2 March 2016

To: All Private Health Insurers

Private Health Insurers' statistical reporting method to APRA

Since assuming responsibility for the prudential supervision of Private Health Insurers (PHI) from July 2015 a significant focus for APRA has been engagement with the industry more broadly through attending and presenting at industry conferences, meetings with boards and management of private health insurers and other insurance industry participants, including actuaries, industry associations and key service providers. The aim of these engagements has been to enhance APRA's understanding of the industry as well as to ensure that APRA's approach is well understood by the PHI industry.

Part of the transition process involves the transfer of supervisory responsibility and certain PHI functions from our Canberra office to the regional offices to be closer to the insurers that APRA regulates and to realise the benefits of the integration of PHIAC. As part of this process, PHI data collection and dissemination of statistics will be moved to APRA's Sydney office and to our core data collection and statistical systems. This will ensure that APRA is well positioned to sustain the future collection and production of PHI statistics.

The purpose of this letter is to notify you that the method to report statistical data to APRA will change from the PHIAC extranet to APRA's primary data collection system, 'Direct to APRA' or D2A[1]. The change to D2A will apply for reporting periods ending on or after 30 June 2016; the June 2016 quarterly return and the June 2016 annual return should be submitted via D2A. The PHIAC extranet will remain as the reporting method for the March 2016 quarterly return.

The data required to be provided in the returns is not changing[2]. It is only the method of submission that is changing to D2A. There will not be a need to provide data simultaneously via the PHIAC extranet. Submission of data via D2A will be considered by APRA to be compliant with the lodgement requirements in the reporting standards.

About Direct to APRA (D2A)

D2A is the reporting system that the over 600 Authorised Deposit-taking Institutions, general and life insurers, superannuation entities and other APRA-reporting entities use to submit data to APRA. D2A allows reporting entities to securely and electronically download, complete, validate and submit data to APRA.

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[1] Refer to paragraph 7 of each of the Reporting Standards: *HRS 601.0 Statistical Data by State, HRS 602.0 Financial and Capital Data, HRS 603.0 Statistical Data on Prosthetic Benefits* and *HRS 604.0 Medical Specialty Block Grouping.*
[2] Some redundant text and data fields have been removed as they are no longer required by APRA.

PHIs will be able to use D2A to:

- download their quarterly and annual returns;
- complete the returns directly or by importing Standard Business Reporting (SBR) compliant files;
- validate data;
- encrypt and authorise submissions using AUSkey;
- retrieve previously submitted data[3]; and
- amend and resubmit past data as needed.

D2A is available for immediate download from the APRA website. Detailed information on downloading and installing D2A is contained in the D2A help guide[4]. APRA provides D2A Helpdesk support on 02 9210 3400. The D2A Helpdesk will be able to assist with the installation of D2A and answer technical questions in relation to the system.

AUSkey

Once you have acknowledged the use of your PHI's AUSkey you will be able to use it to submit data via D2A and to view previously submitted data[5].

The AUSkey acknowledgement can be completed by downloading the form from APRA's website and sending a signed version to the APRA Registrar, which can be done via e-mail to registrar@apra.gov.au[6].

Standard Business Reporting

SBR is a Government initiative to reduce the burden of business-to-government reporting. SBR reduces reporting burden by providing a common format to provide financial data to participating agencies, which include ASIC, the ATO, and state and territory revenue offices.

D2A is SBR-enabled. It accepts information provided in SBR-format reports. Institutions that create and import SBR-format reports save time and effort in data quality assurance and in data entry.

APRA will provide more detailed information following this letter for PHIs and PHI software providers on creating and importing SBR-format reports.

Further information

There is detailed guidance on the APRA website for entities to be able to install and use D2A.

APRA will hold information sessions in May 2016 for PHIs on using D2A. We will also hold information sessions for PHIs and their reporting software providers on how SBR can be used to streamline reporting. APRA will provide the time and locations of these information sessions by the end of March 2016.

While it is not necessary to install and familiarise yourself with D2A immediately, it is recommended that you download and install D2A and complete the AUSkey acknowledgement before the information sessions.

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[3] Including data previously submitted from 2007 to present.
[4] http://www.apra.gov.au/CrossIndustry/Pages/D2A.aspx
[5] AUSkey is the security credential that allows businesses to transact online with many government agencies.
[6] Details of submitting the D2A acknowledgement form are available at http://www.apra.gov.au/CrossIndustry/Pages/AUSkey-FAQ.aspx

If you have any questions regarding the information in this letter please email statistics@apra.gov.au or contact Barton Ashcroft on 02 9210 3293.

Yours sincerely

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APRA