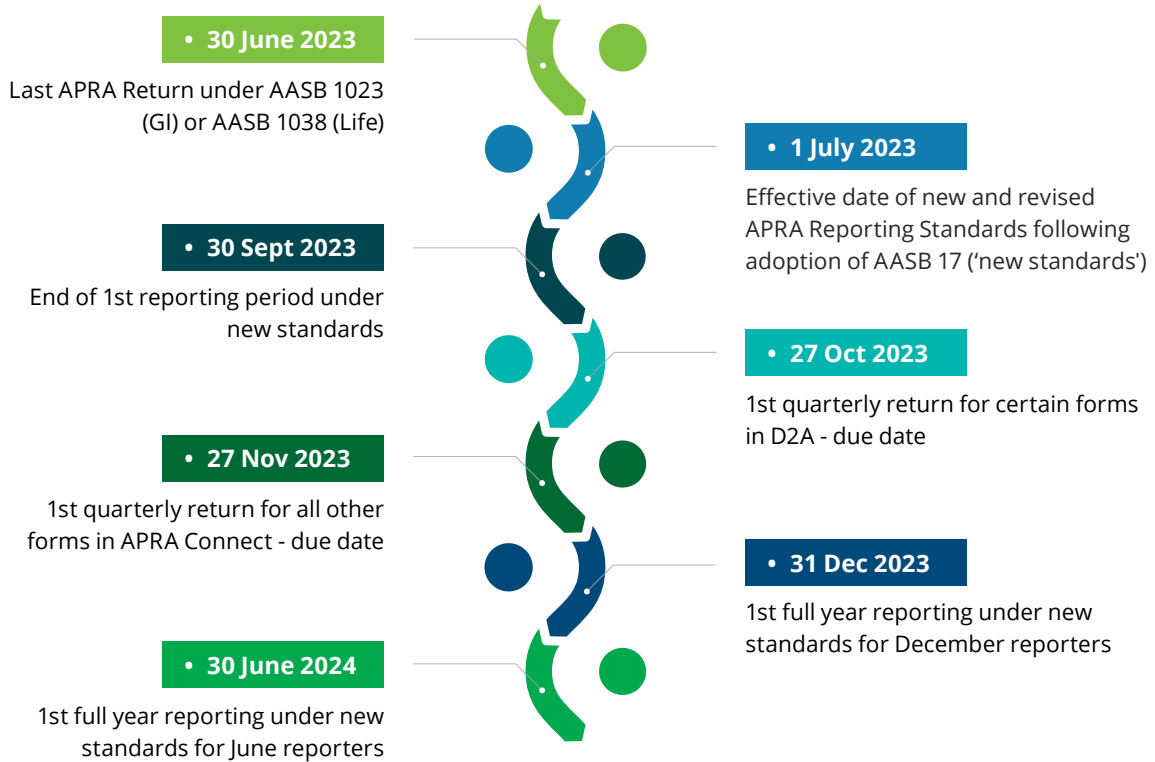




New APRA Reporting for  
Insurers - AASB 17

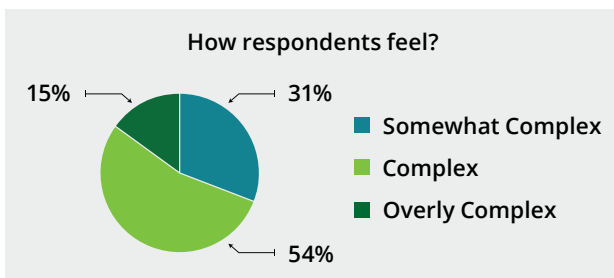
## Learnings from the new APRA Reporting for Insurance

Reflecting the introduction of the new accounting standard for insurers AASB 17 *Insurance Contracts* ("AASB 17"), APRA released its new prudential and reporting standards on 1 July 2023 ("new APRA reporting"). September 2023 was the first quarterly return under the new framework and the final submission date was 27 November 2023, an extension beyond the normal 20-day reporting timeline. [APRA extends due dates for the submission of quarterly data reporting for insurers | APRA](#)



Deloitte has had the opportunity to work with a number of general and life insurers ("insurers") as they implement the new APRA reporting. We have also conducted a survey to capture their experience and learnings from this process, a snapshot of which is set out below.

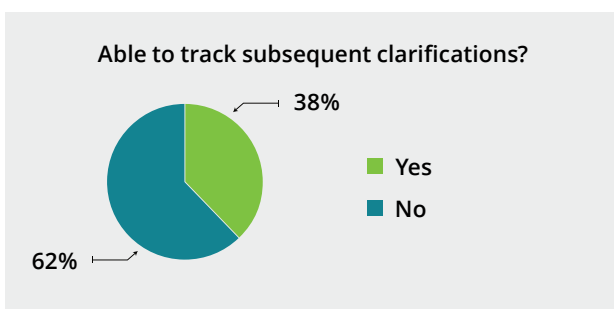
### How do the insurers feel about the new APRA reporting framework?



Based on our survey, 69% of respondents felt the new APRA reporting is either **complex** or **overly complex**. None responded that it was easy.

In our view, the **complexity is driven by** both the technical nature of AASB 17 and the new APRA reporting requirements. For instance, additional regulatory adjustments are required to minimise the impact of AASB 17 on the insurer's capital requirements. In addition, the new APRA reporting framework requires **more granular data** (e.g., Form 311 *Statement of Profit or Loss and Other Comprehensive Income by Product Groups*).

### Were the insurers able to follow APRA amendments and/or clarifications?

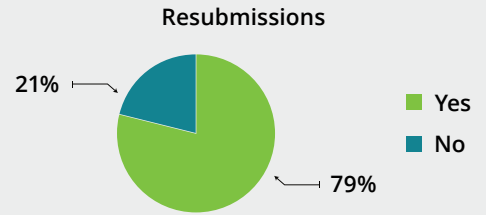


The volume of **amendments and clarifications** issued by APRA via letters to the industry and FAQs since 1 July 2023, when the new APRA reporting came into effect, increased the complexity for insurers. It required insurers to track and respond to changes within the scope of their AASB 17 implementation projects. Whilst this additional information is aimed at providing guidance when completing the APRA forms, and is acknowledged as beneficial to insurers, these amendments and clarifications have caused additional work and re-work for the industry, noting the latest set of FAQs was issued in February 2024.

[APRA Connect support material | APRA](#)

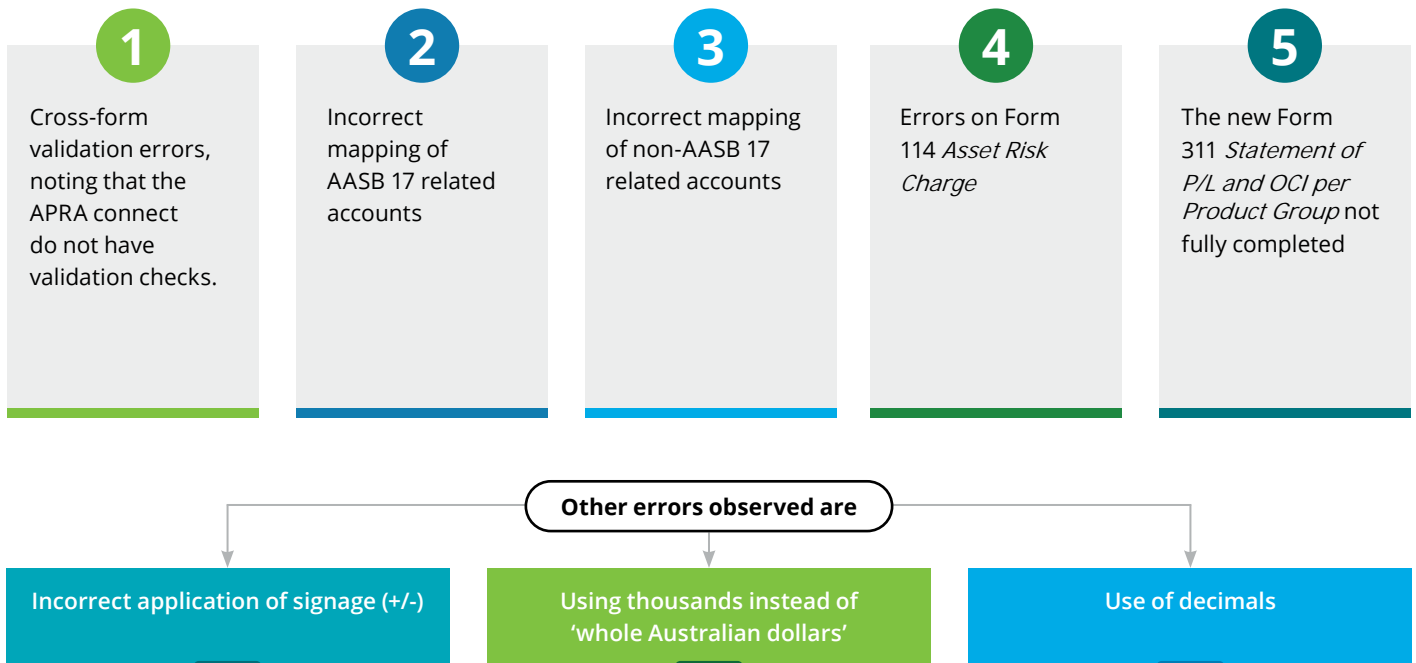
## What was the experience from the first quarterly reporting (September 2023) under the new framework?

In the survey, 100% of respondents said they are 'somewhat confident' with their September 2023 quarter reporting. However, many respondents have indicated they subsequently **resubmitted certain APRA forms**. As of February 2024, at least **79%** had resubmitted or were planning to resubmit certain APRA forms for the September 2023 quarter.



The most common form resubmitted by General Insurers is GRS 600 *Supplementary Capital Data: Premiums and Claims*. Other forms noted as resubmitted by general and life insurers are 110, 112, 114 and 311.

In addition, our recent hands on experience in reviewing the September 2023 quarterly returns for some of our general and life insurer audit clients indicated the following common issues, listed in decreasing order of frequency:



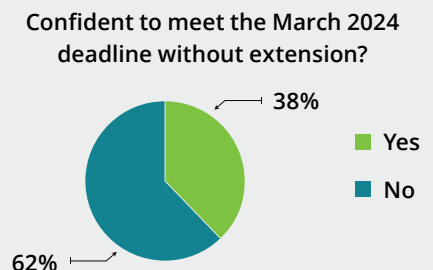
## Preliminary observations from the December 2023 quarter

With a 4-week extension for the December 2023 quarter, we observed that insurers were able to submit by the extended deadline of 27 February 2024. However, we are observing that some insurers are now in the process of resubmitting some forms upon realisation of adjustments they need to make for the December 2023 annual return which is due on 28 March 2024.

## Readiness for the March 2024 quarter

Only **38%** of all respondents said they are 'Confident' to meet the March 2024 deadline within 20 days.

**62%** of survey respondents said that '**interim solutions**' were put in place to allow them to report for the September 2023 quarter to APRA by the 27 November 2023 deadline. This deadline included a 4-week extension, and it is not expected that APRA will provide a similar extension for the March 2024 quarterly returns and beyond.



Of those respondents who have 'interim solutions' put in place, **50%** said they can only complete the delivery of a final solution during the 2nd half of the calendar year 2024. The respondents said that this is mostly dependent on **system upgrades and/or Information Technology fixes**.

Most respondents expressed concerns about meeting the APRA reporting deadlines if no extension was made available.

## Summary

In summary, the common pain points that we observed are:

- Having to **work manually on large Excel spreadsheets**, including dealing with account mapping, pending completion of an automated solution.
- Errors in the completed forms, reportedly exacerbated by the **lack of validation** checks within the APRA Connect.
- The **need to upskill and re-train people** on the complex new reporting standards, and any subsequent amendments.

## Call to Action

Insurers are required to have systems, processes, and controls over the provision of reliable statistical and financial data to APRA. It is also imperative that insurers meet the APRA reporting deadlines. To meet these requirements, insurers need to consider:



Bringing forward remaining system upgrades / IT fixes earlier to allow **accurate and timely** reporting to APRA.



Develop and implement a **cross-form validation check** to ensure consistency of information across forms.



Revisit the **mapping of accounts** based on the respective reporting standards.

## Stay Tuned

Deloitte will be hosting a webinar to share our learnings and insights from the new Insurance APRA reporting framework in the coming weeks. So, stay tuned!



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