



Reporting Standard HRS 602.0

Financial and Capital Data

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA regarding a private health insurer's capital adequacy, solvency and financial position.

It includes *Form HRF 602.0 Financial and Capital Data – Cover Page*, *Form HRF 602.1 Financial and Capital Data – CA Forecasts*, *Form HRF 602.2 Financial and Capital Data – Solvency Forecasts*, *Form HRF 602.3 Financial and Capital Data – Revenue*, *Form HRF 602.4 Financial and Capital Data – Expenses*, *Form HRF 602.5 Financial and Capital Data – Capital Transfers*, *Form HRF 602.6 Financial and Capital Data – Assets*, *Form HRF 602.7 Financial and Capital Data – Liabilities*, *Form HRF 602.8 Financial and Capital Data – Related Party Disclosures* and *Form HRF 602.9 Financial and Capital Data – Claims Data* and associated specific instructions.

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Purpose

2. Information collected under this Reporting Standard, as set out in, *Form HRF 602.0 Financial and Capital Data – Cover Page*, *Form HRF 602.1 Financial and Capital Data – CA Forecasts*, *Form HRF 602.2 Financial and Capital Data – Solvency Forecasts*, *Form HRF 602.3 Financial and Capital Data – Revenue*, *Form HRF 602.4 Financial and Capital Data – Expenses*, *Form HRF 602.5 Financial and Capital Data – Capital Transfers*, *Form HRF 602.6 Financial and Capital Data – Assets*, *Form HRF 602.7 Financial and Capital Data – Liabilities*, *Form HRF 602.8 Financial and Capital Data – Related Party Disclosures* and *Form HRF 602.9 Financial and Capital Data – Claims Data* (the HRF 602.0 series), is used by APRA for the purposes of prudential supervision (including assessing compliance with capital adequacy and solvency standards) and for publication.

Application and commencement

3. This Reporting Standard applies to all private health insurers.

4. This Reporting Standard applies for reporting periods ending on or after 1 July 2015.
5. Information that would have been required to be submitted to PHIAC on the PHIAC 2 return in respect of the quarter or year ending 30 June 2015 must instead be submitted to APRA as though it was required under this Reporting Standard.
6. Information that had previously been required to be submitted to PHIAC on the PHIAC 2 return relating to a period ending before 30 June 2015, but which had not been submitted to PHIAC by the end of 30 June 2015, must be submitted to APRA.
7. If, at the end of 30 June 2015, a private health insurer was under an obligation to submit an amended return, to replace a return that the private health insurer submitted to PHIAC prior to 1 July 2015, the private health insurer must submit the amended return to APRA as soon as practicable.
8. If APRA, acting reasonably, is satisfied that information submitted by a private health insurer to PHIAC on the PHIAC 2 return prior to 1 July 2015 is inaccurate, APRA may, by notifying the private health insurer in writing of the basis of APRA's concern, require resubmission of that information in a way that corrects the inaccuracy.

Information required

9. A private health insurer must provide APRA with the information required by this Reporting Standard in respect of each reporting period.
10. The information required by this Reporting Standard, as set out in the HRF 602.0 series, must be provided for each health benefits fund of the private health insurer.

Forms and method of submission

11. The information required by this reporting standard must be lodged as electronic data via the PHIAC Extranet, or an alternate method notified by APRA, in writing, prior to submission.

Reporting periods and due dates

12. Subject to paragraph 13, a private health insurer to which this Reporting Standard applies must provide the information required by this Reporting Standard:
 - (a) in respect of each calendar quarter (i.e. the periods ending 30 September, 31 December, 31 March and 30 June); and
 - (b) in respect of each year ending 30 June.
13. If, having regard to the particular circumstances of a private health insurer, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 12, APRA may change the reporting periods, or specify reporting periods, for the particular private health insurer.

14. The information required by this Reporting Standard must be provided to APRA:
 - (a) in the case of quarterly information – within 28 calendar days after the end of the reporting period to which the information relates;¹ and
 - (b) in the case of annual information – by 30 September each year.
15. APRA may, in writing, grant a private health insurer an extension of a due date, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control

16. All information provided by a private health insurer under this Reporting Standard must be subject to systems, processes and controls developed by the private health insurer for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the private health insurer to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.

Annual audit requirements

17. The information submitted for the purposes of paragraph 14(b) is to be subject to external audit to ensure consistency with the private health insurer's statutory financial accounts and faithful application of the solvency and capital adequacy standards.
18. Audit certification and opinion must be provided to APRA by 30 September each year.
19. If a private health insurer received a qualified auditor's report for a health benefits fund for the year previous to the year for which the report is provided, the report for the year for which the report is provided must state whether the auditor has examined the issues identified and is satisfied that the private health insurer has taken the appropriate steps to rectify the matters raised in the previous report.
20. The auditor's report must:
 - (a) state details of the program adopted to carry out the audit; and
 - (b) include the name of, and be signed by, the auditor who takes responsibility for the accuracy of the report.

Authorisation

21. A person who submits the information required under this Reporting Standard must be suitably authorised by an Officer² of the private health insurer.

¹ For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, a private health insurer is nonetheless required to submit the information required no later than the due date.

² As defined in the *Private Health Insurance (Prudential Supervision) Act 2015*.

Variations

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

Approvals and Exemptions

23. Any approval, determination or other exercise of discretion prior to 1 July 2015 by PHIAC in relation to reporting obligations of a private health insurer will continue to have effect following 1 July 2015 until revoked by APRA.

Interpretation

24. In this Reporting Standard:

- (a) unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard HPS 001 Definitions* (HPS 001); and
- (b) **APRA** means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

PHIAC means the *Private Health Insurance Administration Council* established under the *National Health Act 1953*; and

reporting period means a period mentioned in paragraph 12 or, if applicable, paragraph 13.