

20 March 2020

Manager, Regulatory Reporting, Data Analytics  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001

By email: [dataanalytics@apra.gov.au](mailto:dataanalytics@apra.gov.au)

Dear Manager

### **Confidentiality of general insurance and life insurance data**

The Financial Services Council<sup>1</sup> (**FSC**) welcomes the opportunity to comment on APRA's Consultation Letter<sup>2</sup> in relation APRA's proposal to determine class of business and product group data to be non-confidential. We broadly support APRA's stated intention to promote greater transparency and accountability in the life insurance industry.

We note however that APRA's proposal does not specifically consider the approach and timing of the release of commercially sensitive information. In our view, cases exist where the unmasking of certain data will either provide (or make it possible to infer) detailed information regarding individual life insurance companies. Where publication of such information constitutes either all, or a material part, of a listed entity we believe this would result in confusion for investors on a listed market and unfairly prejudice such an entity if this information were published before disclosure to the market. To resolve this risk, we recommend that APRA only publish data where:

- individual institutions cannot be separately identified; or
- those institutions affected have agreed in writing to the disclosure; or
- the information is released after listed entities have reported to the market.

---

<sup>1</sup>The FSC is a leading peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses.

The financial services industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange, and is the fourth largest pool of managed funds in the world.

The FSC does not represent general insurers, therefore our comments in this submission relate to life insurers only.

<sup>2</sup> See <https://www.apra.gov.au/apra-commences-consultation-on-increased-transparency-of-general-insurance-and-life-insurance-data>

Without such measures we believe APRA's proposal will unintentionally adversely impact life insurance companies and their investors.

We note APRA also proposes to begin publishing explanations from individual insurers in relation to large movements or material revisions in their data, including whether APRA requested the revision of data. Based on our correspondence with APRA, we have been informed that any commentary released publicly will be limited to what is supplied by the entity for this specific purpose and will not extend to other communications from the entity to APRA. We are supportive of this approach.

Taking a broader view, we acknowledge that these changes are in line with the Australian Government Public Data Policy Statement. As indicated in the Consultation Letter, there may be further proposals to the APRA's General Insurance and Life Insurance industry publications in the future.

The financial services sector is currently undergoing significant reforms. At the time of writing, the coronavirus outbreak is presenting all organisations with unprecedented challenges to their business continuity in their efforts to prioritise core functions and maintain operational capacity. The timing of further proposals must be placed within this broader context.

We look forward to further opportunities to consult productively with APRA on any further changes intended to increase the transparency of APRA data publications.

We would be happy to discuss this submission further. I may be contacted at [nkirwan@fsc.org.au](mailto:nkirwan@fsc.org.au) or on +61 (0) 432 670 178.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick Kirwan', with a large, sweeping flourish extending to the right.

Nick Kirwan  
Senior Policy Manager, Life Insurance