



# Financial Sector (Collection of Data) (reporting standard) determination No. 20 of 2023

## Reporting Standard GRS 420.0 Premium Revenue by State and Territory of Australia

### *Financial Sector (Collection of Data) Act 2001*

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I, Michael Murphy, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) and subsection 33(3) of the *Acts Interpretation Act 1901*:

- (a) REVOKE Financial Sector (Collection of Data) (reporting standard) determination No. 23 of 2013, including *Reporting Standard GRS 420.0 Premium Revenue by State and Territory of Australia* made under that Determination; and
- (b) DETERMINE *Reporting Standard GRS 420.0 Premium Revenue by State and Territory of Australia*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard shall begin to apply to those financial sector entities on 1 April 2023, and the revoked reporting standard shall cease to apply, on 1 April 2023.

This instrument commences on 1 April 2023.

Dated: 16 March 2023

Michael Murphy  
General Manager – Chief Data Officer (Acting),  
Technology and Data Division

## **Interpretation**

In this Determination:

*APRA* means the Australian Prudential Regulation Authority.

*financial sector entity* has the meaning given by section 5 of the Act.

## **Schedule**

*Reporting Standard GRS 420.0 Premium Revenue by State and Territory of Australia* comprises the document commencing on the following page.



## Reporting Standard GRS 420.0

# Premium Revenue by State and Territory of Australia

### Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to a general insurer's premium revenue by State and Territory of Australia.

It includes *Form GRF 420.0 Premium Revenue by State and Territory of Australia* and associated specific instructions and must be read in conjunction with the general instruction guide.

### Authority

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

### Purpose

2. Information collected in *Form GRF 420.0 Premium Revenue by State and Territory of Australia* (GRF 420.0) 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 all general insurers authorised under the *Insurance Act 1973* (insurers). This Reporting Standard applies for reporting periods ending on or after 1 April 2023.

### Information required

4. An insurer must provide APRA with the information required by Form GRF 420.0 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, an insurer must provide the information required by this Reporting Standard:
  - (a) in respect of each quarter based on the financial year of the insurer; and
  - (b) in respect of each financial year of the insurer.

*Note:* The annual information required from an insurer by paragraphs 4, 5 and 6(b), together with certain annual information required by other reporting standards, will form part of the insurer's yearly statutory accounts within the meaning of section 3 of the *Insurance Act 1973* (the Insurance Act). This means that the information must be audited in accordance with paragraph 49J(1)(a) of the Insurance Act. Under subsection 49J(3), the principal auditor of the insurer must give the insurer a certificate relating to the yearly statutory accounts, and that certificate must contain statements of the auditor's opinions on the matters required by the prudential standards to be dealt with in the certificate.

7. If, having regard to the particular circumstances of an insurer, 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, change the reporting periods, or specify reporting periods, for the particular insurer.
8. The information required by this Reporting Standard in respect of an insurer must be provided to APRA:
  - (a) within the time stated in *Reporting Standard GRS 001 Reporting Requirements* (GRS 001); or
  - (b) in the case of information provided in accordance with paragraph 7, within the time specified by notice in writing.

*Note:* Paragraph 49L(1)(a) of the Insurance Act provides that the auditor's certificate required under subsection 49J(3) of that Act must be lodged with APRA in accordance with the prudential standards. The prudential standards provide that the certificate must be submitted to APRA together with the yearly statutory accounts. Accordingly, the auditor's certificate relating to the annual information referred to in subparagraph 6(b) must be provided to APRA by the time specified in GRS 001 (unless an extension of time is granted under GRS 001).

## Quality control

9. The information provided by an insurer under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Appointed Auditor of the insurer. This will require the Appointed Auditor to review and test the insurer's systems, processes and controls designed to enable the insurer 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 Appointed 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 (AUASB) 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*.
10. All information provided by an insurer under this Reporting Standard must be subject to systems, processes and controls developed by the insurer for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the insurer to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.

### Authorisation

11. When an officer, or agent, of an insurer provides the information required by this Reporting Standard it will be necessary for an officer, or agent, to digitally sign the relevant information using a digital certificate acceptable to APRA.
12. If an insurer provides the information required by this Reporting Standard through an agent who submits on the insurer's behalf, the insurer must:
- (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
  - (b) retain the completed copy.
13. An officer, or agent, of an insurer who submits the information under this Reporting Standard for, or on behalf of, the insurer must be authorised by either:
- (a) the Principal Executive Officer of the insurer; or
  - (b) the Chief Financial Officer of the insurer.

### Variations

14. APRA may, by written notice to the insurer, vary the reporting requirements of Form GRF 420.0 in relation to that insurer.

### Interpretation

15. In this Reporting Standard (including the attachments):
- (a) unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard GPS 001 Definitions* (GPS 001); and
  - (b) **Appointed Auditor** means an auditor appointed under paragraph 39(1)(a) of the Insurance Act;

**APRA-authorized 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-authorized reinsurer if it carries on reinsurance business. The Australian Reinsurance Pool Corporation is also an APRA-authorized reinsurer for the purposes of this definition;

**capital standards** means the prudential standards which relate to capital adequacy as defined in GPS 001;

**Chief Financial Officer** means the chief financial officer of the insurer, by whatever name called;

**financial year** means the financial year (within the meaning in the *Corporations Act 2001*) of the insurer;

**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;

**Insurance Act** means the *Insurance Act 1973*;

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

*Note:* In the forms and instructions, 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-authorized reinsurer** means any reinsurer that is not an APRA-authorized reinsurer;

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

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

## GRF\_420\_0\_L: Premium Revenue by State and Territory of Australia (L)

<b>Australian Business Number</b>	<b>Institution Name</b>
<b>Reporting Period</b>	<b>Scale Factor</b>
Quarterly / Annual	Thousands of dollars no decimal place
<b>Reporting Consolidation</b>	
Licensed Insurer	

Class of business	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Total
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									
Other direct - category C									

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Total
Total business									

## **GRF\_420\_0 Premium Revenue by State and Territory of Australia**

These instructions must be read in conjunction with the general instruction guide.

### **Explanatory notes**

#### **Reporting basis**

Premium revenue is to be recognised as per the instructions to GRF 310.1. Where the reporting insurer's operations are wholly within Australia, total premium revenue per this form should agree with the aggregate of premium revenue disclosed in GRF 310.1.

#### **Reporting entities**

This form is required to be completed by insurers that write direct classes of business.

### **Instructions for specific items**

#### **Premium revenue**

Report the gross earned premium revenue in Australia according to where the risk is located. Premium revenue must be recognised on a basis that is consistent with the requirements of *Australian Accounting Standard AASB 1023 General Insurance Contracts* (AASB 1023).

In accordance with AASB 1023, premium revenue shall be recognised from the attachment date as soon as there is a basis on which it can be reliably estimated over the period of the general insurance contract, in accordance with the pattern of the incidence of risk expected under the general insurance contract.

Premium revenue must be discounted where it is to be received beyond the current year of cover under an insurance contract. In these cases, use the discount rate as required in calculating outstanding claims liabilities in accordance with AASB 1023.

Premium revenue excludes amounts collected on behalf of third parties i.e. government stamp duty and taxes. Levies charged to insured, such as fire service levies, are to be included as total premium revenue. Premium refunds and rebates are to be deducted from premium revenue. For instalment premium policies, the amount of the annualised premium is to be used.

Where premium is calculated on an adjustment basis, the estimated annual premium is to be brought to account, with the estimated premium being replaced by the actual amount as it becomes known. Where premium is accepted on a deposit basis, the full annual premium is to be brought into account.

Premium revenue must be gross of reinsurance expense.



## **Total business**

Each item in this row is automatically calculated as the sum of each state across the classes of business.

## **Class of business**

Premium revenue is to be reported for direct business. Insurance business written directly by the reporting insurer is to be reported in accordance with the direct classes of business in Attachment B of *Prudential Standard GPS 001 Definitions* (GPS 001).

For the purpose of calculating the Insurance Risk Charge in respect of the 'Other' class of business as per GPS 001, the Appointed Actuary is required to determine the most appropriate category (i.e. category A, B or C) in Table 1 and Table 2 of Attachment A of *Prudential Standard GPS 115 Capital Adequacy: Insurance Risk Charge* 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 *Other direct - category A*, *Other direct - category B* or *Other direct - category C* line items are to follow this basis.