



APRA

APRA Update

Robert Sharma and Michael Murphy

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1. APRA response paper package

- Package development is proceeding as planned
- Launch expected in Q4 2021
- Response paper package will include draft prudential and reporting standards

2. QIS

- QIS will be launched to all insurers as part of response paper package to all insurers
- Applies to Level 1 insurers only
- All insurers are strongly encouraged to participate
- Accounting financial statements will be formed based (as in the last QIS)

3. APRA connect

- Revised reporting standards have been designed on the APRA connect platform
- It is intended the majority of reporting for the insurance industries will be collected through APRA Connect from 1 July 2023 onwards.

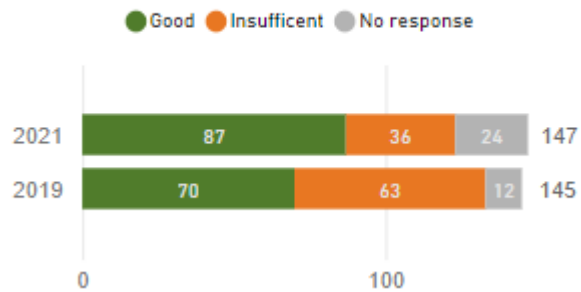
High level observations from the recent implementation survey are shown on the next slides.



Implementation survey

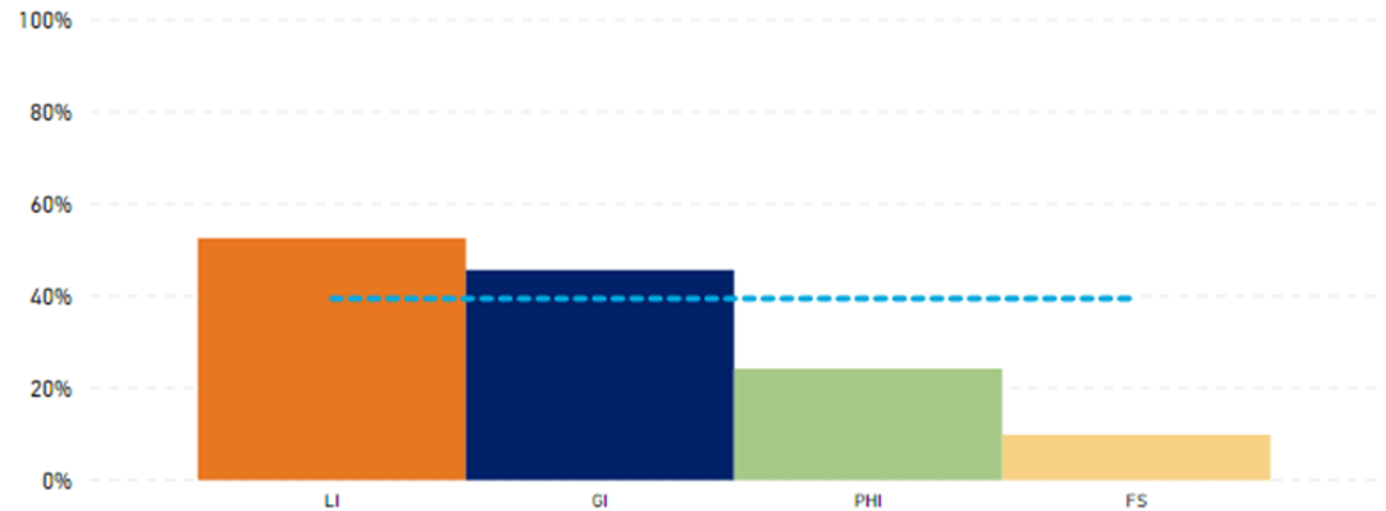
Sample was representative of all insurance industries. For insurers there has been some progress with implementing AASB 17, but there is more to do.

Progress status count



NB: Excludes those insurers from whom a response is not expected (e.g. those in run-off, or those insurers included as part of a group/parent submission).

Progress status by industry

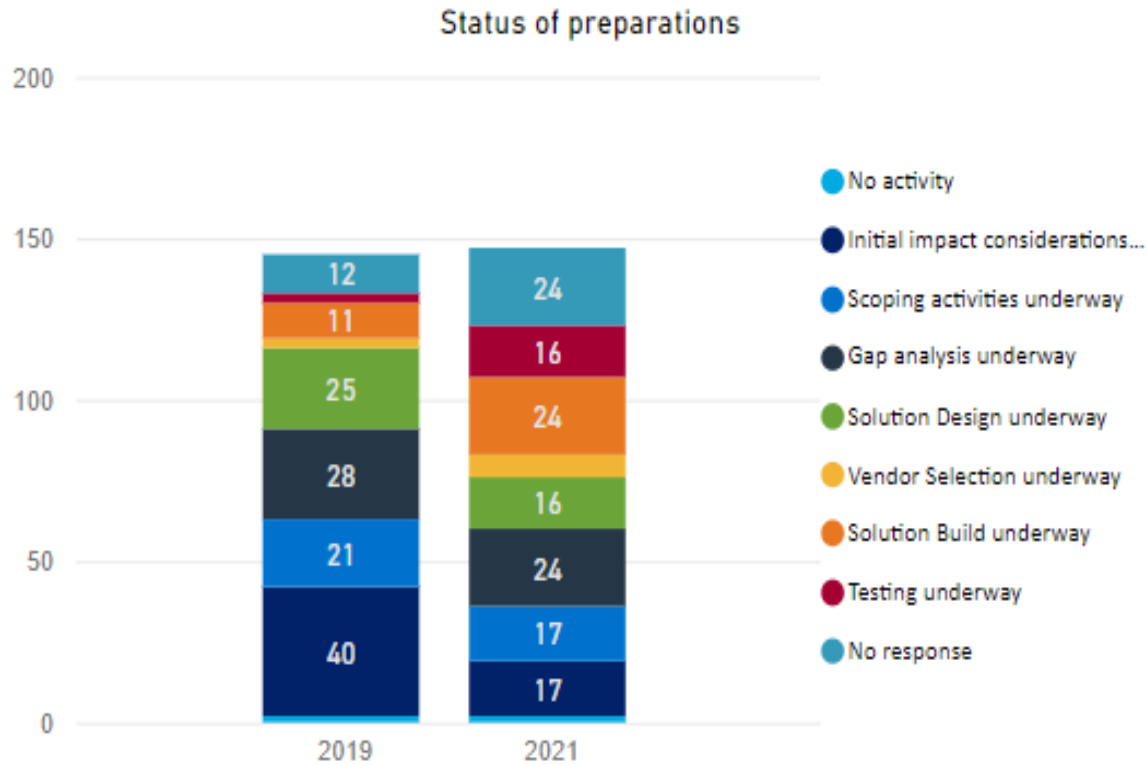


NB: Blue dotted line is the average for the insurance industry.

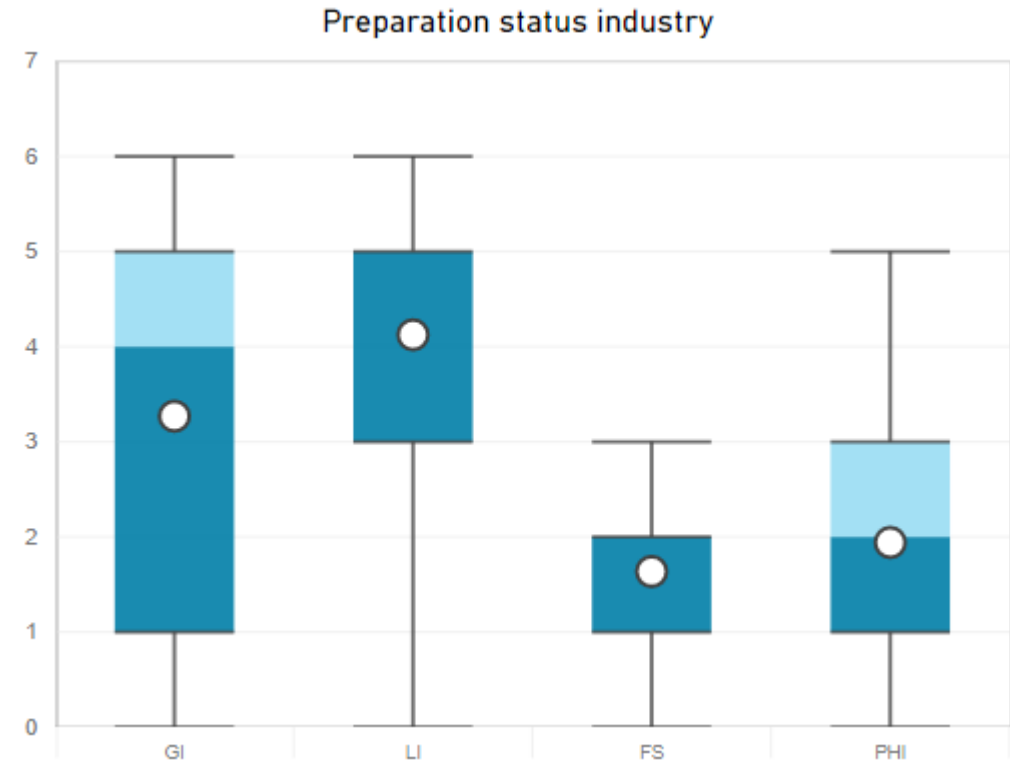


Implementation survey

Status of preparations varies by industry.



NB: count based on responses.

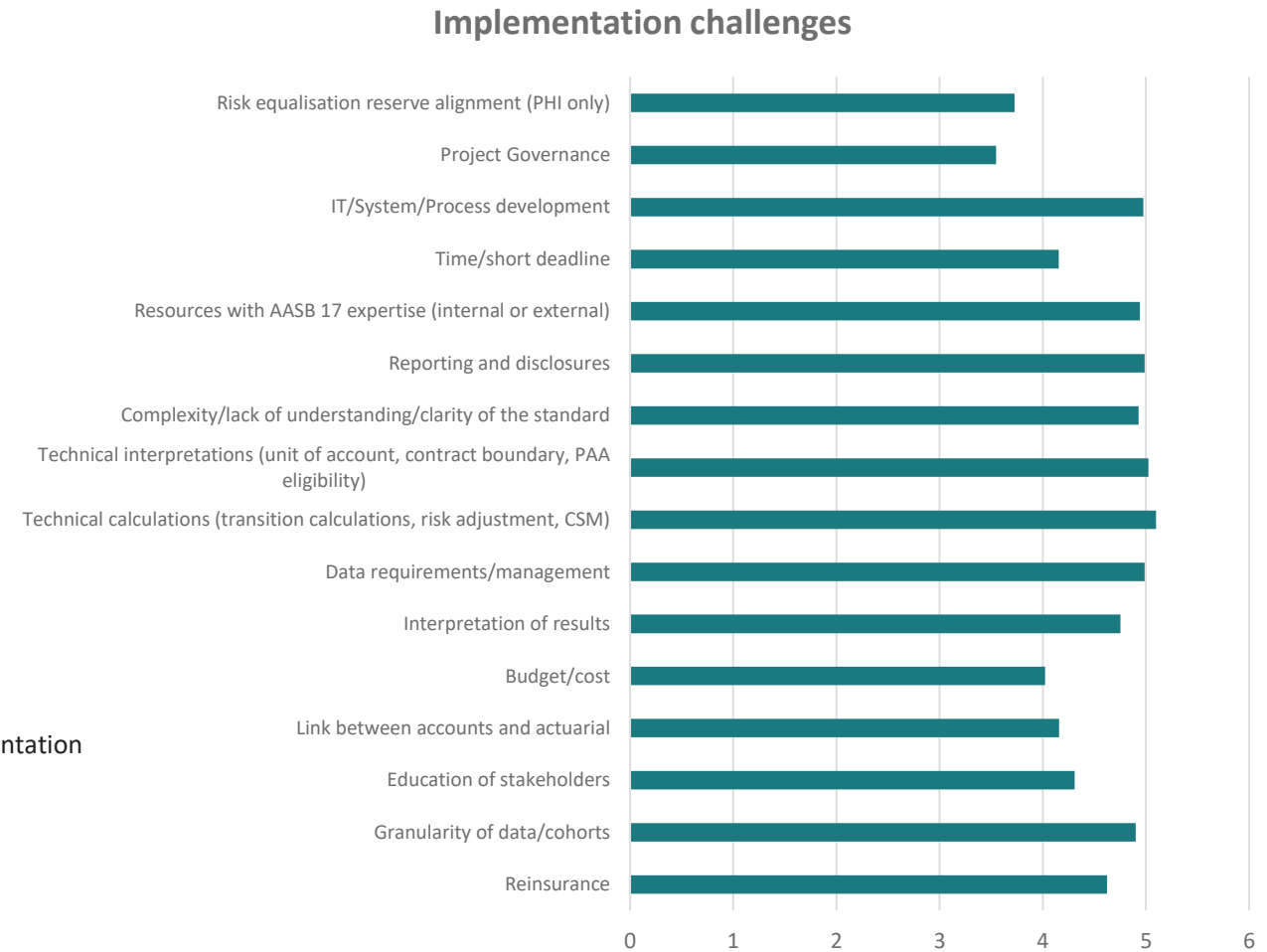
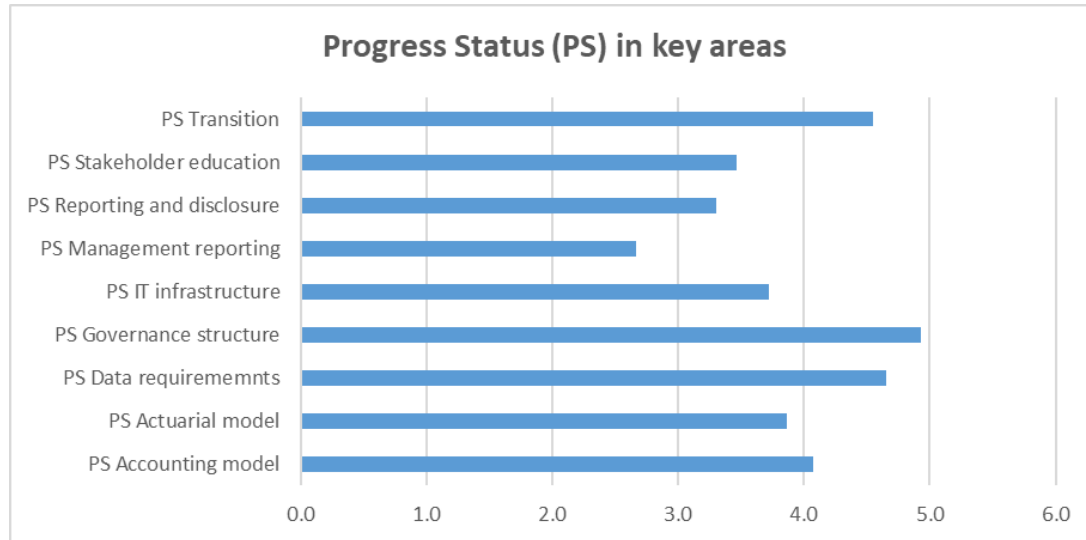


NB: Higher values indicate more progress. Circle represents the mean value. Circle is mean, median is where the line colour changes and top of box is 75th percentile and bottom is 25th percentile. Whiskers represent highest and lowest values.



Implementation survey

Progress status in key areas and implementation challenges are shown below.



NB: Mean values are displayed in the graphs. Higher values indicate more progress or greater implementation challenges.

APRA Connect



1. Production and External Test environments are available for use now
2. General and Life insurers should be using APRA Connect to update corporate profile data including Responsible Persons
3. Private Health Insurers are able to update corporate profile data and submit the data for HRS 605
4. Initially, all other reporting will remain on D2A and will be transferred to APRA connect as the collections are updated
5. For the majority of the insurance data collections this will happen as part of the changes related to AASB 17
6. In order to give the industry as much time to transition to the new collections the next QIS will use templates aligned to the new reporting standards
7. APRA is planning on holding a number of workshops with the industry to provide guidance and support on the new collections.



More granular data to support supervision



Transition to greater automation of submissions



Fit-for-purpose submission channels



Iterative consultation process leveraging the test environment

Financials

1. Financials maintain their look and feel structure
2. As per the first QIS, instructions have been tightly linked to accounting standards
3. While maintaining the same look and feel, the financial statements are modelled in a very different way within APRA connect
4. This has flow on effects to the such things as the taxonomy artifacts (PET).

Risk based collections

1. Risk based collections will predominately be captured use tabular “cube” collections
2. These collections are similar to those used in the HRS 605 and the IDII data collection
3. APRA is including a number of additional tools to assist with the completion of the templates



Questions?



Thank you

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