



Reporting Standard GRS 460.0

Reinsurance Assets by Counterparty

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to a general insurer's exposures to reinsurance counterparties.

It includes *GRS 460.0 Reinsurance Assets by Counterparty* and associated specific instructions and must be read in conjunction with the general instruction guide.

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.

Application and commencement

3. This Reporting Standard applies to all general insurers authorised under the *Insurance Act 1973* (insurers). This Reporting Standard applies for reporting periods ending on or after 1 July 2023.

Information required

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

Method of submission

5. The information required by this Reporting Standard must be given to APRA:
 - (a) in electronic format using an electronic method available on APRA's website; or
 - (b) by a method notified by APRA prior to submission.

Reporting periods and due dates

6. Subject to paragraph 7, an insurer must provide the information required by this Reporting Standard in respect of each financial year of the insurer.
7. If, having regard to the particular circumstances of an insurer, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 6, APRA may, by notice in writing, change the reporting periods, or specify reporting periods, for the particular insurer.
8. The information required by this Reporting Standard in respect of an insurer must be provided to APRA:
 - (a) in the case of annual information provided in accordance with paragraph 6, within three months after the end of the reporting period to which the information relates; or
 - (b) in the case of information provided in accordance with paragraph 7, within the time specified by notice in writing.
9. APRA may, in writing, grant an insurer an extension of a due date in paragraph 8, 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, an insurer is nonetheless required to submit the information required no later than the due date.

Quality control

10. All information provided by an insurer under this Reporting Standard must be subject to systems, processes and controls developed by the insurer for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the insurer to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.
11. As a result of *Insurance (exemption) determination No. 1 of 2023*, the Appointed Auditor of an insurer is not ordinarily required to audit, or provide a certificate in relation to, information provided by the insurer under this Reporting Standard.

Authorisation

12. When an officer, or agent, of an insurer 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.
13. If the information required by this Reporting Standard is provided by an agent who submits the information on the insurer's behalf, the insurer must:
 - (a) obtain from the agent a copy of the completed information provided to APRA; and
 - (b) retain the completed copy.

14. An officer, or agent, of an insurer who submits the information under this Reporting Standard for, or on behalf of, the insurer must be authorised by either:
- (a) the Principal Executive Officer of the insurer; or
 - (b) the Chief Financial Officer of the insurer.

Variations

15. APRA may, by written notice to the insurer, vary the reporting requirements of this Reporting Standard in relation to that insurer.

Transition

16. An insurer 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 ended before 1 July 2023; and
- (b) in relation to which the insurer 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 an insurer 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 insurer is still required to provide any overdue reporting documents in accordance with the old reporting standard.

Interpretation

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

Appointed Auditor means an auditor appointed under paragraph 39(1)(a) of the Insurance Act;

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

Chief Financial Officer means the chief financial officer of the insurer, by whatever name called;

financial year means the financial year (within the meaning in the *Corporations Act 2001*) of the insurer;

general instruction guide refers to the general instruction guide set out in Attachment A of GRS 001;

general insurer means a general insurer authorised under the *Insurance Act 1973*;

Group Auditor has the meaning given in GPS 310;

insurer means a general insurer within the meaning of section 11 of the *Insurance Act 1973*;

Level 2 insurance group is defined in Attachment D of GPS 001;

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

regulated institution is defined in GPS 001 and refers collectively to both insurers and Level 2 insurance groups; and

reporting period means a period mentioned in paragraph 6 or, if applicable, paragraph 7.

18. 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 GRS 460.0

Reinsurance Assets by Counterparty

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.

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

Audit matters

As a result of *Insurance (exemption) determination No. 1 of 2023*, the Appointed Auditor of a general insurer is not required to audit, or provide a certificate in relation to, information provided by a general insurer under *Reporting Standard GRS 460.0 Reinsurance Assets by Counterparty* (GRS 460.0). Under *Prudential Standard GPS 310 Audit and Related Matters* (GPS 310), the Group Auditor of a Level 2 insurance group is not required to provide a limited assurance review in relation to information provided by the parent entity of a Level 2 insurance group under *Reporting Standard GRS 460.0.G Reinsurance Assets by Counterparty (Level 2 Insurance Group)* (GRS 460.0.G). APRA, however, may exercise its power under GPS 310 to require the Appointed Auditor or Group Auditor to undertake a special purpose review of the systems, processes and controls surrounding the completion of GRS 460.0 and GRS 460.0.G, or the data contained within GRS 460.0 and GRS 460.0.G.

Definitions

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

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| <i>Amount of collateral / guarantee</i> | The monetary amount of the collateral / guarantee, if applicable, that is support for reinsurance recoverables. |
| <i>APRA counterparty grade</i> | The counterparty grade of 1 to 7 in accordance with <i>Prudential Standard GPS 001 Definitions</i> (GPS 001). |
| <i>APRA counterparty grade after collateral / guarantee</i> | The counterparty grade of the collateral / guarantee reported of grade 1 to 7 in accordance with GPS 001. If there is more than one type of collateral or guarantee, report the grade for the type that has the greatest monetary exposure. |

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| <i>Central estimate of reinsurance recoverables</i> | The reinsurance recoverables associated with the counterparty reported in <i>name of counterparty (reinsurer)</i> . This amount will include the recoverables on <i>incurred but not reported (IBNR)</i> claims that are allocated to the counterparty. This amount must exclude the amounts reported in <i>net reinsurance recoverable on paid claims overdue for more than 6 months - central estimate</i> and <i>reinsurance recoverable outstanding from second annual balance date after the event - central estimate</i> for that counterparty. It is measured at central estimate level, in accordance with <i>Prudential Standard GPS 340 Insurance Liability Valuation</i> (GPS 340). |
| <i>Counterparty domicile</i> | For a subsidiary, the domicile is where the counterparty is legally incorporated. For a branch, the domicile is where the counterparty (branch) is located. Where relevant, the <i>counterparty domicile</i> must be reported as stated on the <i>country code</i> list. |
| <i>Counterparty group name</i> | The name of the group to which the counterparty to the reinsurance exposure belongs. Where relevant, the <i>counterparty group name</i> must be reported as stated on the <i>reinsurer identifier list</i> . |
| <i>Country code</i> | This means the two-letter country code as assigned by the ISO 3166 Maintenance Agency to a country defined under the International Organization for Standardization's <i>International Standard ISO 3166</i> . The ISO 3166 Maintenance agency maintains a free online database of country codes, available at https://www.iso.org/iso-3166-country-codes.html . |

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| <i>Expected reinsurance recoveries</i> | This is the amount due to an insurer, or to an entity that carries on international business within a Level 2 insurance group, from a reinsurer that arises from the recognition of premiums liabilities referred to in the GI Prudential Standards (including GPS 340). This is distinguished from reinsurance recoverables. |
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| <i>Group domicile</i> | The domicile where the group owning the counterparty is legally incorporated. Where relevant, the <i>group domicile</i> must be reported as stated on the <i>country code</i> list. |
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| <i>Incurred but not reported (IBNR)</i> | Represents the claims arising from incidents occurring prior to the close of the reporting period which are expected to be reported in subsequent reporting periods. |
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| <i>Major form of collateral / guarantee</i> | The type of collateral / guarantee, if applicable, that is support for the reinsurance recoverables in accordance with <i>Prudential Standard GPS 114 Capital Adequacy: Asset Risk Charge</i> (GPS 114). Where there is more than one type of collateral or guarantee provided as support, report the type that has the greatest monetary exposure. Collateral / guarantee types can include (but are not limited to) trusts, letters of credit and financial guarantees. |
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| <i>Name of counterparty (reinsurer)</i> | The legal name of the counterparty to the reinsurance exposure. |
| <i>Net reinsurance recoverable on paid claims overdue for more than 6 months – central estimate</i> | <p>The reinsurance recoverables on paid claims where:</p> <ul style="list-style-type: none"> • the recoverable has become a receivable (i.e. it is due and payable); • the receivable is overdue for more than six months since a request for payment has been made to the reinsurer; and • there is no formal dispute between the insurer and the reinsurer in relation to that receivable. <p>The categorisation is in accordance with GPS 114 and the central estimate level is in accordance with GPS 340.</p> |

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| <i>Reinsurance recoverable outstanding from second annual balance date after the event – central estimate</i> | The reinsurance recoverables that are outstanding on and from the second balance date after the end of the financial year in which the event giving rise to the recoverables occurred regardless of whether the reinsurance recoverables are supported by collateral, guarantee or letter of credit. The amount reported should include IBNR. The categorisation is in accordance with GPS 114 and the central estimate level is in accordance with GPS 340. |
| <i>Reinsurer identifier</i> | The unique identifier for the counterparty reported in <i>name of counterparty (reinsurer)</i> . Where relevant, the <i>reinsurer identifier</i> must be reported as stated on the <i>reinsurer identifier list</i> . |
| <i>Reinsurer identifier list</i> | This is a list of reinsurers which includes the <i>name of the counterparty, counterparty domicile, counterparty group name</i> and <i>group domicile</i> . The list is located on APRA's website. |

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| <i>Unassigned Reinsurer Identifier</i> | The identifier for the counterparty reported in <i>name of counterparty (reinsurer)</i> not listed on the <i>reinsurer identifier list</i> . This includes individual unassigned reinsurers, balancing item for individual reinsurers and Lloyd's of London syndicates. |
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Specific instructions

Reinsurance assets by counterparty

GRS 460.0 must be completed by all general insurers.

General insurers must complete Table 1 if the *name of counterparty (reinsurer)* is included on the *reinsurer identifier list* on APRA's website.

General insurers must complete Table 2 if the *name of counterparty (reinsurer)* is:

- not on the *reinsurer identifier list*; or
- a Lloyd's of London syndicate; or
- balancing item representing the remaining exposure to individual counterparties.

For the purposes of GRS 460.0, it is acceptable for a general insurer to report less than 100 per cent of the general insurer's total exposure to individual reinsurance counterparties. However, at a minimum, the general insurer must report exposures to individual reinsurance counterparties such that the aggregate of the amount reported represents at least 95 per cent of the sum of the general insurer's total *central estimate of reinsurance recoverables* (including *net reinsurance recoverable on paid claims overdue for more than 6 months – central estimate* and *reinsurance recoverable outstanding from second annual balance date after the event – central estimate*) and *expected reinsurance recoveries*. The remaining exposure to individual counterparties can be aggregated and must be reported in Table 2 as a single data item.

Reporting Practice Guide GRPG 460 Reinsurance Counterparty Data Collection provides guidance to assist general insurers in completing GRS 460.0.

Table 1: Reinsurance assets by counterparty – Reinsurer identifier list

Reporting basis

Report balances for column 6 *amount of collateral / guarantee* and column 10 *central estimate of reinsurance recoverables* to column 13 *expected reinsurance recoveries*, as at the end of the financial year.

Report information for each reporting period on a level 1 (licensed insurer) basis.

Units of measurement

Report values in whole Australian dollars (AUD).

Convert amounts denominated in foreign currency to AUD in accordance with the relevant accounting standard.

| | Name | Valid values | Description |
|---|--------------------------------------|---|---|
| 1 | Reinsurer Identifier | <i>Reinsurer identifier</i> as stated in the <i>reinsurer identifier list</i> | Report the <i>reinsurer identifier</i> as stated on the <i>reinsurer identifier list</i> on APRA's website. |
| 2 | Name Of Counterparty (Reinsurer) | Blank | Leave this column blank. |
| 3 | Counterparty Group Name | Blank | Leave this column blank. |
| 4 | APRA Counterparty Grade | <ul style="list-style-type: none"> • Grade 1 • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 • Grade 7 • Not applicable | Report the <i>APRA counterparty grade</i> . |
| 5 | Major Form Of Collateral / Guarantee | Free text | Report the <i>major form of collateral / guarantee</i> . |
| 6 | Amount Of Collateral / Guarantee | Whole dollars | Report the <i>amount of collateral / guarantee</i> . |

| | Name | Valid values | Description |
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| 7 | APRA Counterparty Grade After Collateral / Guarantee | <ul style="list-style-type: none"> • Grade 1 • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 • Grade 7 • Not applicable | Report the <i>APRA counterparty grade after collateral / guarantee</i> . |
| 8 | Counterparty Domicile | Blank | Leave this column blank. |
| 9 | Group Domicile | Blank | Leave this column blank. |
| 10 | Central Estimate Of Reinsurance Recoverables | Whole dollars | Report the <i>central estimate of reinsurance recoverables</i> . |
| 11 | Net Reinsurance Recoverable On Paid Claims Overdue For More Than 6 Months – Central Estimate | Whole dollars | Report the <i>net reinsurance recoverable on paid claims overdue for more than 6 months – central estimate</i> . |
| 12 | Reinsurance Recoverable Outstanding From Second Annual Balance Date After The Event – Central Estimate | Whole dollars | Report the <i>reinsurance recoverable outstanding from second annual balance date after the event – central estimate</i> . |

| | Name | Valid values | Description |
|----|---------------------------------|---------------|---|
| 13 | Expected Reinsurance Recoveries | Whole dollars | Report the <i>expected reinsurance recoveries</i> . |

Table 2: Reinsurance assets by counterparty – Unassigned**Reporting basis**

Report balances for column 6 *amount of collateral / guarantee* and column 10 *central estimate of reinsurance recoverables* to column 13 *expected reinsurance recoveries*, as at the end of the financial year.

Report information for each reporting period on a Level 1 (licensed insurer) basis.

Units of measurement

Report values in whole Australian dollars (AUD).

Convert amounts denominated in foreign currency to AUD in accordance with the relevant accounting standard.

| | Name | Valid values | Description |
|---|----------------------------------|---|--|
| 1 | Unassigned Reinsurer Identifier | <i>Unassigned, balancing item</i> or <i>LLO</i> | <p>Report <i>unassigned</i> if the counterparty does not appear on the <i>reinsurer identifier list</i>.</p> <p>Report <i>balancing item</i> for the item that reconciles to 100 percent of the general insurer's total exposure to individual reinsurance counterparties. <i>Balancing item</i> should represent no more than 5 per cent of the sum of the general insurer's total <i>central estimate of reinsurance recoverables</i> and <i>expected reinsurance recoveries</i>.</p> <p>Report <i>LLO</i> for Lloyd's of London syndicates.</p> |
| 2 | Name Of Counterparty (Reinsurer) | Free text | <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>unassigned</i>, report the <i>name of counterparty (reinsurer)</i>.</p> <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>balancing item</i>, report this item as <i>all other counterparties</i>.</p> <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>LLO</i>, report this item as <i>Lloyds XXXX</i>, where <i>XXXX</i> is the unique syndicate number.</p> |

| | Name | Valid values | Description |
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| 3 | Counterparty Group Name | Free text | <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>unassigned</i>, report the <i>counterparty group name</i>.</p> <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>LLO</i>, report the <i>counterparty group name</i> as LLOYDS.</p> <p>If it does not belong to a group, leave blank.</p> |
| 4 | APRA Counterparty Grade | <ul style="list-style-type: none"> • Grade 1 • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 • Grade 7 • Not applicable | <p>Report the <i>APRA counterparty grade</i>.</p> <p>Use <i>not applicable</i> for reporting the counterparty grade for the <i>all other counterparties</i> balancing item.</p> |
| 5 | Major Form Of Collateral / Guarantee | Free text | Report the <i>major form of collateral / guarantee</i> . |
| 6 | Amount Of Collateral / Guarantee | Whole dollars | Report the <i>amount of collateral / guarantee</i> . |
| 7 | APRA Counterparty Grade After Collateral / Guarantee | <ul style="list-style-type: none"> • Grade 1 • Grade 2 • Grade 3 • Grade 4 • Grade 5 • Grade 6 | <p>Report the <i>APRA counterparty grade after collateral / guarantee</i>.</p> <p>Use <i>not applicable</i> for reporting the counterparty grade for the <i>all other counterparties</i> balancing item.</p> |

| | Name | Valid values | Description |
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| | | <ul style="list-style-type: none"> • Grade 7 • Not applicable | |
| 8 | Counterparty Domicile | Applicable <i>country code</i> | <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>unassigned</i>, report the <i>counterparty domicile</i>.</p> <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>LLO</i>, report the <i>counterparty domicile</i> as GB.</p> |
| 9 | Group Domicile | Applicable <i>country code</i> | <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>unassigned</i>, report the <i>group domicile</i>.</p> <p>If the <i>unassigned reinsurer identifier</i> is reported as <i>LLO</i> report the <i>group domicile</i> as GB.</p> |
| 10 | Central Estimate Of Reinsurance Recoverables | Whole dollars | Report the <i>central estimate of reinsurance recoverables</i> . |
| 11 | Net Reinsurance Recoverable On Paid Claims Overdue For More Than 6 Months – Central Estimate | Whole dollars | Report the <i>net reinsurance recoverable on paid claims overdue for more than 6 months – central estimate</i> . |
| 12 | Reinsurance Recoverable Outstanding From Second Annual Balance Date After The Event – Central Estimate | Whole dollars | Report the <i>reinsurance recoverable outstanding from second annual balance date after the event – central estimate</i> . |

| | Name | Valid values | Description |
|----|---------------------------------|---------------|---|
| 13 | Expected Reinsurance Recoveries | Whole dollars | Report the <i>expected reinsurance recoveries</i> . |