

## Collection of NZ insurer data

### Foreign Business Consultation July 2015

1. The Reserve Bank has been developing data collections for licensed insurers to assist the supervision of NZ insurers and the monitoring of the insurance sector. This consultation paper and the associated draft form outline a proposal to collect limited additional data on foreign insurance business from NZ incorporated insurers. The proposal does not apply to Lloyd's of London or overseas insurers. Outwards reinsurance is not foreign insurance business.
2. Feedback is sought on the proposal. Submissions on this paper and the associated draft form, along with any enquiries, should be emailed to [InsuranceData@rbnz.govt.nz](mailto:InsuranceData@rbnz.govt.nz) by 31 July 2015.
3. The standard reporting has a total for foreign insurance business, for NZ incorporated insurers only, for each type of insurance (i.e. for life insurance, general insurance and health insurance). There is no breakdown by class of insurance or by geographic location. For almost all insurers this is appropriate as the foreign insurance business is not very material.
4. However, there are a few insurers with significant amounts of foreign insurance, and for them the standard returns do not provide information specific to the risks of that foreign business. This current lack of information could have an impact on our supervision of the relevant insurers, and could also hinder our home supervisor obligations and dealings with any host insurance supervisors in other jurisdictions.

## Proposal

5. It is proposed that insurers with significant foreign insurance business in their NZ Entity are required to complete an annual Insurer Foreign Business Return to be supplied 4 months after the financial year end date (i.e. the same due date as their year-end Insurer Return). The NZ Entity has been defined to exclude foreign business in respect of Lloyd's of London and overseas insurers.
6. It is proposed that the criteria for this supplementary reporting will be an insurer has foreign insurance business that is 10% or more of their total insurance business, provided that the foreign insurance business is at least \$10 million. The assessment will be applied separately to gross insurance revenue and gross insurance liabilities, and if either meets the criteria the supplementary foreign business reporting will be required.
7. We think on the proposed criteria there is currently at most three insurers that would be required to complete the Insurer Foreign Business Return, however that may change in future.
8. It is proposed to collect the following information, for each type of insurance.

Table 1 for gross insurance revenue

Table 2 for gross insurance liabilities

	Total and split by insurance class
Total of NZ & foreign	
NZ	
Australia	
South Pacific excl. NZ & Australia	
USA	
Americas excl. USA	
UK	
Europe excl. UK	
Japan	
China	
Asia excl. Japan & China	
Africa	
Other foreign business	

9. The content (gross insurance revenue and gross insurance liabilities) are from particular rows in the Insurer Return and will use the same definitions. The geographic split is similar to one used by APRA. There is no breakdown between primary insurance and inwards reinsurance.
10. Following the consultation we will review submissions and finalise requirements for reporting foreign insurance business along with the timing to implement. At this stage we expect implementation around the same time as the Insurer Return, depending on the financial year end date of relevant insurers and assuming it is not too difficult for the information to be reported.