Implementing AASB 17 and PHI capital data collections

Webinar for the Insurance Industry
30 March 2023

Your team for today

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Agenda

1. Welcome
2. Implementation pathway – timeline and accessing APRA Connect test environment
3. Taxonomy artefacts – what they are and how they are used
4. Demonstration of APRA Connect
5. Using playback spreadsheets
6. Where to find information and support

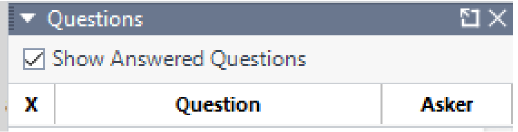
Housekeeping

This webinar is being recorded

We will have everyone on mute to minimise unexpected interruptions

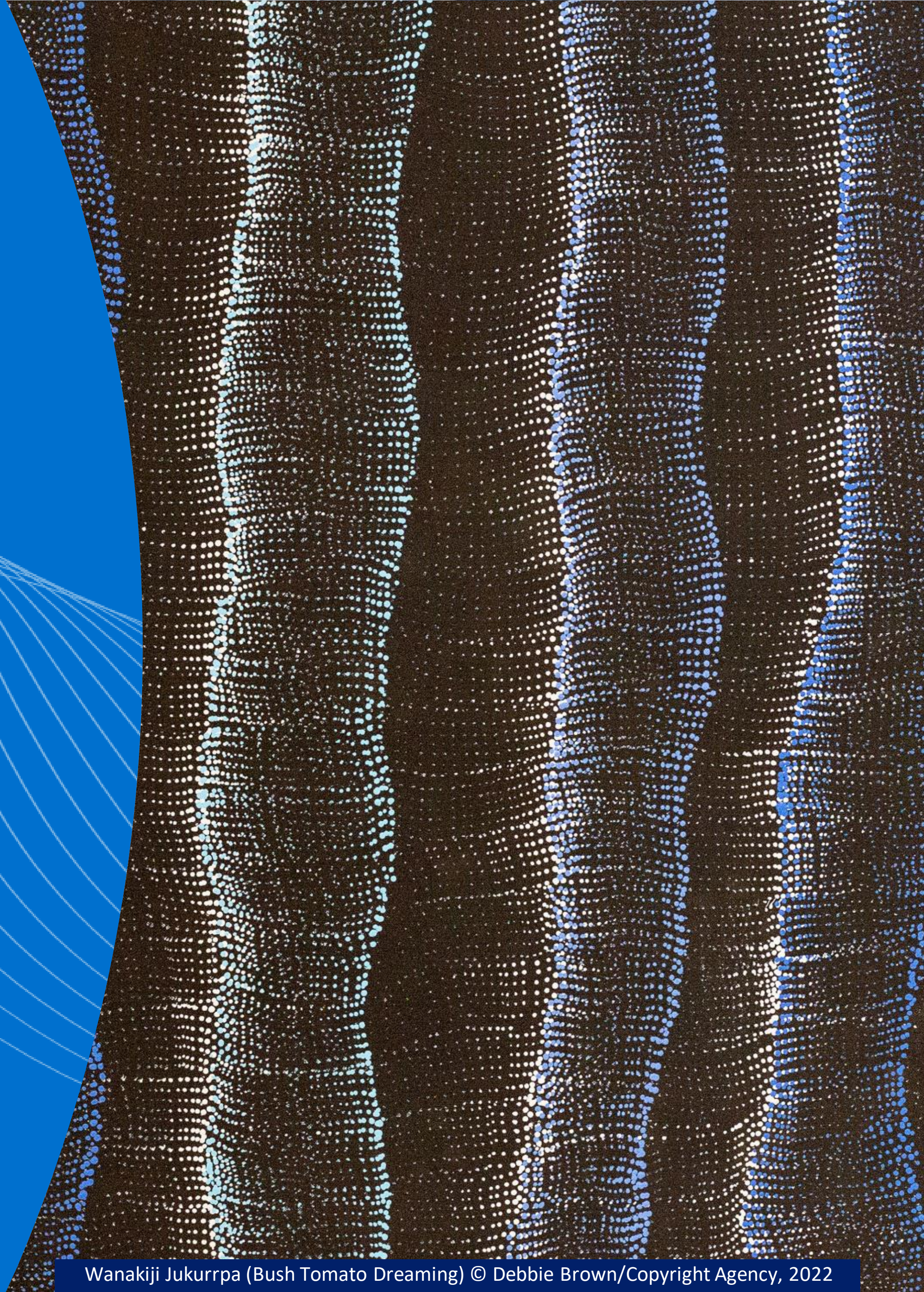
The 'raise hand' functionality will not be used in this session

Please submit any questions you have through the 'Question' function



We will address the questions as appropriate and as time permits

Acknowledgement of country



Wanakiji Jukurrpa (Bush Tomato Dreaming) © Debbie Brown/Copyright Agency, 2022

Implementation pathway

What we will cover

- Indicative timeline and each phase
- Collections available

Implementation timeline (indicative)

Initial APRA Connect test for 12 returns

Full testing on 69 returns

Preparation for first reporting

Webinar

- Introducing APRA Connect for data submission
- Pre-requisite steps begin

APRA | Connect - TEST

First returns released

- Practice and familiarisation begins
- All entities to access the test environment, familiarise themselves with functionality and practise submitting the 12 collections
- Provide feedback to APRA

APRA | Connect - TEST

Release of remaining returns

- All returns available in APRA Connect test environment
- Entities to further practise data preparation and submission, and make any changes to processes and systems

APRA | Connect

Production release

- Reporting standards* effective 1 July
- Preparation starts for first submissions due late October

Mar | Apr | May | Jun | Jul | Aug | Sep | Oct

First data reporting

Taxonomy artefacts #1

- Publication of draft taxonomy artefacts for first release (12 collections)
- Playbacks available for entities

Feedback please!

Taxonomy artefacts #2

- Publication of draft taxonomy artefacts for full collection

Q&A session

- Q&A session to support entities in preparing for data submission

Taxonomy artefacts #3

- Publication of final taxonomy artefacts for full collection

Q&A session

- Q&A session to support entities in preparing for data submission

Technical and SME support

AASB 17 and PHI capital collections – **first release** (draft)

General Insurance (6 of 39)

- GRS 300.0 Statement of Financial Position
- GRS 300.0.G Statement of Financial Position by Region
- GRS 114.0 Asset Risk Charge
- GRS 114.0.G Asset Risk Charge
- GRS 115.0.G Outstanding Claims Liabilities – Insurance Risk Charge
- GRS 115.1.G Premiums Liabilities – Insurance Risk Charge

Life Insurance (3 of 18)

- LRS 300.0 Statement of Financial Position
- LRS 114.0 Asset Risk Charge
- LRS 200.0 Capital Adequacy Supplementary Information

Private Health Insurance (3 of 14)

- HRS 300.0 Statement of Financial Position
- HRS 114.0 Asset Risk Charge
- HRS 115.0 Insurance Risk Charge

Use test data in APRA Connect-test environment and load typical data volumes

Pre-requisites for APRA Connect

What we will cover

- Pre-requisites for access
- Authenticating in APRA Connect
- APRA Connect Guide

Pre-requisites to access APRA Connect

- All entities already have users accessing APRA Connect submitting entity information, PHI have also been submitting data
- New users who are yet to access APRA Connect must first be set-up in APRA Connect environments (both test and production)
- Users must have their **digital identity** set up in myGovID.
- Each user must be **authorised in RAM (Relationship Authorisation Manager)** for each entity they are reporting for i.e. for each ABN. Contact your Regulatory Reporting Administrator for APRA Connect in your organisation for support.
- Details are provided in the APRA Connect Guide
- Refer to ATO's published material to find out more about the Digital Identity system, myGovID and RAM.

APRA | Connect - TEST

https://connect-test.apra.gov.au

APRA | Connect

https://connect.apra.gov.au

Authenticating with myGovID

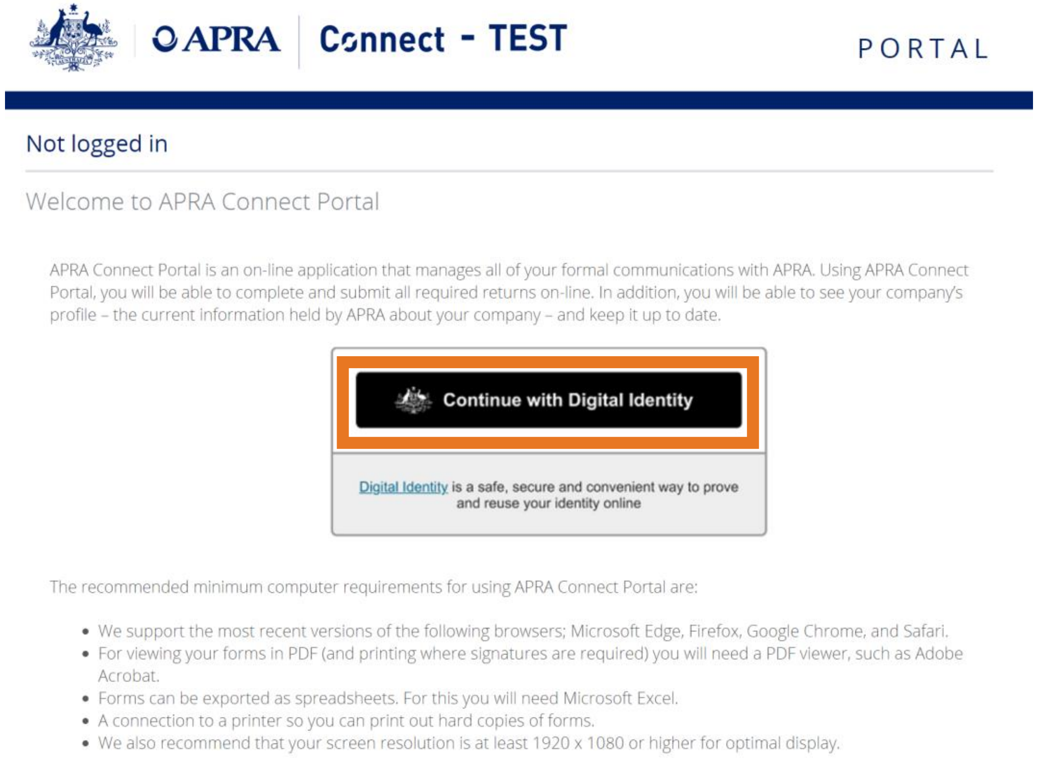
Steps:

1. Click on the APRA Connect-test url:
   https://connect-test.apra.gov.au

2. Click on the 'Connect with Digital Identity' link

3. Enter user id, receive auth code on mobile device and enter into PC screen, select entity in RAM (if applicable)

4. Re-route back to APRA Connect-test (you will always be re-routed back to the environment you originated from)



Your entity's Regulatory Reporting Administrator will then assign roles/permissions to enable you to prepare and submit data.

This step must be completed for **BOTH** APRA Connect test and production environments

APRA Connect Guide

APRA Connect Guide covers the functionality of the system

What it covers:

- Getting Started with APRA Connect
- APRA Connect Interface and Navigation
- User Administration (Managing users) as well as viewing my Details for other users
- Reviewing company profiles and submitting a corporate return
- Completing returns
- Submitting returns

Note: Includes call outs where functionality is not available in test environment eg query process

What it doesn't cover:

- Creating xml or using XSD files
- Information on APIs
- Instructions to complete specific returns for specific industries
- Data Dictionary and Reporting Taxonomy
- Uploadable templates for specific returns
- Playbacks

Refer to APRA Connect Taxonomy artefacts

Taxonomy artefacts

What we will cover

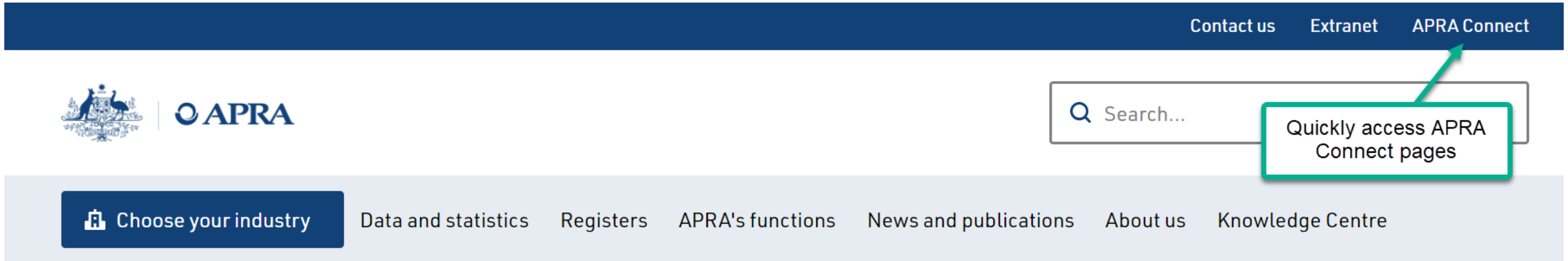
- Data dictionary
- Reporting taxonomy

Some common terms

- **Taxonomy artefacts**: all the relevant information you will need to prepare and submit your data via APRA Connect (for example: data dictionary, reporting taxonomy artefacts, validation rules)
- **Collection**: group of tables (open or closed) that are grouped and submitted together – sometimes referred to as a return. Each collection will have their own reporting taxonomy artefacts.
- **Open table**: the number of rows reported by an entity will vary from: period to period, table to table, entity to entity. Open tables allow APRA to collect granular data. The Insurance Risk Charge collection consists of all open tables.
- **Closed table**: the data entry fields are fixed. Entities cannot add or remove rows. The financial statements are all examples of closed tables.
- **Reporting taxonomy artefacts**: contain all the relevant information you will need to prepare an upload file for a submitting data in APRA Connect for a specific collection. Includes the form layout(s) which can be used as a template if you want to upload data using Excel.
- **Form layouts**: displays the layout for each table in a collection and will contain helpful information needed when preparing data for submission. This worksheet can be used to upload data to APRA Connect via Excel.
- **Upload file**: an efficient method to load data into table(s) in APRA Connect (rather than manually entering data). Upload file formats include xlsx (for Excel upload) or XML (for XML upload).

Taxonomy artefacts

- You can download the draft taxonomy artefacts **zip file** from the Taxonomy Artefacts section of the APRA Connect page on APRA's website – always check last published date for the most recent version



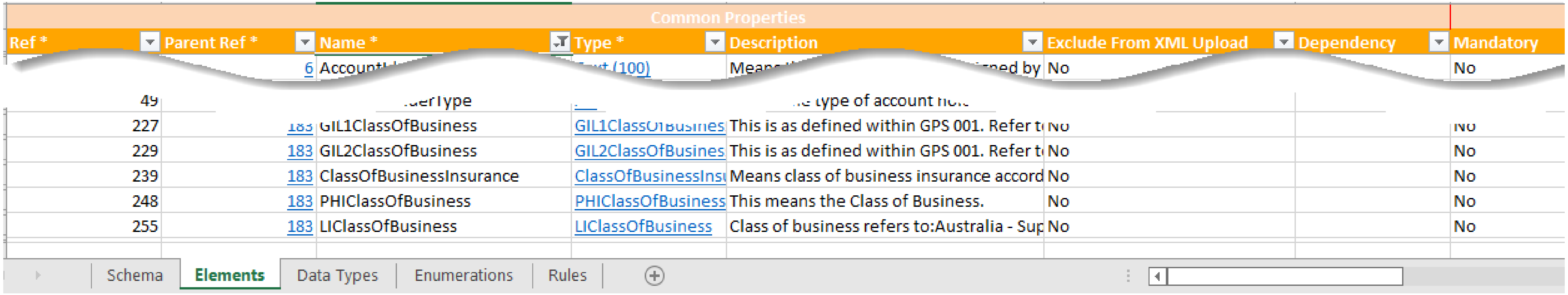
- **Explanatory notes** are provided at the bottom of the Taxonomy Artefacts page to assist entities in using the artefacts. They cover:
  - ✓ Data dictionary – applicable across all APRA Connect data collections
  - ✓ Validation file - applicable across all APRA Connect data collections
  - ✓ Reporting taxonomy – specific to each collection
  - ✓ XSD files – specific to each collection; GUID and version number must appear in the header
- **Changes to taxonomy artefacts** – are described in the change log (specific to each industry)

For more information, refer to previous APRA Connect **webinars:** Videos for APRA Connect | APRA

Data dictionary for all industries

The Excel based Data Dictionary contains every element, data type and enumeration across all of APRA's collections (in APRA Connect).

Elements	Contains all the APRA Connect data elements (concepts and dimensions) and their properties
Data types	Contains the available data types that may be used for each of the defined elements. Each data type is either based on a specific base data type (e.g. Date) or is an enumeration
Enumerations	Contains the enumerations (i.e. dimensions) that may be used by an element. Typical enumerations could be "Geography", "Frequency", "ClassOfBusiness"



Common Properties							
Ref *	Parent Ref *	Name *	Type *	Description	Exclude From XML Upload	Dependency	Mandatory
	6	Account...	...t (100)	Mean... ...ned by	No		No
49		...erType		...e type of account ho...			
227	183	GIL1ClassOfBusiness	GIL1ClassOfBusines	This is as defined within GPS 001. Refer t	No		No
229	183	GIL2ClassOfBusiness	GIL2ClassOfBusines	This is as defined within GPS 001. Refer t	No		No
239	183	ClassOfBusinessInsurance	ClassOfBusinessInsu	Means class of business insurance accord	No		No
248	183	PHIClassOfBusiness	PHIClassOfBusiness	This means the Class of Business.	No		No
255	183	LIClassOfBusiness	LIClassOfBusiness	Class of business refers to:Australia - Sup	No		No

Reporting Taxonomy – uploading form layouts

Only the following worksheets are required when uploading data via Excel into APRA Connect

EntityDetails

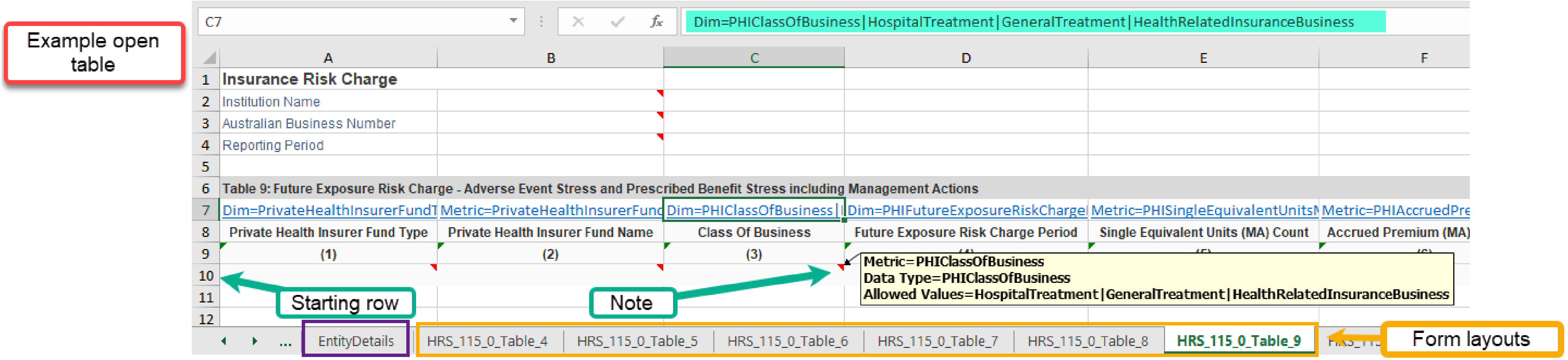
- **Use this worksheet as a template when uploading data via Excel.**
- Displays the name of the entity, ABN and reporting period.

Form layouts

- **Extract this worksheet from the reporting taxonomy artefacts and use as a template when uploading data via Excel.**
- Displays the layout of the specific tables/forms in the selected collection.
- The **starting row of data** should not be changed (the starting row may change depending on the form).
- Worksheet name: the **only** time the worksheet name should be changed is when reporting for **closed tables for PHI, LI or FS** (e.g. financial statements), each worksheet will require a sequential number in brackets, as pictured below:

EntityDetails | **LRS_300_0_Table_1(1)** | LRS_300_0_Table_1(2) | LRS_300_0_Table_1(3) — Example closed table

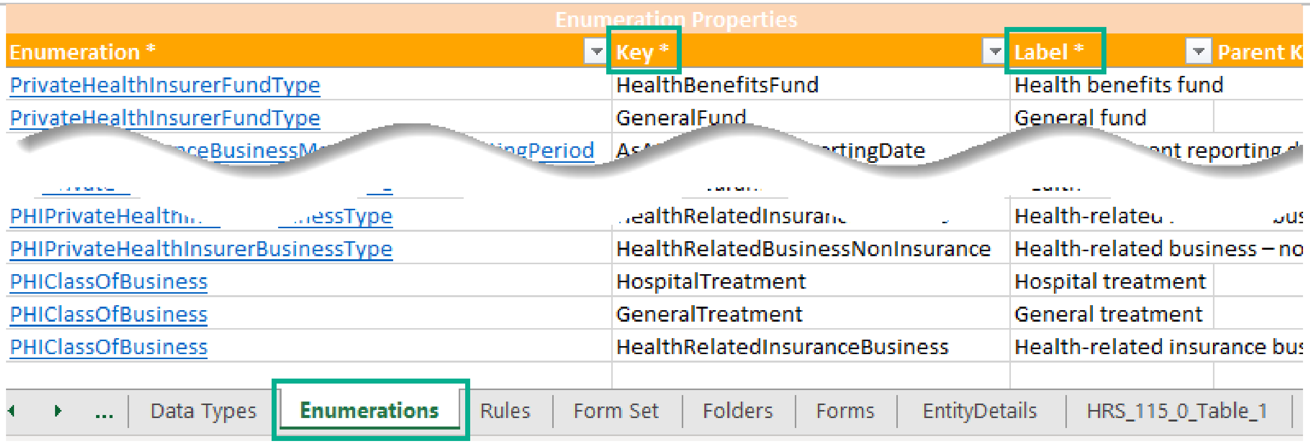
- Open tables: Contains the allowed enumeration **keys**, described in row 7 and the Notes in row 10.



Reporting Taxonomy – Excel based – collection specific

Schema*	Contains the collection name, schema properties and the embedded '**Hole Restrictions File**' which displays each table and the allowed enumeration values that are relevant in the selected collection.
Elements*	Contains only the elements and their properties for the selected collection; specifies elements that are **mandatory** or form part of the **primary key**.
Data types*	Contains the data types that may be used for each of the defined elements within the selected collection. Includes properties for each data type, including maximum length of text fields.
Rules*	Contains rules relating to the selected collection. A full list of rules – across all collections - is available in the Validations spreadsheet. Refer to the Business Definition in column L for a plain English explanation of the rule.
Enumerations*	Contains the enumerations in the selected collection, along with **all** of the enumeration members (regardless of the collection they are used in). The Key **must** be used for uploading, **not** the Label.

*** These worksheets are <u>not</u> required when uploading data via Excel into APRA Connect**



Enumeration Properties			
Enumeration *	Key *	Label *	Parent K
PrivateHealthInsurerFundType	HealthBenefitsFund	Health benefits fund	
PrivateHealthInsurerFundType	GeneralFund	General fund	
PHIPrivateHealthInsurerBusinessType	HealthRelatedBusinessNonInsurance	Health-related business – no	
PHIClassOfBusiness	HospitalTreatment	Hospital treatment	
PHIClassOfBusiness	GeneralTreatment	General treatment	
PHIClassOfBusiness	HealthRelatedInsuranceBusiness	Health-related insurance bu	

Reporting Taxonomy - allowed values in open tables

- Only applicable for open tables (granular data collections with any number of rows)
- Hole restrictions file contains the **valid combinations** (using the keys) and is found on the Schema worksheet
- In this example, if GeneralFund is reported as the PHI Fund Type then only one valid option is available for the class of business
- APRA recommends that entities check these combinations before uploading to APRA Connect

Enumerations appear on the left with black column heading

Metrics appear on the right with blue column headings

PrivateHealthInsurerFundTy	PHIClassOfBusiness	PHIFutureExposureRiskChargePeriod	PrivateHealthInsurerFundName	PHISingleEquivalentUnitsMACount
HealthBenefitsFund	HospitalTreatment	Month10	1	
HealthBenefitsFund	HospitalTreatment	Month11	1	
HealthBenefitsFund	HospitalTreatment	Month12	1	1
HealthBenefitsFund	GeneralTreatment	Month10	1	
HealthBenefitsFund	GeneralTreatment	Month11	1	
HealthBenefitsFund	GeneralTreatment	Month12	1	
HealthBenefitsFund	HealthRelatedInsuranceBusiness	Month10	1	
HealthBenefitsFund	HealthRelatedInsuranceBusiness	Month11	1	1
HealthBenefitsFund	HealthRelatedInsuranceBusiness	Month12	1	
GeneralFund	HealthRelatedInsuranceBusiness	Month10	1	
GeneralFund	HealthRelatedInsuranceBusiness	Month11	1	
GeneralFund	HealthRelatedInsuranceBusiness	Month12	1	

HRS_115_0_Table_11.01 | HRS_115_0_Table_10.01 | HRS_115_0_Table_9.01 | HRS_115_0_Table_8.01 | HRS_11 ...

Summary points

- **Taxonomy artefacts** can be used to assist in the preparation of your data. Use the latest version to prepare your data each reporting period.
- **EntityDetails** and **Form layout worksheets:** These act as templates and can be extracted from the relevant reporting taxonomy artefact to create the upload file for APRA Connect
- The form layouts should not be changed, in particular the **starting row must not be changed**
- **Worksheet names** should only be amended when reporting multiple insurance funds on closed tables like the financial statements (only applicable to PHI/LI/FS)
- **Hole restriction file** helps you identify the correct combination of enumerations in open tables
- **Primary keys** ensure that only unique rows are reported

Questions?

APRA Connect demonstration

What we will cover

- Manual entry of a closed table with repeatable folders
- Validating and submitting data
- Uploading data for open tables
- Resubmitting data

Important takeaways when using APRA Connect

1. Upload vs Download

Upload (machine readable) file **must** contain keys not labels

Download (human readable) file will allow you to **view more than 200 rows** and will show labels –can't be used for uploading

Download file may support your governance and sign off processes

The upload file uses the Key and is the machine readable file vs the download file which displays the Label is the human readable file

2. APRA expects entities to have performed a reasonable level of validation prior to submitting

Ensure that you have used the correct keys (not labels)

Use correct combinations (as per reporting standards and holes restriction file)

3. Automatic submission

An optional approval step (in the form of a validation rule) is available, notify APRA via email at dataanalytics@apra.gov.au to have the approval step applied to your entity (include all ABNs the rule should be applied to).

Resubmissions will be automatically approved up to 15 days after the due date.

Resubmissions made before the due date will not be considered when assessing the quality of submissions.

Questions?

Transitional tools – Data quality playbacks

What we will cover

- Purpose
- Maintaining the playback
- How to use them

Playback spreadsheets – Purpose and scope

Purpose

- Playback spreadsheets are an optional tool to assist Insurers perform data quality checks by reviewing summaries and calculations from the data items

What is a Playback?

- Excel spreadsheet with the data tables for a return, with extra Playback worksheet(s) which show summaries and calculations from the data items
  - Similar to the spreadsheets issued within the AASB 17 QIS
- Playback spreadsheets have been provided for the following collections:
  - General insurance: GRS 114.0, GRS 114.0.G, GRS 115.0.G, GRS 115.1.G
  - Life insurance: LRS 114.0, LRS 200.0
  - Private health insurance: HRS 114.0, HRS 115.0

Playback spreadsheets – Maintenance

Maintenance of Playback spreadsheets

- When APRA releases the final taxonomy artefacts, APRA will also release the final set of the Playback spreadsheets within separate zip files
- APRA will not make updates to the Playback spreadsheets where there are updates to the reporting standards post 1 July 2023
- Playback spreadsheets are only available for 8 collections (open tables), no additional playback spreadsheets will be developed for the later collections
- Data validation controls do not exist within Playback spreadsheets – they exist within APRA Connect
- Currently, the Playback spreadsheets are in draft - APRA may make changes to Playback spreadsheets as work in progress

IMPORTANT NOTE: Playback spreadsheets have been prepared as a one-off transition tool to support entities in the implementation of the priority collections in APRA Connect

Playback spreadsheets – How to use (Part 1 of 2)

Step 1

Copy **data items** from form layouts to a Playback spreadsheet

Form layout (within the upload file)

Insurance Risk Charge								
Institution Name	Test entity							
Australian Business Number	1234							
Reporting Period	31/12/2022							
Table 3: Insurance Liability Risk Charge - Outstanding Claims Liabilities								
Dim=PrivateHealthInsurerFundT	Metric=PrivateHealthInsurerFunc	Dim=PHIPrivateHealthInsurerBusine	Metric=PHIClaimsComponentOCl	Metric=PHIClaimsHandlingExpensesOCL	Metric=PHIRiskEqualisationComponentOCl	Metric=PHISettledButNotPaidClaimsOCL	Metric=PHIReinsuranceRecoverablesOCL	M
Private Health Insurer Fund Type	Private Health Insurer Fund Name	Private Health Insurer Business Type	Claims Component - OCL Amount	Claims Handling Expenses - OCL Amount	Risk Equalisation Component - OCL Amount	Settled But Not Paid Claims - OCL Amount	Reinsurance Recoverables - OCL Amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
HealthBenefitsFund	Test entity	HealthInsuranceBusiness	100	110	120	130	140	1
HealthBenefitsFund	Test entity	HealthRelatedInsuranceBusiness	180	190	200	210	220	2

Playback spreadsheet

Insurance Risk Charge										
Institution Name	Test entity									
Australian Business Number	1234									
Reporting Period	31/12/2022									
Table 3: Insurance Liability Risk Charge - Outstanding Claims Liabilities										
Private Health Insurer Fund Type	Private Health Insurer Fund Name	Private Health Insurer Business Type	Claims Component - OCL Amount	Claims Handling Expenses - OCL Amount	Risk Equalisation Component - OCL Amount	Settled But Not Paid Claims - OCL Amount	Reinsurance Recoverables - OCL Amount	Non-Reinsurance Recoveries - OCL Amount	Discount on Outstanding Claims Liability Amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
HealthBenefitsFund	Test entity	HealthInsuranceBusiness	100	110	120	130	140	150	160	
HealthBenefitsFund	Test entity	HealthRelatedInsuranceBusiness	180	190	200	210	220	230	240	

Step 2

Review summaries and calculations within the Playback spreadsheet to check data quality and identify any data errors

A	B	C	D
Test entity			
Insurance Liability Risk Charge data for the period ending 31 December 2022			
Private Health Insurer Fund Type:			
HealthBenefitsFund			
Table 3: Outstanding Claims Liabilities			
Items	HealthInsuranceBusiness	HealthRelatedInsuranceBusiness	Total HIB + HRIB
Central estimate of OCL	10	90	100
Claims Component - OCL Amount	100	180	280
Claims Handling Expenses - OCL Amount	110	190	300
Risk Equalisation Component - OCL Amount	120	200	320
Settled But Not Paid Claims - OCL Amount	130	210	340
Reinsurance Recoverables - OCL Amount	140	220	360
Non-Reinsurance Recoveries - OCL Amount	150	230	380
Discount on Outstanding Claims Liability Amount	160	240	400
Risk Margin At 75th POA - OCL Amount	170	250	420
OCL at 75th POA	180	340	520
OCL Risk Charge	17	44	61
Size margin workings			
AsAtTheCurrentReportingDate			
Single Equivalent Units (Fund) Count	20		
Size margin factor 1			1.030
Size margin factor 2			0.340
Size Margin			34.0%

Additional notes

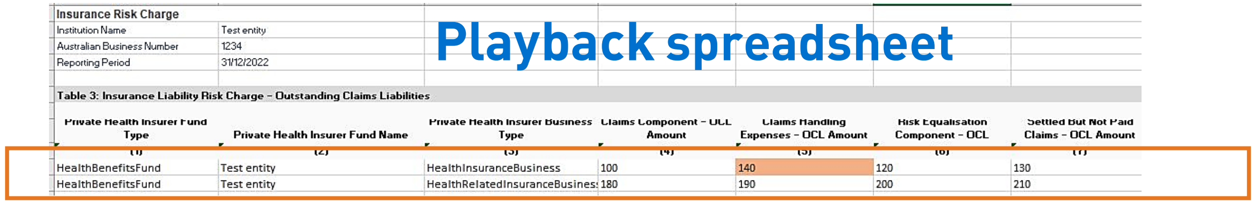
- For step 1, please do not copy and paste the worksheets between the form layouts and the Playback spreadsheet (**copy and paste data items only**)
- Within the PHI and LI Playback spreadsheets, there is an option to switch between funds

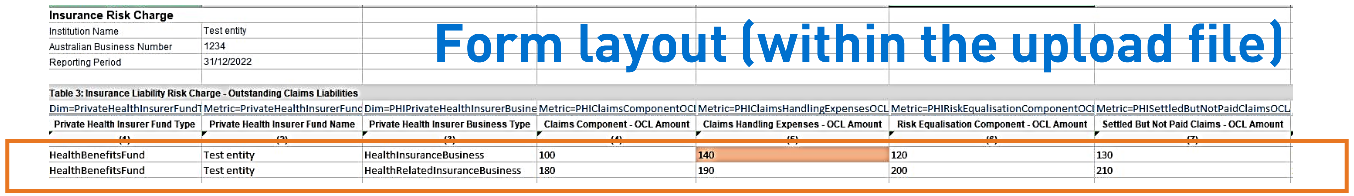
Playback spreadsheets – How to use (Part 2 of 2)

Step 3

Correct errors (if required) and copy the corrected data items from the Playback spreadsheet to the form layouts

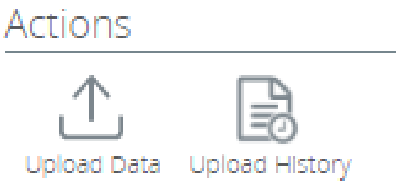
Please also fix the errors at source (e.g. systems) so that the errors do not repeat in future data submissions





Step 4

Use the form layouts to upload the corrected data items to APRA Connect



Questions?

Key takeaways

1. Practice begins now

- First release collections are available in APRA Connect-test
- Ensure new users have access to both APRA Connect environments
- Entities should NOT use production data in the test environment
- If APRA replaces a return with a new version – uploaded data will be lost
- Provide feedback by end-April 2023

2. Taxonomy artefacts

- Use latest taxonomy artefacts
- Do not change the form layout (template)
- Use Primary Keys to ensure uniqueness for both Excel and XML uploads - Refer to the Primary Key list on the Elements worksheet

3. Playbacks

- Transitional tool for assistance
- Developed for selected collections only in the first release
- Will not be maintained ongoing

Where to find support

Using APRA Connect

Refer to the APRA Connect support material which includes the Guide and frequently asked questions. Contact the team at dataanalytics@apra.gov.au.

Technical issues?

Log a support request with the Service Desk at support@apra.gov.au and ensure that you include the ABN of the entity the issue relates to.

For urgent issues call +61 2 9210 3400 between 9am and 5pm AEST weekdays.

Need help with myGovID or RAM?

Please refer to the Australian Government's published material to find out more about the Digital Identity system, myGovID and RAM.

Accessing APRA Connect

- Link to the APRA Connect test and production environments

Support Material

- APRA Connect Guide
- FAQs

Taxonomy artefacts (by industry)

- Taxonomy artefacts - zip files that include excel workbooks, form layouts (templates) and validation rules, change logs
- Playback spreadsheets are available for a sub set of collections – transition tool only
- Expression Functions Guide - describes the expression functions used in the validation of data
- Explanatory Notes - assistance in using the artefacts

Videos for APRA Connect

- Webinar recordings and powerpoint slides

Thank you