Integrating AASB 17 into the LAGIC framework for insurers

Implications for general insurers

November 2022

Contents

Key messages

On 1 January 2023, AASB 17 Insurance Contracts becomes effective. APRA has revised its prudential and reporting standards in response to the introduction of AASB 17 and these will come into effect from 1 July 2023. This will require insurers, regardless of their financial year end, to commence reporting to APRA (for quarterly, interim, and annual reports) and determining regulatory capital requirements on an AASB 17 basis from 1 July 2023. This document summarises the key considerations for general insurers.

As APRA's LAGIC framework is based on the existing AASB 1023 accounting requirements, it has introduced additional regulatory adjustments to the capital base to minimise the capital impact from AASB 17 changes. These are a liability adjustment (relating to the difference in insurance liabilities between AASB 17 and GPS 340) and adjustments to Common Equity Tier 1 capital (in respect of those components already allowed for in the AASB 17 fulfilment cash flows). However, as the existing capital measurement models and LAGIC framework remain unchanged, there is a disconnect between the data used to calculate insurance liabilities under GPS 340 and AASB 17 e.g. risk margin vs risk adjustment and discount rates used.

Our key messages to insurers are to:

- **Refine AASB 17 implementation plans for APRA reporting requirements** – Enhance data, systems and control processes to accommodate the almost 40 enhanced/new general insurance reporting forms.
- **Address the disconnect between the prudential standards and AASB 17 reporting** – provide for dual reporting requirements regarding:
    - The risk margin for APRA reporting and the risk adjustment for non-financial risk under AASB 17.
    - The difference in discount rates to be used for APRA (prescribed in GPS 340) and AASB 17 reporting (being risk-free rate adjusted by illiquidity premium when using the bottom-up approach) respectively.
    - The 1H23 reporting period for insurers with December reporting dates.
- **Conduct and plan for discussions with the Board and impacted BAU teams** – there are changes to many of the prudential and reporting standards which teams will need to be familiar with as they prepare the new APRA forms for submission. It is important to have sufficient investment in people and their training to address the new regulatory reporting requirements.
- **Changes to procedural requirements for reinsurance contracts** – assess the implications of the reinsurance 'inception date and two month rule' on the insurer's practices.

For further details on these key considerations see 'Key changes in APRA's prudential and reporting standards' (page 5 onwards).

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Introduction

The introduction of *AASB 17 Insurance Contracts* with effect from 1 January 2023 introduces new recognition and measurement concepts for general insurance contracts and changes the way in which entities report their financial results. Given the current close alignment between accounting standard *AASB 1023 General Insurance Contracts* and the existing prudential framework, the move to AASB 17 has driven a need to review the prudential and reporting standards.

APRA has been consulting with the industry since 2017 to outline how it intends to integrate AASB 17 into its frameworks. Following two rounds of APRA's Quantitative Impact Study (QIS), APRA engaged in a consultation process with the industry to highlight their proposed changes and take into consideration industry feedback. On 27 September 2022, APRA released its final consultation package which included:

- a response paper "*Finalisation of the integration of AASB17 into the capital and reporting frameworks for insurers and updates to the LAGIC framework*", which is an information paper that summarises how APRA has responded to the feedback received from the industry;
- 10 general insurance amended final prudential standards; and
- 39 enhanced/new final reporting standards.

Whilst there have been many changes to the prudential and reporting standards, we do not consider these to significantly impact solvency positions across the industry.

Insurers will need APRA approval in order to rely upon any previous exemptions, LAGIC dispensations or other exercise of discretion made by APRA under a previous version of the applicable prudential standard. Assessment of an entity's capital adequacy involves judgement and estimation, should insurers seek to rely on any previous exemption, this will have implications on supervisory adjustments that may be included in the Prudential Capital Requirement (PCR) at APRA's discretion. Insurers seeking transitional relief in relation to proposed capital requirements should contact APRA to discuss potential transition arrangements.

APRA's stated principles are to:

Ensure the current LAGIC* structure and levels are maintained

as APRA considers the fundamentals of LAGIC are sound

Align APRA financial reporting as much as possible to AASB 17

to reduce the regulatory burden on insurers' operations

Enhance reporting

to enable capital assessment and profitability monitoring

Enhance and update

a few areas within the LAGIC standards

* *Life and General Insurance Capital (LAGIC) framework*

APRA's September 2022 response paper is split into three main categories of proposed changes:

1. Capital framework changes in response to AASB 17.
2. APRA reporting framework changes in response to AASB 17.
3. LAGIC enhancements.

This Deloitte update looks at:

- The APRA timeline for AASB 17 Integration.
- The Key changes in APRA's prudential and reporting standards and how this will impact you as a general insurer.
- Key insights and lessons learnt from the APRA 2021-2022 QIS activities as they relate to responding to the latest APRA changes.

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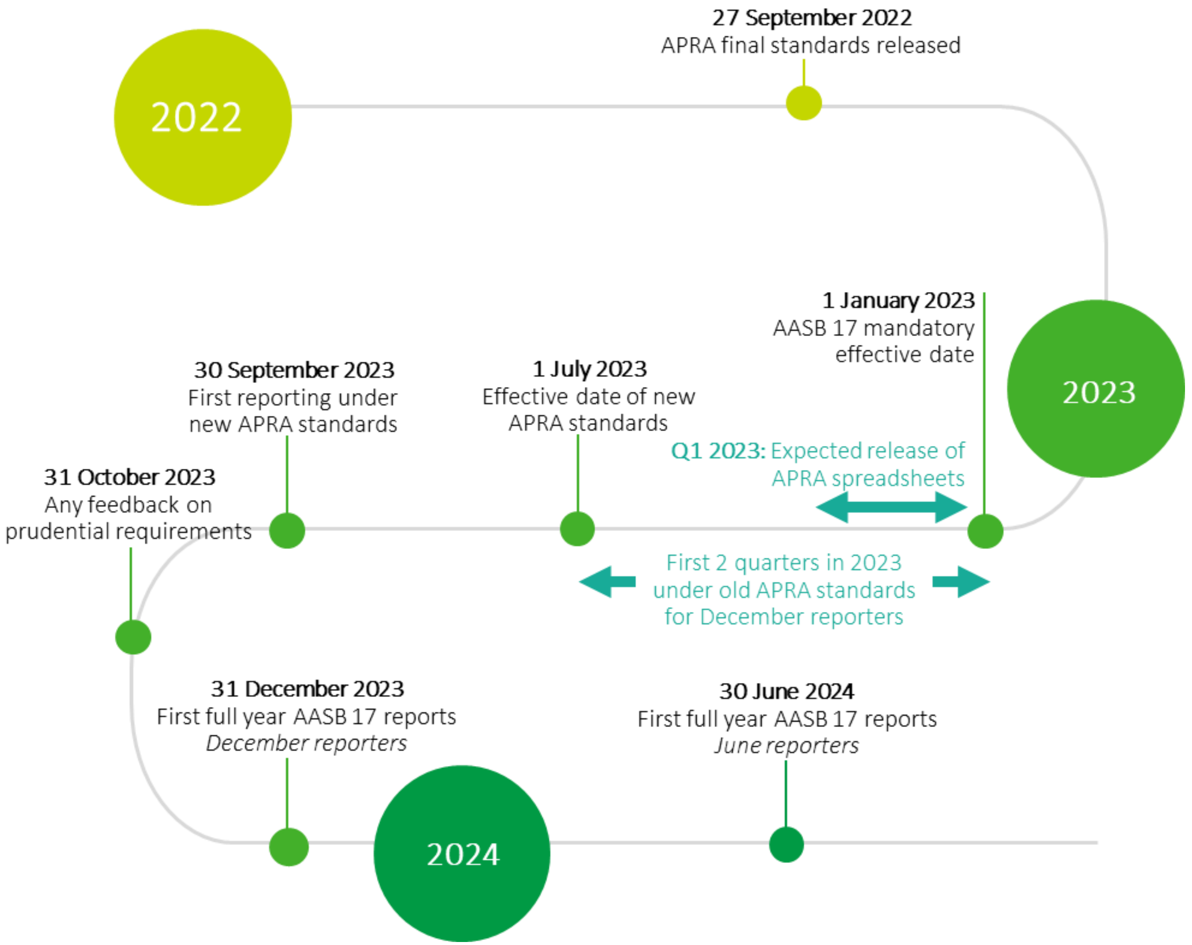
AASB 17 timelines



APRA Timeline for AASB 17 Integration

The revised prudential and reporting standards will come into effect from 1 July 2023:

- December reporters will transition to AASB 17 on 1 January 2023, with the first full AASB 17 reporting year ending on 31 December 2023.
- June reporters will transition to AASB 17 on 1 July 2023, with the first full AASB 17 reporting year ending on 30 June 2024.
- December reporters will have to maintain dual sets of accounting records (AASB 1023 ledger for APRA reporting and AASB 17 ledger for financial reporting) for 1H2023. The last APRA return on an AASB 1023 basis is the June 2023 return. For all insurers, the first annual APRA return for periods ending after 1 July 2023 will be on an AASB 17 basis for the full reporting year (e.g. for an insurer with a 31 December balance date, figures reported in an annual return for the reporting period 1 January 2023 to 31 December 2023 should be on an AASB 17 basis).
- The most impacted reporting standards are the accounting forms (GRS 300.0 and GRS 310.0) and other forms (e.g. GRS 112.0) dependent on accounting data inputs. Under GPS 310, reasonable assurance is still required for annual returns with the exception being GRS 600.0 (limited assurance) and GRS 311.0.G (prepared on best endeavours basis until 1 January 2025). Quarterly returns and first half year returns are still not audited. The GPS 310 requirements over limited assurance for controls are unchanged.
- APRA will continue to collect data each quarter post 1 July 2023 on a year-to-date basis instead of a discrete period reporting basis, following strong pushback from the industry.

IASB/AASB

- IASB issued Amendments to *AASB 17 Insurance Contracts* in June 2020 (originally issued in May 2017).
- In July 2020, the AASB endorsed these amendments through *AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts.*
- Significant interpretation and implementation issues continue to be worked through by the industry.

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Key changes in APRA's prudential and reporting standards

APRA has made changes to **10 prudential standards** and **39 reporting standards.** The changes to the prudential standards are considered minimal, and are expected to be in line with APRA's stated principles. In relation to the change in reporting standards, there has been a significant increase noted in the granularity of reporting required by APRA. The underlying APRA reporting templates are not yet publicly available, however they are expected to be released in 2023. Once published, insurers will need to assess the adequacy of existing reporting process frameworks, as additional controls over models and data will be required to fulfil reporting requirements.

Impact on Prudential Standards

Additional regulatory adjustments to ensure there is minimal impact on capital from aligning to AASB 17

Risk margin unchanged at 75% PoA
Need to calculate risk adjustment for non-financial risk for AASB 17 liabilities reported in the forms

Additional capital requirements that ensure prudent capital levels are maintained and encourage appropriate accounting decisions

Discounting is consistent **at risk-free rates**
No illiquidity premium as required under AASB 17

Default stress in the asset risk charge (ARC) To counter the higher potential for double counting of risk under whole of account quota share arrangement (WoAQS), insurers are allowed to apply the ARC to the net rather than gross quota share position for unpaid premium and unclosed business. Although there are other types of reinsurance arrangements, APRA limited the application to WoAQS due to the materiality of such arrangements and the ease of calculating capital outcomes when applied to a whole portfolio.

Impact on Reporting Standards

More granular data is required (e.g., need to report onerous contracts and unwind the loss components) at APRA grouping for direct insurance contracts issued, inwards reinsurance and reinsurance contracts held separately

Require a consistent and documented allocation method, given AASB 17 portfolios and APRA grouping may differ

The **introduction of Directors & Officer (D&O) and Cyber product groupings** in the APRA product list will mean further granularity in product reporting to enable better prudential monitoring of these products

Submissions will be made **via APRA Connect**

Audit assurance requirements unchanged, except **GRS 600.0 will be on a limited assurance basis.** Early engagement with External Audit is imperative

Transitional arrangements to be aware of:
- Dividends will be determined on an AASB 1023 basis until 1 July 2023
- Reporting exemptions: Group reporting, roll forwards and best endeavours reporting of the Statement of Profit or Loss and Other Comprehensive Income by Product Group and by Region until 1 January 2025 under GRS 311.0.G

'Inception date and two-month rule' for reinsurance contracts: insurers to have a signed slip with terms and coverage outlined at inception, and an additional two months for wordings to be finalised, stamped and signed (previously 'two and six-months')

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Changes in APRA's prudential and reporting standards – further details

Key changes in APRA standards and implications

Item	Impacted GPS	Key changes	Implications
Capital impact: Additional regulatory adjustments	GPS 340	APRA has added regulatory adjustments to the capital base to minimise impact from AASB 17 changes on the capital base as follows: • **A liability adjustment:** being the difference between the GPS 340 liabilities and the AASB 17 insurance liabilities. • **Additions to Common Equity Tier 1 (CET1) capital** when determining the capital base in relation to insurance contracts in place that have premiums not received and includes unpaid premiums in relation to unclosed business. • **Reinsurance related deductions to (CET1) capital** related to reinsurance contracts held which have amounts payable (e.g. reinsurance premiums that are due to be paid) and amounts receivable (e.g. reinsurance recoverables on paid claims).	It is expected that differences between existing and AASB 17 capital measurement models will not result in a change to capital levels. APRA has responded to industry feedback proposing more adjustments by working with the industry to identify and categorise a range of additional adjustments that have been included as additional regulatory adjustments into GPS 112.
Capital impact: Risk margin/ Risk adjustment	GPS 340	APRA has maintained the requirement for the risk margin to be calibrated to the 75% probability of adequacy (PoA).	Insurers will need to calculate both the 75% PoA risk margin for APRA reporting and the risk adjustment for non-financial risk under AASB 17.
Capital impact: Discount rate	GPS 340	Future cash flows will continue to be discounted at risk-free rates (with specific reference to Commonwealth Government Securities to determine those discount rates).	Whilst AASB 17 is not as prescriptive about the source of the risk-free rates used for discounting, we expect a key difference to be that under AASB 17 an illiquidity premium is added to the risk free rates. Furthermore, taking a top-down approach without using risk-free rates, may be another source of difference.
Capital impact: Interest rate stress	GPS 114	Clarification provided that interest and inflation rate stresses may lead to negative real rates.	This is expected to only increase the quantum of the stresses where a floor was previously applied to avoid negative real rates.

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Changes in APRA's prudential and reporting standards – further details

Key changes in APRA standards and implications

Item	Impacted GPS	Key changes	Implications
Capital impact: Dividends	GPS 110	From 1 July 2023, the dividends test is based on profit that is defined as the after tax earnings reported in the APRA forms (calculated on a AASB 9 and AASB 17 basis). APRA has therefore removed the adjustment to only include unrealised losses that are recognised in Other Comprehensive Income (OCI) for the purposes of the four quarters dividend test.	Insurers will be required to use after tax earnings calculated on an AASB 1023 basis to determine their dividend payout policies until 1 July 2023. **Insurers intending to pay dividends between 1 January – 30 June 2023 will need to obtain approval from their responsible supervisor.** From 1 July 2023, dividends can be paid out of the gains and losses reported in OCI, recognised in accordance with AASB 9 and AASB 17. If AASB 9 has not yet been applied, any fair value gains on adoption can only be included in referenced profit when AASB 17 applies.
Capital impact: Capital requirement	GPS 110 and GPS 112	Additional capital requirements have been introduced to ensure that APRA's point of supervisory intervention remains appropriate. Requirements for Category C insurers are contained in GPS 110 paragraph 37; and requirements for non-Category C insurers are contained in GPS 112 paragraph 12(d)-(f). For a Category C insurer, net assets are calculated as: GRS 300.0 assets in Australia minus: GRS 300.0 liabilities in Australia. For a non-Category C insurer, a major component of the capital calculation involves net assets as reported in the balance sheet after deducting for any equity components classified as Additional Tier 1 Capital. APRA invites submissions on these requirements by 31 October 2022.	Due to the inherent differences between the measurement bases between AASB 17 and GPS 320 and the policy options allowed under AASB 17 for some insurers, this has led to the accounting net assets and capital bases being different. APRA has introduced new capital ratios i.e. "Prescribed capital amount coverage" and "Prescribed capital amount coverage (net assets)" as metrics to be used by supervisors to identify instances where timely engagement or intervention by APRA is required. APRA's expectation is that insurers will make policy decisions which take into account the policy impact on their net assets and capital base in Australia. Insurers are to consider which accounting policies (e.g. choice of transition method) will have a material impact on net assets and assess the implications on capital.
Reporting impact: Additional reporting	GRS 112.0	Additional required premiums receivable splits (premiums expected to be received in less or more than 6 months, and premiums receivable on unclosed business). In addition, capital ratios are required to reflect the proposed capital requirements.	Increased granularity of data requirements may require additional controls over completeness and accuracy of data.

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Changes in APRA's prudential and reporting standards – further details

Key changes in APRA standards and implications

Item	Impacted GPS	Key changes	Implications
Reporting impact: Reinsurance contracts	GPS 230	APRA has adjusted to an 'inception date and two month rule' from the 'two and six months' rule originally introduced to formalise reinsurance contract procedures and promote reinsurance contract certainty. • **Previously:** insurers were required to have a signed placing slip with terms of coverage outlined 2 months after inception and all wording finalised, stamped and signed 6 months after inception. • **Now:** insurers will be required to have the signed placing slip at inception and all wording finalised, stamped and signed within 2 months after inception.	As there continues to be significant prudential risk where claims occur under reinsurance contracts without finalised terms and coverage; should a loss occur, the terms and coverage that could influence the quantum of a loss are required to be determined prior to the inception of a reinsurance contract.
Reporting impact: Reinsurance income and expenses	GRS 310.0 GRS 310.0.G GRS 311.0 GRS 311.0.G GRS 320.0 GRS 320.0.G	New requirement for insurers to present reinsurance revenue and reinsurance expenses as separate line items, as APRA requires this level of granularity for its industry metric analysis.	Separate presentation of reinsurance expenses and reinsurance income in the Profit or Loss (P/L) and roll forward reconciliation disclosures are required. As insurers will not be allowed to apply the accounting policy choice available under AASB 17.86, this is likely to increase data requirements.
Reporting impact: Product grouping	GRS 001	A requirement for documentation of product group allocation principles has been introduced in relation to allocating AASB 17 portfolios to APRA product groups where AASB 17 portfolios may not mirror the APRA product groups. As proposed in 2020, additional product classes (e.g. Directors and Officers; and Cyber) were introduced for APRA reporting to address the need for improved visibility over the performance of these separate products.	Since allocation is based on judgement (e.g. annual premium income), it is important that the allocation approach is clearly documented and applied consistently over time. It is anticipated that insurers who currently do not collect data at the required level of granularity, will have developed a reasonable allocation basis for APRA reporting purposes. Additional allocation documentation and increased granularity of data will require additional controls over models and data.

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Changes in APRA's prudential and reporting standards – further details

Key changes in APRA standards and implications

Item	Impacted GPS	Key changes	Implications
Reporting impact: Reduced reporting requirement for Group level reporting	GRS 310.0.G GRS 311.0.G GRS 320.0.G	In response to industry feedback, APRA has reduced reporting requirements as follows: 1. Reporting of other comprehensive income (OCI) items by region in GRS 310.0.G is exempt in specific circumstances. 2. Transitional arrangements for GRS 311.0.G (best endeavours basis for all reporting periods until 1 January 2025) and GRS 320.0.G (reporting commences for all reporting periods from 1 January 2025).	Main beneficiaries are likely to be insurers with material foreign group operations as they will have more time to build data systems to capture the required data.
Reporting impact- Reduced reporting requirement for Licensed insurers	GRS 320.0 GRS 440.0 GRS 600.0	GRS 320.0 Roll forward reconciliation tables: • Level 1 and Level 2 forms are only required to be submitted twice a year. Draft Level 1 reporting standard (December 2021) proposed 3 times a year. • Level 1 forms: Reporting exemption available for Category C insurers provided they or their foreign parent are not required to prepare general purpose financial statements (GPFS) in accordance with AASB 17. • Level 2 forms: This reporting standard applies for reporting periods commencing on or after 1 January 2025. Reporting exemption available for Level 2 insurance group if it is not required to prepare GPFS in accordance with AASB 17. GRS 440.0 and GRS 600.0: Insurers permitted to use proxies to calculate amounts previously reported on an AASB 1023 basis (e.g. gross accrued premium and net accrued premium). Insurers may also consider materiality if required data is not readily available. GRS 600.0: Expense related items will not be collected.	Category C insurers that do not need to prepare GPFS in accordance with AASB 17 will not need to report GRS 320.0 GRS 600.0 is a collection of supplementary capital data on premiums and claims that were previously reported on an AASB 1023 basis. Audit is usually on a limited assurance basis in relation to the annual return, therefore insurers should engage with External Audit early to obtain consensus on the planned approximate methods to be used.

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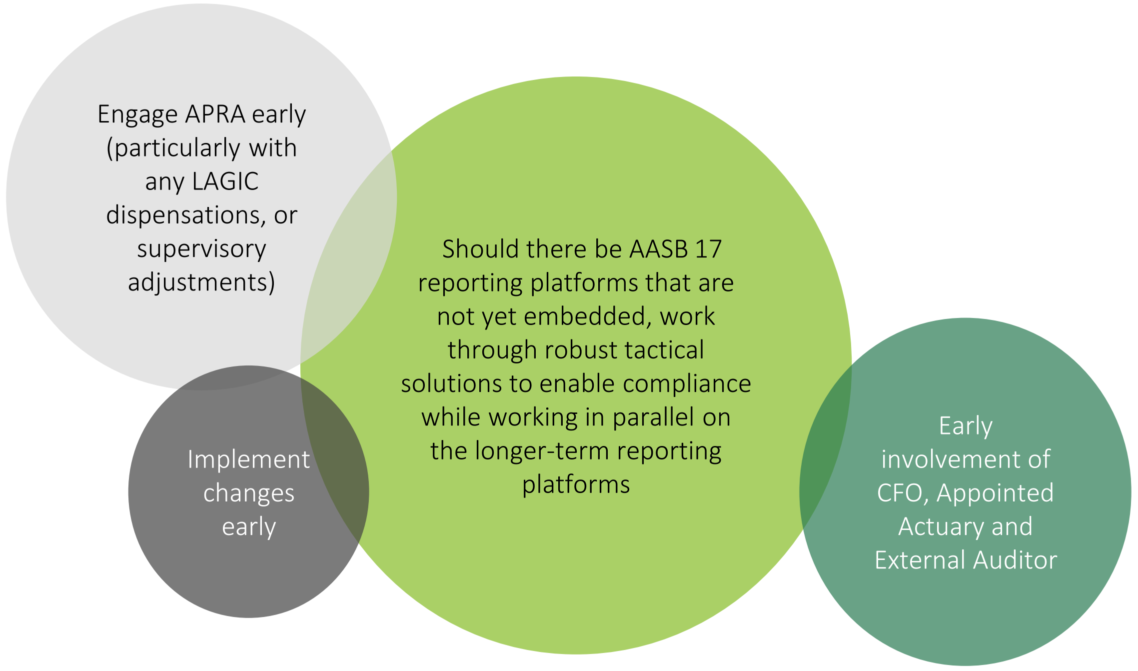
Key insights from APRA 2021-2022 QIS

Key insights from APRA QIS

- Completing the QIS helped fast track the understanding of the impact of changes under AASB 17 and accelerated stakeholder engagement in order to identify gaps in tools and processes ahead of the AASB 17 implementation date (1 January 2023).
- Key capital and accounting metrics for direct general insurers did not vary significantly between AASB 17 and AASB 1023 bases. However, reinsurers' cession and combined ratios were significantly different between existing D2A data and the QIS data, due to changes to how reinsurance is being accounted for under AASB 17.
- Industry was supportive of the approach adopted to include cross references to AASB standards in the Accounting reporting standards as it was clear how these requirements mirror financial reporting requirements.
- Requiring insurers to collect data based on AASB 1023 concepts would impose an unnecessary regulatory burden. APRA removed the collection of underwriting expenses in GRS 600.0 and permitted insurers to use proxies to calculate the remaining data.
- The CFO and Appointed Actuary will need to have oversight of the process to produce reporting, given the level of judgement, reconciliations and complex requirements under AASB 17 (e.g. portfolio grouping).

There were several lessons learnt from the APRA QIS's and our recommendations to the industry as part of implementing these finalised APRA changes. These include:



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How Deloitte can help

We have a dedicated AASB 17 trained team to support you with all aspects of general insurance AASB 17 accounting, implementation and training. We also have deep experience in modelling, people/functional process redesign and controls development in core finance and actuarial domains.

Some of the specific areas we can help alleviate your team's workload and/or to provide value add to your existing project team are:

- Implementing AASB 17 – we can support you with interpretation and application of AASB 17 accounting requirements as they relate to your business and processes;
- Practical training – we can lead practical training discussions and provide e-learning modules on key AASB 17 topics to demonstrate how the methodology is applied in practice, which can be tailored to your products/business. These discussions are useful to understand the challenges to watch out for when performing the calculations and reporting;
- AASB 17 modelling – we can support you on model development, system UAT, development of case samples for testing and/or for training purposes; and
- Methodology and process papers – we can assist you to develop a workable and efficient end to end process for the implementation of your accounting policy choices on various AASB 17 topics. This can cater for your specific and existing practices, and emerging points of view across the industry locally and globally (e.g., onerous contract testing, illiquidity premium and risk adjustment determination, and premium allocation approach eligibility under AASB 17).
- APRA returns - we can provide an automated solution that can accelerate your APRA returns, for example, by leveraging the Workiva reporting capability.

More broadly, we can assist you with actuarial and finance process redesign and cost-benefit analysis, with consideration for the most suitable automation techniques and team roles / responsibilities – we can do this holistically, or this can be targeted to focussed or inefficient processes.

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Please contact us to discuss any aspect of your AASB 17 implementation project, or your usual Deloitte contact.

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Appendix A: Audit requirements and reporting frequency

New GI Reporting Standards

Code	Name	Frequency	Quarterly returns	First half returns	Annual returns	First return on AASB 17 basis	Comments (if additional clarity is required)
GRS 111.0	Adjustments and Exclusions	5	Unaudited	N/A	Audit (Reasonable assurance)	Sep-23	For 30 September 23 quarterly returns, the year-to-date period on AASB 17 basis is: • 30 June balancer: 1/7/2023 to 30/9/2023 • 31 December balancer: 1/1/2023 to 30/9/2023
GRS 111.0.G	Adjustments and Exclusions	2	N/A	Unaudited	Audit (Reasonable assurance)	2023 financial year end	For 2023 annual returns, the year-to-date period on AASB 17 basis is: • 30 June balancer (30 Jun 24): 1/7/2023 to 30/06/2024 • 31 December balancer (31 Dec 23): 1/1/2023 to 31/12/2023
GRS 310.0.G	Statement of profit or loss and Other Comprehensive Income by region	2	N/A	Unaudited	Audit (Reasonable assurance)	2023 financial year end	
GRS 311.0	Statement of Profit or Loss and Other Comprehensive Income by Product Group	5	Unaudited	N/A	Audit (Reasonable assurance)	Sep-23	
GRS 311.0.G	Statement of Profit or Loss and Other Comprehensive Income by Product Group and by Region	2	N/A	Unaudited	Audit (Reasonable assurance)	2023 financial year end	To be prepared on a best endeavours basis until 1 January 2025
GRS 320.0	Liability Roll Forwards	2	N/A	Unaudited	Audit (Reasonable assurance)	2023 financial year end	Category C insurer exempted if the insurer or its foreign parent are not required to prepare general purpose financial statements (GPFS) in accordance with AASB 17
GRS 320.0.G	Liability Roll Forwards	2	N/A	Unaudited	Audit (Reasonable assurance)	First half year in 2025	This reporting standard applies for reporting periods commencing on or after 1 January 2025. Level 2 insurance group exempted if it is not required to prepare GPFS in accordance with AASB 17.
GRS 600.0	Supplementary Capital Data: Premiums and Claims	5	Unaudited	N/A	Review (Limited assurance) at a minimum	2023 financial year end	

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Appendix A: Audit requirements and reporting frequency (continued)

Revised GI Reporting Standards

Code	Name	Frequency	Quarterly returns	First half returns	Annual returns	Last returns on AASB 1023 basis	First return on AASB 17 basis	Comments (if additional clarity is required)
GRS 110.0 (previously GRS 110.1)	Prescribed Capital Amount	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 110.0.G (previously GRS 110.1.G)	Prescribed Capital Amount	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 112.0	Determination of Capital Base	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 112.0.G	Determination of Capital Base	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 114.0	Asset Risk Charge	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 114.0.G	Asset Risk Charge	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 114.1	Assets by Counterparty Grade	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 114.1.G	Assets by Counterparty Grade	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	

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Appendix A: Audit requirements and reporting frequency (continued)

Revised GI Reporting Standards (continued)

Code	Name	Frequency	Quarterly returns	First half returns	Annual returns	Last returns on AASB 1023 basis	First return on AASB 17 basis	Comments (if additional clarity is required)
GRS 115.0	Outstanding Claims Liabilities – Insurance Risk Charge	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 115.0.G	Outstanding Claims Liabilities – Insurance Risk Charge	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 115.1	Premiums Liabilities – Insurance Risk Charge	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 115.1.G	Premiums Liabilities – Insurance Risk Charge	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 116.0	Insurance Concentration Risk Charge	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 116.0.G	Insurance Concentration Risk Charge	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 117	Asset Concentration Risk Charge	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 117.0.G	Asset Concentration Risk Charge	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	

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Appendix A: Audit requirements and reporting frequency (continued)

Revised GI Reporting Standards (continued)

Code	Name	Frequency	Quarterly returns	First half returns	Annual returns	Last returns on AASB 1023 basis	First return on AASB 17 basis	Comments (if additional clarity is required)
GRS 118.0	Operational Risk Charge	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 118.0.G	Operational Risk Charge	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 300.0	Statement of Financial Position	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 300.0.G	Statement of Financial Position	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 302.0.G	Statement of Financial Position by Region	2	N/A	Unaudited	Audit (Reasonable assurance)	Jun-23	2023 financial year end	
GRS 310.0	Statement of Profit or Loss and Other Comprehensive Income	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 400.0	Statement of Risk by Country	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 410.0	Movement in Outstanding Claims Liabilities	1	N/A	N/A	Audit (Reasonable assurance)	2022 financial year end	2023 financial year end	

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Appendix A: Audit requirements and reporting frequency (continued)

Revised GI Reporting Standards (continued)

Code	Name	Frequency	Quarterly returns	First half returns	Annual returns	Last returns on AASB 1023 basis	First return on AASB 17 basis	Comments (if additional clarity is required)
GRS 420.0	Insurance Revenue and Incurred Claims by State and Territory of Australia	5	Unaudited	N/A	Audit (Reasonable assurance)	Jun-23	Sep-23	
GRS 440.0	Claims Development Table	1	N/A	N/A	Audit (Reasonable assurance)	Jun-23	2023 financial year end	Data for periods 2010 and prior are grouped together, with individual years thereafter required to be reported. This may create challenges to systemising the reporting of the Claims Development Tables.
GRS 460.0	Reinsurance Assets by Counterparty	1	N/A	N/A	Unaudited	2022 financial year end	2023 financial year end	
GRS 460.0.G	Reinsurance Assets by Counterparty (Level 2 Insurance Group)	1	N/A	N/A	Unaudited	2022 financial year end	2023 financial year end	
GRS 460.1	Exposure Analysis by Reinsurance Counterparty	1	N/A	N/A	Unaudited	2022 financial year end	2023 financial year end	
GRS 460.1.G	Exposure Analysis by Reinsurance Counterparty (Level 2 Insurance Group)	1	N/A	N/A	Unaudited	2022 financial year end	2023 financial year end	

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