



Reporting Standard GRS 001

Reporting Requirements

Objective of this Reporting Standard

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This Reporting Standard sets out the general instructions for providing information under reporting standards, including the periods within which information required under reporting standards must be provided to APRA.

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Purpose

2. Reporting standards made under section 13 of the *Financial Sector (Collection of Data) Act 2001* require financial sector entities to provide information to APRA. This Reporting Standard provides instructions applicable to all reporting standards to be completed by certain entities and specifies the periods within which those entities are to comply with those requirements.

Application and Commencement

3. This Reporting Standard applies to all general insurers authorised under the *Insurance Act 1973* (general insurers) and to all parent entities of Level 2 insurance groups as defined in *Prudential Standard GPS 001 Definitions* (GPS 001). This Reporting Standard applies for reporting periods ~~ending~~ commencing on or after 1 July 2023.

General Instructions

4. Detailed instructions for the individual reporting items are included in the specific instructions for each reporting ~~form~~ standard. These specific instructions need to be considered in conjunction with the General Instruction Guide (which is Attachment A to this Reporting Standard), the relevant reporting standards and the prudential standards.

Periods for Provision of Returns

5. A general insurer is to provide information required under reporting standards:

- (a) in the case of quarterly information - 20 business days after the end of the reporting period to which the information relates; and
 - (b) in the case of annual information three months after the end of the reporting period to which the information relates.
6. APRA may, in writing, grant a general insurer an extension of a due date in paragraph 5, for all or specified reporting standards, in which case the new due date will be the date on the notice of extension.
7. A parent entity of a Level 2 insurance group is to provide information required under reporting standards three months after the end of the reporting period to which the information relates.
8. APRA may, in writing, grant a Level 2 insurance group an extension of a due date in paragraph 7, for all or specified reporting standards, in which case the new due date will be the date on the notice of extension.

Transition

9. The old GRS 001 continues to apply to any reporting obligations for transitional reporting periods. For these purposes:

old GRS 001 means the reporting standard revoked in the determination making this Reporting Standard;

old reporting standard means a reporting standard which has been revoked; and

transitional reporting period means a reporting period:

- (a) which commenced before 1 July 2023; and
- (b) in relation to which an insurer was required, under an old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

Interpretation

- 8.10. In this Reporting Standard:

AASB references relate to the Australian Accounting Standards made by the Australian Accounting Standards Board;

annual information means information required to be provided in respect of each financial year of a general insurer or Level 2 insurance group;

financial year has the meaning in the *Corporations Act 2001*, or in the case of a Level 2 insurance group, the financial year of the parent entity of the Level 2 insurance group;

half yearly information means information required to be provided in respect of the first six months of the financial year of the parent entity of the Level 2 insurance group; and

quarterly information means information required to be provided in respect of each quarter based on the financial year of a general insurer or life company.

11. Unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard, Australian Accounting or Auditing Standard is a reference to the instrument as in force from time to time.

ATTACHMENT A

General Insurance Reporting Requirements

General Instruction Guide

1. Introduction

The General Instruction Guide is intended to assist Level 1 general insurers (Level 1 insurers) and Level 2 general insurance groups (Level 2 groups), collectively referred to as reporting insurers in this document, in completing the reporting tables required to be lodged under the Reporting Standards made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Detailed instructions for the individual reporting items are included in the specific instructions for each reporting standard. These specific instructions need to be considered in conjunction with this document, the relevant reporting standards and the prudential standards.

The General Instruction Guide covers all reporting standards for reporting insurers.

2. Timing of submission

The time for submitting reporting tables varies according to whether the tables require the reporting of quarterly, semi-annual or annual information:

- reporting standards requiring the reporting of quarterly information must be completed as at the end of each quarter based on the financial year of the Level 1 insurers (not the calendar year);
- reporting standards requiring the reporting of half yearly information must be completed in respect of the first six months of the financial year of the Level 2 group; and
- reporting standards requiring the reporting of annual information must be completed as at the end of the financial year of the reporting insurer.

~~The financial information required to be reported must be reported as at the close of business for the last day of the reporting period, or for the year to date period up to the close of business on the last day of the reporting period, as relevant.~~

3. Basis of preparation

3.1. Year to date

The financial information required to be reported must be reported as at the close of business for the last day of the reporting period, or for the year-to-date period up to the close of business on the last day of the reporting period, as relevant.

3.1.3.2. Definition of insurance business

Reporting insurers are to follow the definition of insurance business provided in section 3 of the *Insurance Act 1973* (the Act) for completing the reporting ~~forms~~standards.

3.2.3.3. General accounting basis

Unless otherwise specifically stated, reporting insurers are to report in accordance with the relevant Australian Accounting Standards.

3.3.3.4. Materiality

Subject to APRA's discretion, the reporting tables must be prepared based on the concept of materiality as applied in the Australian Accounting Standards. APRA's discretion is likely to apply in instances where the application of materiality criteria is not suitable for prudential reporting purposes.

3.4.3.5. Fair value approach

For capital reporting purposes, "fair value adjustments" must be determined in accordance with *Prudential Standard GPS 112 Capital Adequacy: Measurement of Capital*, ~~Attachment B~~.

For accounting reporting purposes, the term "fair value" has the meaning given to it in AASB 13 *'Fair Value Measurement'*.

3.5.3.6. Units of measurement

Unless otherwise indicated by the specific item instructions, ~~all information required to be reported under all~~ reporting ~~standards forms covered by these General Instruction Guide~~ are to be prepared in whole Australian dollars (AUD), with no decimal place. Ratios are to be expressed to 2 decimal places. Amounts denominated in foreign currency are to be converted to AUD in accordance with AASB 121 *'The Effects of Changes in Foreign Exchange Rates'* (AASB 121).

3.6.3.7. Related parties

Where the terms "related party" or "related parties" are used or referenced in the reporting ~~forms~~standards, the terms "related party" or "related parties" have the meaning given to them in AASB 124 *'Related Party Disclosures'* (AASB 124).

3.7.3.8. Netting

Reporting insurers are allowed to take advantage of netting arrangements for preparing returns under the following ~~forms~~reporting standards:

- Reporting Standard GRS 300.0 *Statement of Financial Position*;
- Reporting Standard GRS 300.0.G *Statement of Financial Position*; ~~and~~
- Reporting Standard GRS 302.0.G *Statement of Financial Position by Region*;
- Reporting Standard GRS 310.0 *Statement of Profit or Loss and Other Comprehensive Income*;

- Reporting Standard GRS 310.0.G Statement of Profit or Loss and Other Comprehensive Income by Region;
- Reporting Standard GRS 311.0 Statement of Profit or Loss and Other Comprehensive Income by Product Group; and
- Reporting Standard GRS 311.0.G Statement of Profit or Loss and Other Comprehensive Income by Product Group and by Region.

Reporting insurers are to comply with the requirements for netting outlined in AASB 7 *Financial Instruments: Disclosures*, AASB 9 *Financial Instruments* and AASB 132 *Financial Instruments: Presentation*.

3.8.3.9. Term to maturity

Reference to term to maturity refers to residual terms to maturity, not original terms to maturity in the reporting ~~standards~~ forms.

4. Audit requirements

The information required to be reported to APRA under the reporting ~~forms~~ standards must be subjected to audit review and testing as detailed in *Prudential Standard GPS 310 Audit and Related Matters*.

5. General instructions

5.1. Inside Australia

The information required to be reported is in relation to assets and liabilities defined under the Act as being in Australia. Section 28 of the Act requires all Level 1 general insurers to maintain assets in Australia (excluding goodwill and other amounts excluded by *Prudential Standard GPS 120 Assets in Australia* (GPS 120)) of a value that equals or exceeds the total amount of the general insurer's liabilities in Australia.

This requirement is designed to ensure that the total value of assets held within the jurisdictional reach of APRA and the Australian courts is sufficient to meet a general insurer's Australian liabilities. It assists in the application of subsection 116(3) of the Act, which provides that in the winding up of a general insurer, the assets in Australia shall not be applied in the discharge of its liabilities other than its liabilities in Australia unless all the liabilities in Australia have first been discharged.

For the purposes of section 28 of the Act, a number of assets and liabilities are to be treated as assets or liabilities in Australia which would not be treated as such under the common law. Further, GPS 120 specifies certain assets, which are assets in Australia under the common law, that are not to be counted as 'assets in Australia' for the purposes of section 28 of the Act. Apart from these exceptions whether an asset or a liability is an asset or a liability in Australia will otherwise turn on its character under the common law.

GPS 120 excludes certain assets which would otherwise fall within the definition of 'assets in Australia' under section 28 of the Act but which APRA considers to have doubtful value in the event of an insurer becoming insolvent.

5.2. Outside Australia

The information required to be reported is in relation to assets and liabilities of the reporting insurer that are not considered as being “inside Australia” under the Act.

5.3. Securities transacted not settled (i.e. trade date accounting)

For the purpose of [reporting under](#) the reporting ~~forms~~[standards](#), include market related securities that are recorded on a trade date basis and transacted in accordance with accepted financial market settlements periods. Such securities are to be included in the respective investments ~~forms~~[reporting standards](#). These do not constitute forward asset purchases for the purposes of the GRS 114 series.

5.4. Securities listed on a recognised exchange

It will generally be appropriate to treat an exchange organisation as ‘recognised’ where it meets the following criteria:

- it is subject to authorisation, licensing or other means of recognition by a government or other competent authority;
- it has rules, issued or approved, by the government or other competent authority defining the conditions:
 - for the operation of the exchange;
 - for access to the exchange; and
- that must be satisfied by a contract before it can be executed on the exchange;
- it has a mechanism that provides clearing services for contracts executed through the exchange;
- it functions regularly;
- the exchange has a prudent and frequent margining system where relevant;
- the exchange requires settlement on a particular day as applicable;
- members of the exchange are themselves subject to supervision by the exchange or a competent authority; and
- the operations of the exchange in turn are supervised by government or other competent authority.

5.5. Limited risk transfer arrangements

An insurer must submit to APRA details of all proposed limited risk transfer arrangements for approval prior to entering into such arrangements. APRA may approve a limited risk transfer arrangement as either a reinsurance arrangement or a financing arrangement.

APRA will generally consider a limited risk transfer arrangement to be a reinsurance arrangement where the purpose and effect of the arrangement is to genuinely transfer significant insurance risk from the insurer to another re(insurer).

A limited risk transfer arrangement that is approved by APRA as a reinsurance arrangement must be treated accordingly by the insurer for prudential purposes.

A limited risk transfer arrangement that is approved by APRA as a financing arrangement must be accounted for by the insurer so that:

- (a) the arrangement has a legitimate purpose and effect; and
- (b) the arrangement will not misrepresent, or is not designed to disguise, a material risk to the insurer's current or continuing profitability, solvency or capital adequacy so as to mislead or be likely to mislead any party.

The terms and conditions of the financing arrangement will determine the appropriate accounting treatment for prudential purposes.

Where APRA determines that a limited risk transfer arrangement is to be treated as a financing arrangement, the insurer must not treat the arrangement as reinsurance for the purpose of determining the Prudential Capital Requirement under the Prudential Standards or as reinsurance for any other purpose.

6. Specific instructions for Level 2 groups

This section is applicable to Level 2 groups only.

6.1. Completion of reporting tables

The reporting tables for Level 2 insurance groups are to be completed by the parent entity of a Level 2 insurance group as defined under *Prudential Standard GPS 001 Definitions* (GPS 001). Consolidation at Level 2 ~~should~~must cover the Level 2 insurance group as defined under GPS 001.

6.2. Definition of 'Australian Business' and 'International Business'

Level 2 groups are required to report financial data on both Australian and international exposures. 'Australian Business' is defined in GPS 001 and means insurance business carried on by any Level 1 insurer within a Level 2 group.

'International Business' is also defined in GPS 001 and means insurance business carried on by an entity within the group that is not authorised under the ~~Act~~*Insurance Act 1973*. Therefore, for the purposes of prudential reporting, all insurance business written by Level 1 insurers (as defined in GPS 001) is deemed to be Australian business. This treatment is different to the requirements of *AASB 17 Insurance Contracts* and other Australian Accounting Standards.

For entities which are not insurers within the Level 2 group, items ~~should~~must be reported as:

- 'Australian Business' when they relate to an entity incorporated in Australia; and

- The international region that most appropriately reflects the business and / or operational segments of the group, when they relate to an entity incorporated outside of Australia.

Level 2 groups may apply to APRA to be exempt from having to report international business according to the format specified in some reporting tables. This exemption, however, will be subject to the group providing information to APRA in another suitable and agreed upon format.

6.2.1. Australian business

Australian business of a Level 2 group is as per the definition in GPS 001.

6.2.2. International business

For the international operations of a Level 2 group, only report insurance business deemed to be general insurance business¹.

International business is to be reported according to the following geographical regions and these regions ~~should~~must be defined consistently across all the Level 2 reporting tables that require data to be split by international region:

- New Zealand;
- South East Asia;
- Asia Pacific;
- USA;
- Americas;
- UK/Europe; and
- Other.

Amounts reported for Australia and other regions ~~should~~must be reported on the basis that these entities (or regions) are separate from the group before consolidation.

Once regions are defined, they ~~should~~must generally be maintained thereafter for consistency. However, this does not prevent the Level 2 group from altering its reporting regions where necessary, provided APRA is notified of any change.

6.2.3. Inter-region eliminations

The value of inter-region transactions, which are eliminated on consolidation, need to be reported under 'Inter-region elimination'. These transactions must be removed to eliminate double counting.

~~6.3. Insurance risk charge calculations~~

¹ For the purposes of reporting, Lloyd's syndicates business is to be reported as international business.

~~For the purposes of calculating the insurance risk charge, the class of business data is not reported for 'International regions' in the 115 series of forms. Level 2 groups, however, will continue to be required to map their international business to the Australian classes of business as defined in GPS 001 in order to assign an insurance risk capital charge and provide a reporting supplement to APRA. Diversification adjustments on international business should be recognised in the risk margin for each geographical region.~~

~~6.3.1. Data to be used for calculating the insurance risk charge~~

~~Tables outlined in the Specific Instructions A of GRS 115.0.G and GRS 115.1.G must be completed by Level 2 groups that currently do not have reporting adjustments to report Australian business as a single region. These insurance groups must complete the insurance risk charge calculation reporting forms on an 'Australia by class of business' basis.~~

~~If Level 2 groups currently have a reporting adjustment they must complete tables outlined in Specific Instructions B of GRS 115.0.G and GRS 115.1.G to report Australian business as a single region.~~

~~Valuation of insurance liabilities~~

~~Insurance liabilities of Level 2 insurance groups are to be valued in accordance with the requirements of *Prudential Standard GPS 340 Insurance Liability Valuation* (GPS 340). Where there is reinsurance between regions, regions are to be reported on a separate basis. That is, the region directly assuming the risks must report the business as direct business. The region receiving reinsurance should treat this as direct business as well. Where reinsurance occurs between entities in one region, the reinsurance transaction is to be eliminated on consolidation within the region reported. Consolidation adjustments for intra-group reinsurance transactions between entities in different regions should be reported under 'Group adjustments' in GRS 115.0.G and GRS 115.1.G.~~

~~Level 2 groups are required to calculate the insurance risk charge on premium liabilities needed for completing GRS 115.1.G in accordance with GPS 340. These forms may be completed in three possible ways. The method is to be determined in consultation with APRA. The method used for calculating the premium liabilities will affect the level of excess technical provisions that can be recognised as part of Tier 1 capital by Level 2 insurance groups. APRA allows the recognition of excess technical provisions (in respect of premiums liabilities) in limited circumstances. Further details of these are included in the specific reporting forms.~~

6.4.6.3. Measurement of assets

The measurement of assets is in accordance with the requirements in AASB 17, AASB 13 and other relevant Australian Accounting Standards. For Level 1 insurers, APRA requires that assets classified as assets backing insurance liabilities for statutory reporting purposes must be measured at fair value for regulatory reporting purposes as per the requirements of GPS 112.

Unlike for Level 1 insurers, APRA will accept the notion of assets backing insurance liabilities for the Level 2 group, provided these assets represent all assets controlled and managed by the group to support insurance liabilities. Investments backing general insurance liabilities must be measured at fair value.

6.5.6.4. Reporting Supplement

Level 2 groups are currently required to submit separate information to APRA as supporting documentation for completing the reporting tables. These reporting supplements will continue to be required to be submitted to the Level 2 group's APRA Responsible Supervisor.

7. Allocation principles

General insurers are to apply the allocation principles (outlined below) to allocate AASB 17 numbers to APRA classes of business where it is not possible to clearly identify AASB 17 numbers and assign it to specific APRA classes of business.

- Principle 1: To the extent that AASB 17 balance sheet and income statement items can be readily allocated to APRA classes of business, they must be so allocated. Otherwise, the items (including CSM and / or loss component) are to be allocated using allocation approaches. The allocation approaches are to reflect allocation drivers determined based on accounting and / or actuarial judgments. For example, an insurer may decide to determine annual premium income and / or expected claims to be the allocation drivers to allocate AASB 17 items using proportions and / or ratios.
- Principle 2: A systematic and rational approach ~~should~~must be applied.
- Principle 3: The approach ~~must~~ ~~should~~ be consistent over time. However, an insurer may change the approach if it views that the approach is no longer appropriate based on accounting and / or actuarial judgements.
- Principle 4: The aggregate of the allocated numbers across APRA classes of business ~~should~~must be consistent with AASB 17 numbers reported on a statutory basis.
- Principle 5: A single allocation approach need not necessarily be applied.

Allocation approaches and allocation drivers must be clearly documented. This would support clarity and consistent application of the approaches and drivers for APRA classes of business reporting over time. Insurers must prepare a document outlining how they have applied the allocation principles to allocate AASB 17 items to APRA classes of business for APRA reporting.