Australian Prudential Regulation Authority (confidentiality) determination

No. 25 of 2013

Information provided by general insurers and parent entities of Level 2 insurance groups under certain reporting standards or part of reporting standards specified in Appendix A

**EXPLANATORY STATEMENT**

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

*Australian Prudential Regulation Authority Act 1998*, section 57

*Acts Interpretation Act 1901,* section 33

1. **Purpose**

The purpose of the Australian Prudential Regulation Authority (confidentiality) determination No. 25 of 2013 (the determination) made on 9 December 2013 is to enable APRA to disclose, including by way of publication, certain annual information provided by general insurers to APRA under the reporting standards listed in Appendix A. This information will be of use to regulators, policymakers, industry, researchers, and analysts.

1. **Legislative background**

Subsection 56(5C) of the *Australian Prudential Regulation Authority Act 1998* (APRA Act) provides that it is not an offence against section 56(2) of that Act to disclose information in a reporting document given to APRA under section 13 of the *Financial Sector (Collection of Data) Act 2001* (FSCOD Act) where APRA has determined, under section 57 of the APRA Act, that the document does not contain confidential information.

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

1. **Information covered by the determination**

The determination provides that certain annual information given to APRA under the reporting standards listed in Appendix A is non-confidential. The reporting standards in Appendix A were made under section 13 of the FSCOD Act. The determination applies to annual information given to APRA by all general insurers (including foreign general insurers operating in Australia through branch operations), and parent entities of Level 2 insurance groups.

1. **Consultation**

In accordance with the requirements for consultation under section 57 of the APRA Act, APRA released a discussion paper on 22 February 2013 that proposed that all general insurance data[[1]](#footnote-1) be determined non-confidential, as well as proposals to change APRA’s statistical publications. The discussion paper provided all affected entities an opportunity to make representations on the proposed determination. The consultation period ended on 5 April 2013. APRA also invited some affected entities to make additional representations to clarify their submissions in response to the discussion paper, particularly in relation to proposed disclosures of institution-level publications.

APRA received submissions from seven entities and representative associations during the consultation. These submissions supported the proposed general insurance publications, and supported the principles behind the proposals to make general insurance data non-confidential. However, some submissions suggested that making all data non-confidential would be detrimental to the commercial interests of general insurers, particularly class of business level data and information relating to individual counterparties.

As a result, APRA revised the proposed determination and only included information that entities and representative associations suggested to date would not be detrimental to their commercial interests. Further consultation was then held in relation to the revised proposed determination with representative associations and their members.

APRA intends to further consult with entities and representative associations on other general insurance data that is collected under the FSCOD Act that is not included in this determination.

APRA considers, after taking affected entities’ representations into account that there is a strong public interest in the publication of the information in the determination, and this outweighs any potential detrimental effect to the commercial interests of general insurers.

1. **Statement of compatibility with human rights prepared in accordance with****Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011***

A Statement of Compatibility with Human Rights is Appendix B to this Explanatory Statement.

**Appendix A**

Determination No. 25 of 2013 covers the following reporting standards and data:

**Part 1 (Reporting documents covered by this determination)**

This determination applies to annual information in the reporting forms given to APRA by a general insurer under the following reporting standards, where a period of at least 14 days has elapsed from the date the general insurer was required to provide the information required under the reporting standards in accordance with paragraph 5 of Reporting Standard GRS 001 Reporting Requirements:

1. **New reporting standards which came into effect on 1 January 2013**
2. Reporting Standard GRS 112.0 Determination of Capital Base
3. Reporting Standard GRS 300.0 Statement of Financial Position
4. Reporting Standard GRS 310.0 Income Statement

AND

This determination applies to annual information in the reporting forms given to APRA by a general insurer under the following reporting standards:

1. **Old reporting standards which ceased to have effect prior to 1 January 2013**

General Insurance Reporting Standards (2008)

1. Reporting Standard GRS 140.0 Investments - Direct Interest Rate Holdings and Risk Charge (which came into effect on 23 October 2008)
2. Reporting Standard GRS 140.1 Investments - Direct Equity Holdings and Risk Charge (which came into effect on 23 October 2008)
3. Reporting Standard GRS 140.2 Investments - Direct Property Holdings and Risk Charge (which came into effect on 23 October 2008)
4. Reporting Standard GRS 140.3 Investments - Loans and Advances and Risk Charge (which came into effect on 23 October 2008)

General Insurance Reporting Standards (2007)

1. Reporting Standard GRS 140.0 Investments - Direct Interest Rate Holdings and Risk Charge (which came into effect on 1 January 2007)
2. Reporting Standard GRS 140.1 Investments - Direct Equity Holdings and Risk Charge (which came into effect on 1 January 2007)
3. Reporting Standard GRS 140.2 Investments - Direct Property Holdings and Risk Charge (which came into effect on 1 January 2007)
4. Reporting Standard GRS 140.3 Investments - Loans and Advances and Risk Charge (which came into effect on 1 January 2007)

General Insurance Reporting Standards (2005)

1. Reporting Standard GRS 140.0 Investments - Direct Interest Rate Holdings and Risk Charge (which came into effect on 1 July 2005)
2. Reporting Standard GRS 140.1 Investments - Direct Equity Holdings and Risk Charge (which came into effect on 1 July 2005)
3. Reporting Standard GRS 140.2 Investments - Direct Property Holdings and Risk Charge (which came into effect on 1 July 2005)
4. Reporting Standard GRS 140.3 Investments - Loans and Advances and Risk Charge (which came into effect on 1 July 2005)

General Insurance Reporting Standards (2002)

1. Reporting Standard GRS 140.0 Investments - Direct Interest Rate Holdings and Risk Charge made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)
2. Reporting Standard GRS 140.1 Investments - Direct Equity Holdings and Risk Charge made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)
3. Reporting Standard GRS 140.2 Investments - Direct Property Holdings and Risk Charge made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)
4. Reporting Standard GRS 140.3 Investments - Loans and Advances and Risk Charge made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)

AND

This determination applies to annual information in the reporting forms given to APRA by a parent entity of a Level 2 insurance group under the following reporting standards, where a period of at least 14 days has elapsed from the date the parent entity was required to provide the information required under the reporting standards in accordance with paragraph 7 of Reporting Standard GRS 001 Reporting Requirements:

1. **New reporting standards for level 2 insurance groups which came into effect on 1 January 2013**
2. Reporting Standard GRS 112.0\_G Determination of Capital Base
3. Reporting Standard GRS 300.0\_G Statement of Financial Position

AND

This determination applies to annual information in the reporting forms given to APRA by a parent entity of a Level 2 insurance group under the following reporting standards:

1. **Old reporting standards for level 2 insurance groups which ceased to have effect prior to 1 January 2013**

General Insurance Reporting Standards (2011)

1. Reporting Standard GRS 120.0\_G Determination of Capital Base (which came into effect on 1 July 2011)
2. Reporting Standard GRS 300.0\_G Statement of Financial Position (which came into effect on 1 July 2011)

General Insurance Reporting Standards (2009)

1. Reporting Standard GRS 120.0\_G Determination of Capital Base (which came into effect on 31 August 2009)
2. Reporting Standard GRS 300.0\_G Statement of Financial Position (which came into effect on 31 August 2009)

**Part 2 (Parts of reporting documents covered by this determination)**

This determination applies to annual information in the following parts of reporting forms given to APRA by a general insurer under the following reporting standards, where a period of at least 14 days has elapsed from the date the general insurer was required to provide the information required under the reporting standards in accordance with paragraph 5 of Reporting Standard GRS 001 Reporting Requirements:

1. **New reporting standards which came into effect on 1 January 2013**

| Parts of reporting form covered by this determination | Reporting standards |
| --- | --- |
| GRF 110.1: Prescribed Capital Amount   1. Section 1 Summary of prescribed capital amount: 2. Insurance Risk Charge    1. GRF\_115.0: OCL Insurance Risk Charge    2. GRF\_115.1: PL Insurance Risk Charge. 3. GRF\_116\_0: Insurance Concentration Risk Charge. 4. GRF\_114. 0: Asset Risk Charge. 5. GRF\_117.0: Asset Concentration Risk Charge. 6. GRF\_118.0: Operational Risk Charge. 7. Aggregation benefit . 8. Adjustments to prescribed capital amount as approved by APRA – Total amount. 9. Prescribed capital amount. 10. Section 2 Capital Adequacy Assessment - All data items. 11. Section 3 Adjusted net assets in Australia - All data items. | Reporting Standard GRS 110.1 Prescribed Capital Amount (which came into effect on 1 January 2013) |
| GRF\_114.4: Details of Investment Assets   1. Section 1: Direct interest rate holdings  * All data items.  1. Section 2: Direct equity holdings  * All data items.  1. Section 3: Direct property holdings  * All data items.  1. Section 4: Loans and advances  * All data items.  1. Section 5: Holdings in indirect investment vehicles:   Part 1. Total holdings in indirect investment vehicles - All data items.   1. Section 6: Policyholders' / Shareholders' funds – All data items. 2. Section 7: Investments with related parties – All data items. | Reporting Standard GRS 114.4 Details of Investment Assets (which came into effect on 1 January 2013) |
| GRF\_310\_1\_L: Premium Revenue and Reinsurance Expense   * + 1. Section 3: Total - All data items. | Reporting Standard GRS 310.1 Premium Revenue and Reinsurance Expense(which came into effect on 1 January 2013) |

AND

This determination applies to annual information in the following parts of reporting forms given to APRA by a parent entity of a Level 2 insurance group under the following reporting standards, where a period of at least 14 days has elapsed from the date the general insurer was required to provide the information required under the reporting standards in accordance with paragraph 7 of Reporting Standard GRS 001 Reporting Requirements:

1. **New reporting standards for level 2 insurance groups which came into effect on 1 January 2013**

| Parts of reporting form covered by this determination | Reporting standards |
| --- | --- |
| GRF\_110.1\_G: Prescribed Capital Amount (G)   1. Section 1 Summary of prescribed capital amount: 2. Insurance Risk Charge:    1. GRF\_115.0\_G: OCL Insurance Risk Charge    2. GRF\_115.1\_G: PL Insurance Risk Charge. 3. GRF\_116.0\_G: Insurance - Concentration Risk Charge. 4. GRF\_114.0\_G: Asset Risk Charge. 5. GRF\_117.0\_G: Asset Concentration Risk Charge.      1. GRF\_118\_0\_G: Operational Risk Charge. 2. Aggregation benefit. 3. Adjustments to prescribed capital amount as approved by APRA – Total amount. 4. Prescribed capital amount. 5. Section 2: Capital Adequacy Assessment – All data items. | Reporting Standard GRS 110.1\_G Prescribed Capital Amount (which came into effect on 1 January 2013) |
| GRF\_310\_0\_G Income Statement (G)  All data items in the Total business column. | Reporting Standard GRS 310.0\_G Income Statement (which came into effect on 1 January 2013) |

AND

This determination applies to annual information in the following parts of reporting forms given to APRA by a general insurer under the following reporting standards:

1. **Old reporting standards which ceased to have effect prior to 1 January 2013**

| Parts of reporting form covered by this determination | Reporting standards |
| --- | --- |
| 1. GRF 140.0 Investments: Direct Interest Rate Holdings and Risk Charge – All data items. 2. GRF 140.1 Investments: Direct Equity Holdings and Risk Charge – All data items. 3. GRF 140.2 Investments: Direct Property Holdings and Risk Charge – All data items. 4. GRF 140.3 Investments - Loans and Advances and Risk Charge – All data items. 5. GRF\_140.4\_L: Investments - Indirectly Held by Insurer and Risk Charge (L): 6. Part 1. Total Holdings – Total amount. 7. Part 2. Aggregate holdings in indirect investment vehicles –   All data items. | Reporting Standard GRS 140 (2010) Investments (which came into effect on 23 August 2010) |
| GRF\_140.4 Investments - Indirectly Held by Insurer and Risk Charge   1. Table 1. Total holdings – Total amount. 2. Table 2. Aggregate holdings in indirect investment vehicles – All data items. | Reporting Standard GRS 140.4 Investments - Indirectly Held by Insurer and Risk Charge (which came into effect on 23 October 2008)  AND  Reporting Standard GRS 140.4 Investments - Assets Indirectly Held by Insurer and Risk Charge (which came into effect on 1 January 2007)  AND  Reporting Standard GRS 140.4 Investments - Assets Indirectly Held by Insurer and Risk Charges (which came into effect on 1 July 2005)  AND  Reporting Standard GRS 140.4 Investments - Assets Indirectly Held by Insurer and Risk Charges made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005) |
| 1. GRF\_310.0\_L: Income Statement:   All data items. | Reporting Standard GRS 310 (2010) Statement of Financial Performance (which came into effect on 30 August 2010) |
| 1. GRF\_310.1\_L: Premium Revenue and Reinsurance Expense: 2. Section 3 Total - All data items. | Reporting Standard GRS 310 (2010) Statement of Financial Performance (which came into effect on 30 August 2010) |

AND

This determination applies to annual information in the following parts of reporting forms given to APRA by a parent entity of a Level 2 insurance group under the following reporting standards:

1. **Old reporting standards for level 2 insurance groups which ceased to have effect prior to 1 January 2013**

| Parts of reporting form covered by this determination | Reporting standards |
| --- | --- |
| GRF\_110.0\_G Minimum Capital Requirement (G)   1. GRF\_131.0\_G: Total off-balance sheet exposure risk charge 2. GRF\_141.0\_G: Listed equity holdings risk charge 3. GRF\_150.0\_G: Asset exposure concentration risk charge 4. GRF\_300.0\_G: Statement of financial position - Investment risk charge 5. GRF\_301.0\_G: Reinsurance assets and risk charge 6. Derivatives activity and risk charge -   All data items   1. Concentration risk charge -   All data items   1. GRF\_210.0\_G: OCL insurance risk charge 2. GRF\_210.1\_G: Premiums liabilities insurance risk charge 3. Total variation in capital charges as approved by APRA – Total amount 4. Minimum capital requirement 5. GRF\_120.0\_G: Determination of capital base: 6. Capital surplus (deficiency) 7. Solvency coverage 8. Capital adequacy ratio | Reporting Standard GRS 110.0\_G Minimum Capital Requirement (which came into effect on 1 July 2011) |
| GRF\_110.0\_G Minimum Capital Requirement (G)   1. GRF\_131.0\_G: Total off-balance sheet exposure risk charge      1. GRF\_141.0\_G: Listed equity holdings risk charge 2. GRF\_150.0\_G: Asset exposure concentration risk charge 3. GRF\_300.0\_G: Statement of financial position - Investment risk charge 4. GRF\_301.0\_G: Reinsurance assets and risk charge 5. Derivatives activity and risk charge - All data items 6. Concentration risk charge- All data items 7. GRF\_210.0\_G: OCL insurance risk charge 8. GRF\_210.1\_G: Premiums liabilities insurance risk charge      1. Total variation in capital charges as approved by APRA – Total amount 2. Minimum capital requirement 3. GRF\_120.0\_G: Determination of capital base 4. Capital surplus (deficiency) 5. Solvency coverage 6. Capital adequacy ratio | Reporting Standard GRS 110.0\_G Minimum Capital Requirement (which came into effect on 31 August 2009) |
| GRF\_310.0\_G Income Statement (G)  All data items in the Total business column. | Reporting Standard GRS 310.0\_G Income Statement (which came into effect on 1 July 2011) |
| GRF\_310.0\_G Income Statement (G)  All data items in the Total business column. | Reporting Standard GRS 310.0\_G Income Statement (which came into effect on 31 August 2009) |

**Part 3 (Old reporting documents covered by this determination)**

This determination applies to annual information in the following reporting forms or parts of reporting forms given to APRA by a general insurer under the following reporting standards:

1. **Old reporting standards which ceased to have effect prior to 1 January 2013**

General Insurance Reporting Standards (2010)

1. Reporting Standard GRS 110.0 (2010) Minimum Capital Requirement (which came into effect on 24 August 2010)
2. Reporting Standard GRS 120.0 (2010) Determination of Capital Base (which came into effect on 23 August 2010)
3. Reporting Standard GRS 300.0 (2010) Statement of Financial Position (which came into effect on 30 August 2010)
4. Reporting Standard GRS 301.0 (2010) Reinsurance Assets and Risk Charge (which came into effect on 23 August 2010)

| Reporting standards | Parts of reporting form covered by this determination |
| --- | --- |
| 1. Reporting Standard GRS 310 (2010) Statement of Financial Performance (which came into effect on 30 August 2010) | GRF\_310\_3\_L: Details of Income and Expenses   1. Section 1. Investment income – All data items 2. Section 2. Operation income – All data items 3. Section 3. Operation expenses – All data items |
| 1. Reporting Standard GRS 400 (2010) Supplementary Reporting Information (which came into effect on 24 August 2010) | GRF\_400.0\_L: Statement of Risk by Country  All data items. |

General Insurance Reporting Standards (2008)

1. Reporting Standard GRS 110.0 (2008) Minimum Capital Requirement (which came into effect on 23 October 2008)
2. Reporting Standard GRS 120.0 (2008) Determination of Capital Base (which came into effect on 23 October 2008)
3. Reporting Standard GRS 300.0 (2008) Statement of Financial Position (which came into effect on 31 October 2008)
4. Reporting Standard GRS 301.0 (2008) Reinsurance Assets and Risk Charge (which came into effect on 31 October 2008)
5. Reporting Standard GRS 310.0 (2008) Statement of Financial Performance (which came into effect on 7 November 2008)
6. Reporting Standard GRS 310.3 (2008) Investment and Operating Income and Expense (which came into effect on 1 November 2008)
7. Reporting Standard GRS 320.0 (2008) Reconciliation of Annual Disclosure (which came into effect on 3 November 2008)
8. Reporting Standard GRS 400.0 (2008) Statement of Risk by Country (which came into effect on 3 November 2008)

General Insurance Reporting Standards (2007)

1. Reporting Standard GRS 110.0 (2007) Minimum Capital Requirement (which came into effect on 1 January 2007)
2. Reporting Standard GRS 120.0 (2007) Determination of Capital Base (which came into effect on 1 January 2007)
3. Reporting Standard GRS 300.0 (2007) Statement of Financial Position (which came into effect on 1 January 2007)
4. Reporting Standard GRS 310.0 (2007) Statement of Financial Performance (which came into effect on 1 January 2007)
5. Reporting Standard GRS 310.3 (2007) Investment and Operating Income and Expense (which came into effect on 1 January 2007)
6. Reporting Standard GRS 320.0 (2007) Reconciliation of Annual Disclosure (which came into effect on 1 January 2007)
7. Reporting Standard GRS 400.0 (2007) Statement of Risk by Country (which came into effect on 1 January 2007)

General Insurance Reporting Standards (2005)

1. Reporting Standard GRS 110.0 (2005) Minimum Capital Requirement (which came into effect on 1 July 2005)
2. Reporting Standard GRS 120.0 (2005) Determination of Capital Base (which came into effect on 1 July 2005)
3. Reporting Standard GRS 300.0 (2005) Statement of Financial Position (which came into effect on 1 July 2005)
4. Reporting Standard GRS 310.0 (2005) Statement of Financial Performance (which came into effect on 1 July 2005)
5. Reporting Standard GRS 310.3 (2005) Investment and Operating Income and Expense (which came into effect on 1 July 2005)
6. Reporting Standard GRS 320.0 (2005) Reconciliation of Annual Disclosure (which came into effect on 1 July 2005)
7. Reporting Standard GRS 400.0 (2005) Statement of Risk by Country (which came into effect on 1 July 2005)

General Insurance Reporting Standards (2002)

1. Reporting Standard GRS 110.0 Minimum Capital Requirement made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)
2. Reporting Standard GRS 120.0 Determination of Capital Base made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)
3. Reporting Standard GRS 300.0 Statement of Financial Position made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)
4. Reporting Standard GRS 310.0 Statement of Financial Performance made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have on 1 July 2005)
5. Reporting Standard GRS 310.3 Investment and Operating Income and Expense made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have on 1 July 2005)
6. Reporting Standard GRS 320.0 Reconciliation of Annual Disclosure made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have on 1 July 2005)
7. Reporting Standard GRS 400.0 Statement of Risk by Country made on 28 June 2002 (which came into effect on 1 July 2002 and ceased to have effect on 1 July 2005)

Appendix B

**Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

Australian Prudential Regulation Authority (confidentiality) determination

No. 25 of 2013

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011.*

**Overview of the Legislative Instrument**

This Legislative Instrument will enable APRA to disclose (including by way of publication in industry bulletins) information provided to it by general insurers under certain reporting standards. This information will be of use to inter alia regulators, policymakers, industry, researchers and analysts.

**Human rights implications**

APRA has assessed this Legislative Instrument against the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* (HRPS Act) and determined that only Article 17 of the International Covenant on Civil and Political Rights (ICCPR) is conceivably of relevance.

Article 17 of the ICCPR prohibits the arbitrary or unlawful interference with a person’s privacy, family, home and correspondence, and attacks on reputation. Article 17 is exclusively concerned with prohibiting interference with the privacy and/or reputation of individual persons. It does not extend to the privacy and/or reputation of corporate entities.

This Legislative Instrument will facilitate the disclosure of specific information given to APRA by general insurers in accordance with certain reporting standards. It does not involve the disclosure of information directly relating to individual persons. Further, APRA reviews all releases of data received under reporting standards to ensure that no information pertaining to an individual person can be deduced from the data.

Consequently this Legislative Instrument does not engage any of the applicable rights or freedoms recognised or declared in the international instruments listed in section 3 of the HRPS Act.

**Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

1. Where data are provided under the *Financial Sector (Collection of Data) Act 2001* [↑](#footnote-ref-1)