



Geoff Summerhayes
MEMBER

21 March 2016

To: Chief Executive Officers and Appointed Actuaries of General Insurers

Financial Condition Report under Prudential Standard GPS 320 Actuarial and Related Matters

As part of the life and general insurance capital (LAGIC) review, APRA made changes to the due date of the Financial Condition Report (FCR) required under Prudential Standard GPS 320 Actuarial and Related Matters (GPS 320). The change required a general insurer to submit the FCR within three months, rather than four months, of its financial year end.

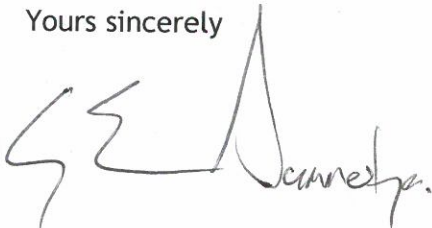
Having conducted initial consultation with industry, APRA intends to release a consultation paper during the first half of 2016 on the role of the Appointed Actuary. To allow APRA to complete this review and draft any resulting changes to GPS 320, APRA has extended the commencement of the three month due date until such time as the amendments to GPS 320 are finalised. APRA is therefore permitting FCRs to be lodged with APRA up to four months after an insurer's balance date, until such time as proposed revisions to GPS 320 come in to force.

As with the previous adjustments, this adjustment does not affect or amend any other prudential requirements of insurers. For example, the ILVR and the review of the run-off plan (where applicable) are still due to APRA within three months of the financial year-end. In addition, an FCR that is combined with an ILVR will need to be submitted within the three-month timeframe.

APRA expects insurers to continue to work on a best endeavours basis to provide the FCR to the Board and APRA as close as practical to the three-month timeframe while still maintaining the quality of the document.

If you have any feedback on the timing of FCRs or the review of the prudential requirements, please email Insurance.Policy@apra.gov.au. If you have any questions in relation to your specific circumstances, contact your Responsible Supervisor.

Yours sincerely





Notice of Adjustment to Reporting Requirements under Prudential Standard GPS 320 Actuarial and Related Matters

Prudential Standard GPS 320 Actuarial and Related Matters

I, Geoff Summerhayes, a delegate of APRA, pursuant to subsection 4(2) of the *Acts Interpretation Act 1901* and subsection 13(1) of the *Legislative Instruments Act 2003*

1. REVOKE the Notice of Adjustment to Reporting Requirements under paragraph 79 of Prudential Standard GPS 320 Actuarial and Related Matters dated 18 December 2014; and
2. Under paragraph 78 of *Prudential Standard GPS 320 Actuarial and Related Matters* (GPS 320), ADJUST the prudential requirements in paragraph 12 of GPS 320 in the manner specified in the attached Schedule.

This instrument comes into force on 21 March 2016.

Geoff Summerhayes
Member

Interpretation

In this Notice

APRA means the Australian Prudential Regulation Authority.

general insurer means the company receiving this notice by way of letter headed:

21 March 2016

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Financial Condition Report under Prudential Standard GPS 320 Actuarial and Related Matters

Schedule

The requirements in paragraph 12 of *Prudential Standard GPS 320 Actuarial and Related Matters* in respect of the general insurer are adjusted so that paragraph 12 now reads:

12. Under the Act, an insurer must submit to APRA all reports required to be prepared by its Appointed Actuary⁶. An insurer must submit to APRA:
- a. reports relating to a special purpose review in accordance with the time specified in paragraph 43;
 - b. unless otherwise specified under paragraph 24 or paragraph 39, the Financial Condition Report⁷ within four months of the end of the insurer's financial year; and
 - c. unless otherwise specified under paragraph 24 or paragraph 39, any other reports within three months of the end of the insurer's financial year⁸.

Footnotes

⁶ Refer to section 49L of the Act.

⁷ This Prudential Standard sets out further detail regarding these reports.

⁸ In exceptional cases, an insurer may apply, and APRA may grant¹ in writing, an extension of time within which this report is to be provided to APRA.