



**Actuaries
Institute.**

22 May 2024

Chief Data Officer
Technology and Data Division
Australian Prudential Regulatory Authority

Email: dataconsultations@apra.gov.au

Dear Chief Data Officer,

Consultation on enhancements to APRA's quarterly insurance publication suite

The Actuaries Institute ('the Institute') welcomes the opportunity to make a submission to this consultation. The Institute is the peak professional body for actuaries in Australia. Our members work in a wide range of fields, including general, life and private health insurance, and many are extensive users of the APRA insurance statistics. The comments made in this submission are guided by the Institute's '[Public Policy Principles](#)' that any policy measures or changes should promote public wellbeing, consider potential impacts on equity, be evidenced-based and support effectively regulated systems.

The Institute supports APRA's ongoing role in the collection and reporting of industry data, the evolutionary approach it proposes to take and, more generally, the continuing development of insurance industry statistics. However, we encourage APRA to release additional information in general and life insurance beyond what is proposed to ensure its statistical publications support all stakeholders being well informed. We provide specific suggestions and reasons further below, as well as further commentary regarding the proposals for private health insurance statistical publications.

The importance of industry statistical publications

The availability of consistent and credible industry information supports:

- the sound business performance of individual industry participants by assisting in the identification and understanding of trends and performance within, and across, segments of the market;
- the Australian community's understanding of, and confidence in, the essential role that the industry plays in helping to stabilise both the lives of individual families, employees and communities who are affected by events beyond their own financial capacity to cope; and
- effective regulation and supervision of the industry.

We also note and support APRA's 'guiding principles' for data collection¹, and in particular the principle that APRA deliver rich insights for end users (including regulators, government, the regulated industries,

¹ APRA, "Discussion Paper. Direction for data collections." March 2022, page 8.

academics, and the general public). We support APRA's efforts to modernise the delivery and presentation of results.

The provision of interactive data visualisations, together with 'flat file' data sets, is consistent with greater information transparency across diverse users of the data. The desirability of an informed market and the increasing demands from the community for transparency and openness, are as applicable to insurers as to other large institutions.

We recognise APRA's need to revise the data presented in the quarterly insurance publications to reflect the new capital and reporting framework for insurers following the introduction of accounting standard AASB 17.

Encouragement that additional information be released

In **general insurance** the diversity of insurers and types of insurance means the introduction of AASB17 could lead to less consistency in financial reporting than under the previous accounting standard. As a result, the Institute encourages APRA to release additional information in general insurance beyond what is proposed to help support greater understanding of the insurance industry and support all stakeholders being well-informed. For consistency and more transparency, this should also be extended to the **life insurance** industry data.

- For example, publishing additional General Insurance information from the GRS 600 collection (supplementary data on premiums and claims) and publishing information on regulatory adjustments to capital from the GRS 112 and particularly LRS 112 collections (measurement of capital) would enable industry participants to better understand how AASB 17 has influenced accounting performance and the make-up of capital.

In **private health insurance**, where an extensive set of industry statistics has developed over time, we recommend contextual commentary be provided. This is particularly important for abnormal results. While dynamic reports are useful and interesting for analysis, they could be misused without appropriate context. Examples of this were observed where results were selectively reported by media and other stakeholders during the recent pandemic. The additional commentary is consistent with APRA's guiding principles on data collection to 'deliver rich insights for end users'.

We also confirm the Institute supports the proposed changes to quarterly private health insurance publications to separate financial and capital reporting from membership and benefits.

We note that additional private health insurance data is collected, for example, State and Product Tier. The Institute does not have a position on the degree of granularity of data released, however in the interests of contributing to APRA's decision-making we share the diverse range of views and considerations identified by our members. While more data increases transparency and enables analysis to be done to gain deeper insights, this is often accompanied by more variability and may reduce confidence in results. The granularity reported will also need to consider the concentrated nature of the industry and the scope for commercially sensitive information to be determined from any APRA industry reporting. One option is to continue reporting at current aggregations of industry, for-profit/not-for-profit, open/restricted.

We also encourage consideration be given to consistency with other regulatory reporting to ASIC and Department of Health and Aged Care, for example 'Operations of private health insurers annual report' and premium round templates. Consistency reduces the administrative impost on insurers in meeting regulatory obligations, and aids ease of use for all stakeholders.

The Institute would be pleased to discuss this submission. If you would like to do so, please contact us on (02) 9239 6100 or public_policy@actuaries.asn.au. Subject to other feedback to APRA being in support of the proposed changes, we look forward to the release of the first edition of the enhanced quarterly publications in June 2024.

Yours sincerely

(Signed) Elayne Grace

CEO