



Reporting Standard GRS 115.1.G

Premiums Liabilities – Insurance Risk Charge

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to a Level 2 insurance group's Insurance Risk Charge on premiums liabilities.

It includes associated specific instructions and must be read in conjunction with *Reporting Standard GRS 001 Reporting Requirements* (GRS 001), including the general instruction guide, *Prudential Standard GPS 115 Capital Adequacy: Insurance Risk Charge* (GPS 115) and *Prudential Standard GPS 340 Insurance Liability Valuation* (GPS 340).

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 the capital standards.

Application and commencement

3. This Reporting Standard applies to a parent entity of a Level 2 insurance group as defined in *Prudential Standard ~~GPS 001 Defined terms~~* (~~GPS~~ 001). This Reporting Standard applies for reporting periods ending on or after 1 ~~January~~ ~~2023~~ 2027. The parent entity of a Level 2 group is required to ensure that each requirement in this Reporting Standard is complied with.

Information required

4. The parent entity of a Level 2 insurance group must provide APRA with the information required by this Reporting Standard in respect of the Level 2 insurance group 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, the parent entity of a Level 2 insurance group must provide the information required by this Reporting Standard:
- (a) in respect of the first half year based on the financial year of the Level 2 insurance group on an unaudited basis; and
 - (b) in respect of each financial year of the Level 2 insurance group on an audited basis.

Note: The annual information required by paragraphs 4, 5 and 6(b), together with certain annual information required by other reporting standards, will form part of the Level 2 insurance group's annual accounts within the meaning of ~~CGPS~~ 001. *Prudential Standard GPS 310 Audit and Related Matters* contains the relevant provisions governing audits.

7. If, having regard to the particular circumstances of a Level 2 insurance group, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 6(a) or 6(b), APRA may, by notice in writing to the parent entity, change the reporting periods, or specify reporting periods, for the particular Level 2 insurance group.
8. The information required by this Reporting Standard in respect of a Level 2 insurance group must be provided to APRA:
- (a) in the case of half yearly information, within three months 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 7, within the time specified by notice in writing.

Note: GPS 310 requires a Level 2 insurance group to ensure that its Group Auditor conducts a limited assurance review of the group's annual accounts. Accordingly, the Group Auditor's report(s) as required by GPS 310 (relating to the information required by paragraph 4) must be provided to APRA by the time specified in GRS 001 (unless an extension of time is granted under GRS 001).

9. APRA may, in writing, grant the parent entity of a Level 2 insurance group 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, the parent entity of a Level 2 insurance group is nonetheless required to submit the information required no later than the due date.

10. On the written application of the parent entity of a Level 2 insurance group, APRA may by notice in writing to the parent entity exclude the requirement under subparagraph 6(a) to provide half yearly information.

Quality control

11. The information provided by the parent entity of a Level 2 insurance group under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Group Auditor of the Level 2 insurance group. This will require the Group Auditor to review and test the Level 2 insurance group's systems, processes and controls designed to enable the group to report 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 Group 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 GPS 310 Audit and Related Matters* (GPS 310).
12. All information provided by the parent entity of a Level 2 insurance group under this Reporting Standard must be subject to systems, processes and controls developed by the Level 2 insurance group for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the parent entity of the Level 2 insurance group to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.

Authorisation

13. When an officer, or agent, of a parent entity of a Level 2 insurance group 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.
14. If the information required by this Reporting Standard is provided by an agent who submits the information on the parent entity of a Level 2 insurance group's behalf, the parent entity of a Level 2 insurance group must:
 - (a) obtain from the agent a copy of the completed information provided to APRA; and
 - (b) retain the completed copy.
15. An officer, or agent, of a parent entity of a Level 2 insurance group who submits the information under this Reporting Standard for, or on behalf of, the parent entity of a Level 2 insurance group must be authorised by either:
 - (a) the Principal Executive Officer of the parent entity of the Level 2 insurance group;
or
 - (b) the Chief Financial Officer of the parent entity of the Level 2 insurance group.

Variations

16. APRA may, by written notice to the parent entity of a Level 2 insurance group, vary the reporting requirements of this Reporting Standard in relation to that Level 2 insurance group.

Transition

17. A parent entity of a Level 2 insurance group 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 ~~January 2023~~July 2027; and
- (b) in relation to which the parent entity of a Level 2 insurance group 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 parent entity of a Level 2 insurance group 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 parent entity of a Level 2 insurance group 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 ~~CGPS~~GPS 001; and
- (b) the following definitions are applicable:

APRA-authorised reinsurer means an insurer carrying on reinsurance business. For the purposes of this definition, a Lloyd's underwriter as defined under the Insurance Act is an APRA-authorised reinsurer if it carries on reinsurance business. The Australian Reinsurance Pool Corporation is also an APRA-authorised reinsurer for the purposes of this definition;

capital standards means the prudential standards which relate to capital adequacy as defined in ~~CGPS~~GPS 001;

Chief Financial Officer means the chief financial officer of the parent entity of the Level 2 insurance group, by whatever name called;

financial year means the financial year (within the meaning in the *Corporations Act 2001*) of the parent entity of the Level 2 insurance group;

foreign insurer means a foreign general insurer within the meaning of the Insurance Act;

Note: A reference to a ‘branch’ or ‘branch operation’ is a reference to the Australian operations of a foreign insurer.

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

Group Auditor has the meaning given in GPS 310;

Insurance Act means the *Insurance Act 1973*;

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

Note: In this Reporting Standard, a reference to an ‘authorised insurer’, ‘authorised insurance entity’ or ‘licensed insurer’ is a reference to an insurer, and a reference to an ‘authorised reinsurance entity’ is a reference to an insurer whose business consists only of undertaking liability by way of reinsurance.

non-APRA authorised reinsurer means any reinsurer that is not an APRA-authorised reinsurer;

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

reporting period means a period mentioned in subparagraph 6(a) or 6(b) or, if applicable, paragraph 7.

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 GRS 115.1.G

Premiums Liabilities - Insurance Risk Charge

General instructions

Reporting tables

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

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

Reporting entity

Tables 1 - 6 as described in 'Specific instructions A – by Class of Business' are to be completed by the parent entity of a Level 2 insurance group as defined in ~~GPS-CPS~~ 001 where the Level 2 insurance group does not have a reporting adjustment to report on an 'Australia by region' rather than 'Australia by *class of business*' basis. If the Level 2 insurance group has the reporting adjustment, it must complete Tables 7 - 10 as described below in 'Specific instructions B – by Region'.

Consolidation at Level 2 should cover the Level 2 insurance group as defined under ~~GPS~~ ~~CPS~~ 001.

Definitions

Terms in ***bold italics*** are defined in this Definitions section of these instructions.

A

<i>Additional policies risk charge</i>	This is the component of the Insurance Risk Charge which relates to the risk that material net written premium, as defined in GPS 115, will be insufficient to fund the liabilities arising from that business. This must be calculated by multiplying: • <i>net written premium for material business that incepts in the next reporting period</i>; and • <i>PL capital factor %</i>
<i>Adjusted net premiums liabilities</i>	This is the derived valuation of premiums liabilities based on accounting records for the group after allowing for adjustments required by GPS 340. It is calculated as the sum of: • <i>net liabilities for remaining coverage</i>; and • <i>adjustment to AASB net liabilities for remaining coverage</i>.
<i>Adjustment to AASB net liabilities for</i>	This is the adjustment required as a consequence of the assessment by the Group Actuary to ensure the derived valuations of premiums

<i>remaining coverage</i>	liabilities (PL) based on accounting records for the group are appropriate and exceed (are more conservative than) the requirements of GPS 340.
<u><i>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i></u>	<u>This is the value of adjustments to the PL Insurance Risk Charge based on the Group Actuary's advice, in accordance with GPS 115.</u>
<u><i>Adjustments to PL Insurance Risk Charge as approved by APRA</i></u>	<u>This is the value of adjustments to the PL- Insurance Risk Charge as approved by APRA.</u>

B

<i>Basis of preparation</i>	Provide the basis by which outstanding claims liabilities (OCL) or PL have been reported. The options provided are: • GPS 340 basis; • AASB basis; or • combination of GPS 340 and AASB basis.
<i>Business type</i>	The <i>business type</i> refers to either the <i>direct business</i> or <i>reinsurance business</i> written by the reporting Level 2 insurance group. The <i>business types</i> are: • <i>direct business</i>; and • <i>reinsurance business</i>.

C

<i>Claims handling expenses</i>	This item is the present value of claims handling expense (CHE) associated with the PL determined under GPS 340 (GPS 340 PL). Level 2 insurance groups may use approximate methods and may take into account materiality (i.e. whether it would result in a materially different outcome) to report this item if this item is not readily available.
<i>Class of business</i>	Report the items in the sections of this Reporting Standard by the direct or reinsurance classes of business in accordance with GPS-CPS 001. For the purpose of calculating the Insurance Risk Charge in respect of the 'other' <i>class of business</i> as per GPS-CPS 001 for <i>direct business</i> , the Appointed Actuary is required to determine the most appropriate category (i.e. category A, B or C) in GPS 115 that this business falls within. The choice must be based on the underlying risk characteristics

	of the business being written. The amounts reported in the <i>other direct - category A, other direct - category B</i> or <i>other direct - category C</i> line items are to follow this basis. For reinsurance business, the classes of business in GPS 115 are to be aggregated by the category and reinsurance type.
Commissions	This item is the present value of commissions expenses associated with the GPS 340 PL. This excludes any acquisition commission expenses that are not reported as part of the GPS 340 PL. This also excludes reinsurance commissions. Level 2 insurance groups may use approximate methods and may take into account materiality (i.e. whether it would result in a materially different outcome) to report this item if this item is not readily available.

D

Direct business	Report direct business written directly by the reporting Level 2 insurance group in accordance with the direct classes of business in <u>CGPS</u> 001.
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E

Expected future reinsurance costs for current and future reinsurance arrangements needed to cover PL	This is the value of expected future cost of any reinsurance arrangements required to fully cover the exposure period for premiums liabilities. This may include an additional cost for existing reinsurance contracts where the expense is yet to be recognised under Australian Accounting Standards as well as an additional reinsurance purchase cost for any part of the premiums liabilities not covered by current reinsurance arrangements calculated in accordance with GPS 340. For avoidance of doubt, the reported figure is to be gross of any recoveries, and should not include any CHE, policy administration expenses (PAE) or risk margin.
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G

Gross PL - central estimate (excluding CHE and PAE)	This is the value, as at the relevant date, of the central estimate component of PL, excluding CHE and excluding PAE, gross of any recoveries, determined in accordance with GPS 340. Amounts relating to expected future reinsurance costs for current and future reinsurance arrangements needed to cover PL, commissions and reinsurance commissions are also to be excluded and reported separately. The central estimate will be measured as the present value of the future expected payments, i.e. discounted for future investment income, determined in accordance with GPS 340. The central estimate is
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	intended to reflect the mean value in the range of possible values for the outcome (that is, the mean of the distribution of probabilistic outcomes), and so does not include any risk margin.
Gross PL - central estimate (including CHE and PAE)	This is the value, as at the relevant date, of the central estimate component of PL, CHE and PAE, gross of any recoveries, determined in accordance with GPS 340. It is calculated as the sum of: • gross PL - central estimate (excluding CHE and PAE); • expected future reinsurance costs for current and future reinsurance arrangements needed to cover PL; • commissions; • claims handling expenses; and • policy administration expenses less: • reinsurance commissions.
Gross PL – diversified risk margin	This is the value, as at the relevant date, of the diversified risk margin component of PL, gross of any recoveries, determined in accordance with GPS 340. The diversified risk margin refers to the risk margin that has been applied to the class of business after allowance for diversification across the whole insurance portfolio.
Gross PL - total (including CHE and PAE)	This is the total of the central estimate and diversified risk margin for PL, including claims handling expenses and policy administration expenses, gross of any recoveries, determined in accordance with GPS 340. It is calculated as the sum of: • gross PL - central estimate (including CHE and PAE); and • gross PL – diversified risk margin.
Group adjustments	This is the total of adjustments made at the group level which are not reported in other items. This is to be reported as negative values where the group adjustments reduce the PL.

I

Insurance contract assets - assets for remaining coverage	Report assets for remaining coverage (being the asset equivalent of the liabilities for remaining coverage) that are presented as insurance contract assets. Report this item in accordance with AASB 17 Appendix A, AASB 17.78 (a) Disclosure, AASB 17.100 (a)-(b) Disclosure and AASB 101.54 (da) Disclosure.
Insurance contract liabilities -	Report liabilities for remaining coverage that are presented as insurance contract liabilities.

<i>liabilities for remaining coverage</i>	Report this item in accordance with AASB 17 Appendix A, AASB 17.78 (b) Disclosure, AASB 17.100 (a)-(b) Disclosure and AASB 101.54 (ma) Disclosure.
<i>International region</i>	This is the <i>international region</i>, applicable to Level 2 insurance groups, that insurance business is carried on by any entity within the group. <i>International region</i> can either be: • Australia • New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other

N

<i>Net liabilities for remaining coverage</i>	This is the <i>net liabilities for remaining coverage</i>, calculated as the sum of: • <i>insurance contract liabilities - liabilities for remaining coverage;</i> and • <i>reinsurance contract liabilities - liabilities for remaining coverage;</i> less: • <i>insurance contract assets - assets for remaining coverage;</i> and • <i>reinsurance contract assets - assets for remaining coverage.</i>
<i>Net PL - central estimate (excluding CHE and PAE)</i>	This is the value, as at the relevant date, of the central estimate component of PL, excluding: • CHE; and • PAE, net of any expected reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340. This is calculated as the sum of: • <i>gross PL - central estimate (excluding CHE and PAE);</i> • <i>expected future reinsurance costs for current and future reinsurance arrangements needed to cover PL;</i> and • <i>commissions;</i> less the sum of: • <i>reinsurance commissions;</i> • <i>net PL - non-reinsurance recoveries (central estimate);</i> and • <i>net PL - expected reinsurance recoveries (central estimate).</i>

<i>Net PL - central estimate (including CHE and PAE)</i>	This is the value, as at the relevant date, of the central estimate component of PL, including: • CHE; and • PAE, net of any expected reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340. This is calculated as the sum of: • <i>net PL - central estimate (excluding CHE and PAE)</i>; • <i>claims handling expenses</i>; and • <i>policy administration expenses</i>.
<i>Net PL - diversified risk margin</i>	This is the value, as at the relevant date, of the diversified risk margin component of the net PL, net of any expected reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340. The diversified risk margin refers to the risk margin that has been applied to the <i>class of business</i> after allowance for diversification across the whole insurance portfolio.
<i>Net PL - expected reinsurance recoveries (central estimate)</i>	This is the value of expected reinsurance recoveries receivable by the reporting Level 2 insurance group associated with the central estimate of PL, gross of any provisions for depreciation or impairment. It is determined in accordance with GPS 340.
<i>Net PL - non-reinsurance recoveries (central estimate)</i>	This is the value of recoveries under arrangements, other than reinsurance arrangements, receivable by the reporting Level 2 insurance group associated with the central estimate of PL, gross of any provisions for depreciation or impairment. It is determined in accordance with GPS 340. Recoveries to be included at this item include (but are not limited to) salvage, subrogation, and input tax credit recoveries. For each region report the non-reinsurance recoveries associated with the PL, estimated in a manner consistent with the methodology used in the most recent Actuarial Valuation Report prepared by the Group Actuary as defined in <i>Prudential Standard CPS 320 Actuarial and Related Matters</i>. The estimates of non-reinsurance recoveries expected to be received must be based on the nature of the expected claims and the history of non-reinsurance recoveries compared to claims.
<i>Net PL - stand-alone risk margin</i>	This is the value, as at the relevant date, of the stand-alone risk margin component of the net PL, net of any expected reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340. The stand-alone risk margin refers to the risk margin that would be applied to a <i>class of business</i> where no allowance for diversification with other classes of business has been allowed.

<i>Net PL - total</i>	This is the total of the central estimate (including <i>claims handling expenses</i> and <i>policy administration expenses</i>) and diversified risk margin for PL, net of any expected reinsurance and non-reinsurance recoveries. It is calculated as the sum of: • <i>net PL - central estimate (including CHE and PAE)</i>; and • <i>net PL - diversified risk margin</i>.
<i>Net written premium for material business that incepts in the next reporting period</i>	This is the value of future net written premium income for contracts for which the Level 2 insurance group is already committed that will expose the Level 2 insurance group to material risks in the subsequent relevant period, but are not otherwise recognised within the capital requirements. This premium income is net of: levies that are included in the gross premium and would be payable on the business (in particular fire service levy); reinsurance costs that would arise in respect of the premium income and would be payable under treaty arrangements to protect the business; and commission that would be payable to secure the business once it is written (such as brokerage or reinsurance exchange commission). Typically this will be for policies for which a written premium is not yet recognised under accounting standards, and have not been included in the PL, but for which the Level 2 insurance group has already committed to cover. The materiality of the business that incepts in the next reporting period should be determined in accordance with the Australian Accounting and Auditing Standards subject to APRA's discretion.

P

<i>PL capital factor %</i>	This is the premiums liability risk capital factor applicable to each <i>class of business</i> as per GPS 115. For international business, as part of the supplementary information provided to APRA, Level 2 insurance groups are required to have mapped their international business to the Australian classes of business as defined in CGPS 001. For international business, Level 2 insurance groups to report a weighted average capital factor which applies to the total of all the classes for each region.
<i>PL Insurance Risk Charge</i>	This is the component of the Insurance Risk Charge which relates to the risk that the value of the net PL is greater than the value determined in accordance with GPS 340. For a Level 2 insurance group, under the GPS 340 basis, it is calculated as: • <i>net PL – total</i>; multiplied by:

	• <u><i>PL capital factor %</i></u> less: • <u><i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i></u> less: • <u><i>adjustments to PL Insurance Risk Charge as approved by APRA.</i></u> For a Level 2 insurance group, under the AASB basis, it is calculated as: • <i>adjusted net premiums liabilities;</i> multiplied by: • <u><i>PL capital factor %</i></u> less: • <u><i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i></u> less: • <u><i>adjustments to PL Insurance Risk Charge as approved by APRA.</i></u> The <i>PL Insurance Risk Charge</i> cannot be negative. Apply a zero risk charge where <i>net PL—total</i> or <i>adjusted net premiums liabilities</i> are negative.
<i>Policy administration expenses</i>	This item is the present value of policy administration expense associated with the GPS 340 PL. Level 2 insurance groups may use approximate methods and may take into account materiality (i.e. whether it would result in a materially different outcome) to report this item if this item is not readily available.

R

<i>Reinsurance business</i>	This refers to the <i>reinsurance business</i> written by the reporting Level 2 insurance group in accordance with the reinsurance classes of business listed in GPS—CPS 001 and GPS 115. For <i>reinsurance business</i>, the classes of business are to be aggregated by the category and reinsurance type as per Table 2 of Attachment A in GPS 115.
<i>Reinsurance commissions</i>	This item is the present value of <i>reinsurance commissions</i> relating to reinsurance held, associated with the GPS 340 PL. Examples include but are not limited to reinsurance exchange commissions and profit commissions. This excludes any acquisition commission expenses that are not reported as part of the GPS 340 PL. This also excludes <i>commissions</i>. Level 2 insurance groups may use approximate methods and may take into account materiality (i.e. whether it would result in a materially

	different outcome) to report this item if this item is not readily available.
<i>Reinsurance contract assets - assets for remaining coverage</i>	Report assets for remaining coverage that are presented as reinsurance contract assets. Report this item in accordance with AASB 17 Appendix A, AASB 17.78 (c) Disclosure, AASB 17.100 (a)-(b) Disclosure and AASB 101.54 (da) Disclosure.
<i>Reinsurance contract liabilities - liabilities for remaining coverage</i>	Report liabilities for remaining coverage (being the liability equivalent of assets for remaining coverage) that are presented as reinsurance contract liabilities. Report this item in accordance with AASB 17 Appendix A, AASB 17.78 (d) Disclosure, AASB 17.100 (a)-(b) Disclosure and AASB 101.54 (ma) Disclosure.

Specific instructions A - by Class of Business

Reporting by class of business

If the Level 2 insurance group does not have a reporting adjustment to report on an 'Australia by region' rather than an 'Australia by *class of business*' basis, it must complete Tables 1, 2, 3, 4, 5 and 6 below (and not Tables 7, 8, 9 and 10). Tables 2, 3, 4 and 5 require the GPS 340 PL of the Australian business to be reported by *class of business* and the international business to be reported by region.

The Level 2 insurance group must complete Tables 4 and 5 if it adopts derived valuations for the GPS 340 PL based on accounting records of the group for Australian and international business respectively (subject to meeting the GPS 340 requirements).

For *international regions*, *class of business* data is not reported in these tables. Level 2 insurance groups, however, will be required to map their international business to the Australian classes of business as defined in GPS-CPS 001 in order to assign an insurance risk capital charge and provide a reporting supplement to APRA. Diversification adjustments on international business should be recognised in the risk margin for each geographical region.

Where there is reinsurance between regions, regions are to be reported on a separate basis. That is, the region directly assuming the risks must report as *direct business*. The region receiving reinsurance must treat this as *direct business* as well. Where reinsurance occurs between entities in one region, the reinsurance transaction is to be eliminated on consolidation within the reported region. Consolidation adjustments for intra group reinsurance transactions between entities in different regions should be reported in Table 6.

Table 1: Premiums Liabilities Insurance Risk Charge - Australian Business by Class of Business – data preparation

Column 1	Report the value for each of the items listed below.
Item 1	Report whether actuarial services used to complete this return. If actuarial services were used input 'Yes' otherwise input 'No'.
Item 2	Report the <i>basis of preparation</i> by which PL have been reported and complete the relevant tables below.

Table 2: Premiums Liabilities - Insurance Risk Charge - Australian Business by Class of Business - GPS 340 basis**Reporting basis**

Report the components of the GPS 340 PL for Australian business on a GPS 340 basis (as opposed to deriving the GPS 340 PL based on accounting records (AASB basis)) by *class of business* for *direct business* and *reinsurance business*.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Class Of Business	Direct classes of business: • Householders • Commercial Motor • Domestic Motor • Other Direct - Category A • Travel • Fire and ISR • Marine • Aviation • Consumer Credit • Other Accident • Other Direct - Category B • Mortgage • CTP • Public and Product Liability • Professional Indemnity • Employers Liability • Cyber • Directors and Officers	Report the <i>class of business</i> .

	Name	Valid values	Description
		- Other Direct - Category C Reinsurance classes of business: - Proportional - Category A - Proportional - Category B - Proportional - Category C - Non-proportional - Category A - Non-proportional - Category B - Non-proportional - Category C	
2	Gross PL - Central Estimate (Excluding CHE And PAE)	Whole dollars	Report the gross PL - central estimate (excluding CHE and PAE) .
3	Expected Future Reinsurance Costs For Current And Future Reinsurance Arrangements Needed To Cover PL	Whole dollars	Report the expected future reinsurance costs for current and future reinsurance arrangements needed to cover PL .
4	Commissions	Whole dollars	Report the commissions included in the PL.
5	Reinsurance Commissions	Whole dollars	Report the reinsurance commissions included in the PL. Reinsurance commissions is to be reported as a positive number if they act to reduce the gross PL.

	Name	Valid values	Description
6	Claims Handling Expenses	Whole dollars	Report the <i>claims handling expenses</i> .
7	Policy Administration Expenses	Whole dollars	Report the <i>policy administration expenses</i> .
8	Gross PL – Diversified Risk Margin	Whole dollars	Report the <i>gross PL - diversified risk margin</i> .
9	Net PL - Non-Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net PL - non-reinsurance recoveries (central estimate)</i> . Non-reinsurance recoveries should be reported as a positive number if they act to reduce the gross PL.
10	Net PL - Expected Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net PL - expected reinsurance recoveries (central estimate)</i> . Expected reinsurance recoveries should be reported as a positive number if they act to reduce the gross PL.
11	Net PL - Stand-Alone Risk Margin	Whole dollars	Report the <i>net PL - stand-alone risk margin</i> .
12	Net PL - Diversified Risk Margin	Whole dollars	Report the <i>net PL - diversified risk margin</i> .
13	Net Written Premium For Material Business That Incepts In The Next Reporting Period	Whole dollars	Report the <i>net written premium for material business that incepts in the next reporting period</i> .

	Name	Valid values	Description
<u>14</u>	<u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>
<u>15</u>	<u>Adjustments to PL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i>.</u> <u>Adjustments to PL Insurance Risk Charge as approved by APRA should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>

Table 3: Premiums Liabilities - Insurance Risk Charge - International Business - GPS 340 basis**Reporting basis**

Report the components of the GPS 340 PL for international business on a GPS 340 basis by *international region* (excluding Australia) for *direct business* and *reinsurance business*.

Units of measurement

Report monetary values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	• New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other	Report the <i>international region</i> .
2	Business Type	• Direct business • Reinsurance business	Report the <i>business type</i> .
3	Gross PL - Central Estimate (Excluding CHE And PAE)	Whole dollars	Report the <i>gross PL - central estimate (excluding CHE and PAE)</i> .
4	Expected Future Reinsurance Costs For Current And Future Reinsurance	Whole dollars	Report the <i>expected future reinsurance costs for current and future reinsurance arrangements needed to cover PL</i> .

	Name	Valid values	Description
	Arrangements Needed To Cover PL		
5	Commissions	Whole dollars	Report the <i>commissions</i> included in the PL.
6	Reinsurance Commissions	Whole dollars	Report the <i>reinsurance commissions</i> included in the PL. <i>Reinsurance commissions</i> is to be reported as a positive number if they act to reduce the gross PL.
7	Claims Handling Expenses	Whole dollars	Report the <i>claims handling expenses</i> .
8	Policy Administration Expenses	Whole dollars	Report the <i>policy administration expenses</i> .
9	Gross PL – Diversified Risk Margin	Whole dollars	Report the <i>gross PL – diversified risk margin</i> .
10	Net PL - Non-Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net PL - non-reinsurance recoveries (central estimate)</i> . Non-reinsurance recoveries should be reported as a positive number if they act to reduce the gross PL.
11	Net PL - Expected Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net PL - expected reinsurance recoveries (central estimate)</i> . Expected reinsurance recoveries should be reported as a positive number if they act to reduce the gross PL.

	Name	Valid values	Description
12	Net PL - Diversified Risk Margin	Whole dollars	Report the <i>net PL - diversified risk margin</i> .
13	PL Capital Factor %	Percentage	Report the <i>PL capital factor %</i> to two decimal places.
14	Net Written Premium For Material Business That Incepts In The Next Reporting Period	Whole dollars	Report the <i>net written premium for material business that incepts in the next reporting period</i> .
<u>15</u>	<u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>
<u>16</u>	<u>Adjustments to PL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i>.</u> <u>Adjustments to PL Insurance Risk Charge as approved by APRA should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>

Table 4: Premiums Liabilities - Insurance Risk Charge - Australian Business by Class of Business - AASB basis**Reporting basis**

Report the components of the GPS 340 PL for Australian business on an AASB basis by *class of business* for *direct business* and *reinsurance business*.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Class Of Business	Direct classes of business: • Householders • Commercial Motor • Domestic Motor • Other Direct - Category A • Travel • Fire and ISR • Marine • Aviation • Consumer Credit • Other Accident • Other Direct - Category B • Mortgage • CTP • Public and Product Liability • Professional Indemnity • Employers Liability • Cyber • Directors and Officers	Report the <i>class of business</i> .

	Name	Valid values	Description
		- Other Direct - Category C Reinsurance classes of business: - Proportional - Category A - Proportional - Category B - Proportional - Category C - Non-proportional - Category A - Non-proportional - Category B - Non-proportional - Category C	
2	Insurance Contract Liabilities - Liabilities For Remaining Coverage	Whole dollars	Report the <i>insurance contract liabilities - liabilities for remaining coverage</i> amount. Report this as a positive value where it is in a liability position.
3	Reinsurance Contract Liabilities - Liabilities For Remaining Coverage	Whole dollars	Report the <i>reinsurance contract liabilities - liabilities for remaining coverage</i> amount. Report this as a positive value where it is in a liability position.
4	Insurance Contract Assets - Assets For Remaining Coverage	Whole dollars	Report the <i>insurance contract assets - assets for remaining coverage</i> amount. Report this as a positive value where it is in an asset position.
5	Reinsurance Contract Assets - Assets For Remaining Coverage	Whole dollars	Report the <i>reinsurance contract assets - assets for remaining coverage</i> amount.

	Name	Valid values	Description
			Report this as a positive value where it is in an asset position.
6	Adjustment To AASB Net Liabilities For Remaining Coverage	Whole dollars	Report the <i>adjustment to AASB net liabilities for remaining coverage</i> amount. Report this as a positive value where it would increase the <i>adjusted net premiums liabilities</i> .
<u>7</u>	<u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i> amount.</u> <u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>
<u>8</u>	<u>Adjustments to PL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i> amount.</u> <u>Adjustments to PL Insurance Risk Charge as approved by APRA should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>

Table 5: Premiums Liabilities - Insurance Risk Charge - International Business - AASB basis**Reporting basis**

Report the components of the GPS 340 PL for international business on an AASB basis by *international region* (excluding Australia) for *direct business* and *reinsurance business*.

Units of measurement

Report monetary values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	• New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other	Report the <i>international region</i> .
2	Business Type	• Direct business • Reinsurance business	Report the <i>business type</i> .
3	Insurance Contract Liabilities - Liabilities For Remaining Coverage	Whole dollars	Report the <i>insurance contract liabilities - liabilities for remaining coverage</i> amount. Report this as a positive value where it is in a liability position.
4	Reinsurance Contract Liabilities - Liabilities	Whole dollars	Report the <i>reinsurance contract liabilities - liabilities for remaining coverage</i> amount.

	Name	Valid values	Description
	For Remaining Coverage		Report this as a positive value where it is in a liability position.
5	Insurance Contract Assets - Assets For Remaining Coverage	Whole dollars	Report the <i>insurance contract assets - assets for remaining coverage</i> amount. Report this as a positive value where it is in an asset position.
6	Reinsurance Contract Assets - Assets For Remaining Coverage	Whole dollars	Report the <i>reinsurance contract assets - assets for remaining coverage</i> amount. Report this as a positive value where it is in an asset position.
7	Adjustment To AASB Net Liabilities For Remaining Coverage	Whole dollars	Report the <i>adjustment to AASB net liabilities for remaining coverage</i> amount. Report this as a positive value where it would increase the <i>adjusted net premiums liabilities</i> .
8	PL Capital Factor %	Percentage	Report the <i>PL capital factor %</i> to two decimal places.
9	<u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i> amount.</u> <u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>

	Name	Valid values	Description
<u>10</u>	<u>Adjustments to PL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i> amount.</u> <u>Adjustments to PL Insurance Risk Charge as approved by APRA should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>

Table 6: Premiums Liabilities Insurance Risk Charge - Group adjustments**Reporting basis**

Report the *group adjustments* not recognised in other tables. Adjustments that result in a reduction in the GPS 340 PL should be reported as negative values.

Units of measurement

Report values in whole Australian dollars.

Column 1	Report the value for each of the <i>group adjustments</i> items below. Adjustments that result in a reduction in the PL should be reported as negative values
-----------------	--

1. Group adjustments

Item 1.1	Report the <i>gross PL - total (including CHE and PAE)</i> amount.
Item 1.2	Report the <i>net PL - total</i> amount.
Item 1.3	Report the <i>adjusted net premiums liabilities</i> amount.
<u>Item 1.4</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i> amount.</u>
<u>Item 1.5</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i> amount.</u>
Item 1.46	Report the <i>PL Insurance Risk Charge</i> amount.

Specific instructions B - by region

Reporting by region

If the Level 2 insurance group does have a reporting adjustment to report on an 'Australia by region' rather than an 'Australia by *class of business*' basis, it must complete Tables 7, 8, 9 and 10 below (and not Tables 1, 2, 3, 4, 5 and 6). Tables 8 and 9 require the GPS 340 PL of the Australian business to be reported as a single region and the international business to be reported by region.

The Level 2 insurance group must complete Table 9 if it adopts derived valuations for the GPS 340 PL based on accounting records of the group for Australian and international business (subject to meeting the GPS 340 requirements).

For both Australian and international business, while *class of business* is not required to be reported on these tables, Level 2 insurance groups are expected to map their business to the classes of business as defined in CGPS 001 in order to assign an insurance risk capital charge. The details of the mapping and the calculation of the Insurance Risk Charge for businesses are to be provided as a reporting supplement to APRA.

Where there is reinsurance between regions, regions are to be reported on a separate basis. That is, the region directly assuming the risks must report as *direct business*. The region receiving reinsurance must treat this as *direct business* as well. Where reinsurance occurs between entities in one region, the reinsurance transaction is to be eliminated on consolidation within the reported region. Consolidation adjustments for intra group reinsurance transactions between entities in different regions should be reported in Table 10.

Table 7: Premiums Liabilities - Insurance Risk Charge - Australian Business by region – data preparation

Column 1	Report the value for each of the items listed below.
Item 1	Report whether actuarial services used to complete this return. If actuarial services were used input 'Yes' otherwise input 'No'.
Item 2	Report the <i>basis of preparation</i> by which PL have been reported and complete the relevant tables below.

Table 8: Premiums Liabilities – Insurance Risk Charge – by region – GPS 340 basis**Reporting basis**

Report the components of the GPS 340 PL on a GPS 340 basis (as opposed to deriving the GPS 340 PL based on accounting records (AASB basis)) by *international region* for *direct business* and *reinsurance business*.

Units of measurement

Report monetary values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	• Australia • New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other	Report the <i>international region</i> .
2	Business Type	• Direct business • Reinsurance business	Report the <i>business type</i> .
3	Gross PL - Central Estimate (Excluding CHE And PAE)	Whole dollars	Report the <i>gross PL - central estimate (excluding CHE and PAE)</i> .

	Name	Valid values	Description
4	Expected Future Reinsurance Costs For Current And Future Reinsurance Arrangements Needed To Cover PL	Whole dollars	Report the <i>expected future reinsurance costs for current and future reinsurance arrangements needed to cover PL</i> .
5	Commissions	Whole dollars	Report the <i>commissions</i> included in the PL.
6	Reinsurance Commissions	Whole dollars	Report the <i>reinsurance commissions</i> included in the PL. <i>Reinsurance commissions</i> is to be reported as a positive number if they act to reduce the gross PL.
7	Claims Handling Expenses	Whole dollars	Report the <i>claims handling expenses</i> .
8	Policy Administration Expenses	Whole dollars	Report the <i>policy administration expenses</i> .
9	Gross PL – Diversified Risk Margin	Whole dollars	Report the <i>gross PL – diversified risk margin</i> .
10	Net PL - Non-Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net PL - non-reinsurance recoveries (central estimate)</i> . Non-reinsurance recoveries should be reported as a positive number if they act to reduce the gross PL.

	Name	Valid values	Description
11	Net PL - Expected Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net PL - expected reinsurance recoveries (central estimate)</i> . Expected reinsurance recoveries should be reported as a positive number if they act to reduce the gross PL.
12	Net PL - Diversified Risk Margin	Whole dollars	Report the <i>net PL - diversified risk margin</i> .
13	PL Capital Factor %	Percentage	Report the <i>PL capital factor %</i> to two decimal places.
14	Net Written Premium For Material Business That Incepts In The Next Reporting Period	Whole dollars	Report the <i>net written premium for material business that incepts in the next reporting period</i> .
<u>15</u>	<u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>
<u>16</u>	<u>Adjustments to PL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i>.</u> <u>Adjustments to PL Insurance Risk Charge as approved by APRA should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>

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Table 9: Premiums Liabilities – Insurance Risk Charge – by region – AASB basis**Reporting basis**

Report the components of the GPS 340 PL on an AASB basis by *international region* for *direct business* and *reinsurance business*.

Units of measurement

Report monetary values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	• Australia • New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other	Report the <i>international region</i> .
2	Business Type	• Direct business • Reinsurance business	Report the <i>business type</i> .
3	Insurance Contract Liabilities - Liabilities For Remaining Coverage	Whole dollars	Report the <i>insurance contract liabilities - liabilities for remaining coverage</i> amount. Report this as a positive value where it is in a liability position.

	Name	Valid values	Description
4	Reinsurance Contract Liabilities - Liabilities For Remaining Coverage	Whole dollars	Report the <i>reinsurance contract liabilities - liabilities for remaining coverage</i> amount. Report this as a positive value where it is in a liability position.
5	Insurance Contract Assets - Assets For Remaining Coverage	Whole dollars	Report the <i>insurance contract assets - assets for remaining coverage</i> amount. Report this as a positive value where it is in an asset position.
6	Reinsurance Contract Assets - Assets For Remaining Coverage	Whole dollars	Report the <i>reinsurance contract assets - assets for remaining coverage</i> amount. Report this as a positive value where it is in an asset position.
7	Adjustment To AASB Net Liabilities For Remaining Coverage	Whole dollars	Report the <i>adjustment to AASB net liabilities for remaining coverage</i> amount. Report this as a positive value where it would increase the <i>adjusted net premiums liabilities</i> .
8	PL Capital Factor %	Percentage	Report the <i>PL capital factor %</i> to two decimal places.
9	<u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i> amount.</u> <u>Adjustments to PL Insurance Risk Charge based on the Group Actuary's advice should be reported as a positive</u>

	Name	Valid values	Description
			<u>number if they act to reduce the PL Insurance Risk Charge.</u>
<u>10</u>	<u>Adjustments to PL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i> amount.</u> <u>Adjustments to PL Insurance Risk Charge as approved by APRA should be reported as a positive number if they act to reduce the PL Insurance Risk Charge.</u>

Table 10: Premiums Liabilities – Insurance Risk Charge – Group adjustments – GPS 340 basis

Reporting basis

Report the *group adjustments* not recognised in other tables. Adjustments that result in a reduction in the GPS 340 PL should be reported as negative values.

Units of measurement

Report values in whole Australian dollars.

Column 1	Report the value for each of the <i>group adjustments</i> items below. Adjustments that result in a reduction in the PL should be reported as negative values
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1. Group adjustments

Item 1.1	Report the <i>gross PL - total (including CHE and PAE)</i> amount.
Item 1.2	Report the <i>net PL - total</i> amount.
Item 1.3	Report the <i>adjusted net premiums liabilities</i> amount.
<u>Item 1.4</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge based on the Group Actuary's advice</i> amount.</u>
<u>Item 1.5</u>	<u>Report the <i>adjustments to PL Insurance Risk Charge as approved by APRA</i> amount.</u>
Item 1.<u>46</u>	Report the <i>PL Insurance Risk Charge</i> amount.