



2 September 2016

To All Medical Defence Organisations

Re: CONSULTATION ON PROPOSAL TO CEASE MEDICAL DEFENCE ORGANISATION DATA COLLECTION

APRA began collecting data from Medical Defence Organisations (MDOs) in 2004 as part of the Government's package of reforms to address the regulation of medical indemnity cover.

The MDO data collection assisted the Government in the implementation and monitoring of the medical indemnity reforms against their stated objectives. The collection also allowed APRA to develop a greater understanding of the financial position of the overall group to which an APRA-regulated medical indemnity insurer belongs.

The MDO collection was last amended in 2007. These reporting standards sunset (cease to be in effect) ten years after they are registered¹, and need to be remade if this data collection is to continue. APRA supports such processes by assessing collections for continuing relevance and purpose.

In advance of the sunset date for the MDO collection, APRA has assessed the use of MDO data collected and considers that there are less costly means for it to access similar information about MDOs, such as requesting existing information through APRA-regulated insurers when needed.

Consistent with APRA's commitment to look for opportunities to reduce compliance costs for business and the community, APRA considers that the benefit obtained from the use of the data collection no longer outweighs the reporting costs to MDOs. APRA therefore proposes to revoke all the relevant reporting standards and their associated reporting forms:

- *MRS 120.0 Capital Base;*
- *MRS 130.0 Off Balance Sheet Business - Direct Credit Substitutes Provided;*
- *MRS 130.1 Off Balance Sheet Business - Liquidity Support Facilities Obtained;*
- *MRS 130.2 Off Balance Sheet Business - Charges Granted;*
- *MRS 130.3 Off Balance Sheet Business - Credit Support Received;*

¹ Applies to legislative instruments, including reporting standards, registered after 1 January 2005. The instrument is repealed on the first 1 April or 1 October on or after 10 years from the date of registration.

- *MRS 140.0 Investments - Direct Interest Rate Holdings;*
- *MRS 140.1 Investments - Direct Equity Holdings;*
- *MRS 140.2 Investments - Direct Property Holdings;*
- *MRS 140.3 Investments - Loans and Advances;*
- *MRS 140.4 Investments - Assets Indirectly Held;*
- *MRS 150.0 Asset Exposures;*
- *MRS 160.0 Derivative Activity;*
- *MRS 210.0 Outstanding Claims Liabilities;*
- *MRS 300.0 Statement of Financial Position;*
- *MRS 310.0 Statement of Financial Performance;*
- *MRS 310.2 Claims Expense and Reinsurance Recoveries; and*
- *MRS 310.3 Investment and Operating Income and Expenses.*

APRA invites submissions on the proposed revocation of the above reporting standards (including associated reporting forms), **by 30 September 2016**. Submissions should be addressed to Senior Manager, Data Collection and sent to statistics@apra.gov.au or:

Todd Campbell
Senior Manager, Data Collection
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2001

Yours sincerely



Mr Geoff Summerhayes
APRA Member

Important disclosure notice - publication of submissions

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under the *Freedom of Information Act 1982* (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA. Information in the submission about any APRA regulated entity which is not in the public domain and which is identified as confidential will be protected by section 56 of the *Australian Prudential Regulation Authority Act 1998* and therefore will ordinarily be exempt from production under the FOIA.