



Manager, General Insurance Statistics  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001

27 March 2013

This submission is intended to address APRA's proposal regarding "**Confidentiality of general insurance data and changes to general insurance statistical publications**", dated 22 Feb 2013.

This submission is made on behalf of the following Insurers (collectively "**Insurers**"):

RAA Insurance Limited (RAAI);  
RAC Insurance Pty Ltd (RACI);  
RACT Insurance (RACTI);  
RACQ Insurance (RACQI);

The Insurers support the progress that APRA have made in the collection of data for regulatory purposes. The purpose of APRA's statistics is to promote an understanding of the general insurance industry and to facilitate improved transparency and accountability of general insurers. These publications enable industry to benchmark with their peers in the area of capital adequacy and more importantly provide assurance to the public that the general insurance industry is in a strong financial position.

Under the current Financial Sector (Collection of Data) Act 2001, APRA is required to seek consent from institutions to publish data in an aggregated form. To date these items have been beneficial to collect and to some extent assist research.

The Insurers are in agreement with the publication of information on an aggregated basis that does not identify a class of business split of premiums and loss ratios.

The proposal to make all data collected by APRA non-confidential will have some benefits in benchmarking to the industry, however, the Insurers have concerns in relation to the additional data that is collected and potentially available, specifically as it relates to class of business split.

The Insurers do not support the publication of **both** institutional level and class of business level data. In essence our concerns relate to the unintended consequences of publishing commercially sensitive information which could be reconstructed from key data at a class of business level.

1. APRA proposes to make all data collected non-confidential. The Insurers have no objection to publishing aggregated data at an institution level. This is currently available from ASIC and current APRA publications. However making all data collected, non-confidential makes it almost certain that class of business data at an institutional level will be disclosed at a later stage. Our key concern is that class of business level data will expose the Insurers' company confidential pricing and other commercially sensitive information to the broader market. For example, average premium per class of business, loss ratio and COR by class of business in a given state is considered by the Insurers to be commercially sensitive information. We add that while this might be beneficial to competitors, there would be limited benefit to the public in disclosing such detailed information.

2. A large portion of the insurance industry is dominated by national players which would not be affected by this proposal due to the aggregation of class of business level statistics nationally. However publishing this level of information on the Insurers (i.e. class of business) would almost certainly create the unintended consequence of providing existing competitors as well as new entrants with segment data & pricing for aggressive price attacks. Such pricing tactics are short term and can have a negative effect on the long term profitability and capital adequacy of the Insurers. We are concerned that segment information available on single state portfolios would be particularly detrimental to the Insurers.

The Insurers have no objections to making this submission available to the public.

For clarification on the above response please contact the undersigned.

Yours faithfully



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