

Explanatory notes

Introduction

This publication is available in three versions: an Adobe PDF publication for printing (containing data for the most recent periods), a Microsoft Excel report version (containing additional statistics and a complete time series since September 2002 of data included in the PDF publication), and a database version (in a Microsoft Excel file).

The database version includes a full time series of statistics that are published in the PDF publication, and also contains additional data items. Calculated ratios are not provided in the database version of the publication. A list of ratios and their calculation methodology is provided in the Data dictionary in the database version.

In the database version, industry data are not provided where direct insurer and reinsurer data are provided. The industry figure can be calculated by summing these sectors. This principle also applies to class of business data. Sub-level data may not sum up to total figures due to rounding.

Source of data

Data in this publication are sourced from regulatory returns submitted to APRA under the Financial Sector (Collection of Data) Act 2001 by authorised general insurance companies. Statistics on Lloyd's Australian operations are not included in this publication.

Blank copies of the returns and associated instructions are available on the APRA website.

Basis of preparation

Data in this publication are prepared from the individual insurer accounts, not consolidated insurance group accounts. Transactions between related entities within the same insurance group have not been eliminated. Examples of such transactions include intra-group reinsurance arrangements (premiums, claims, reinsurance recoveries, provisions) and loans between parents and subsidiaries.

Due to the nature of the insurance and reinsurance industry, double counting of claims and premiums will occur in gross measures. Inwards reinsurance essentially reflects a restatement of premium that has already been included in the direct business figures (where the business is ceded by Australian authorised insurers).

Figures represent the total operations of Australian authorised insurers, not only business undertaken within Australia.

Changes in reporting framework

This publication includes data across different reporting frameworks.

From the September 2010 quarter onwards, data in this publication are prepared based on APRA reporting which has been largely aligned with *AASB 1023 General Insurance Contracts (AASB 1023)*.

Data in the publication prior to September 2010 are based on APRA's 'prospective accounting' reporting framework that applied until 1 July 2010. Under this framework,

insurers used prospective liability valuation requirements prescribed by *Prudential Standard GPS 310 Audit and Actuarial Reporting and Valuation (GPS 310)*.

Under APRA's prospective accounting reporting framework, expected future profit or loss on written business was immediately recognised. Under *AASB 1023*, profit or loss is recognised over time in accordance with the expected pattern of risk associated with the business.

From the March 2013 quarter onwards, capital and solvency data items are reported under APRA's new capital standards which were effective from 1 January 2013 onwards.