

Financial Sector (Collection of Data) (reporting standard) determination No. 101 of 2013

Reporting Standard GRS 460.0 Reinsurance Assets by Counterparty

Financial Sector (Collection of Data) Act 2001

I, Charles Littrell, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) DETERMINE *Reporting Standard GRS 460.0 Reinsurance Assets by Counterparty*, 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 31 December 2013.

This instrument commences on 31 December 2013.

Dated: 13 December 2013

[Signed]

Charles Littrell

Executive General Manager

Policy, Statistics and International

Interpretation

In this Determination:

***APRA*** means the Australian Prudential Regulation Authority.

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

Schedule

*Reporting Standard GRS 460.0 Reinsurance Assets by Counterparty* comprises the 11 pages commencing on the following page.



**Reporting Standard GRS 460.0**

**Reinsurance Assets by Counterparty**

**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 exposures to reinsurance counterparties.

It includes *Form GRF 460.0 Reinsurance Assets by Counterparty* 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**

1. Information collected in *Form GRF 460.0 Reinsurance Assets by Counterparty* (GRF 460.0) is used by APRA for the purposes of prudential supervision.

**Application and commencement**

1. This Reporting Standard applies to all general insurers authorised under the *Insurance Act 1973* (insurers).
2. This Reporting Standard applies for reporting periods ending on or after 31 December 2013.

**Information required**

1. An insurer to which this Reporting Standard applies must provide APRA with the information required by GRF 460.0 in respect of each reporting period.

**Forms and method of submission**

1. The information required by this Reporting Standard must be given to APRA in electronic format using the ‘Direct to APRA’ application or, where ‘Direct to APRA’ is not available, by a method notified by APRA prior to submission.

*Note*: the ‘Direct to APRA’ application software (also known as ‘D2A’) may be obtained from APRA.

**Reporting periods and due dates**

1. Subject to paragraph 8, an insurer to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of each financial year of the insurer.
2. 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 paragraph 7, APRA may change the reporting periods, or specify reporting periods, for the particular insurer.
3. The information required by this Reporting Standard must be provided to APRA:
   1. within the time stated in *Reporting Standard GRS 001 Reporting Requirements* (GRS 001); or
   2. in the case of information provided in accordance with paragraph 8, within the time specified by APRA.
4. APRA may grant an insurer an extension of a due date, in which case the new due date for the provision of the information will be the date on the notice of extension.

**Quality control**

1. 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 information submitted to APRA is in place.
2. As a result of Insurance (exemption) determination No. 2 of 2013, the Appointed Auditor of an insurer is not ordinarily required to audit, or provide a certificate in relation to, information provided by the insurer under this Reporting Standard.

**Authorisation**

1. When an officer or agent of an insurer provides the information required by this Reporting Standard using the ‘Direct to APRA’ software, it will be necessary for the officer or agent to digitally sign the relevant information using a digital certificate acceptable to APRA.
2. If the information required by this Reporting Standard is provided by an agent who submits using the ‘Direct to APRA’ software on the insurer’s behalf, the insurer must:
   1. obtain from the agent a copy of the completed form with the information provided to APRA; and
   2. retain the completed copy.
3. 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:
   1. the Principal Executive Officer of the insurer; or
   2. the Chief Financial Officer of the insurer.

**Variations**

1. APRA may vary the reporting requirements of GRF 460.0 in relation to an insurer.

**Interpretation**

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

***APRA*** means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

***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;

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

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

***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 paragraph 7 or, if applicable, paragraph 8.

1. Where this Reporting Standard provides for APRA to exercise a power or discretion, this power or discretion is to be exercised in writing.

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| **GRF\_460\_0: Reinsurance Assets by Counterparty** |

|  |  |  |
| --- | --- | --- |
| **Australian Business Number** | **Institution Name** |  |
|  |  |  |
| **Reporting Period** | **Scale Factor** | **Reporting Consolidation** |
| Annual | Thousands of dollars no decimal place | Level 1 / Level 2 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of counterparty (reinsurer)** | **Reinsurer identifier** | **Counterparty group name** | **APRA counterparty grade** | **Major form of collateral / guarantee** | **Amount of collateral / guarantee** | **APRA counterparty grade after collateral / guarantee** | **Counterparty domicile** | **Group domicile** | **Central estimate of reinsurance recoverables** | **Net reinsurance recoverable on paid claims overdue for more than 6 months - central estimate** | **Reinsurance recoverable outstanding from second annual balance date after the event - central estimate** | **Deferred reinsurance expense** |
| **(1)** | **(2)** | **(3)** | **(4)** | **(5)** | **(6)** | **(7)** | **(8)** | **(9)** | **(10)** | **(11)** | **(12)** | **(13)** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Other |  |  |  |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |  |  |  |

**Reporting Form GRF 460.0**

**Reinsurance Assets by Counterparty**

**Instructions**

These instructions assist completion of *Reporting Form GRF 460.0 Reinsurance Assets by Counterparty* (GRF 460.0). GRF 460.0 collects information relating to a ***regulated institution’s*** exposure to individual reinsurance counterparties. Information reported in GRF 460.0 is primarily required for prudential purposes.

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

**Audit matters**

As a result of Insurance (exemption) determination No. 2 of 2013, the ***Appointed Auditor*** of a ***general insurer*** is not required to audit, or provide a certificate in relation to, information provided by a general insurer under *Reporting Standard GRS 460.0 Reinsurance Assets by Counterparty*. Under *Prudential Standard GPS 310 Audit and Related Matters* (GPS 310), the ***Group Auditor*** of a ***Level 2 insurance group*** is not required to provide a limited assurance review in relation to information provided by the parent entity of a Level 2 insurance group under *Reporting Standard GRS 460.0\_G Reinsurance Assets by Counterparty (Level 2 Insurance Group)*. APRA, however, may exercise its power under GPS 310to require the Appointed Auditor or Group Auditor to undertake a special purpose review of the systems, processes and controls surrounding the completion of GRF 460.0 and *Reporting Form GRF 460.0\_G Reinsurance Assets by Counterparty (G)* (GRF 460.0\_G), or the data contained within GRF 460.0 and GRF 460.0\_G.

**Reporting Level**

GRF 460.0 must be completed by all general insurers.

**Specific instructions**

Terms highlighted in ***bold italics*** indicate that the definition is provided in these instructions. Additional definitions are provided at the end of these instructions.

*Reporting Practice Guide GRPG 460 Reinsurance Counterparty Data Collection* provides guidance to assist regulated institutions in completing GRF 460.0.

**Reinsurance assets by counterparty**

For the purposes of GRF 460.0, it is acceptable for a regulated institution to report less than 100 per cent of the regulated institution’s total exposure to individual reinsurance counterparties. However, at a minimum, the regulated institution must report exposures to individual reinsurance counterparties such that the aggregate of the amount reported on the reporting form represents at least 95 per cent of the sum of the regulated institution’s total central estimate of reinsurance recoverables (including recoverables on paid claims overdue for more than six months and recoverables outstanding from the second annual balance date after the event) and deferred reinsurance expense.

Regulated institutions are only to include reinsurance recoverables on GRF 460.0 that are classed as reinsurance on *Reporting Form GRF 300.0 Statement of Financial Position* or *Reporting Form GRF 300.0\_G Statement of Financial Position (G)*.

**Reporting basis:** report balances for Column 6 and Columns 10 to 13 as at the end of the financial year.

**Unit of measurement**: report amounts in Column 6 and Columns 10 to 13 as thousands of dollars.

|  |  |
| --- | --- |
|  | Report each reinsurance counterparty as a separate line item.  For each reinsurance counterparty report the ***Name of counterparty (reinsurer)*** in column 1, the ***Reinsurer identifier*** in column 2, the ***Counterparty group name*** in column 3, the ***APRA counterparty grade*** in column 4, the ***Major form of collateral / guarantee*** in column 5, the ***Amount of collateral / guarantee*** in column 6, the ***APRA counterparty grade after collateral / guarantee*** in column 7, the ***Counterparty domicile*** in column 8, the ***Group domicile*** in column 9, the ***Central estimate of reinsurance recoverables*** in column 10, the ***Net reinsurance recoverable on paid claims overdue for more than 6 months – central estimate*** in column 11, the ***Reinsurance recoverable outstanding from second annual balance date after the event – central estimate*** in column 12 and the ***Deferred reinsurance expense*** in column 13. |
| Name of counterparty (reinsurer) | The legal name of the counterparty to the reinsurance exposure. Where relevant, use the name of counterparty as stated on the ***reinsurer identifier list***. |
| Reinsurer identifier | The unique identifier for the counterparty reported in column 1. Where relevant, the reinsurer identifier must be reported as stated on the reinsurer identifier list. If the reinsurer is not on the reinsurer identifier list, report the reinsurer identifier as ‘unassigned’. |
| Counterparty group name | The name of the group to which the counterparty to the reinsurance exposure belongs. If the counterparty to the reinsurance exposure does not belong to a group, leave this column blank. Where relevant, the counterparty group name must be reported as stated on the reinsurer identifier list. If the counterparty group name is not on the reinsurer identifier list, report the counterparty group name as per these instructions. |
| APRA counterparty grade | The counterparty grade of 1 to 7 in accordance with *Prudential Standard GPS 001 Definitions* (GPS 001). |
| Major form of collateral / guarantee | The type of collateral / guarantee, if applicable, that is support for the reinsurance recoverables in accordance with *Prudential Standard GPS 114 Capital Adequacy: Asset Risk Charge* (GPS 114). Where there is more than one type of collateral or guarantee provided as support, report the type that has the greatest monetary exposure. Collateral / guarantee types can include (but are not limited to) trusts, letters of credit and financial guarantees. |
| Amount of collateral / guarantee | The monetary amount of the collateral / guarantee, if applicable, that is support for reinsurance recoverables. |
| APRA counterparty grade after collateral / guarantee | The counterparty grade of the collateral / guarantee reported of grade 1 to 7 in accordance with GPS 001. If there is more than one type of collateral or guarantee, report the grade for the type that has the greatest monetary exposure. |
| Counterparty domicile | For a subsidiary, the domicile is where the counterparty is legally incorporated. For a branch, the domicile is where the counterparty (branch) is located. Where relevant, the counterparty domicile must be reported as stated on the reinsurer identifier list. If the counterparty is not on the reinsurer identifier list, report the domicile using the domiciles listed in Appendix 1. |
| Group domicile | The domicile where the group owning the counterparty is legally incorporated. If the counterparty does not belong to a group, leave this column blank. Where relevant, the group domicile must be reported as stated on the reinsurer identifier list. If the group is not on the reinsurer identifier list, report the group domicile using the domiciles listed in Appendix 1. |
| Central estimate of reinsurance recoverables | The reinsurance recoverables associated with the counterparty reported in column 1. This amount will include the recoverables on ***incurred but not reported (IBNR)*** claims that are allocated to the counterparty. This amount must exclude the amounts reported in columns 11 and 12 for that counterparty. It is measured at central estimate level, in accordance with *Prudential Standard GPS 320 Actuarial and Related Matters* (GPS 320). |
| Net reinsurance recoverable on paid claims overdue for more than 6 months – central estimate | The reinsurance recoverables on paid claims where:   * the recoverable has become a receivable (i.e. it is due and payable); * the receivable is overdue for more than six months since a request for payment has been made to the reinsurer; and * there is no formal dispute between the insurer and the reinsurer in relation to that receivable.   The categorisation is in accordance with GPS 114 and the central estimate level is in accordance with GPS 320. |
| Reinsurance recoverable outstanding from second annual balance date after the event – central estimate | The reinsurance recoverables that are outstanding on and from the second balance date after the end of the financial year in which the event giving rise to the recoverables occurred regardless of whether the reinsurance recoverables are supported by collateral, guarantee or letter of credit. The amount reported should include IBNR. The categorisation is in accordance with GPS 114 and the central estimate level is in accordance with GPS 320. |
| Deferred reinsurance expense | The value of premiums ceded to reinsurers which are determined in accordance with GPS 320 and deferred in accordance with the pattern of reinsurance service received as per GPS 320. |
| Other | This is a derived item for column 6 and columns 10 to 13. Other is equal to the difference between the ‘Total’ reported for each of column 6 and columns 10 to 13 and the reported amounts for each counterparty in aggregate. |
| Total | This is the total of the relevant amounts for column 6 and columns 10 to 13 and may include amounts that have not been reported in a row within the form. |

**Glossary of additional terms**

|  |  |
| --- | --- |
| ***Incurred but not reported (IBNR)*** | Represents the claims arising from incidents occurring prior to the close of the reporting period which are expected to be reported in subsequent reporting periods. |
| ***Reinsurer identifier list*** | This is a list of reinsurers which includes the name of the counterparty, counterparty domicile, counterparty group name and group domicile that must be used for reporting on GRF 460.0 and GRF 460.0\_G. The list is located on APRA’s website. |

**Interpretation**

For the purposes of these instructions:

* ***Appointed Auditor*** is defined in GPS 001;
* ***general insurer*** means a general insurer authorised under the *Insurance Act 1973*;
* ***Group Auditor*** is defined in GPS 001;
* ***regulated institution*** is defined in GPS 001 as a collective term for general insurers and Level 2 insurance groups; and
* ***Level 2 insurance group*** is defined in Attachment D of GPS 001.

**Appendix 1: Country list**

The following country list must be used when reporting any values for columns 8 and 9.

If the country cannot be identified, report the relevant ‘residual’ region listed in the table (for example, US Pacific Islands). If the residual region cannot be identified, report ‘unallocated’.

| **Country/Grouping** | **Code** |
| --- | --- |
| Afghanistan | AF |
| Albania | AL |
| Algeria | DZ |
| Andorra | AD |
| Angola | AO |
| Argentina | AR |
| Armenia | AM |
| Aruba | AW |
| Australia | AU includes Christmas Islands, Cocos Islands, Norfolk Islands, Heard and McDonald Islands, Territory of Ashmore and Cartier Islands and Territory of Coral Sea Islands |
| Austria | AT |
| Azerbaijan | AZ |
| Bahamas | BS |
| Bahrain | BH |
| Bangladesh | BD |
| Barbados | BB |
| Belarus | BY |
| Belgium | BE |
| Belize | BZ |
| Benin | BJ |
| Bermuda | BM |
| Bhutan | BT |
| Bolivia | BO |
| Bosnia and Herzegovina | BA |
| Botswana | BW |
| Brazil | BR |
| British Overseas Territories | 1W includes British Antarctic Territory, British Indian Ocean Territory, Chagos, Pitcairn Islands, South Georgia and South Sandwich Islands |
| Brunei | BN |
| Bulgaria | BG |
| Burkina Faso | BF |
| Burundi | BI |
| Cambodia | KH |
| Cameroon | CM |
| Canada | CA |
| Cape Verde | CV |
| Cayman Islands | KY |
| Central African Republic | CF |
| Chad | TD |
| Chile | CL |
| China | CN |
| Colombia | CO |
| Comoros Islands | KM |
| Congo | CG |
| Congo Democratic Republic | CD |
| Consortium Banks | 1G |
| Costa Rica | CR |
| Cote d'Ivoire | CI |
| Croatia | HR |
| Cuba | CU |
| Cyprus | CY |
| Czech Republic | CZ |
| Denmark | DK excludes Faeroe Islands and Greenland |
| Djibouti | DJ |
| Dominica | DM |
| Dominican Republic | DO |
| Ecuador | EC |
| Egypt | EG |
| El Salvador | SV |
| Equatorial Guinea | GQ |
| Eritrea | ER |
| Estonia | EE |
| Ethiopia | ET |
| Faeroe Islands | FO |
| Falkland Islands | FK |
| Fiji | FJ |
| Finland | FI includes Aland Islands |
| France | FR includes French Guiana, French Southern Territories, Guadeloupe, Martinique, Mayotte, Monaco, Reunion and St. Pierre and Miquelon |
| French Polynesia | PF includes Society Archipelago, Tuamotu-Gambier Islands, Marquesas, Australes Archipelago |
| Gabon | GA |
| Gambia | GM |
| Georgia | GE |
| Germany | DE  includes the European Central Bank |
| Ghana | GH |
| Gibraltar | GI |
| Greece | GR |
| Greenland | GL |
| Grenada | GD |
| Guatemala | GT |
| Guernsey | GG |
| Guinea | GN |
| Guinea-Bissau | GW |
| Guyana | GY |
| Haiti | HT |
| Honduras | HN |
| Hong Kong SAR | HK |
| Hungary | HU |
| Iceland | IS |
| India | IN |
| Indonesia | ID |
| International organisations | 1C except the BIS which is included under Switzerland, and the ECB which is included under Germany |
| Iran | IR |
| Iraq | IQ |
| Ireland | IE |
| Isle of Man | IM |
| Israel | IL |
| Italy | IT |
| Jamaica | JM |
| Japan | JP |
| Jersey | JE |
| Jordan | JO |
| Kazakhstan | KZ |
| Kenya | KE |
| Kiribati | KIR |
| Kuwait | KWT |
| Kyrgyz Republic | KGZ |
| Laos | LAO |
| Latvia | LV |
| Lebanon | LB |
| Lesotho | LS |
| Liberia | LR |
| Libya | LY |
| Liechtenstein | LI |
| Lithuania | LT |
| Luxembourg | LU |
| Macau SAR | MO |
| Macedonia | MK |
| Madagascar | MG |
| Malawi | MW |
| Malaysia | MY includes Labuan International Offshore Financial Centre |
| Maldives | MV |
| Mali | ML |
| Malta | MT |
| Marshall Islands | MH |
| Mauritania | MR |
| Mauritius | MU |
| Mexico | MX |
| Micronesia | FM |
| Moldova | MD |
| Mongolia | MN |
| Montenegro | ME |
| Morocco | MA |
| Mozambique | MZ |
| Myanmar | MM |
| Namibia | NA |
| Nauru | NR |
| Nepal | NP |
| Netherlands | NL |
| Netherlands Antilles | AN includes Bonaire, Curacao, Saba, St. Eustatius and St. Maarten |
| New Caledonia | NC |
| New Zealand | NZ includes Cook Islands, Minor Islands, Niue, Ross Dependency and Tokelau |
| Nicaragua | NI |
| Niger | NE |
| Nigeria | NG |
| North Korea | KP |
| Norway | NO includes Bouvet Islands, Svalbard and Jan Mayen Islands |
| Official Monetary Authorities | 1D |
| Oman | OM |
| Pakistan | PK |
| Palau | PW |
| Palestinian Territory | PS |
| Panama | PA includes Panama Canal Zone |
| Papua New Guinea | PG |
| Paraguay | PY |
| Peru | PE |
| Philippines | PH |
| Poland | PL |
| Portugal | PT includes the Azores and Madeira |
| Qatar | QA |
| Residual Africa and Middle East | 2W includes Western Sahara |
| Residual Asia and Pacific | 2O |
| Residual developed countries | 2R |
| Residual Europe | 2B |
| Residual Latin America and Caribbean | 2H |
| Residual offshore centres | 2N |
| Romania | RO |
| Russia | RU |
| Rwanda | RW |
| Samoa | WS |
| San Marino | SM |
| Sao Tome and Principe | ST |
| Saudi Arabia | SA |
| Senegal | SN |
| Serbia | RS |
| Seychelles | SC |
| Sierra Leone | SL |
| Singapore | SG |
| Slovakia | SK |
| Slovenia | SI |
| Solomon Islands | SB |
| Somalia | SO |
| South Africa | ZA |
| South Korea | KR |
| Spain | ES includes Balearic Islands, Canary Islands and Ceuta and Melilla |
| Sri Lanka | LK |
| St. Helena | SH includes Ascension, Gough and Tristan Da Cunha |
| St. Lucia | LC |
| St. Vincent | VC includes the Grenadines |
| Sudan | SD |
| Suriname | SR |
| Swaziland | SZ |
| Sweden | SE |
| Switzerland | CH includes Bank for International Settlements |
| Syria | SY |
| Taiwan, China | TW |
| Tajikistan | TJ |
| Tanzania | TZ |
| Thailand | TH |
| Timor Leste | TL |
| Togo | TG |
| Tonga | TO |
| Trinidad and Tobago | TT |
| Tunisia | TN |
| Turkey | TR |
| Turkmenistan | TM |
| Turks and Caicos | TC |
| Tuvalu | TV |
| Uganda | UG |
| Ukraine | UA |
| Unallocated | 5M |
| United Arab Emirates | AE |
| United Kingdom | GB excludes Guernsey, Isle of Man and Jersey |
| United States | US includes American Samoa, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, US Virgin Islands and Wake Islands |
| Uruguay | UY |
| US Pacific Islands | PU includes Carolines, Howland and Baker, Kingman Reef, Palmyra and Jarvis and Johnston |
| Uzbekistan | UZ |
| Vanuatu | VU |
| Vatican | VA |
| Venezuela | VE |
| Vietnam | VN |
| Wallis and Futuna | WF |
| West Indies UK | 1Z includes Anguilla, Antigua and Barbuda, British Virgin Islands, Montserrat and St. Christopher/St. Kitts - Nevis |
| Yemen | YE |
| Zambia | ZM |
| Zimbabwe | ZW |