



Reporting Standard GRS 115.0.G

Outstanding Claims Liabilities – Insurance Risk Charge

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to a Level 2 insurance group's Insurance Risk Charge on outstanding claims liabilities.

It includes associated specific instructions and must be read in conjunction with *Reporting Standard GRS 001 Reporting Requirements* (GRS 001), including the general instruction guide, *Prudential Standard GPS 115 Capital Adequacy: Insurance Risk Charge* (GPS 115) and *Prudential Standard GPS 340 Insurance Liability Valuation* (GPS 340).

Authority

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

Purpose

2. The information reported to APRA under this Reporting Standard is used by APRA for the purpose of prudential supervision, including assessing compliance with the capital standards.

Application and commencement

3. This Reporting Standard applies to a parent entity of a Level 2 insurance group as defined in *Prudential Standard ~~CGPS~~ 001 Definitions* (~~CGPS~~ 001). This Reporting Standard applies for reporting periods ending on or after 1 ~~January~~ July 202~~7~~3. The parent entity of a Level 2 group is required to ensure that each requirement in this Reporting Standard is complied with.

Information required

4. The parent entity of a Level 2 insurance group must provide APRA with the information required by this Reporting Standard in respect of the Level 2 insurance group for each reporting period.

Method of submission

5. The information required by this Reporting Standard must be given to APRA:
 - (a) in electronic format using an electronic method available on APRA's website; or
 - (b) by a method notified by APRA prior to submission.

Reporting periods and due dates

6. Subject to paragraph 7, the parent entity of a Level 2 insurance group must provide the information required by this Reporting Standard:
 - (a) in respect of the first half year based on the financial year of the Level 2 insurance group on an unaudited basis; and
 - (b) in respect of each financial year of the Level 2 insurance group on an audited basis.

Note: The annual information required by paragraphs 4, 5 and 6(b), together with certain annual information required by other reporting standards, will form part of the Level 2 insurance group's annual accounts within the meaning of CGPS 001. *Prudential Standard GPS 310 Audit and Related Matters* contains the relevant provisions governing audits.

7. If, having regard to the particular circumstances of a Level 2 insurance group, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 6(a) or 6(b), APRA may, by notice in writing to the parent entity, change the reporting periods, or specify reporting periods, for the particular Level 2 insurance group.
8. The information required by this Reporting Standard in respect of a Level 2 insurance group must be provided to APRA:
 - (a) in the case of half yearly information, within three months after the end of the reporting period to which the information relates;
 - (b) in the case of annual information, within three months after the end of the reporting period to which the information relates; or
 - (c) in the case of information provided in accordance with paragraph 7, within the time specified by notice in writing.

Note: GPS 310 requires a Level 2 insurance group to ensure that its Group Auditor conducts a limited assurance review of the group's annual accounts. Accordingly, the Group Auditor's report(s) as required by GPS 310 (relating to the information required by paragraph 4) must be provided to APRA by the time specified in GRS 001 (unless an extension of time is granted under GRS 001).

9. APRA may, in writing, grant the parent entity of a Level 2 insurance group an extension of a due date in paragraph 8, in which case the new due date will be the date on the notice of extension.

Note: For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, the parent entity of a Level 2 insurance group is nonetheless required to submit the information required no later than the due date.

10. On the written application of the parent entity of a Level 2 insurance group, APRA may by notice in writing to the parent entity exclude the requirement under subparagraph 6(a) to provide half yearly information.

Quality control

11. The information provided by the parent entity of a Level 2 insurance group under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Group Auditor of the Level 2 insurance group. This will require the Group Auditor to review and test the Level 2 insurance group's systems, processes and controls designed to enable the group to report reliable financial information to APRA. This review and testing must be done on:
 - (a) an annual basis or more frequently if necessary to enable the Group Auditor to form an opinion on the reliability and accuracy of data; and
 - (b) at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of *Prudential Standard GPS 310 Audit and Related Matters* (GPS 310).
12. All information provided by the parent entity of a Level 2 insurance group under this Reporting Standard must be subject to systems, processes and controls developed by the Level 2 insurance group for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the parent entity of the Level 2 insurance group to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.

Authorisation

13. When an officer, or agent, of a parent entity of a Level 2 insurance group provides the information required by this Reporting Standard using an electronic format the officer, or agent, must digitally sign the relevant information using a digital certificate acceptable to APRA.
14. If the information required by this Reporting Standard is provided by an agent who submits the information on the parent entity of a Level 2 insurance group's behalf, the parent entity of a Level 2 insurance group must:
 - (a) obtain from the agent a copy of the completed information provided to APRA; and
 - (b) retain the completed copy.
15. An officer, or agent, of a parent entity of a Level 2 insurance group who submits the information under this Reporting Standard for, or on behalf of, the parent entity of a Level 2 insurance group must be authorised by either:
 - (a) the Principal Executive Officer of the parent entity of the Level 2 insurance group;
or

- (b) the Chief Financial Officer of the parent entity of the Level 2 insurance group.

Variations

16. APRA may, by written notice to the parent entity of a Level 2 insurance group, vary the reporting requirements of this Reporting Standard in relation to that Level 2 insurance group.

Transition

17. A parent entity of a Level 2 insurance group must report under the old reporting standard in respect of a transitional reporting period. For these purposes:

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

transitional reporting period means a reporting period under the old reporting standard:

- (a) which ended before 1 ~~January 2023~~ January 2027; and
- (b) in relation to which the parent entity of a Level 2 insurance group was required, under the old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

Note: For the avoidance of doubt, if a parent entity of a Level 2 insurance group was required to report under an old reporting standard, and the reporting documents were due before the date of revocation of the old reporting standard, the parent entity of a Level 2 insurance group is still required to provide any overdue reporting documents in accordance with the old reporting standard.

Interpretation

18. In this Reporting Standard:

- (a) unless the contrary intention appears, words and expressions have the meanings given to them in ~~CGPS~~ CPS 001; and
- (b) the following definitions are applicable:

APRA-authorised reinsurer means an insurer carrying on reinsurance business. For the purposes of this definition, a Lloyd's underwriter as defined under the Insurance Act is an APRA-authorised reinsurer if it carries on reinsurance business. The Australian Reinsurance Pool Corporation is also an APRA-authorised reinsurer for the purposes of this definition;

capital standards means the prudential standards which relate to capital adequacy as defined in ~~GPS-CPS~~ CPS 001;

Chief Financial Officer means the chief financial officer of the parent entity of the Level 2 insurance group, by whatever name called;

financial year means the financial year (within the meaning in the *Corporations Act 2001*) of the parent entity of the Level 2 insurance group;

foreign insurer means a foreign general insurer within the meaning of the Insurance Act;

Note: A reference to a ‘branch’ or ‘branch operation’ is a reference to the Australian operations of a foreign insurer.

general instruction guide refers to the general instruction guide set out in Attachment A of GRS 001;

Group Auditor has the meaning given in GPS 310;

Insurance Act means the *Insurance Act 1973*;

insurer means a general insurer within the meaning of section 11 of the Insurance Act;

Note: In this Reporting Standard, a reference to an ‘authorised insurer’, ‘authorised insurance entity’ or ‘licensed insurer’ is a reference to an insurer, and a reference to an ‘authorised reinsurance entity’ is a reference to an insurer whose business consists only of undertaking liability by way of reinsurance.

non-APRA authorised reinsurer means any reinsurer that is not an APRA-authorised reinsurer;

Principal Executive Officer means the current principal executive officer of the entity, by whatever name called, and whether or not he or she is a member of the governing board of the entity; and

reporting period means a period mentioned in subparagraph 6(a) or 6(b) or, if applicable, paragraph 7.

19. 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.

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General instructions

Reporting tables

Tables described in this Reporting Standard list each of the data fields required to be reported. The data fields are listed sequentially in the column order that they will appear in the reported data set. Constraints on the data that can be reported for each field have also been provided.

Any specific combination of values in the table must not appear on more than one row in that table when reported.

Reporting entity

Tables 1 - 6 as described in ‘Specific instructions A – by Class of Business’ are to be completed by the parent entity of a Level 2 insurance group as defined in CGPS 001 where the Level 2 insurance group does not have a reporting adjustment to report on an ‘Australia by region’ rather than ‘Australia by *class of business*’ basis. If the Level 2 insurance group has a reporting adjustment, it must complete Tables 7 - 10 as described below in ‘Specific instructions B – by Region’.

Consolidation at Level 2 should cover the Level 2 insurance group as defined under CGPS 001.

Definitions

Terms in *bold italics* are defined in this Definitions section of these instructions.

A

<p><i>Adjusted net outstanding claims liabilities</i></p>	<p>This is the derived valuation of outstanding claims liabilities (OCL) based on accounting records for the group after allowing for adjustments required by GPS 340.</p> <p>It is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>net liabilities for incurred claims</i>; and • <i>adjustment to AASB net liabilities for incurred claims</i>.
<p><i>Adjustment to AASB net liabilities for incurred claims</i></p>	<p>This is the adjustment required as a consequence of the assessment by the Group Actuary to ensure the derived valuations of OCL based on accounting records for the group are appropriate and exceed (are more conservative than) the requirements of GPS 340.</p>
<p><u><i>Adjustments to OCL Insurance Risk Charge based on the Group</i></u></p>	<p><u>This is the value of adjustments to the <i>OCL Insurance Risk Charge</i> based on the Group Actuary’s advice, determined in accordance with <u>GPS 115</u>.</u></p>

<u><i>Actuary's advice</i></u>	
<u><i>Adjustments to OCL Insurance Risk Charge as approved by APRA</i></u>	<u>This is the value of adjustments to the <i>OCL Insurance Risk Charge</i> as approved by APRA.</u>

B

<i>Basis of preparation</i>	Provide the basis by which OCL or premium liabilities (PL) have been reported. The options provided are: <ul style="list-style-type: none"> • GPS 340 basis; • AASB basis; or • combination of GPS 340 and AASB basis.
<i>Business type</i>	The <i>business type</i> refers to either the <i>direct business</i> or <i>reinsurance business</i> written by the reporting Level 2 insurance group. The <i>business types</i> are: <ul style="list-style-type: none"> • <i>direct business</i>; and • <i>reinsurance business</i>.

C

<i>Claims handling expenses</i>	This is the present value of <i>claims handling expenses</i> associated with the OCL as determined under GPS 340 (GPS 340 OCL).
<i>Class of business</i>	Report items by the direct or reinsurance <i>classes of business</i> in accordance with <u>CGPS</u> 001. In respect of the 'Other' <i>class of business</i> as per <u>CGPS</u> 001 for <i>direct business</i> , the Appointed Actuary is required to determine the most appropriate category (i.e. category A, B or C) as per Table 1 of Attachment A in GPS 115 that this business falls within. The choice must be based on the underlying risk characteristics of the business being written. The amounts reported in the <i>Other direct - category A</i> , <i>Other direct - category B</i> or <i>Other direct - category C</i> line items are to follow this basis. For <i>reinsurance business</i> , the classes of business are to be aggregated by the Category and Reinsurance Type as per Table 2 of Attachment A in GPS 115.

D

Direct business	Report direct business written directly by the reporting Level 2 insurance group in accordance with the direct classes of business in CGPS 001 .
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G

Gross OCL - central estimate (excluding claims handling expenses)	<p>This is the value, as at the relevant date, of the central estimate component of OCL, excluding claims handling expenses (CHE), gross of any recoveries, determined in accordance with GPS 340.</p> <p>The central estimate will be measured as the present value of the future expected payments, i.e. discounted for future investment income, determined in accordance with GPS 340. The central estimate is intended to reflect the mean value in the range of possible values for the outcome (that is, the mean of the distribution of probabilistic outcomes), and so does not include any risk margin.</p>
Gross OCL - diversified risk margin	<p>This is the value, as at the relevant date, of the diversified risk margin component of OCL, including CHE, gross of any recoveries, determined in accordance with GPS 340. The diversified risk margin refers to the risk margin that has been applied to the class of business after allowance for diversification across the whole insurance portfolio.</p>
Gross OCL - total (including claims handling expenses)	<p>This is the total of the central estimate and diversified risk margin for OCL, including CHE, gross of any recoveries, determined in accordance with GPS 340.</p> <p>It is calculated as the sum of:</p> <ul style="list-style-type: none"> • gross OCL - central estimate (excluding claims handling expenses); • claims handling expenses; and • gross OCL - diversified risk margin.
Group adjustments	<p>This is the total of adjustments made at the group level which are not reported in other items. This is to be reported as negative values where the group adjustments reduce the OCL.</p>

I

Insurance contract assets - Assets for incurred claims	<p>Report assets for incurred claims (being the asset equivalent of the liabilities for incurred claims) that are presented as insurance contract assets.</p> <p>Report this item in accordance with <i>AASB 17 Insurance Contracts</i> (AASB 17) Appendix A, AASB 17.78 (a) Disclosure, AASB 17.100 (c) Disclosure and AASB 101.54 (da) Disclosure.</p>
Insurance contract	<p>Report liabilities for incurred claims that are presented as insurance contract liabilities.</p>

liabilities - Liabilities for incurred claims	Report this item in accordance with AASB 17 Appendix A, AASB 17.78 (b) Disclosure, AASB 17.100 (c) Disclosure and AASB 101.54 (ma) Disclosure.
International region	<p>This is the international region, applicable to Level 2 insurance groups, that insurance business is carried on by any entity within the group. International region can either be:</p> <ul style="list-style-type: none"> • Australia; • New Zealand; • South East Asia; • Asia Pacific; • USA; • Americas; • UK or Europe; or • Other

N

Net liabilities for incurred claims	<p>This is the net liabilities for incurred claims, calculated as the sum of:</p> <ul style="list-style-type: none"> • insurance contract liabilities - liabilities for incurred claims; and • reinsurance contract liabilities - liabilities for incurred claims; <p>less:</p> <ul style="list-style-type: none"> • insurance contract assets - assets for incurred claims; and • reinsurance contract assets - assets for incurred claims.
Net OCL - central estimate (excluding claims handling expenses)	<p>This is the value, as at the relevant date, of the central estimate component of the GPS 340 OCL, excluding claims handling expenses, net of any reinsurance and non-reinsurance recoveries.</p> <p>It is calculated as:</p> <ul style="list-style-type: none"> • gross OCL – central estimate (excluding claims handling expenses); <p>less:</p> <ul style="list-style-type: none"> • net OCL - non-reinsurance recoveries (central estimate); and • net OCL - reinsurance recoverables (central estimate).
Net OCL - central estimate (including claims handling expenses)	<p>This is the value, as at the relevant date, of the central estimate component of OCL, including claims handling expenses, net of any reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340.</p> <p>It is calculated as the sum of:</p> <ul style="list-style-type: none"> • net OCL - central estimate (excluding claims handling expenses); and • claims handling expenses.

<p><i>Net OCL - diversified risk margin</i></p>	<p>This is the value, as at the relevant date, of the diversified risk margin component of OCL, net of any reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340. The diversified risk margin refers to the risk margin that has been applied to the <i>class of business</i> after allowance for diversification across the whole insurance portfolio.</p>
<p><i>Net OCL - non-reinsurance recoveries (central estimate)</i></p>	<p>This is the value of recoveries under arrangements, other than reinsurance arrangements, receivable by the reporting Level 2 insurance group associated with the central estimate of OCL, net of any provisions for depreciation or impairment. It is determined in accordance with GPS 340. Recoveries to be included at this item include salvage, subrogation, and input tax credit recoveries, amongst others.</p>
<p><i>Net OCL - reinsurance recoverables (central estimate)</i></p>	<p>This is the value of reinsurance recoverables, being amounts due to the reporting Level 2 insurance group under a reinsurance arrangement, that arise from the recognition of the central estimate of OCL. It is determined in accordance with GPS 340 and must be reduced by the amount that is likely to become uncollectable in the future.</p> <p>Level 2 insurance groups should recognise reinsurance recoveries, which are calculated in accordance with GPS 340, but which are due from reinsurance arrangements that do not fully meet the reinsurance documentation tests specified in <i>Prudential Standard GPS 230 Reinsurance Management</i>.</p> <p>Reinsurance recoveries would normally be estimated on the basis of each <i>class of business</i> written by the Level 2 insurance groups. However, there are certain forms of reinsurance where recoveries depend on the combined claims experience of several or all classes of business underwritten by the Level 2 insurance group. In such instances, the estimation will be required to factor in all the individual results by <i>class of business</i> covered by the reinsurance arrangement.</p>
<p><i>Net OCL - stand-alone risk margin</i></p>	<p>This is the value, as at the relevant date, of the stand-alone risk margin component of OCL, net of any reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340. The stand-alone risk margin refers to the risk margin that would be applied to a <i>class of business</i> where no allowance for diversification with other classes of business has been allowed.</p>
<p><i>Net OCL - total</i></p>	<p>This is the total of the central estimate and diversified risk margin for OCL, including CHE, net of any reinsurance and non-reinsurance recoveries, determined in accordance with GPS 340.</p> <p>It is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>net OCL - central estimate (including claims handling expenses);</i> and • <i>net OCL - diversified risk margin.</i>

O

<p><i>OCL capital factor %</i></p>	<p>For Australian business, this is the outstanding claims risk capital factor applicable to each <i>class of business</i> as per GPS 115.</p> <p>For international business, as part of the supplementary information provided to APRA, Level 2 insurance groups are required to have mapped their international business to the Australian classes of business as defined in <u>CGPS 001</u>. For international business, Level 2 insurance groups to report a weighted average capital factor which applies to the total of all the classes for each region.</p>
<p><i>OCL Insurance Risk Charge</i></p>	<p>The risk charge for outstanding claims risk relates to the risk that the value of net OCL determined in accordance with GPS 340 will be insufficient to cover associated net claim payments and any associated claim expenses as they fall due.</p> <p>This is to be determined in accordance with GPS 115.</p> <p>For a Level 2 insurance group, under the GPS 340 basis, it is calculated as:</p> <ul style="list-style-type: none"> • <i>net OCL – total;</i> <p>multiplied by:</p> <ul style="list-style-type: none"> • <i><u>OCL capital factor %</u></i> <p><u>less:</u></p> <ul style="list-style-type: none"> • <i><u>adjustments to OCL Insurance Risk Charge based on the Group Actuary’s advice</u></i> <p><u>less:</u></p> <ul style="list-style-type: none"> • <i><u>adjustments to OCL Insurance Risk Charge as approved by APRA.</u></i> <p>For a Level 2 insurance group, under the AASB basis, it is calculated as:</p> <ul style="list-style-type: none"> • <i>adjusted net outstanding claims liabilities;</i> <p>multiplied by:</p> <ul style="list-style-type: none"> • <i><u>OCL capital factor %</u></i> <p><u>less:</u></p> <ul style="list-style-type: none"> • <i><u>adjustments to OCL Insurance Risk Charge based on the Group Actuary’s advice</u></i> <p><u>less:</u></p> <ul style="list-style-type: none"> • <i><u>adjustments to OCL Insurance Risk Charge as approved by APRA.</u></i>

	The <i>OCL Insurance Risk Charge</i> cannot be negative. Apply a zero risk charge where <i>net OCL</i> — <i>total</i> or <i>adjusted net outstanding claims liabilities</i> is negative.
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R

<i>Reinsurance business</i>	This refers to the <i>reinsurance business</i> written by the reporting Level 2 insurance group in accordance with the reinsurance classes of business listed in <u>CGPS</u> 001 and GPS 115. For <i>reinsurance business</i> , the classes of business are to be aggregated by the category and reinsurance type as per Table 2 of Attachment A in GPS 115.
<i>Reinsurance contract assets - Assets for incurred claims</i>	Report assets for incurred claims that are presented as reinsurance contract assets. Report this item in accordance with AASB 17 Appendix A, AASB 17.78 (c) Disclosure, AASB 17.100 (c) Disclosure and AASB 101.54 (da) Disclosure.
<i>Reinsurance contract liabilities - Liabilities for incurred claims</i>	Report liabilities for incurred claims (being the liability equivalent of the assets for incurred claims) that are presented as reinsurance contract liabilities. Report this item in accordance with AASB 17 Appendix A, AASB 17.78 (d) Disclosure, AASB 17.100 (c) Disclosure and AASB 101.54 (ma) Disclosure.

Specific instructions A – by Class of Business

Reporting by class of business

If the Level 2 insurance group does not have a reporting adjustment to report on an ‘Australia by region’ rather than an ‘Australia by *class of business*’ basis, it must complete Tables 1, 2, 3, 4, 5 and 6 below (and not Tables 7, 8, 9 and 10). Tables 2, 3, 4 and 5 require the GPS 340 OCL of the Australian business to be reported by *class of business* and the international business to be reported by region.

The Level 2 insurance group must complete Tables 4 and 5 if it adopts derived valuations for the GPS 340 OCL based on accounting records of the group for Australian and international business respectively (subject to meeting the GPS 340 requirements).

For *international regions*, *class of business* data is not reported in these tables. Level 2 insurance groups, however, will be required to map their international business to the Australian classes of business as defined in CGPS 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.

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 as *direct business*. The region receiving reinsurance must 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 reported region. Consolidation adjustments for intra group reinsurance transactions between entities in different regions should be reported in Table 6.

Table 1: OCL Insurance Risk Charge - Australian Business by Class of Business – data preparation

Column 1	Report the value for each of the items listed below.
Item 1	Report <u>The Level 2 insurance group must r</u> Report whether actuarial services <u>were</u> used to complete this return. If actuarial services were used input 'Yes' otherwise input 'No'.
Item 2	Report the <i>basis of preparation</i> by which OCL have been reported and complete the relevant tables below.

Table 2: OCL Insurance Risk Charge - Australian Business by Class of Business - GPS 340 basis

Reporting basis

Report the components of the GPS 340 OCL for Australian business on a GPS 340 basis (as opposed to deriving the GPS 340 OCL based on accounting records (AASB basis)) by *class of business* for *direct business* and *reinsurance business*.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Class Of Business	Direct classes of business: <ul style="list-style-type: none"> • Householders • Commercial Motor • Domestic Motor • Other Direct - Category A • Travel • Fire and ISR • Marine • Aviation • Consumer Credit • Other Accident • Other Direct - Category B • Mortgage • CTP • Public and Product Liability • Professional Indemnity • Employers Liability • Cyber • Directors and Officers 	Report the <i>class of business</i> .

	Name	Valid values	Description
		<ul style="list-style-type: none"> • Other Direct - Category C Reinsurance classes of business: <ul style="list-style-type: none"> • Proportional - Category A • Proportional - Category B • Proportional - Category C • Non-proportional - Category A • Non-proportional - Category B • Non-proportional - Category C 	
2	Gross OCL - Central Estimate (Excluding Claims Handling Expenses)	Whole dollars	Report the <i>gross OCL - central estimate (excluding claims handling expenses)</i> .
3	Claims Handling Expenses	Whole dollars	Report the <i>claims handling expense</i> .
4	Gross OCL - Diversified Risk Margin	Whole dollars	Report the <i>gross OCL - diversified risk margin</i> .
5	Net OCL - Non-Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net OCL - non-reinsurance recoveries (central estimate)</i> . Non-reinsurance recoveries should be reported Report <u>this</u> as a positive number <u>where it would if they act to</u> reduce the gross OCL.

	Name	Valid values	Description
6	Net OCL - Reinsurance Recoverables (Central Estimate)	Whole dollars	Report the <i>net OCL - reinsurance recoverables (central estimate)</i> . Reinsurance recoverables should be reported Report <u>this</u> as a positive number if they act to <u>where it would</u> reduce the gross OCL.
7	Net OCL - Stand-Alone Risk Margin	Whole dollars	Report the <i>net OCL - stand-alone risk margin</i> .
8	Net OCL - Diversified Risk Margin	Whole dollars	Report the <i>net OCL - diversified risk margin</i> .
<u>9</u>	<u>Adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>
<u>10</u>	<u>Adjustments to OCL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>

Table 3: OCL Insurance Risk Charge - International Business - GPS 340 basis**Reporting basis**

Report the components of the GPS 340 OCL for international business on a GPS 340 basis by *international region* (excluding Australia) for *direct business* and *reinsurance business*.

Units of measurement

Report monetary values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	<ul style="list-style-type: none"> • New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other 	Report the <i>international region</i> .
2	Business Type	<ul style="list-style-type: none"> • Direct business • Reinsurance business 	Report the <i>business type</i> .
3	Gross OCL - Central Estimate (Excluding Claims Handling Expenses)	Whole dollars	Report the <i>gross OCL - central estimate (excluding claims handling expenses)</i> .
4	Claims Handling Expenses	Whole dollars	Report the <i>claims handling expense</i> .

	Name	Valid values	Description
5	Gross OCL - Diversified Risk Margin	Whole dollars	Report the <i>gross OCL - diversified risk margin</i> .
6	Net OCL - Non-Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net OCL - non-reinsurance recoveries (central estimate)</i> . Non-reinsurance recoveries should be reported Report <u>this</u> as a positive number if they act to <u>where it would</u> reduce the gross OCL.
7	Net OCL - Reinsurance Recoverables (Central Estimate)	Whole dollars	Report the <i>net OCL - reinsurance recoverables (central estimate)</i> . Reinsurance recoverables should be reported Report <u>this</u> as a positive number if they act to <u>where it would</u> reduce the gross OCL.
8	Net OCL - Diversified Risk Margin	Whole dollars	Report the <i>net OCL - diversified risk margin</i> .
9	OCL Capital Factor %	Percentage	Report the <i>OCL capital factor %</i> to two decimal places.
10	<u>Adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>

	Name	Valid values	Description
<u>11</u>	<u>Adjustments to OCL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<p><u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA.</i></u></p> <p><u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge.</i></u></p>

Table 4: OCL Insurance Risk Charge - Australian Business by Class of Business - AASB basis

Reporting basis

Report the components of the GPS 340 OCL for Australian business on an AASB basis by *class of business* for *direct business* and *reinsurance business*.

Units of measurement

Report values in whole Australian dollars.

	Name	Valid values	Description
1	Class Of Business	Direct classes of business: <ul style="list-style-type: none"> • Householders • Commercial Motor • Domestic Motor • Other Direct - Category A • Travel • Fire and ISR • Marine • Aviation • Consumer Credit • Other Accident • Other Direct - Category B • Mortgage • CTP • Public and Product Liability • Professional Indemnity • Employers Liability • Cyber • Directors and Officers 	Report the <i>class of business</i> .

	Name	Valid values	Description
		<ul style="list-style-type: none"> • Other Direct - Category C Reinsurance classes of business: <ul style="list-style-type: none"> • Proportional - Category A • Proportional - Category B • Proportional - Category C • Non-proportional - Category A • Non-proportional - Category B • Non-proportional - Category C 	
2	Insurance Contract Liabilities - Liabilities For Incurred Claims	Whole dollars	Report the <i>insurance contract liabilities - liabilities for incurred claims</i> amount. Report this as a positive value-number where it is in a liability position.
3	Reinsurance Contract Liabilities - Liabilities For Incurred Claims	Whole dollars	Report the <i>reinsurance contract liabilities - liabilities for incurred claims</i> amount. Report this as a positive value-number where it is in a liability position.
4	Insurance Contract Assets - Assets For Incurred Claims	Whole dollars	Report the <i>insurance contract assets - assets for incurred claims</i> amount. Report this as a positive value-number where it is in an asset position.
5	Reinsurance Contract Assets - Assets For Incurred Claims	Whole dollars	Report the <i>reinsurance contract assets - assets for incurred claims</i> amount.

	Name	Valid values	Description
			Report this as a positive value - <u>number</u> where it is in an asset position.
6	Adjustment To AASB Net Liabilities For Incurred Claims	Whole dollars	Report the <i>adjustment to AASB net liabilities for incurred claims</i> amount. Report this as a positive value - <u>number</u> where it would increase the <i>adjusted net outstanding claims</i> .
<u>7</u>	<u>Adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>
<u>8</u>	<u>Adjustments to OCL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>

Table 5: OCL Insurance Risk Charge - International business - AASB basis

Reporting basis

Report the components of the GPS 340 OCL for international business on an AASB basis by *international region* (excluding Australia) for *direct business* and *reinsurance business*.

Units of measurement

Report monetary values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	<ul style="list-style-type: none"> • New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other 	Report the <i>international region</i> .
2	Business Type	<ul style="list-style-type: none"> • Direct business • Reinsurance business 	Report the <i>business type</i> .
3	Insurance Contract Liabilities - Liabilities For Incurred Claims	Whole dollars	<p>Report the <i>insurance contract liabilities - liabilities for incurred claims</i> amount.</p> <p>Report this as a positive value-<u>number</u> where it is in a liability position.</p>

	Name	Valid values	Description
4	Reinsurance Contract Liabilities - Liabilities For Incurred Claims	Whole dollars	Report the <i>reinsurance contract liabilities - liabilities for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it is in a liability position.
5	Insurance Contract Assets - Assets For Incurred Claims	Whole dollars	Report the <i>insurance contract assets - assets for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it is in an asset position.
6	Reinsurance Contract Assets - Assets For Incurred Claims	Whole dollars	Report the <i>reinsurance contract assets - assets for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it is in an asset position.
7	Adjustment To AASB Net Liabilities For Incurred Claims	Whole dollars	Report the <i>adjustment to AASB net liabilities for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it would increase the <i>adjusted net outstanding claims</i> .
8	OCL Capital Factor %	Percentage	Report the <i>OCL capital factor %</i> .
<u>9</u>	<u>Adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>

	Name	Valid values	Description
10	<u>Adjustments to OCL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<p><u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA.</i></u></p> <p><u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge.</i></u></p>

Table 6: OCL Insurance Risk Charge - Group adjustments**Reporting basis**

Report the *group adjustments* not recognised in other tables. Adjustments that result in a reduction in the GPS 340 OCL should be reported as negative values.

Units of measurement

Report values in whole Australian dollars.

Column 1	Report the value for each of the <i>group adjustments</i> items below. Adjustments that result in a reduction to the OCL should be reported as negative values.
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1. Group adjustments

Item 1.1	Report the <i>gross OCL - central estimate (excluding claims handling expenses)</i> amount.
Item 1.2	Report the <i>claims handling expenses</i> amount.
Item 1.3	Report the <i>gross OCL - diversified risk margin</i> amount.
Item 1.4	Report the <i>net OCL - non-reinsurance recoveries (central estimate)</i> amount.
Item 1.5	Report the <i>net OCL - reinsurance recoverables (central estimate)</i> amount.
Item 1.6	Report the <i>net OCL - central estimate (including claims handling expenses)</i> amount.
Item 1.7	Report the <i>net OCL - diversified risk margin</i> amount.
Item 1.8	Report the <i>net OCL - total</i> amount.
Item 1.9	Report the <i>adjusted net outstanding claims liabilities</i> amount.
<u>Item 1.10</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i> amount.</u>
<u>Item 1.11</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA</i> amount.</u>
Item 1.120	Report the <i>OCL Insurance Risk Charge</i> amount.

Specific instructions B – by region

Reporting by region

If the Level 2 insurance group does have a reporting adjustment to report on an ‘Australia by region’ rather than an ‘Australia by *class of business*’ basis, it must complete Tables 7, 8, 9 and 10 below (and not Tables 1, 2, 3, 4, 5 and 6). Tables 8 and 9 require the GPS 340 OCL of the Australian business to be reported as a single region and the international business to be reported by region.

The Level 2 insurance group must complete Table 9 if it adopts derived valuations for the GPS 340 OCL based on accounting records of the group for Australian and international business (subject to meeting the GPS 340 requirements).

For both Australian and international business, while *class of business* is not required to be reported on these tables, Level 2 insurance groups are expected to map their business to the classes of business as defined in CGPS 001 in order to assign an insurance risk capital charge. The details of the mapping and the calculation of the Insurance Risk Charge for businesses are to be provided as a reporting supplement to APRA.

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 as *direct business*. The region receiving reinsurance must 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 reported region. Consolidation adjustments for intra group reinsurance transactions between entities in different regions should be reported in Table 10.

Table 7: OCL Insurance Risk Charge - Australian Business by region – data preparation

Column 1	Report the value for each of the items listed below.
Item 1	<u>The Level 2 insurance group must r</u> Report whether actuarial services <u>were</u> used to complete this return. If actuarial services were used input 'Yes' otherwise input 'No'.
Item 2	Report the <i>basis of preparation</i> by which OCL have been reported and complete the relevant tables below.

Table 8: OCL Insurance Risk Charge - by region - GPS 340 basis

Reporting basis

Report the components of the GPS 340 OCL on a GPS 340 basis (as opposed to deriving the GPS 340 OCL based on accounting records (AASB basis)) by *international region* for *direct business* and *reinsurance business*.

Units of measurement

Report values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	<ul style="list-style-type: none"> • Australia • New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other 	Report the <i>international region</i> .
2	Business Type	<ul style="list-style-type: none"> • Direct business • Reinsurance business 	Report the <i>business type</i> .
3	Gross OCL - Central Estimate (Excluding Claims Handling Expenses)	Whole dollars	Report the <i>gross OCL - central estimate (excluding claims handling expenses)</i> .

	Name	Valid values	Description
4	Claims Handling Expenses	Whole dollars	Report the <i>claims handling expense</i> .
5	Gross OCL - Diversified Risk Margin	Whole dollars	Report the <i>gross OCL - diversified risk margin</i> .
6	Net OCL - Non-Reinsurance Recoveries (Central Estimate)	Whole dollars	Report the <i>net OCL - non-reinsurance recoveries (central estimate)</i> . Non-reinsurance recoveries should be reported Report <u>this</u> as a positive number if they act to <u>where it would</u> reduce the gross OCL.
7	Net OCL - Reinsurance Recoverables (Central Estimate)	Whole dollars	Report the <i>net OCL - reinsurance recoverables (central estimate)</i> . Reinsurance recoverables should be reported Report <u>this</u> as a positive number if they act to <u>where it would</u> reduce the gross OCL.
8	Net OCL - Diversified Risk Margin	Whole dollars	Report the <i>net OCL - diversified risk margin</i> .
9	OCL Capital Factor %	Percentage	Report the <i>OCL capital factor %</i> .
10	<u>Adjustments to OCL Insurance Risk Charge based on Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>

	Name	Valid values	Description
11	<u>Adjustments to OCL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<p><u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA.</i></u></p> <p><u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge.</i></u></p>

Table 9: OCL Insurance Risk Charge - by region - AASB basis

Reporting basis

Report the components of the GPS 340 OCL on an AASB basis by *international region* for *direct business* and *reinsurance business*.

Units of measurement

Report values in whole Australian dollars.

Report all percentages as percentage points to two decimal places.

	Name	Valid values	Description
1	International Region	<ul style="list-style-type: none"> • Australia • New Zealand • South East Asia • Asia Pacific • USA • Americas • UK or Europe • Other 	Report the <i>international region</i> .
2	Business Type	<ul style="list-style-type: none"> • Direct business • Reinsurance business 	Report the <i>business type</i> .
3	Insurance Contract Liabilities - Liabilities For Incurred Claims	Whole dollars	<p>Report the <i>insurance contract liabilities - liabilities for incurred claims</i> amount.</p> <p>Report this as a positive value <u>number</u> where it is in a liability position.</p>

	Name	Valid values	Description
4	Reinsurance Contract Liabilities - Liabilities For Incurred Claims	Whole dollars	Report the <i>reinsurance contract liabilities - liabilities for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it is in a liability position.
5	Insurance Contract Assets - Assets For Incurred Claims	Whole dollars	Report the <i>insurance contract assets - assets for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it is in an asset position.
6	Reinsurance Contract Assets - Assets For Incurred Claims	Whole dollars	Report the <i>reinsurance contract assets - assets for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it is in an asset position.
7	Adjustment To AASB Net Liabilities For Incurred Claims	Whole dollars	Report the <i>adjustment to AASB net liabilities for incurred claims</i> amount. Report this as a positive <u>value-number</u> where it would increase the <i>adjusted net outstanding claims</i> .
8	OCL Capital Factor %	Percentage	Report the <i>OCL capital factor %</i> .
<u>9</u>	<u>Adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</u>	<u>Whole dollars</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i>.</u> <u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge</i>.</u>

	Name	Valid values	Description
10	<u>Adjustments to OCL Insurance Risk Charge as approved by APRA</u>	<u>Whole dollars</u>	<p><u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA.</i></u></p> <p><u>Report this as a positive number where it would reduce the <i>OCL Insurance Risk Charge.</i></u></p>

Table 10: OCL Insurance Risk Charge - Group adjustments

Reporting basis

Report the *group adjustments* not recognised in other tables. Adjustments that result in a reduction in the GPS 340 OCL should be reported as negative values.

Units of measurement

Report values in whole Australian dollars.

Column 1	Report the value for each of the <i>group adjustments</i> items below. Adjustments that result in a reduction to the OCL should be reported as negative values.
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1. Group adjustments

Item 1.1	Report the <i>gross OCL - central estimate (excluding claims handling expenses)</i> amount.
Item 1.2	Report the <i>claims handling expenses</i> amount.
Item 1.3	Report the <i>gross OCL - diversified risk margin</i> amount.
Item 1.4	Report the <i>net OCL - non-reinsurance recoveries (central estimate)</i> amount.
Item 1.5	Report the <i>net OCL - reinsurance recoverables (central estimate)</i> amount.
Item 1.6	Report the <i>net OCL - central estimate (including claims handling expenses)</i> amount
Item 1.7	Report the <i>net OCL - diversified risk margin</i> amount.
Item 1.8	Report the <i>net OCL - total</i> amount.
Item 1.9	Report the <i>adjusted net outstanding claims liabilities</i> .
<u>Item 1.10</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge based on the Group Actuary's advice</i> amount.</u>
<u>Item 1.11</u>	<u>Report the <i>adjustments to OCL Insurance Risk Charge as approved by APRA</i> amount.</u>
Item 1.120	Report the <i>OCL Insurance Risk Charge</i> amount.