ACN, 11-digit valid ABN or 9-digit valid ARBN	Report the counterparty ACN, ABN or ARBN. Report the ACN of the reported counterparty. In cases where a counterparty does not have an ACN but it does have an ABN or an ARBN, report the ABN or ARBN. Input the number without spaces. If a counterparty does not have an ACN, ABN, or ARBN leave the column blank.
11	Fair Value Of Non-reinsurance Asset	Whole dollars	Report <i>fair value of non-reinsurance asset</i> amount. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> • Underlying asset

	Name	Valid values	Description
12	Adjustment For Exposure To Eligible Collateral Items	Whole dollars	Report <i>adjustment for exposure to eligible collateral items</i> amount. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> • Underlying asset Report the reduction in exposure to the underlying asset as a positive number.
13	Adjustment For Exposure To Guarantor	Whole dollars	Report <i>adjustment for exposure to guarantor</i> amount. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> • Underlying asset Report the reduction in exposure to the underlying asset as a positive number.
14	Adjustment For Other Arrangement	Whole dollars	Report <i>adjustment for other arrangement</i> amount. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> • Underlying asset Report the reduction in exposure to the underlying asset as a positive number.
15	Exposure Amount Assessed Against Individual ACRC Limit	Whole dollars	Report <i>exposure amount assessed against individual ACRC limit</i> amount.

	Name	Valid values	Description
			<p>When <i>exposure category</i> is underlying asset, report the fair value of the non-reinsurance asset, net of any regulatory adjustments to capital base related to the exposure, less the sum of:</p> <ul style="list-style-type: none"> • <i>adjustment for exposure to eligible collateral items;</i> • <i>adjustment for exposure to guarantor;</i> and • <i>adjustment for other arrangement.</i> <p>Where the value of the collateral, guarantee or other type of risk mitigant covers the full value of the underlying asset, report a value of zero.</p> <p>When <i>exposure category</i> is eligible collateral item, exposure to guarantor or other, report the amount that is being treated as an exposure to eligible collateral, guarantors or other type of risk mitigant.</p>
16	ACRC Limit For Individual Asset Exposure Before Cumulative Exposure Adjustment	Whole dollars	Report <i>ACRC limit for individual asset exposure before cumulative exposure adjustment</i> amount.
17	ACRC Limit For Individual Asset Exposure After Cumulative Exposure Adjustment	Whole dollars	Report <i>ACRC limit for individual asset exposure after cumulative exposure adjustment</i> amount.

	Name	Valid values	Description
18	ACRC For Individual Asset Exposure	Whole dollars	Report <i>ACRC for individual asset exposure</i> amount.
19	Asset Identifier	Whole number from 1 onwards	Report <i>asset identifier</i> number.
20	Asset Identifier To Which Risk Mitigant Asset Relates	Whole number from 1 onwards	Report <i>asset identifier to which risk mitigant asset relates</i> number. This item only applies when <i>exposure category</i> is: <ul style="list-style-type: none"> • Eligible collateral item • Exposure to guarantor; or • Other

Table 4: Offshore Transfer of Risk**Reporting basis**

This table applies to life companies including friendly societies with offshore reinsurance. This table applies to non-investment linked statutory, shareholder, non-investment linked benefit and management funds.

Report all information as at the reporting date.

Reporting threshold

This table is to be completed both on a quarterly and an annual basis for each reinsurance arrangement that is not with a registered life company or appropriate retrocessionaire.

Units of measurement

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	<ul style="list-style-type: none"> • Statutory fund • Shareholder fund • Benefit fund • Management fund 	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of <i>life company fund</i> .
3	Reinsurance Arrangement Description	Free text	Report <i>reinsurance arrangement description</i>

	Name	Valid values	Description
4	Counterparty Name	Free text	Report <i>counterparty name</i> .
5	Counterparty Group Name	Free text	Report <i>counterparty group name</i> . Where the counterparty does not belong to a group, enter <i>counterparty name</i> .
6	Actual Offshore Reinsurance Premium For Group Risk Business	Whole dollars	Report <i>actual offshore reinsurance premium for group risk business</i> .
7	Actual Offshore Reinsurance Premium For Individual Risk Business	Whole dollars	Report <i>actual offshore reinsurance premium for individual risk business</i> .
8	Actual Offshore Reinsurance Premium For Other Business	Whole dollars	Report <i>actual offshore reinsurance premium for other business</i> .
9	Notional Offshore Reinsurance Premium For Group Risk Business	Whole dollars	Report <i>notional offshore reinsurance premium for group risk business</i> .
10	Notional Offshore Reinsurance Premium For Individual Risk Business	Whole dollars	Report <i>notional offshore reinsurance premium for individual risk business</i> .

	Name	Valid values	Description
11	Offshore Reinsurance Premium Ratio For Group Risk Business	Percentage	Report <i>offshore reinsurance premium ratio for group risk business</i> .
12	Offshore Reinsurance Premium Ratio For Individual Risk Business	Percentage	Report <i>offshore reinsurance premium ratio for individual risk business</i> .

Appendix A – List of exposure types

- (a1) assets guaranteed by an Australian State or Federal government
- (a2) assets guaranteed by national government of country in whose currency the liabilities are denominated
- (b) life insurance policy issued by related registered life company
- (c1) bank bills, bank guarantees and letters of credit issued by a bank
- (c2) assets guaranteed by overseas provincial government of country in whose currency the liabilities are denominated
- (d) bank deposits
- (e1A) reinsurance arrangement with non-related registered life company (current grade 1, 2 or 3)
- (e1B) reinsurance arrangement with non-related registered life company (grade 1, 2 or 3 at time of agreement)
- (e2A) APRA approved reinsurance arrangement in respect of overseas business with related entity (current grade 1, 2 or 3) of a registered life company that has a specialist reinsurer SF
- (e2B) APRA approved reinsurance arrangement in respect of overseas business with related entity (grade 1, 2 or 3 at time of agreement) of a registered life company that has a specialist reinsurer SF
- (f) outstanding premiums receivable under a reinsurance policy with a registered life company (current grade 1, 2 or 3)
- (gA) reinsurance arrangement with APRA approved affiliated entity (current grade 1, 2 or 3) that is not a registered life company
- (gB) reinsurance arrangement with APRA approved affiliated entity (grade 1, 2 or 3 at time of agreement) that is not a registered life company
- (h1) any other actively traded security
- (h2A) retrocession by specialist reinsurer to an approved retrocessionaire (current grade 1, 2 or 3)
- (h2B) retrocession by specialist reinsurer to an approved retrocessionaire (grade 1, 2 or 3 at time of agreement)
- (h2C) non-traded security
- (h2D) loan
- (h2E) reinsurance arrangement with (offshore reinsurer) counterparty grade 1, 2 or 3
- (h3) real estate
- (h4) other income producing real property asset
- (i1) life insurance policy issued by non-related registered life company
- (i2) reinsurance arrangement with non-related registered life company (not grade 1, 2 or 3 currently or at time of agreement)
- (i3) reinsurance arrangement with offshore reinsurer (not grade 1, 2 or 3)
- (i4) outstanding premiums receivable under a reinsurance policy with a registered life company (not grade 1, 2 or 3)
- (i5) any asset not covered by any of the above categories