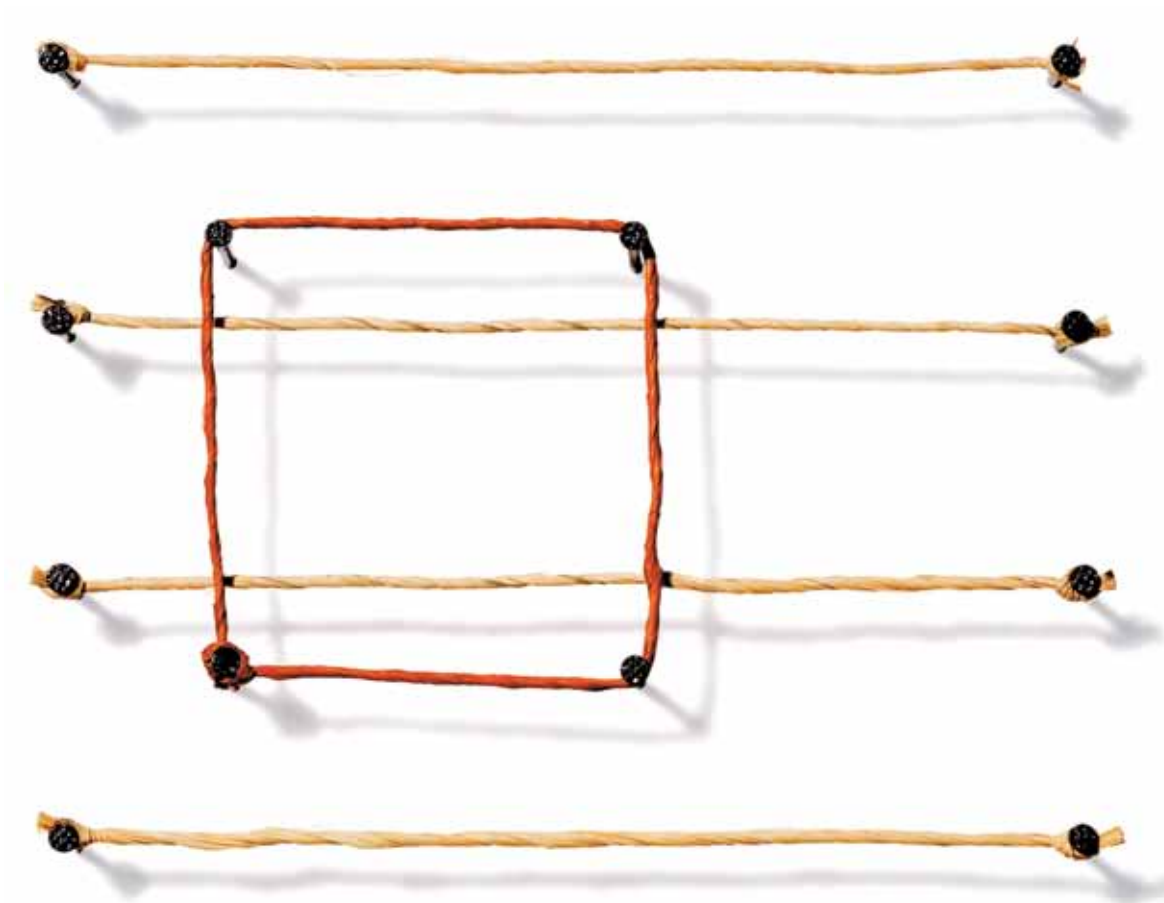




# Instruction Guide

## Form 701 Instructions – Data on intermediated business with APRA-authorized general insurers, Lloyd’s underwriters and unauthorised foreign insurers

30 July 2010



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# Chapter 1 – Introduction

Form 701 collects information on contracts of insurance invoiced during the reporting period by general insurance intermediaries. For the purposes of Form 701 general insurance intermediaries are Australian Financial Services Licence (AFSL) holders who are authorised to deal in general insurance products. Form 701 is broken down into two sections, 'Table 1' and 'Table 2'.

Section	Who completes	What data is collected
Table 1	All general insurance intermediaries.	Collects <b>aggregate data</b> on contracts of insurance placed with Australian Prudential Regulation Authority (APRA)-authorised insurers, Lloyd's underwriters or Unauthorised Foreign Insurers (UFIs).
Table 2	General insurance intermediaries who place business with UFIs	Collects <b>transaction data</b> on contracts of insurance, invoiced during the reporting period and placed with UFIs using the limited exemption arrangements (refer to Appendix B).

The data collection only applies to dealings in general insurance products except for reinsurance or retrocession.

This Instruction Guide is designed to assist general insurance intermediaries in the completion of Form 701. The Instruction Guide provides:

- general instructions regarding preparation and lodgement; and
- specific instructions relating to individual items, including worked examples.

## Chapter 2 – General instructions

### 2.1 Definitions

Definitions and specifications for data reporting items required by this form have been provided under 'Chapter 3 – Specific instructions (Specifications)' and in the 'Glossary'. Some definitions are also contained in the Introduction to this Guide.

### 2.2 Reporting entities

Form 701 is to be completed by Australian Financial Services Licensees that are authorised under the *Corporations Act 2001* to deal in general insurance products (general insurance intermediaries).

General insurance intermediaries are required to report on all general insurance contracts invoiced during the reporting period.

Exclusions:

- a general insurance intermediary that is also an APRA-authorised general insurer should not report on general insurance contracts that it has issued in its capacity as an APRA-authorised general insurer; and
- authorised representatives of general insurance intermediaries should not report on any general insurance contracts invoiced. The obligation is on the general insurance intermediary to report all insurance contracts invoiced under its AFSL. As a result, the AFS Licensee will aggregate the data for all its authorised representatives and report the aggregate in the AFS Licensee's return.

### 2.3 Lodgement

All general insurance intermediaries must lodge Form 701, irrespective of whether they have or have not invoiced for general insurance contracts in the reporting period. Where no general insurance activity has occurred during the period, a 'Nil' return must be submitted.

There are two methods of lodgement:

1. submission using a paper form; or
2. submission electronically using APRA's Direct2APRA (D2A) system.

Submission using a paper form is only available to general insurance intermediaries who are only required to complete Table 1 (aggregate data) – that is, general insurance intermediaries who do not have any UFI business to report for the period. If Table 2 data (transaction data) is required to be submitted then lodgement must be made electronically using D2A. Table 2 data is required when premium is reported in row (c) of Table 1.

General insurance intermediaries submitting by paper can lodge the signed original form by mail or by emailing the signed form in PDF format to APRA.

#### 2.3.1 Table 1 – Aggregate data

- It is mandatory for all general insurance intermediaries to complete Table 1.
- General insurance intermediaries that are not required to complete Table 2 data (that is, they have no UFI data to submit for the period) can submit Form 701 either electronically via D2A, or in paper form.
- For those lodging by paper each cell of the 'Total' row must be populated with a value even if the value is '0' (zero). For those submitting electronically, the 'Total' row will be automatically calculated by D2A, unless the 'nil form' box is selected.

#### 2.3.2 Table 2 – UFI Transaction data

- General insurance intermediaries that are required to complete both aggregate and UFI transaction data must lodge electronically via D2A.
- If a general insurance intermediary is required to complete Table 2 data however is unable to lodge the data electronically, the general insurance intermediary must consult with APRA well in advance of the submission due date.

### 2.4 Sign-off requirements

Documents lodged must be signed in accordance with the requirements specified in Form 701 of *Corporations Regulations 2001* (No. 11). The sign-off requirements are outlined in 2.4.1 overleaf.

## 2.4.1 Lodging paper-based forms

Where Form 701 is lodged by mail, the original form must be signed by a person noted in the table below and lodged with APRA.

Item	Entity	Person
1	A body that is not a foreign company	A director or secretary
2	A body that is a foreign company	(a) a local agent; or (b) if the local agent is a company – a director or secretary of the company
3	An individual	An individual
4	A partnership	(a) a partner; or (b) if the partner is a company – a director or secretary of the company
5	A trust	(a) a trustee; or (b) if the trustee is a body – a director or secretary of the body

### 2.4.1.1 Lodging forms by mail

Forms lodged by mail should be sent to:

UFI Data Collection  
Statistics  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001

Copies of forms lodged by mail must be retained by the general insurance intermediary for their records for a period of seven years.

### 2.4.1.2 Lodging forms via email

Where documents are lodged via email, the PDF version of the form must be signed.

The signed originals must be retained by the general insurance intermediary for their records for a period of seven years.

Lodgements by email must be made to [uficollection@apra.gov.au](mailto:uficollection@apra.gov.au).

### 2.4.2 Lodging electronically

Form 701 can be lodged electronically via D2A. D2A requires users to have a security certificate provided by APRA. A 'challenge letter' must be submitted to APRA in order to obtain a security certificate. The sign-off requirements for the 'challenge letter' are the same as the paper form sign-off requirements (refer to table above under 2.4.1 Lodging paper-based forms). Further information on D2A and submitting a challenge letter is in Appendix C. Alternatively, further information can be obtained on APRA's website: [www.apra.gov.au/Statistics/Lodging>Returns-GI-Intermediaries.cfm](http://www.apra.gov.au/Statistics/Lodging>Returns-GI-Intermediaries.cfm)

## 2.5 Reporting period

General insurance intermediaries are required to report the information in Form 701 twice per year for the six month periods from 1 July to 31 December and 1 January to 30 June as set out in regulation 7.6.08D(5) and 7.6.08E(5) of the *Corporations Regulations 2001 as applicable*.

*Note: For the first data submission, general insurance intermediaries are only required to submit data for the*

period from 1 May 2010 to 30 June 2010.

## 2.6 Reporting due date

This form must be lodged with APRA **within 20 business days** after the end of each reporting period, unless otherwise specified by ASIC or APRA.

*Note: For the first reporting period 1 May 2010 to 30 June 2010, the form must be lodged within 40 business days after the end of that reporting period. This will only apply to the first reporting period.*

## 2.7 Data quality

The electronic version of Form 701 on D2A contains a set of automatic validations. Data entered in Form 701 must satisfy the validations before D2A will allow Form 701 to be lodged with APRA. These validations are explained in Appendix D.

APRA will also assess the lodged data (lodged either electronically or in paper form) for validity. Any issues identified with the data will be referred to the general insurance intermediary and the general insurance intermediary will need to provide any additional information that is requested by APRA.

The general insurance intermediary may subsequently be required to resubmit the data if errors are identified. All responses and resubmissions will be required within five business days of notification from APRA, or at a later date as specified by APRA or ASIC. Returns will not be regarded to be valid submissions until all queries have been responded to and resubmissions have passed subsequent validation checks.

APRA will advise ASIC if the general insurance intermediary fails to submit data (including additional data and resubmissions requested by APRA), or fails to correct errors or omissions in the data. Such failures are breaches of the general insurance intermediary's Australian Financial Service Licence obligations.

All the existing remedies available to ASIC for such breaches will apply. In addition, failure to provide the data required will be a strict liability offence with a

maximum penalty of 10 penalty units for an individual (that is, \$1,100) or 50 penalty units for a corporation (that is, \$5,500).<sup>1</sup>

General insurance intermediaries that do not comply with their reporting obligations, or provide data in a negligent or deliberately insufficient manner, may be referred to ASIC for investigation and possible enforcement action.

## 2.8 Audit requirements

There is no requirement for the data provided by general insurance intermediaries to be audited. General insurance intermediaries are expected, however, to ensure that data submitted to APRA is accurate and complete.

## 2.9 Unit of measurement

Form 701 is to be presented in Australian dollars (AUD) with no decimal places, unless otherwise specified. The D2A version of Form 701 will accept \$.cc as input in Tables 1 and 2 for validation purposes but will automatically round to the nearest dollar when displayed on the form.

Amounts denominated in foreign currency are to be converted to AUD in accordance with AASB 121 'The Effects of Changes in Foreign Exchange Rates'.

Specifically, a foreign currency transaction must be recorded in AUD, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. APRA accepts the date of transaction to be the date the general insurance contract was invoiced by the general insurance intermediary.

General insurance intermediaries can use a commercial exchange rate or an exchange rate provided by the Reserve Bank of Australia at: [www.rba.gov.au/statistics/frequency/exchange-rates.html](http://www.rba.gov.au/statistics/frequency/exchange-rates.html)

<sup>1</sup> Subsection 4B (3) of the *Crimes Act 1914* provides that a maximum penalty for an individual expressed in penalty units may be multiplied by five where a corporation is convicted of the same offence.

## Chapter 3 – Specific instructions (Specifications)

### 3.1 Table 1 (for all general insurance intermediaries)

#### 3.1.1 Premium

Enter the total premium for all policies invoiced during the reporting period for a given underwriter type (i.e. APRA-authorized general insurers, Lloyd's underwriters, UFls) as indicated across rows (a) – (d) on Form 701.

Premium is to be:

- exclusive of government levies (such as tax payable by insurers under the *Insurance Protection Act 2001 (NSW)*);
- exclusive of amounts collected on behalf of third parties (such as GST, stamp duty or fire services levies);
- net of any premium refunds and rebates;
- exclusive of additional charges payable to the insurer, for example 'survey charges' or 'fees for underwriting agencies';
- inclusive of amounts payable to general insurance intermediaries by insurers as commissions (for example, acquisition costs); and
- inclusive of non-resident withholding tax.

#### 3.1.2 Reporting basis

Premiums for a policy must be entered in rows (a) – (d) on Form 701 as shown below:

Row a: Business the general insurance intermediary placed directly with APRA-authorized general insurers<sup>2</sup>.

Row b: Business the general insurance intermediary placed directly, or placed through a foreign intermediary<sup>3</sup>, with Lloyd's underwriters.

Row c: Business the general insurance intermediary placed directly, or placed through a foreign intermediary, with unauthorised foreign insurers. This will be nil for general insurance intermediaries only required to submit data in Table 1.

Row d: Business the general insurance intermediary placed indirectly, through another general insurance intermediary, with either:

- (i) APRA-authorized general insurers;
- (ii) Lloyd's underwriters; or
- (iii) UFls.

#### 3.1.3 Invoice date requirements

The full premium for a policy must be reported in the reporting period the policy was invoiced by the general insurance intermediary. For premiums calculated on an adjustment basis, premium should be recorded in the reporting period that each premium was invoiced.

These instructions are based on 'invoiced' premium, as this is the way in which most brokers recognise premium and it was expected that most of the general insurance intermediated premium would come from that source. However, there are other intermediaries that do not produce invoices and so another way of determining premium may be used. For example, if commission statements are received, it is acceptable for the data contained on the commission statement to be used as the basis for completing Form 701. If commission statements are not received, the data for Form 701 should be sourced from the GI insurers.

<sup>2</sup> For a list of APRA-authorized general insurers see: [www.apra.gov.au/General/General-Insurers.cfm](http://www.apra.gov.au/General/General-Insurers.cfm).

<sup>3</sup> A foreign intermediary is defined as an intermediary that does not hold an Australian Financial Services Licence and its operations are based in a country other than Australia.



### 3.1.4 Effective date requirements

Premium for a policy invoiced in the current reporting period is to be entered into the column that corresponds to the effective date of the policy. The effective date of the policy is either the inception date of a new policy/renewal, or where the date the transaction takes effect on the policy for cancellations and adjustments/endorsements. For premiums calculated on an adjustment basis, the effective date is the date the policy incepted.

For example:

- For a policy that is effective and invoiced in the current reporting period, enter premium in the column labelled 'Effective this reporting period'.
- For a policy that is invoiced in the current reporting period that is to become effective in a later reporting period, enter the premium in the column labelled 'Effective after the reporting period end'.
- For a policy invoiced in the current reporting period that was effective from a previous reporting period, enter the premium in the column labelled 'Effective before the reporting period start'.

When submitting electronically, total premium invoiced in the current reporting period will be automatically calculated in the column labelled 'Total invoiced this reporting period'.

### 3.1.5 Worked example

The following example for completing Form 701 incorporates possible Table 1 data for a general insurance intermediary that has no UFI transaction data to submit in Table 2. A general insurance intermediary has invoiced a total premium of \$3,720,000 in the reporting period, 1 July 2010 to 31 December 2010.

Premium was invoiced as follows:

- (a) \$3,300,000 premium for contracts placed directly with APRA-authorised general insurers, of which:
  - \$3,000,000 was for contracts effective in this reporting period;
  - \$250,000 was for contracts effective after 31 December 2010; and
  - \$50,000 was for contracts effective before 1 July 2010.
- (b) \$400,000 premium for contracts placed directly, or indirectly through a foreign intermediary, with Lloyd's underwriters, of which:
  - \$300,000 was for contracts effective in this reporting period;
  - \$70,000 was for contracts effective after 31 December 2010; and
  - \$30,000 was for contracts reported before 1 July 2010.
- (c) \$20,000 premium for contracts placed indirectly through another general insurance intermediary, of which:
  - \$12,000 was for contracts effective in this reporting period;
  - \$5,000 was for contracts effective after 31 December 2010; and
  - \$3,000 was for contracts effective before 1 July 2010.

**Table 1**

The table below shows how Table 1 should be completed based on the previous example transactions.

Total business placed with APRA- authorised general insurers, Lloyd's underwriters and unauthorised foreign insurers	Premium invoiced this reporting period			
	Effective this reporting period	Effective after the reporting period end	Effective before the reporting period start	Total invoiced this reporting period
(a) Business placed directly by the general insurance intermediary with APRA- authorised general insurers	3,000,000	250,000	50,000	3,300,000
(b) Business placed directly, or indirectly through a foreign intermediary, by the general insurance intermediary with Lloyd's underwriters	300,000	70,000	30,000	400,000
(c) Business placed directly, or indirectly through a foreign intermediary, by the general insurance intermediary with unauthorised foreign insurers	0	0	0	0
(d) Business placed indirectly through another general insurance intermediary, by the general insurance intermediary with:				
(i) APRA- authorised general insurers; or	12,000	5,000	3,000	20,000
(ii) Lloyd's underwriters; or				
(iii) Unauthorised foreign insurers				
<b>Total</b>	<b>3,312,000</b>	<b>325,000</b>	<b>83,000</b>	<b>3,720,000</b>

The 'total' values will be generated by D2A when the 'validation' function is selected.

**Table 2**

Based on the previous example, no data needs to be completed in Table 2.

## 3.2 Table 2 (for general insurance intermediaries with data to submit in Table 1 and Table 2)

*Note: Separate details are to be recorded in Table 2 for each transaction with an individual UFI.*

The instructions below do not apply for general insurance intermediaries that are only required to submit Table 1 data.

### 3.2.1 Column 1: Policy transaction type<sup>4</sup>

Select from the drop-down box the type of transaction applicable to the policy. Transaction type is either 'New policy/renewal', 'Cancellation', or 'Adjustment/endorsement'.

#### 3.2.1.1 New policy/renewal

For a new policy/renewal invoiced during the reporting period, enter the total premium as per 3.1.1 Premium.

#### 3.2.1.2 Cancellation

Where premium reported in a previous reporting period has been cancelled (either from inception or in part) in the current reporting period, premium for the current period should include any negative premium as a result of the cancellation.

#### 3.2.1.3 Adjustment/endorsement

Where premium for a policy reported in a previous reporting period has been subject to an adjustment or endorsement invoiced in the current reporting period, the adjusted premium should be included in the current reporting period.

#### 3.2.1.4 Co-insurance

In the event that there is more than one underwriter type involved in a policy (e.g. a policy that includes a UFI and an APRA-authorized insurer), each type should be identified and the premium amount placed in the relevant row.

### 3.2.2 Column 2: Client code

Enter the unique identifier for the client being insured as used by the general insurance intermediary.

### 3.2.3 Column 3: Policy code

Enter the unique identifier for the policy being issued as used by the general insurance intermediary.

### 3.2.4 Column 4: Invoice date

Enter the date that the client was invoiced for the policy.

The date must be entered in this format: dd/mm/yyyy (for example, a policy invoiced on 10 July 2010 must be entered as 10/07/2010).

### 3.2.5 Column 5: Effective date

Enter the date that the transaction selected in column 1 takes effect. See 3.1.4 Effective date requirements.

The date must be entered in this format: dd/mm/yyyy (for example, a policy effective on 10 July 2010 must be entered as 10/07/2010).

### 3.2.6 Column 6: APRA class of business

Select from the drop-down box the APRA class of business applicable to the policy as defined in Appendix A. Each APRA class of business in respect of a policy must be entered as a separate transaction. For policies insuring more than one risk, general insurance intermediaries are expected to allocate these risks into APRA classes of business on a best endeavours basis.

### 3.2.7 Column 7: Premium

Enter the premium invoiced in the current reporting period as per 3.1.1 Premium.

Where premium is calculated on an adjustment basis, each adjusted premium reported in the period the adjustment was invoiced.

If 'Cancellation' is selected in column 1, enter premium as a negative reflecting the value of the cancelled premium.

<sup>4</sup> APRA expects that cancellations, adjustments and endorsements relating to contracts initially invoiced prior to 1 May 2010, to be reported in the first reporting periods of 1 May – 30 June 2010.

If 'Adjustment/endorsement' is selected in column 1, enter the premium reflecting the value of the change of premium from that previously reported. If the change results in a return premium, enter the premium as a negative.

### **3.2.8 Column 8: Currency of premium**

Select from the drop-down box 'AUD' for all transactions irrespective of whether it originated in foreign currency.

### **3.2.9 Column 9: UFI name**

Enter the UFI's full name. General insurance intermediaries should ensure consistency, both in a reporting period and across different reporting periods, in reporting the name for each respective UFI.

A separate transaction must be entered for each UFI participating on each APRA class of business where there is more than one UFI participating on the policy. In the case of an overseas facility, each individual UFI participating on the policy should be identified by the broker and a separate transaction be recorded for each UFI.

Where a UFI changes its name between reporting periods, general insurance intermediaries should endeavour to obtain and report the new UFI name from the next reporting period.

### **3.2.10 Column 10: UFI country code**

Select the ISO 3166-1-alpha-2 country code of the UFI from the drop-down box. Do not enter the UFI's parent company country code or the country code of the overseas facility. For further information refer to Appendix E or go to: [www.iso.org/iso/english\\_country\\_names\\_and\\_code\\_elements](http://www.iso.org/iso/english_country_names_and_code_elements).

### **3.2.11 Column 11: UFI exemption type**

Select from the drop-down box the Insurance Regulations exemption category applicable to the transaction, that is, either 'HVI', 'Atypical', 'Custom' or 'Foreign' (refer to Appendix B).

Where the transaction is exempt due to more than one exemption type, the general insurance intermediary should select the exemption type that best applies to the transaction. Where such a determination cannot be made, APRA suggests the following priority order:

3. HVI;
4. Atypical;
5. Foreign; and
6. Custom

### **3.2.12 Column 12: HVI limb**

If high valued insured (HVI) exemption is entered in column 11, select the applicable threshold category from the drop-down box, i.e. 'Assets', 'Revenue' or 'Employee'. If multiple thresholds categories apply, then the threshold must be selected in this order: 'Assets'; 'Revenue'; 'Employee' (refer to categories of HVI exemption outlined in Appendix B).

### **3.2.13 Column 13: HVI value (#)**

If high valued insured (HVI) exemption is entered in column 11, enter the policyholder value corresponding to HVI limb selected in column 12. For example, if the asset limb is selected and the insured gross assets are \$600,000,000, the value of the policyholder's assets should be entered as 600000000.

If the limb selected in column 12 is 'employee', then the number of employees should be entered in whole numbers.

### **3.2.14 Column 14: Atypical risk class**

If 'Atypical' is entered in column 11, select from the drop down box the atypical risk class applicable to the policy, as defined in Appendix B.

### **3.2.15 Column 15: Customised reason**

If 'Custom' is entered in column 11, select from the drop down box the reason for using the customised exemption that is applicable to the policy as defined in Appendix B.

### 3.2.16 Co-insurance

In the event that there is more than one underwriter type involved in a policy (e.g. a policy that includes a UFI and an APRA-authorized insurer), only UFIs participating on the policy should be identified and recorded (as a separate transaction for each UFI).

### 3.2.17 Multi-client invoicing

For large groups it is not uncommon for a policy to cover multiple insureds. For example, a policy may cover the parent entity (the primary insured) as well as individual subsidiaries or divisions within the group.

Where a general insurance intermediary invoices each insured separately, only one transaction (i.e. one invoice) is required to be recorded in Table 2 showing the total premium for all insured on the policy.

Where subsidiaries or divisions within a group are insured on a different policy, then a separate transaction must be recorded in Table 2 for each separate policy.

### 3.2.18 Worked example

The following example for completing Form 701 incorporates possible Table 1 and Table 2 data for a general insurance intermediary. The general insurance intermediary has invoiced a total premium of \$4,278,825 in the reporting period, 1 July 2010 to 31 December 2010. Premium was invoiced as follows:

- (i) \$3,300,000 premium for contracts placed directly with APRA-authorized general insurers, of which:
  - \$3,000,000 was for contracts effective in this reporting period;
  - \$250,000 was for contracts effective after 31 December 2010; and
  - \$50,000 was for contracts effective before 1 July 2010.
- (ii) \$400,000 premium for contracts placed directly, or indirectly through a foreign intermediary, with Lloyd's underwriters, of which:
  - \$300,000 was for contracts effective in this reporting period;
  - \$70,000 was for contracts effective 31 December 2010; and
  - \$30,000 was for contracts reported before 1 July 2010.
- (iii) \$558,825 premium for contracts placed directly, or indirectly through a foreign intermediary, with UFIs, of which:
  - \$481,870 was for contracts effective in this reporting period;
  - \$43,400 was for contracts effective after 31 December 2010; and
  - \$33,555 was for contracts effective before 1 July 2010.
- (iv) \$20,000 premium for contracts placed indirectly through another general insurance intermediary with either APRA-authorized general insurers, Lloyd's underwriters, or UFIs, of which:
  - \$12,000 was for contracts effective in this reporting period;
  - \$5,000 was for contracts effective after 31 December 2010; and
  - \$3,000 was for contracts effective before 1 July 2010.

The table below shows how Table 1 should be completed based on the example in 3.2.18 above.

Total business placed with APRA- authorised general insurers, Lloyd's underwriters and unauthorised foreign insurers	Premium invoiced this reporting period			
	Effective this reporting period	Effective after the reporting period end	Effective before the reporting period start	Total invoiced this reporting period
(a) Business placed directly by the general insurance intermediary with APRA- authorised general insurers	3,000,000	250,000	50,000	3,300,000
(b) Business placed directly, or indirectly through a foreign intermediary, by the general insurance intermediary with Lloyd's underwriters	300,000	70,000	30,000	400,000
(c) Business placed directly, or indirectly through a foreign intermediary, by the general insurance intermediary with unauthorised foreign insurers	481,870	43,400	33,555	558,825
(d) Business placed indirectly through another general insurance intermediary, by the general insurance intermediary with:				
(i) APRA- authorised general insurers; or	12,000	5,000	3,000	20,000
(ii) Lloyd's underwriters; or				
(iii) Unauthorised foreign insurers				
<b>Total</b>	<b>3,793,870</b>	<b>368,400</b>	<b>116,555</b>	<b>4,278,825</b>

The column and row 'total' values will be generated by D2A when the 'validation' function is selected.

The table below gives 10 examples of transactions that should be recorded in Table 2.

Transaction	Rows	Description
1	A	A new fire and ISR policy falling into the atypical risk nuclear category. It is placed directly with a UFI. The policy is effective in this reporting period.
2	B to C	A new public and product liability policy. The insured has operating revenue of \$250 million. It is placed through a foreign intermediary and shared between two UFIs. The policy is effective in this reporting period.
3	D	A renewal for an employers' liability policy placed with a UFI through a foreign intermediary due to foreign law insurance requirements. The policy is effective after the reporting period end.
4	E	A new commercial motor policy placed directly with a single UFI. Insurance for this risk is not available in the Australian market. The policy is effective in this reporting period.
5	F to G	A new aviation policy using the atypical exemption for aviation liability. The policy is placed directly with two UFIs, and indirectly through a foreign intermediary with a third UFI. The policy is effective after the reporting period end.
6	H to K	A renewal for a fire and ISR policy. The insured has gross assets of \$850 million and operating revenue of \$1 billion. The policy is placed directly with one UFI, and indirectly with through a foreign intermediary with another three UFIs. The policy is effective before the reporting period start.
7	L to O	A new policy covering fire and ISR, public liability, and commercial motor. The insured has gross assets of \$400 million. The policy is placed indirectly through a foreign intermediary with three UFIs. The policy is effective in this reporting period.
8	P	A cancellation of a fire and ISR policy effective in this reporting period of which the original premium was reported in a previous reporting period. The cancelled premium is AUD\$25,000. The policy was placed indirectly through a foreign intermediary with a UFI. The insured has operating revenue of \$700 million. The cancellation is effective in this reporting period.
9	Q	An endorsement to an aviation policy of which the original premium was reported in a previous reporting period. The additional premium is AUD\$12,200. The policy falls into the atypical risk aviation category. The policy was placed directly with a UFI. The endorsement is effective in this reporting period.
10	R	A new policy covering fire & ISR effective this reporting period. The policy was placed directly with a UFI. The insured has gross assets of \$600 million. The premium is USD\$150,000. The commercial AUD/USD exchange rate as at the date of invoicing was 0.85.

These transactions should be reported as shown in the following example of Table 2.

Table 2

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Policy transaction type	Client code	Policy code	Invoice date	Effective Date	APRA class of business	Premium	Currency of premium	UFI name	UFI country code	Exemption type	HVI limb	HVI value	Atypical risk class	Customised reason
A	DF343AF	FISR3A-8	09/11/2010	20/11/2010	Fire_and_ISR	100000	AUD	Property Insurance Inc	GB	Atypical			Nuclear	
B	44657925	PL34D-A4	24/10/2010	01/11/2010	Public_liability	6000	AUD	Liability Link	BM	HVI	Revenue	250,000,000		
C	44657925	PL34D-A4	24/10/2010	01/11/2010	Public_liability	24000	AUD	Board Cover	BM	HVI	Revenue	250,000,000		
D	465G343A	EPL33-F	29/12/2010	01/11/2010	Employers_liability	2400	AUD	FirstBoss Ins Co	MY	Foreign				
E	BA435D	CMR65-4	01/10/2010	01/11/2010	Commercial_motor_vehicle	52000	AUD	Alaskan Motor	US	Custom				Availability
F	CSA534I	MA345	28/12/2010	01/11/2010	Aviation	20500	AUD	Howzat Aviation	BM	Atypical			Aviation	
G	CSA534I	MA4449	28/12/2010	01/11/2010	Aviation	20500	AUD	AviSafe	GB	Atypical			Aviation	
H	AA434B	FISR3354A	20/08/2010	30/06/2010	Fire_and_ISR	5555	AUD	Corporal Insure	BM	HVI	Assets	850,000,000		
I	AA434B	FISR9983	20/08/2010	30/06/2010	Fire_and_ISR	8000	AUD	Cat Protect	BM	HVI	Assets	850,000,000		
J	AA434B	FISR9983	20/08/2010	30/06/2010	Fire_and_ISR	8000	AUD	Silver Bullet Inc	US	HVI	Assets	850,000,000		
K	AA434B	FISR552G	20/08/2010	30/06/2010	Fire_and_ISR	12000	AUD	XYZ Insurance	BM	HVI	Assets	850,000,000		



Table 2

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Policy transaction type	Client code	Policy code	Invoice date	Effective Date	APRA class of business	Premium	Currency of premium	UFI name	UFI country code	Exemption type	HVI limb	HVI value	Atypical risk class	Customised reason
L	CLI59239	FISR8573	30/09/2010	15/09/2010	Fire_and_ISR	40200	AUD	Cat Protect	BM	HVI	Assets	400,000,000		
M	CLI59239	PL16E-A4	30/09/2010	15/09/2010	Public_liability	30500	AUD	Liability RUs	US	HVI	Assets	400,000,000		
N	CLI59239	PL16E-A4	30/09/2010	15/09/2010	Public_liability	55500	AUD	Inter Munich Ins.	DE	HVI	Assets	400,000,000		
O	CLI59239	CMR85-2	30/09/2010	15/09/2010	Commercial_motor_vehicle	10000	AUD	Inter Munich Ins.	DE	HVI	Assets	400,000,000		
P	BB57863	FISR66-B	31/07/2010	20/07/2010	Fire_and_ISR	-25000	AUD	Corporal Insure	BM	HVI	Revenue	400,000,000		
Q	BR563L	MA-165	15/11/2010	30/09/2010	Aviation	12200	AUD	AviSafe	GB	Atypical			Aviation	
R	AB567R	FISR49-C	01/10/2010	01/10/2010	Fire_and_ISR	176470	AUD	Insurance Bermuda Group	BM	HVI	Assets	600,000,000		

# Appendix A – APRA classes of business

The classes of business prescribed by Regulation 9 of the Insurance Regulations for companies that are not specialist reinsurers are shown below. These classes of business correspond to the APRA classes of business for the purposes of Form 701.

## Homeowners\_householders

This class covers the common H & H policies inclusive of:

- contents;
- personal property;
- arson; and
- burglary.

Public liability normally attaching to these products are to be separated and included in Public and Product Liability class of business

## Commercial\_motor\_vehicle

Motor vehicle insurance (including third party property damage) other than insurance covering vehicles defined below under Domestic Motor Vehicle. It includes long and medium haul trucks, cranes and special vehicles and policies covering fleets

## Domestic\_motor\_vehicle

Motor vehicle insurance (including third party property damage) covering private use motor vehicles including utilities and lorries, motor cycles, private caravans, box and boat trailers and other vehicles not normally covered by business or commercial policies.

## Travel

Insurance against losses associated with travel including loss of baggage and personal effects, losses on flight cancellations and overseas medical costs.

## Fire\_and\_ISR

Fire policies includes all those normally classified as 'fire' and includes:

- sprinkler leakage;
- subsidence;
- windstorm;
- hailstone;
- crop;
- arson;
- loss of profits; and
- any extraneous risk normally covered under fire policies, for example, flood.

Standard policy wordings exist for this type of policy. 'Industrial special risks' (ISR) includes all policies which contain standard wordings or where the wording is substantially similar.

## Marine

Marine insurance includes marine hull (including pleasure craft), marine cargo (including sea and inland transit insurance).

## Aviation

Aviation insurance includes aircraft hull and aircraft liability insurance.

## Mortgage

Mortgage insurance includes insurance against losses arising from the failure of debtors to meet financial obligations to creditors or under which payment of debts is guaranteed. It includes lease guarantee insurance.

## Consumer\_credit

Consumer credit insurance includes insurance to protect a consumer's ability to meet loan repayments on personal loans and credit card finance in the event of death or loss of income due to injury, illness or unemployment

## Other\_accident

'Other accident' includes the following types of insurance:

- miscellaneous accident (involving cash in transit, theft, loss of money);
- all risks (baggage, sporting equipment, guns);
- engineering when not part of ISR or Fire policy;
- plate glass when not part of packaged policy (for example, house-owners/house-holders);
- guarantee (Insurance Bonds);
- live stock;
- pluvius; and
- sickness and accident (which provides stated benefits where the insured is killed or suffers loss of specific parts of the body or is prevented from carrying out the insured's normal occupation. Under a sickness and accident policy regular benefits may be paid over a short period of time (typically less than 3 years), noting that continuous disability policies are now considered to be life insurance policies and should not be provided by general insurance companies.

## Other

'Other' is all other insurance business not specifically mentioned elsewhere. It includes, for example:

- all guarantees (for example, fidelity guarantee);
- trade credit;
- extended warranty (includes insurance by a third party for a period in excess of the manufacturer's or seller's normal warranty);
- kidnap and ransom; and
- contingency.

## CTP\_motor\_vehicle

This consists only of CTP motor vehicle insurance.

## Public\_and\_product\_liability

- Public liability covers legal liability to the public in respect of bodily injury or property damage arising out of the operation of the insured's business.
- Product liability includes policies that provide for compensation for loss and/or injury caused by, or as a result of, the use of goods and also environmental clean-up caused by pollution spills where not covered by Fire and ISR policies.
- This category also includes builders' warranty insurance.

## Professional\_indemnity

Professional indemnity includes directors' and officers' liability insurance and legal expense insurance. (Cover for legal expenses are generally included in this type of policy).

## Employers'\_liability

Employers' liability includes:

- workers' compensation;
- seamen's compensation; and
- domestic workers' compensation insurance.

## Appendix B – Limited exemptions

Part 2 of the *Insurance Regulations 2002* sets out the limited exemption arrangements where Australian insurance risks can be placed with UFIs. The limited exemption arrangements provide for:

- a high-value insured exemption ('HVI');
- an atypical risk exemption ('Atypical');
- a customised exemption ('Custom'); and
- a foreign law exemption ('Foreign').

### HVI exemption

The HVI exemption (defined in regulation 4B of the *Insurance Regulations*) applies to an insured (policyholder<sup>5</sup>, either alone or as part of a related group<sup>6</sup> if the policyholder meets one of the following criteria:

- the operating revenue of the policyholder derived in Australia for a financial year is at least \$200 million, worked out by averaging the amount of its operating revenue derived in Australia for each of the previous three financial years;
- the value of the policyholder's gross assets in Australia at the end of a financial year is at least \$200 million, worked out by averaging the value of those assets at the end of each of the previous three financial years; or
- the number of the employees of the policyholder in Australia at the end of a financial year is at least 500, worked out by averaging the number of its employees in Australia at the end of each of the previous 3 financial years.

If the policyholder was not in existence at the end of each of the previous three financial years, its revenue, assets and employees are worked out by reference to the most recent completed financial years in which it was in existence.

### Atypical exemption

The Atypical exemption (defined in regulation 4C of the *Insurance Regulations*) applies to an insured (policyholder) of a contract of insurance for an atypical risk to the extent that it insures against the loss or liability for one of the following risks:

#### Nuclear

Loss or liability arising from the hazardous properties (including radioactive, toxic or explosive properties) of nuclear fuel, nuclear material or nuclear waste.

#### Biological

Loss or liability arising from the hazardous properties of biological material or biological waste.

#### War

Loss or liability arising from war or warlike activities (within the meaning given by sub regulation 2(1) of the *Insurance Contracts Regulations 1985*).

#### Terrorism

Loss or liability arising from a terrorist act (within the meaning given by section 5 of the *Terrorism Insurance Act 2003*).

#### Medical clinical trials

Liability arising from health-care related research.

#### Space

Loss of, or liability arising from the operation of, a space object (within the meaning given by section 8 of the *Space Activities Act 1998*).

#### Aviation liability

Liability arising from the ownership or operation of an aircraft (but not loss of the aircraft or its cargo).

<sup>5</sup> Policyholder means a person that has or proposes to have a contract of insurance with a UFI

<sup>6</sup> Related group mean 2 or more associated entities (within the meaning given by section 50AAA of the *Corporations Act 2001*); or a partnership.

## **Shipowners' P and I**

Liability and expenses arising from a person owning, chartering, managing, operating or being in possession of a vessel other than a pleasure craft (within the meaning given by subsection 9A(2) of the *Insurance Contracts Act 1984*).

## **Equine**

Loss or liability arising from equine mortality or fertility and related risks. However, it does not include equestrian packages.

## **Customised exemption reasons**

The Custom exemption (defined in regulation 4D of the Insurance Regulations) can apply to an insured (policyholder) when the general insurance intermediary is satisfied, on reasonable grounds, that the policyholder is insuring for a risk that:

### **Availability**

There is no Australian insurer that will insure against the risk.

### **Terms**

The terms (including price) on which any APRA-authorized general insurer or Lloyd's underwriter will insure against the risk are substantially less favourable to the insured than the terms on which a UFI will insure against the risk.

### **Other**

Insurance with an APRA-authorized general insurer or Lloyd's underwriter would be substantially less favourable to the insured than with a UFI because of other circumstances.

## **Foreign exemption**

The foreign exemption (defined in regulation 4E of the Insurance Regulations) applies where, a law of a foreign country requires that the insurance contract be issued by an insurer, or a kind of insurer, authorised or permitted under the laws of that country to issue that kind of contract.

## Appendix C – D2A

Direct to APRA or D2A is a secure electronic data submission system. D2A was introduced in 2001 and enables regulated and registered financial entities to lodge their returns with APRA.

Data can be manually entered or imported directly into D2A from the general insurance intermediary's own business information systems. D2A submits returns by passing information in an encrypted form to APRA using a direct internet connection.

### Lodging data electronically and sign-off requirements

D2A needs to be installed on all computers that will be used to lodge data. This is done by downloading the D2A software from APRA's website (at no cost). A demonstration of how to install D2A is available at: [www.apra.gov.au/Statistics/D2A/upload/june10install.swf](http://www.apra.gov.au/Statistics/D2A/upload/june10install.swf).

D2A requires users to have a security certificate provided by APRA which must be installed on the user's computer system. A 'challenge letter' must be submitted to APRA in order to obtain a security certificate.

The challenge letter identifies the general insurance intermediary, the individual who will be responsible for lodging data using D2A, and the individual authorising them to lodge the data on behalf of the general insurance intermediary.

The security certificate facilitates the secure transfer of information to APRA. A security certificate allows APRA to identify and authenticate an individual in an organisation, and will be necessary for the use of D2A. A security certificate is needed to download and decrypt forms from APRA, and to encrypt and send data to APRA. Security certificates will not be issued without a challenge letter and a corresponding electronic 'request for a certificate' from D2A. Challenge letters are to be signed by the relevant person in accordance with the requirements of Form 701. Refer to the table at 2.4.1 Lodging paper-based forms.

If more than one person at the general insurance intermediary's organisation will be using D2A to send data to APRA, each person must obtain a security certificate.

When using D2A, the data sign-off requirement is met by the challenge letters. If there is a change of individual who will be responsible for lodging the data, another security certificate will need to be obtained. Further information on obtaining a challenge letter can be found in APRA D2A help guide at: [www.apra.gov.au/Statistics/D2A/upload/D2A\\_User\\_Guide\\_v4.pdf](http://www.apra.gov.au/Statistics/D2A/upload/D2A_User_Guide_v4.pdf).

All forms submitted to APRA using D2A are protected using cryptography (a type of information security). Cryptography is most often associated with scrambling plain text or ordinary text into cipher text (encryption), then back again (decryption). This security process happens automatically and does not require any action by the general insurance intermediary using D2A.

The process for submitting data after initial installation of D2A is:

- download the required forms;
- complete the required forms either using manual entry or importing XBRL data from an entity's business information system into the forms; and
- perform validation to errors on forms before submitting to APRA.

### System requirements

The following are minimum system requirements for D2A are recommended:

- PC using Windows Vista, XP or 2000, with latest Service Packs<sup>7</sup>;
- 1 GHz processor;
- 256 MB of system memory (1GB recommended for Vista);
- at least 1 GB hard drive free space;
- write access to the directory specified by the TEMP environment variable; and
- internet access.

<sup>7</sup> Although D2A may work with other operating platforms (other than Windows) these are not supported by APRA.

To the extent that a general insurance intermediary's existing computer systems meet these requirements, D2A will not require systems changes for manual data entry.

XBRL (eXtensible Business Reporting Language) is an international standard for recording financial data in XML (eXtensible Mark-up Language). (For more information on XBRL, refer to [www.xbrl.org/au/](http://www.xbrl.org/au/)). D2A's ability to import XBRL data means that a general insurance intermediary can save time by not having to re-enter financial data already contained within its business information system. It is also possible to import batch XBRL data or to import one or more XBRL files from a general insurance intermediaries' business information system into D2A. This submits the XBRL data in the files directly to APRA. What this means is that it is possible for a software provider to undertake some system development to automate the data entry process.

## D2A support

APRA provides various forms of assistance for D2A users. When new data collections in D2A are rolled out, training is provided to users. This collection of data from general insurance intermediaries will be no different, and training in the use of D2A and in the interpretation of the requirements of the forms will be provided. Training sessions will be conducted by APRA in all States where there is sufficient demand. APRA also maintains a D2A help desk which is contactable by telephone and e-mail and is available Monday to Friday between 9.00 am and 5.00 pm (Eastern Standard Time). There is an extensive D2A help guide available at [www.apra.gov.au/Statistics/D2A/upload/D2A\\_User\\_Guide\\_v4.pdf](http://www.apra.gov.au/Statistics/D2A/upload/D2A_User_Guide_v4.pdf). This is a good reference document to gain a greater understanding of the requirements and the practical use of the D2A system.

# Appendix D – Validations contained in Form 701 submitted via D2A

## 1. Table 2 – Column 1 through to 11

For each row of data entered on Table 2, each column must be completed and cannot be blank.

*Message: Policy transaction type, Client code, Policy code, Invoice date, Effective date, APRA class of business, Premium, Currency of premium, UFI name, UFI country code and Exemption type must be completed.*

## 2. Table 2 – Column 2 & 3 – Client Code and Policy Code

Each column must not exceed 80 Characters.

*Message: Client code and Policy code must not exceed 80 characters.*

## 3. Table 2 – Column 4 – Invoice Date

Invoice date must be entered in the DD/MM/YYYY format.

*Message: Effective date must be entered as a date (DD/MM/YYYY).*

## 4. Table 2 – Column 5 – Effective Date

Effective date must be entered in the DD/MM/YYYY format.

*Message: Effective date must be entered as a date (DD/MM/YYYY).*

## 5. Table 2 – Column 9 – UFI Name

UFI name must not exceed 240 Characters.

*Message: UFI name must not exceed 240 characters.*

## 6. Table 2 – Column 12 – HVI Limb

A selection must be made in this column if (and only if) 'HVI' is selected in column 11 – UFI exemption type.

*Message: A HVI limb must be selected from the drop-down menu if (and only if) the UFI exemption type is HVI.*

## 7. Table 2 – Column 13 – HVI Value

A value must be entered in this column if (and only if) 'HVI' is selected in column 11 – UFI exemption type.

*Message: HVI value must be completed if (and only if) Exemption type is HVI.*

## 8. Table 2 – Column 14 – Atypical risk class

A selection must be made in this column if (and only if) 'Atypical' is selected in column 11 – UFI exemption type.

*Message: atypical risk class must be completed if (and only if) Exemption type is Atypical.*

## 9. Table 2 – Column 15 – Customised reason

A selection must be made in this column if (and only if) 'Custom' is selected in column 11 – UFI exemption type.

*Message: A customised reason must be completed if (and only if) Exemption type is custom.*

## 10. Table 1 and Table 2 Column 7 – Premium

Total invoice on Table 1 – Row (c), must equal the number Premium in Table 2 – Column 7.

*Message: The Total for Business placed directly, or indirectly through a foreign intermediary, by the general insurance intermediary with unauthorised foreign insurers in Table 1 must equal the sum of Premium in Table 2.*



## Appendix E – ISO Country codes

Country names	ISO 3166-1-alpha-2 code
<b>A</b>	
Afghanistan	AF
Åland Islands	AX
Albania	AL
Algeria	DZ
American Samoa	AS
Andorra	AD
Angola	AO
Anguilla	AI
Antarctica	AQ
Antigua and Barbuda	AG
Argentina	AR
Armenia	AM
Aruba	AW
Australia	AU
Austria	AT
Azerbaijan	AZ
<b>B</b>	
Bahamas	BS
Bahrain	BH
Bangladesh	BD
Barbados	BB
Belarus	BY
Belgium	BE
Belize	BZ
Benin	BJ
Bermuda	BM
Bhutan	BT
Bolivia, Plurinational State of	BO
Bosnia and Herzegovina	BA
Botswana	BW

Country names	ISO 3166-1-alpha-2 code
Bouvet Island	BV
Brazil	BR
British India Ocean Territory	IO
Brunei Darussalam	BN
Bulgaria	BG
Burkina Faso	BF
Burundi	BI
<b>C</b>	
Cambodia	KH
Cameroon	CM
Canada	CA
Cape Verde	CV
Cayman Islands	KY
Central African Republic	CF
Chad	TD
Chile	CL
China	CN
Christmas Island	CX
Cocos (Keeling) Islands	CC
Colombia	CO
Comoros	KM
Congo	CG
Congo, The Democratic Republic of the	CD
Cook Islands	CK
Costa Rica	CR
Côte D’Ivoire	CI
Croatia	HR
Cuba	CU
Cyprus	CY
Czech Republic	CZ

Country names	ISO 3166-1-alpha-2 code
<b>D</b>	
Denmark	DK
Djibouti	DJ
Dominica	DM
Dominican Republic	DO
<b>E</b>	
Ecuador	EC
Egypt	EG
El Salvador	SV
Equatorial Guinea	GQ
Eritrea	ER
Estonia	EE
Ethiopia	ET
<b>F</b>	
Falkland Islands (Malvinas)	FK
Faroe Islands	FO
Fiji	FJ
Finland	FI
France	FR
French Guiana	GF
French Polynesia	PF
French Southern Territories	TF
<b>G</b>	
Gabon	GA
Gambia	GM
Georgia	GE
Germany	DE
Ghana	GH
Gibraltar	GI
Greece	GR
Greenland	GL

Country names	ISO 3166-1-alpha-2 code
Grenada	GD
Guadeloupe	GP
Guam	GU
Guatemala	GT
Guernsey	GG
Guinea	GN
Guinea-Bissau	GW
Guyana	GY
<b>H</b>	
Haiti	HT
Heard Island and McDonald Islands	HM
Holy See (Vatican City State)	VA
Honduras	HN
Hong Kong	HK
Hungary	HU
<b>I</b>	
Iceland	IS
India	IN
Indonesia	ID
Iran, Islamic Republic of	IR
Iraq	IQ
Ireland	IE
Isle of Man	IM
Israel	IL
Italy	IT
<b>J</b>	
Jamacia	JM
Japan	JP
Jersey	JE
Jordan	JO

Country names	ISO 3166-1-alpha-2 code
<b>K</b>	
Kazakhstan	KZ
Kenya	KE
Kiribato	KI
Korea, Democratic People's Republic of	KP
Korea, Republic of	KR
Kuwait	KW
Kyrgyzstan	KG
<b>L</b>	
Lao People's Democratic Republic	LA
Latvia	LV
Lebanon	LB
Lesotho	LS
Liberia	LR
Libyan Arab Jamahiriya	LY
Liechtenstein	LI
Lithuania	LT
Luxembourg	LU
<b>M</b>	
Macao	MO
Macedonia, The Former Yugoslav Republic of	MK
Madagascar	MG
Malawi	MW
Malaysia	MY
Maldives	MV
Mali	ML
Malta	MT
Marshall Islands	MH
Martinique	MQ

Country names	ISO 3166-1-alpha-2 code
Mauritania	MR
Mauritius	MU
Mayotte	YT
Mexico	MX
Micronesia, Federated States of	FM
Moldova, Republic of	MD
Monaco	MC
Mongolia	MN
Montenegro	ME
Montserrat	MS
Morocco	MA
Mozambique	MZ
Myanmar	MM
<b>N</b>	
Nambia	NA
Nauru	NR
Nepal	NP
Netherlands	NL
Netherlands Antilles	AN
New Caledonia	NC
New Zealand	NZ
Nicaragua	NI
Niger	NE
Nigeria	NG
Niue	NU
Norfolk Island	NF
Northern Mariana Islands	MP
Norway	NO
<b>O</b>	
Oman	OM

Country names	ISO 3166-1-alpha-2 code
<b>P</b>	
Pakistan	PK
Palau	PW
Palestinian Territory, Occupied	PS
Panama	PA
Papua New Guinea	PG
Paraguay	PY
Peru	PE
Philippines	PH
Pitcairn	PN
Poland	PL
Portugal	PT
Puerto Rico	PR
<b>Q</b>	
Qatar	QA
<b>R</b>	
Réunion	RE
Romania	RO
Russian Federation	RU
Rwanda	RW
<b>S</b>	
Saint Barthélemy	BL
Saint Helena, Ascension and Tristan Da Cunha	SH
Saint Kitts and Nevis	KN
Saint Lucia	LC
Saint Martin	MF
Saint Pierre and Miquelon	PM
Saint Vincent and the Grenadines	VC
Samoa	WS
San Marino	SM

Country names	ISO 3166-1-alpha-2 code
Sao Tome and Principe	ST
Saudi Arabia	SA
Senegal	SN
Serbia	RS
Seychelles	SC
Sierra Leone	SL
Singapore	SG
Slovakia	SK
Slovenia	SI
Solomon Islands	SB
Somalia	SO
South Africa	ZA
South Georgia and the South Sandwich Islands	GS
Spain	ES
Sri Lanka	LK
Sudan	SD
Suriname	SR
Svalbard and Jan Mayen	SJ
Swaziland	SZ
Sweden	SE
Switzerland	CH
Syrian Arab Republic	SY
<b>T</b>	
Taiwan, Province of China	TW
Tajikstan	TJ
Tanzania, United Republic of	TZ
Thailand	TH
Timor-Leste	TL
Togo	TG
Tokelau	TK
Tonga	TO

Country names	ISO 3166-1-alpha-2 code
Trinidad and Tobago	TT
Tunisia	TN
Turkey	TR
Turkmenistan	TM
Turks and Caicos Islands	TC
Tuvalu	TV
<b>U</b>	
Uganda	UG
Ukraine	UA
United Arab Emirates	AE
United Kingdom	GB
United States	US
United States Minor Outlying Islands	UM
Uruguay	UY
Uzbekistan	UZ
<b>V</b>	
Vanuatu	VU
Vatican City State	see Holy See
Venezuela, Bolivarian Republic of	VE
Vietnam	VN
Virgin Islands, British	VG
Virgin Islands, U.S.	VI
<b>W</b>	
Wallis and Futuna	WF
Western Sahara	EH
<b>Y</b>	
Yemen	YE
<b>Z</b>	
Zambia	ZM
Zimbabwe	ZW

# Glossary

## **APRA**

Australian Prudential Regulation Authority

## **APRA Act**

*Australian Prudential Regulation Authority Act 1998*

## **APRA-authorised general insurer**

A body corporate authorised under section 12 of the *Insurance Act 1973* to carry on insurance business in Australia.

## **ASIC**

Australian Securities and Investments Commission

## **Australian Financial Services Licence**

Defined in section 761A of the *Corporations Act 2001* as a licence under section 913B of that Act that authorises a person who carries on a financial services business to provide financial services.

## **Foreign currency**

A currency other than Australian Dollars (AUD).

## **Foreign intermediary**

An intermediary that does not hold an Australian Financial Services Licence and its operations are based in a country other than Australia..

## **General insurance intermediary**

An intermediary that holds a current Australian Financial Services Licence, and is authorised to deal general insurance products.

## **Insurance Act**

*Insurance Act 1973*

## **Insurance Regulations**

*Insurance Regulations 2002*

## **Lloyd's underwriters**

As defined in subsection 3 (1) of the *Insurance Act 1973*.

## **Spot exchange rate**

The exchange rate for immediate delivery.

## **UFIs**

Unauthorised Foreign Insurers (UFI) that are foreign domiciled insurers and are not authorised by APRA to carry on insurance business in Australia. UFIs are defined in Regulation 4 of the Insurance Regulations. A common example of an UFI is a foreign insurer that, if it carried on insurance business in Australia, whether directly or via a general insurance intermediary, would be in breach of Section 9 or 10 of the Insurance Act. Section 9 and 10 prohibit entities from carrying on general insurance business in Australia without being regulated by APRA. Limited exemption arrangements in Part 2 of the Insurance Regulations allow some UFIs to conduct insurance business in Australia without being authorised.

## Further information

Form content issues that cannot be resolved through reference to this document, the 'Form Instruction Guides', or the 'Frequently Asked Questions' located on APRA's website, should be addressed to [uficollection@apra.gov.au](mailto:uficollection@apra.gov.au).

Technical issues with Direct to APRA (D2A) – such as importing or refreshing forms – should be addressed to the D2A Helpdesk at [d2ahelp@apra.gov.au](mailto:d2ahelp@apra.gov.au) or on (02) 9210 3400.



Telephone  
1300 13 10 60

Email  
[contactapra@apra.gov.au](mailto:contactapra@apra.gov.au)

Web site  
[www.apra.gov.au](http://www.apra.gov.au)

Mail  
GPO Box 9836  
in all capital cities  
(except Hobart and Darwin)