



Financial Sector (Collection of Data) (reporting standard) determination No. 34 of 2023

Reporting Standard LRS 330.0 Summary of Revenue and Expenses

Financial Sector (Collection of Data) Act 2001

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. 55 of 2013, including *Reporting Standard LRS 330.0 Summary of Revenue and Expenses* made under that Determination; and
- (b) DETERMINE *Reporting Standard LRS 330.0 Summary of Revenue and Expenses*, 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: 22 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 LRS 330.0 Summary of Revenue and Expenses comprises the document commencing on the following page.



Reporting Standard LRS 330.0

Summary of Revenue and Expenses

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA in relation to a summary of a life company's revenue and expenses.

It includes *Form LRF 330.0 Summary of Revenue and Expenses* 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* (Collection of Data Act).

Purpose

2. Information collected in *Form LRF 330.0 Summary of Revenue and Expenses* (LRF 330.0) is used by APRA for the purpose of prudential supervision including assessing compliance with capital standards.

Application and commencement

3. This Reporting Standard applies to all life insurance companies including friendly societies (together referred to as 'life companies') registered under the *Life Insurance Act 1995* (Life Insurance Act). This Reporting Standard applies for reporting periods ending on or after 1 April 2023.

Information required

4. A life company must provide APRA with the information required by Form LRF 330.0 for each reporting period.
5. The information reported to APRA under this Reporting Standard is not required to be given to policy owners pursuant to section 124 of the Life Insurance Act. It does not constitute a reporting document for the purposes of section 124.

Method of submission

6. 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

7. Subject to paragraph 8, a life company must provide the information required by this Reporting Standard:
 - (a) in respect of each quarter based on the financial year of the life company on an unaudited basis; and
 - (b) in respect of each financial year of the life company on an audited basis.

Note 1: This means that this form will be submitted five times for a full financial year.

Note 2: The annual audited form must be submitted in conjunction with the annual auditor's report, as required under *Prudential Standard LPS 310 Audit and Related Matters* (LPS 310).

8. If, having regard to the particular circumstances of a life company, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 7(a) or 7(b), APRA may, by notice in writing, change the reporting periods, or specify reporting periods, for the particular life company.
9. The information required by this Reporting Standard in respect of a life company must be provided to APRA:
 - (a) within the time stated in *Reporting Standard LRS 001 Reporting Requirements* (LRS 001); or
 - (b) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.

Quality control

10. The information provided by a life company under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Auditor of the life company. This will require the Auditor to review and test the life company's systems, processes and controls supporting the reporting of the information to enable the life company to provide 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 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 LPS 310.

11. All information provided by a life company under this Reporting Standard must be subject to systems, processes and controls developed by the life company for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the life company to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.
12. Actuarial valuations and calculations included in or used in the preparation of the information provided to APRA must be in accordance with the prudential standards in force for the reporting period. However, life companies may use reasonable estimates when preparing information that will not be audited (i.e. for the first four submissions of information for a full financial year).

Authorisation

13. When an officer of a life company provides the information required by this Reporting Standard, it will be necessary for the officer to digitally sign the relevant information using a digital certificate acceptable to APRA.
14. An officer of a life company submitting information under this Reporting Standard must be authorised by either:
 - (a) the Principal Executive Officer of the life company; or
 - (b) the Chief Financial Officer of the life company.

Variations

15. APRA may, by written notice to the life company, vary the reporting requirements of Form LRF 330.0 in relation to that life company.

Transition

16. A life company 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 by the determination making this Reporting Standard; and

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

- (a) which ended before the date of revocation of the old reporting standard; and
- (b) in relation to which the life company 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 life company 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 life company is still required to provide any overdue reporting documents in accordance with the old reporting standard.

Interpretation

17. 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 LPS 001 Definitions* (LPS 001); and
- (b) **capital standards** means the prudential standards which relate to capital adequacy as defined in LPS 001;

Chief Financial Officer means the chief financial officer of the life company, by whatever name called;

financial year has the meaning in the *Corporations Act 2001*;

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

Principal Executive Officer means the principal executive officer of the life company, 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 reporting period under subparagraph 7(a) or 7(b) or, if applicable, paragraph 8.

LRF_330_0: Summary of Revenue and Expenses

Australian Business Number	Institution Name
	Life companies other than friendly societies
Reporting Period	Scale Factor
Quarterly / Annual	Thousands
Reporting Consolidation	
Statutory fund	

1. All Statutory Fund Products

Class of business	Product group	Insurance policy revenue, gross of reinsurance (1)	Insurance policy revenue, net of reinsurance (2)	Fees for management services rendered (3)	Investment revenue (4)	Other revenue (5)	Total revenue (6)	Insurance policy expense, gross of reinsurance (7)	Insurance policy expense, net of reinsurance (8)	Operating expense (9)	Movement in net policy liabilities (10)	Adjustment to movement in net policy liabilities - policy revenue (11)
Australia - Ordinary Business	L1. Conventional Participating											
Australia - Superannuation Business	L2. Participating Investment Account											
Overseas - All Business	L3. Annuity with Longevity Risk											
	L4. Individual Lump Sum Risk											

L5. Individual Disability Income Insurance
L6. Group Lump Sum Risk
L7. Group Disability Income Insurance
L8. Investment Linked
L9. Non-par Investment Policy with Discretionary Additions
L10. Other Non- par Investment Policy
L11. Annuity without Longevity Risk
L12. Other
L13. Policy Owners Retained Profits
L14. Shareholders Capital & Retained Profits

Class of business	Product group	Adjustment to movement in net policy liabilities - policy expense (12)	Effective movement in net policy liabilities (13)	Change in policy owner retained profits (14)	Other expense (15)	Total expense (16)	Profit/(loss) before income tax (17)	Income tax attributable to profit/(loss) of policy owners (18)	Income tax attributable to profit/(loss) of shareholders (19)	Total income tax (20)	Profit/(loss) after income tax (21)	Profit/(loss) after income tax attributable to shareholders (22)
Australia - Ordinary Business	L1. Conventional Participating											
Australia - Superannuation Business	L2. Participating Investment Account											
Overseas - All Business	L3. Annuity with Longevity Risk											
	L4. Individual Lump Sum Risk											
	L5. Individual Disability Income Insurance											
	L6. Group Lump Sum Risk											
	L7. Group Disability Income Insurance											
	L8. Investment Linked											
	L9. Non-par Investment Policy with Discretionary Additions											
	L10. Other Non-											

par Investment Policy
L11. Annuity without Longevity Risk
L12. Other
L13. Policy Owners Retained Profits
L14. Shareholders Capital & Retained Profits

2. Totals by class of business

Insuran ce policy revenu e, gross of reinsur ance (1)	Insuran ce policy revenu e, net of reinsur ance (2)	Fees for manag ement service s rende red (3)	Invest ment revenu e (4)	Other revenu e (5)	Total revenu e (6)	Insuran ce policy expens e, gross of reinsur ance (7)	Insuran ce policy expens e, net of reinsur ance (8)	Operati ng expens e (9)	Movem ent in net policy liabiliti es (10)	Adjust ment to movem ent in net policy liabiliti es - policy revenu e (11)
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2.1. Australian business

2.1.1. Ordinary business

2.1.2. Superannuation
business

2.1.3. Total Australian
business

2.2. Overseas - All business

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2.3. Total statutory fund business

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Adjustment to movement in net policy liabilities - policy expense (12)	Effective movement In net policy liabilities (13)	Change in policy owner retained profits (14)	Other expense (15)	Total expense (16)	Profit/(loss) before income tax (17)	Income tax attributable to profit/(loss) of policy owners (18)	Income tax attributable to profit/(loss) of shareholders (19)	Total income tax (20)	Profit/(loss) after income tax (21)	Profit/(loss) after income tax attributable to shareholders (22)
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2.1. Australian business

2.1.1. Ordinary business

2.1.2. Superannuation business

2.1.3. Total Australian business

2.2. Overseas - All business

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2.3. Total statutory fund business

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LRF_330_0 Summary of Revenue and Expenses

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

Explanatory notes

Application of reporting items

While these instructions apply to all life companies, including friendly societies, not all items may be applicable to both. Some items may not be applicable to friendly societies while others may not be applicable to life insurers.

Australian/Overseas business

This refers to the territory where the life insurance business is carried on, as defined in the *Life Insurance Act 1995* (the Act). In most cases 'Total business' values are derived items, the exception being 'total shareholder retained profits at beginning of year'.

Policy owner interests/Shareholder interests

This refers to the components of each item being reported as an item of profit that is attributable to the interests of policy owners vs. shareholders respectively. All 'total amounts' results are derived items.

NOTE: Without prejudice, unallocated benefit fund reserves are to be treated as attributable to the interests of policy owners for the purposes of this form.

Instructions for specific items

(1) Insurance policy revenue, gross of reinsurance

This column is as per Item 1 in Instructions to *LRF 310.1 Income Statement (SF & SF Eliminations)* (LRF 310.1) and *LRF 310.2 Income Statement (SF Total, GF, GF Elim, Entity)* (LRF 310.2).

This reporting item is therefore expected to apply in full to life insurance contracts (i.e. APRA Product Groups L1 to L7), apart from Participating Investment Account (L2). Participating Investment Account (L2) has been deemed life insurance contracts under *Prudential Standard LPS 340 Valuation of Policy Liabilities*. Under *Australian Accounting Standard AASB 1038 Life Insurance Contracts* the contracts must be split into life insurance and life investment components in accordance with Section 5 (premiums and claims splitting). Only premium-related fees for such contracts should be included in insurance policy receipts.

(2) Insurance policy revenue, net of reinsurance

This column is as per item 1 in Instructions to LRF 310.1 and LRF 310.2, except that it is net of all outwards reinsurance expenses.

This reporting item is expected to apply only to life insurance contracts.

(3) Fees for management services rendered

This column is as per item 2 in instructions to LRF 310.1 and LRF 310.2.

This reporting item is expected to apply only to life investment contracts (i.e. APRA Product Groups L8, L9 and L10).

(4) Investment revenue

This column is as per item 3 in instructions to LRF 310.1 and LRF 310.2.

Change in fair value should be included here; likewise the imputed (self-paid) rent for owner-occupied property should be included as investment revenue.

(5) Other revenue

This column is as per item 4 in instructions to LRF 310.1 and LRF 310.2.

(6) Total revenue

This column is as per item 5 in instructions to LRF 310.1 and LRF 310.2.

It is calculated by the form automatically, as the sum of columns 2 to 5.

(7) Insurance policy expense, gross of reinsurance

This column is as per item 6 in instructions to LRF 310.1 and LRF 310.2.

This column should exclude (from claims) the withdrawals of deposit components that are included in participating investment account (L2) contracts.

(8) Insurance policy expense, net of reinsurance

This column is as per item 6 in instructions to LRF 310.1 and LRF 310.2, except that it is net of all expected reinsurance recoveries.

This reporting item is expected to apply only to life insurance contracts.

(9) Operating expenses

This column is as per item 7 in instructions to LRF 310.1 and LRF 310.2.

(10) Movement in net policy liabilities

This column is as per item 8 in instructions to LRF 310.1 and LRF 310.2.

(11) Adjustment to movement in net policy liabilities – policy revenue

This column is as per item 9 in instructions to LRF 310.1 and LRF 310.2.

(12) Adjustment to movement in net policy liabilities – policy expense

This column is as per item 10 in instructions to LRF 310.1 and LRF 310.2.

(13) Effective movement in net policy liabilities

This column corresponds to item 11 on the form LRF 310.1, however in this form the figures need to be input (in LRF 310.1 the item is derived). The reason for the difference is that LRF 330.0 does not specifically identify all the components of ‘effective movement in net policy liabilities’ at the APRA product group level.

(14) Change in policy owner retained profits

This column is as per item 12 in instructions to LRF 310.1 and LRF 310.2.

Change in policy owner retained profits applies only to participating business (APRA product groups L1 and L2, and any participating business reported under group L10).

(15) Other expenses

This column is as per item 13 in instructions to LRF 310.1 and LRF 310.2.

(16) Total expenses

This column is as per item 14 in instructions to LRF 310.1 and LRF 310.2.

(17) Profit/(loss) before income tax

This column is as per item 15 in instructions to LRF 310.1 and LRF 310.2.

The number entered should equal column 6 ‘total revenue’ less column 16 ‘total expenses’.

(18) Income tax attributable to profit/(loss) of policy owners

This column is as per item 16.2 in instructions to LRF 310.1 and LRF 310.2.

(19) Income tax attributable to profit/(loss) of shareholders

This column is as per item 16.1 in instructions to LRF 310.1 and LRF 310.2.

(20) Total income tax

This column is as per item 16.3 in instructions to LRF 310.1 and LRF 310.2.

This column is calculated automatically as the sum of column 18 and column 19.

(21) Profit/(loss) after income tax

This column is as per item 17 in instructions to LRF 310.1 and LRF 310.2.

This column represents the profit (or loss) result after tax, for each APRA product group. As item 18 on LRF 310.1 (increase/decrease in unallocated benefit fund reserves) is only expected to be applicable for friendly societies (who are not required to complete this form), the result at Item 17 therefore represents ‘profit (or loss) after tax’ attributable to shareholders, for each APRA product group.

(22) Profit/(loss) after income tax attributable to shareholders

This column is as per item 19 in instructions to LRF 310.1 and LRF 310.2.