

**Australian Prudential Regulation Authority (confidentiality) determination  
No. 2 of 2013**

**Information provided by life insurers and friendly societies under certain  
reporting standards**

**EXPLANATORY STATEMENT**

Prepared by the Australian Prudential Regulation Authority (**APRA**)

*Australian Prudential Regulation Authority Act 1998 (**APRA Act**)*

The purpose of the Australian Prudential Regulation Authority (confidentiality) determination No. 2 of 2013 (**Determination No. 2**) made on 14 February 2013 is to enable APRA to disclose, by way of publication, certain information provided by life insurers and friendly societies to APRA contained in documents lodged quarterly and annually under s 13 of the *Financial Sector (Collection of Data) Act 2001* (**Collection of Data Act**). The publication of the information would otherwise give rise to an offence under s 56(2) of the APRA Act.

Publishing this information should assist regulators, policymakers, industry, researchers, analysts and other interested parties in performing their functions and duties and enable them to better to understand the life insurance industry.

Determination No. 2 made on 14 February 2013 covers annual and quarterly reporting documents provided to APRA on or after 5 December 2012 and before the date of Determination No. 2.

**Legislative background**

Subsection 56(5C) of the APRA Act provides that it is not an offence against s 56(2) of that Act to disclose information in a reporting document given to APRA under s 13 of the Collection of Data Act where APRA has determined, under s 57, that the document does not contain confidential information.

Section 57 of the APRA Act gives APRA power to determine whether a document given under s 13 of the Collection of Data Act contains confidential information. The section provides that before doing so APRA must give relevant entities or bodies, or their representative association, a reasonable opportunity to make representations as to whether information of the kind contained in the document is confidential, and APRA must take such representations into account before making such a determination.

**Information covered by the determination**

Determination No. 2 provides that the reporting documents (quarterly and annual returns) described in the Appendix to this Explanatory Statement, given to APRA prior to the date of Determination No. 2 under the reporting standards listed in the Appendix (being reporting standards made under s 13 of the Collection of Data Act)

are not confidential. Determination No. 2 applies to all life insurers and friendly societies.

## **Consultation**

### **November 2009**

In accordance with s 57 of the APRA Act, APRA issued a discussion paper and wrote to all life insurers and friendly societies on 6 November 2009, requesting comment on what data collected in the life insurance and friendly society quarterly and annual forms could be released publicly. APRA also sought comment on the proposed content and format of both aggregated and entity level data tables contained within two proposed new publications, the *Half Yearly Life Insurance Bulletin* and the *Annual Friendly Society Bulletin*.

APRA received 7 responses to the consultation. IFSA provided a response on behalf of life insurers and Abacus on behalf of friendly societies. There were 4 responses from individual life insurers and 1 from an individual friendly society.

A number of the responses expressly stated that product level data for individual life insurers and friendly societies should not be disclosed as it was considered to be commercially sensitive information and could lead to adverse effects on pricing for some products. There were no other objections raised by life insurers to data that APRA proposed to release.

The response received from Abacus expressed support for the publication of data that provides a snapshot of the friendly society sector but only if the data did not identify individual entities directly or indirectly.

After taking into account the views expressed in the consultations, APRA considers that Determination No. 2 establishes an appropriate balance between on the one hand protecting each life insurer and friendly society's commercially sensitive information from inappropriate disclosure and on the other hand pursuing the public interest in releasing data relating to the life insurance and friendly society industries in Australia.

### **Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011***

The legislative instrument the subject of this explanatory statement does not engage any of the applicable rights or freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. Accordingly, in APRA's assessment, this legislative instrument is compatible with human rights.

## Appendix

Determination No. 2 covers items of data described below in Part 1.

### **Part 1 – description of the documents covered by Determination No. 2**

Data items as indicated from reporting documents given to APRA by life insurers and friendly societies under the following reporting standards (effective for reporting periods after 1 October 2009) made under the *Financial Sector (Collection of Data Act) 2001*:

#### **Reporting Standards for Life Insurers and Friendly Societies:**

- LRS 100.0 Solvency (all data in form)
- LRS 120.0 Management Capital (all data in form)
- LRS 210.0 Derivatives, Commitments and Off-Balance Sheet Items (all data in form)
- LRS 300.0 Statement of Financial Position (all data in forms)
- LRS 310.0 Statement of Financial Performance (all data in forms)
- LRS 330.0 Summary of Revenue and Expenses (all data in form except product level data)
- LRS 340.0 Retained Profits (all data in forms)
- LRS 400.0 Statement of Policy Liabilities (all data in form except product level data)
- LRS 420.0 Asset Backing Policy Liabilities (all data in form except product level data)
- LRS 430.0 Sources of Profit (all data in form except product level data)