



**RESERVE
BANK**

O F N E W Z E A L A N D
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Insurer Return Definitions

Insurance Oversight

Prudential Supervision Department

V1 (11 March 2015 DRAFT)

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Purpose of the Insurer Return Definitions

1. The purpose of this Insurer Return Definitions document is to provide definitions for the information to be provided by insurers in the Reserve Bank of New Zealand's (the "Reserve Bank") Insurer Return.
2. Definitions may be updated from time to time. The Reserve Bank's insurance website (http://www.rbnz.govt.nz/regulation_and_supervision/insurers/) has the latest version.
3. Nothing in this document overrides the provisions of the Insurance (Prudential Supervision) Act, Regulations, Solvency Standards or Guidelines.
4. Current version:

<u>Definitions</u>	<u>Insurer Return</u>
V1 (11 March 2015 DRAFT)	V1 (11 March 2015 DRAFT)
5. Prior versions:

<u>Definitions</u>	<u>Insurer Return</u>
Not applicable	Not applicable

Contact details for Insurance Oversight

6. Phone +64 4 471 3951
Email insurance@rbnz.govt.nz
Secure upload <https://sup.rbnz.govt.nz/send/>
(please select subject of "Insurer Reporting & Returns")
Or contact your supervisor.

Miscellaneous terminology

<u>Term</u>	<u>Definition</u>
IPSR r	Insurance (Prudential Supervision) Regulations 2010 regulation .
IPSA s	Insurance (Prudential Supervision) Act 2010 section .
NZ Entity	The licensed insurer for NZ incorporated or mutual insurers, the NZ business of Lloyd's, or the NZ branch for overseas insurers.

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Classification of information

<u>Term</u>	<u>Definition</u>
Annuity	Life insurance that is non-participating non-investment and provides an income benefit that is contingent upon continuation of life but is not contingent upon disablement.
Commercial	General insurance that is not issued on an individual or household basis.
Commercial motor	General insurance that is commercial with cover for land-based motorised vehicles or their cargo, but excluding marine and aviation .
Commercial property	General insurance that is commercial with cover for buildings or their contents, including material damage, business interruption and consequential losses.
Domestic motor	General insurance that is personal lines with cover for any motorised vehicle or their contents.
Domestic property	General insurance that is personal lines with cover for residential dwellings or their contents.
Foreign insurance business	Insurance that is not NZ insurance business .
General insurance	Non-life insurance that is not health insurance .
General insurance classes	<ul style="list-style-type: none"> ➤ Commercial property ➤ Commercial motor ➤ Marine and aviation ➤ Liability ➤ Other commercial (n.e.c.) ➤ Domestic property ➤ Domestic motor ➤ Personal accident ➤ Travel ➤ Other personal lines (n.e.c.)
Group disability income	Life insurance that is non-participating non-investment , is issued on a group basis, and provides an income benefit payable upon disablement, but excluding annuities .
Group health	Health insurance that is issued on a group basis provided at least one of the following applies – premium discount that is material (or may be material dependent on experience), premium guarantee, favourable underwriting terms, or product variation that is not generally available.

<u>Term</u>	<u>Definition</u>
Group lump sum	Life insurance that is non-participating non-investment , is issued on a group basis, and provides a lump sum benefit.
Health insurance	As defined by IPSA s6 .
Health insurance classes	<ul style="list-style-type: none"> ➤ Hospital ➤ Hospital and non-hospital ➤ Non-hospital ➤ Group health ➤ Other health insurance (n.e.c.)
Hospital	Health insurance with cover for hospital-related costs, but excluding policies with both hospital and non-hospital benefits. Hospital cover includes but is not limited to surgery, specialists and associated imaging & tests. Excludes group health .
Hospital and non-hospital	Health insurance with cover for both hospital and non-hospital . Excludes group health .
Individual disability income	Life insurance that is non-participating non-investment , is issued on an individual basis, and provides an income benefit payable upon disablement, but excluding annuities .
Individual lump sum death	Life insurance that is non-participating non-investment , is issued on an individual basis, and provides a lump sum benefit payable upon death.
Individual lump sum disablement	Life insurance that is non-participating non-investment , is issued on an individual basis, and provides a lump sum benefit payable upon disablement.
Individual lump sum trauma	Life insurance that is non-participating non-investment , is issued on an individual basis, and provides a lump sum benefit payable upon occurrence of a specified condition or disease.
Insurance classes	Classification of insurance with similar characteristics, that is more detailed than insurance type .
Insurance type	<ul style="list-style-type: none"> ➤ Life insurance ➤ General insurance ➤ Health insurance
Investment account	Life insurance that is both non-participating as defined by IPSR r21(1) and investment account contracts as defined in IPSA s84(5) .

<u>Term</u>	<u>Definition</u>
Investment-linked	Life insurance that is both non-participating as defined by IPSR r21(1) and investment-linked contracts as defined in IPSA s98(3) .
Inwards reinsurance	Reinsurance where the insurer is accepting risk as a reinsurer.
Liability	General insurance that is commercial with cover for liability to third parties, but excluding policies where the liability cover is ancillary and is not a significant benefit component.
Life insurance	As defined by IPSA s84 , having regard to IPSA s85 (composite policies) and IPSR r14 .
Life insurance classes	<ul style="list-style-type: none">➤ Participating traditional➤ Participating investment➤ Investment-linked➤ Investment account➤ Individual lump sum death➤ Individual lump sum disablement➤ Individual lump sum trauma➤ Group lump sum➤ Individual disability income➤ Group disability income➤ Annuity➤ Other life insurance (n.e.c.)
Marine and aviation	General insurance that is commercial with cover for air- or water-based vehicles or their cargo.
Non-hospital	Health insurance with cover for non-hospital costs, but excluding policies with both hospital and non-hospital benefits. Non-hospital cover includes but is not limited to general practice, pharmaceuticals (other than in a hospital), dental (other than in a hospital), optical. Excludes group health .
Non-insurance	Activity that is not insurance business (from the insurer's perspective). This may include insurance-related activity (such as distribution or administration of another insurer's products).
Non-life insurance	Insurance that is not life insurance , having regard to IPSA s85 (composite policies) and IPSR r14 .

<u>Term</u>	<u>Definition</u>
Non-participating non-investment	Life insurance that is non-participating as defined by IPSR r21(1) but excluding investment account contracts as defined in IPSA s84(5) and investment-linked contracts as defined in IPSA s98(3) .
NZ insurance business	Insurance of NZ residents and business or their assets, including insurance of inbound visitors and workers where this is provided by a NZ licensed insurer.
Other commercial (n.e.c.)	General insurance that is commercial and is not elsewhere classified (refer general insurance classes).
Other health insurance (n.e.c.)	Health insurance that is not elsewhere classified (refer health insurance classes).
Other life insurance (n.e.c.)	Life insurance that is not elsewhere classified (refer life insurance classes).
Other personal lines (n.e.c.)	General insurance that is personal lines and is not elsewhere classified (refer general insurance classes).
Outwards reinsurance	Reinsurance where the insurer is ceding risk to one or more reinsurers.
Participating investment	Life insurance that is participating as defined by IPSR r21(1) and is either investment account contracts as defined in IPSA s84(5) or investment-linked contracts as defined in IPSA s98(3) .
Participating traditional	Life insurance that is participating as defined by IPSR r21(1) but excluding investment account contracts as defined in IPSA s84(5) and investment-linked contracts as defined in IPSA s98(3) .
Personal accident	General insurance that is personal lines with cover for accident involving injury to self.
Personal lines	General insurance that is issued on an individual or household basis.
Primary insurance	Insurance that is not reinsurance .
Reinsurance	Insurance of insurance (as defined by IPSA s6).
Travel	General insurance that is personal lines with cover for medical or accident or other travel-related costs for persons temporarily outside their normal country of residence.

Term

Definition

Unallocated

Balancing item for the difference between total for **NZ primary insurance** and the sum of figures allocated to insurance classes. Any non-zero figures for Unallocated are required to be explained in the commentary.

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Financial information

<u>Term</u>	<u>Definition</u>
acquisition expense	Costs associated with acquiring new business other than commission expense . For example marketing costs or salaries for employed sales staff.
additions to capital	New capital that has been raised during the financial year, other than through profit or movement in reserves. This includes issue of new share equity, transfer from head office for an overseas insurer, and contributions to members' funds for a mutual insurer.
any other asset	Any asset that is not recorded separately. This excludes all investment assets, fixed assets, intangible assets, tax assets, loans, related party assets and insurance-related assets . An example is defined benefit scheme surplus if this is recognised as an asset in the insurer's balance sheet.
any other liability	Any liability that is not recorded separately. This excludes all tax liabilities, related party liabilities and insurance-related liabilities . An example is general or trade creditors.
bonds – investment grade	Debt securities that are not issued by the New Zealand Government and that currently has an issue financial strength rating regarded as being of investment grade. Includes accrued interest. Excludes debt securities issued by a related party.
bonds – non-investment grade	Debt securities that are not issued by the New Zealand Government and that currently has an issue financial strength rating regarded as being of non-investment grade, or does not currently have an issue financial strength rating. Includes accrued interest. Excludes debt securities issued by a related party.
bonds – NZ Government	Debt securities that are issued by the New Zealand Government. Includes accrued interest.
capital instruments	Ownership of the insurer by issuance of an instrument, such as paid up shares. For an overseas insurer (i.e. a branch or Lloyd's), the NZ Entity has no capital instruments. For most mutual insurers there are also no capital instruments – an exception being credit union securities.

<u>Term</u>	<u>Definition</u>
cash	Money (notes and coins) plus funds deposited with banks that are available on call (with little or no penalty applied for withdrawal). Exclude any accounts that are overdrawn or have a negative balance.
claim recoveries	General insurance valuation of recoveries in respect of gross incurred claims . Includes recoveries from reinsurers and from third parties.
commission expense – initial	<p>Cost of commission in respect of the first year of cover. Includes all remuneration for advisers, agents, and staff that is directly dependent on the volume and/or profitability of new business. Net of claw-back and adjustments.</p> <p>For insurance that is renewed for essentially the same cover, only the first year of the continuous period of cover is included within commission expense – initial with all subsequent periods of cover included within commission expense – renewal.</p>
commission expense – renewal	<p>Cost of commission excluding the first year of cover. Includes all remuneration for advisers, agents, and staff that is directly dependent on the volume and/or profitability of new business. Net of claw-back and adjustments.</p> <p>For insurance that is renewed for essentially the same cover, only the first year of the continuous period of cover is included within commission expense – initial with all subsequent periods of cover included within commission expense – renewal.</p>
contingent liabilities	The total value of any contingent liabilities that are required to be disclosed by the accounting standards, and which are not fully reflected in the balance sheet. For contingencies that are not included at all in the balance sheet the value is the face value or maximum possible liability. For contingencies that are partially included in the balance sheet the value is the difference between maximum possible liability and liability recorded in the balance sheet.
declared but unpaid dividends & capital distributions	Future dividends or distributions of capital that have been declared at Report Date but which are not fully reflected in the balance sheet.
deferred acquisition costs	Capitalised acquisition costs, as amortised. Exclude (i.e. grossed up for) the write-down adjustment to offset any unexpired risk liabilities .

<u>Term</u>	<u>Definition</u>
defined benefit scheme deficit	Deficit in any defined benefit scheme(s) for which the insurer is a sponsoring employer, to the extent this is not fully reflected in the balance sheet as a liability.
dividends & distributions of capital	Capital that has been released during the financial year, other than through losses or adverse movement in reserves. This includes dividends and share buy-backs, transfers to head office for an overseas insurer, and payment of contributions to members' funds for a mutual insurer.
equity	Investment asset that is partial ownership interests in other businesses (i.e. excludes related party investments). May be listed on a stock exchange or unlisted.
fixed assets	Assets that are not investment assets and are not intangible assets. This includes property (other than land and buildings), plant and equipment, computer hardware, motor vehicles, furniture, etc.
future expenses	Liability for future expenses associated with insurance policies. Excludes reinsurance expenses.
future policy benefits	Liability for future contractual benefit payments to policyholders. Excludes future profits and outstanding claims .
future premiums	Negative liability for future premium revenue from policyholders.
future profits - policyholder	Liability for the portion of future profits from in force life insurance business that are expected to be paid to policyholders through bonuses.
future profits - shareholder	Liability for the portion of future profits from in force life insurance business that are expected to accrue to the insurer (i.e. not paid as policyholder bonuses).
goodwill & other intangible assets	Value of businesses previously purchased (goodwill) and any other intangible assets.
gross annuity & income payments	Cost of benefit payments occurring during the financial year in respect of annuities and disability income, gross of outwards reinsurance claims .
gross death & disability (lump sum) claims	Cost of claims occurring during the financial year in respect of death and disability lump sum benefits, gross of outwards reinsurance claims .

<u>Term</u>	<u>Definition</u>
gross earned premium	General insurance valuation of premium revenue from insurance business, gross of outwards reinsurance earned premium .
gross incurred claims	General insurance valuation of claims costs gross of claim recoveries . Includes claims handling expenses. Incurred claims are paid claims plus increase in outstanding claims liabilities.
gross maturities	Cost of benefit payments occurring during the financial year in respect of maturities, gross of outwards reinsurance claims .
gross other policy expenses	Gross policy expenses that are not included in the various types of claims costs and benefit payments reported on separately.
gross outstanding claims liabilities	Liability for claims in respect of cover up to and including the valuation date, inclusive of claims handling expenses and risk margins (if any), but gross of outwards reinsurance. This term is used for general insurance valuation methods. Refer outstanding claims for the corresponding life insurance valuation methods.
gross outstanding claims liabilities – best estimate	Liability for claims in respect of cover up to and including the valuation date, excluding claims handling expenses and risk margins (if any), and gross of outwards reinsurance.
gross outstanding claims liabilities – claims handling expenses	Liability for claims handling expenses for claims in respect of cover up to and including the valuation date.
gross outstanding claims liabilities – risk margin	Liability for risk margin for claims in respect of cover up to and including the valuation date, gross of outwards reinsurance. Risk margin is the difference between outstanding claims liabilities assessed at a particular probability of sufficiency and the best estimate value.
gross paid claims	General insurance valuation of claims costs paid during the financial year, gross of claim recoveries . Includes claims handling expenses.
gross policy expenses	Life insurance valuation of expenses from insurance business, gross of outwards reinsurance claims .

<u>Term</u>	<u>Definition</u>
gross policy liability – insurance contracts	Liabilities for insurance contracts business, gross of outwards reinsurance. Excludes policyholder unvested benefits liability. The liability may be negative in some situations.
gross policy liability – investment contracts	Liabilities for investment contracts business, gross of outwards reinsurance.
gross policy revenue	Life insurance valuation of premium revenue from insurance business, gross of outwards reinsurance premium . Excludes management fee revenue.
gross premiums charged	Gross policy revenue or gross written premiums as charged (or billed). This may differ to figures in the accounts due to taxes and levies collected by the insurer on behalf of others that are excluded from revenue by the accounting standards.
gross premiums charged – GST	GST component of gross premiums charged .
gross premiums charged – insurer portion	The portion of gross premiums charged that is not taxes or levies collected on behalf of others.
gross premiums charged – NZ Government levies	NZ Government levy component of gross premiums charged . Includes EQC levies and fire service levies. Excludes GST and taxes.
gross premiums charged to customers	Gross policy revenue or gross written premiums as charged (or billed). This may differ to figures in the accounts due to taxes and levies that are excluded from revenue by the accounting standards.
gross profit	Profit before tax. Includes movements in reserves.
gross surrenders & terminations	Cost of benefit payments occurring during the financial year in respect of surrenders and terminations, gross of outwards reinsurance claims .
gross unearned premiums liability	The portion of premiums that relates to the period of cover that is in the future, gross of outwards reinsurance.

<u>Term</u>	<u>Definition</u>
gross unexpired risk liabilities	<p>The liability for the failure of the liability adequacy test that is additional to gross unearned premiums liability. I.e. the expected deficiency of premiums to meet claims and relevant expenses in respect of the period of cover that is in the future.</p> <p>Exclude (i.e. grossed up for) the write-down adjustment to offset any deferred acquisition costs.</p>
gross written premium	<p>For general insurance valuation the premiums for cover that commenced or renewed in the financial year, without taking into account the portion for cover that extends beyond Report Date, gross of outward reinsurance premium.</p> <p>Earned premium is written premium plus the decrease (or less the increase) in unearned premium.</p>
head office balance	<p>For an overseas insurer the portion of capital that is owned by head office but not included in retained earnings, reserves, or non-controlling interests.</p>
insurance margin	<p>Profit from insurance business excluding investment income. This is insurance-related income less insurance-related expenses.</p>
insurance-related assets	<p>Assets that are directly related to insurance business. In some circumstances some of these assets may have negative values.</p>
insurance-related expenses	<p>Expenses from insurance business, including overheads, net of outwards reinsurance claims and claim recoveries. Outwards reinsurance premium is excluded.</p>
insurance-related income	<p>Premium and fee revenue from insurance business, net of outwards reinsurance premium.</p>
insurance-related liabilities	<p>Liabilities that are directly related to insurance business. In some circumstances some of these liabilities may have negative values.</p>

<u>Term</u>	<u>Definition</u>
insurance valuation methods	<p>A high level classification of the type of methods used for valuing insurance liabilities and assets.</p> <p>Life (projection and accumulation), denoted as [Life], for NZ IFRS means methods consistent with Appendix C of NZ IFRS 4. For other accounting standards this means similar methods. This could be described (simplistically) as either accumulation of all past cashflows or the long-term projection of future cashflows.</p> <p>General (incurred and earned), denoted as [General], for NZ IFRS means methods consistent with Appendix D of NZ IFRS 4. For other accounting standards this means similar methods. This could be described (simplistically) as the assessment of cashflows for the period of cover with apportionment to past incurred amounts and future unearned amounts.</p> <p>Since NZ accounting standards for insurance currently apply based on the entity (as a life insurer or as a non-life insurer), there may be a mismatch between insurance valuation methods and the type of insurance being valued. The Insurer Return uses existing accounting rather than applying a regulatory basis, and accordingly must cater for both types of insurance valuation methods for all types of insurance.</p>
investment income	<p>Income generated from investment assets, net of any investment management expenses. Includes interest, rent, dividends, realised and unrealised gains, etc.</p>
loans	<p>Debt owed to the insurer, including general debtors but excluding insurance-related debt. Excludes debt securities (bonds), related party debt, loans secured against insurance policies, and premium debt.</p>
management fee revenue	<p>Life insurance valuation of fee revenue from investment contracts.</p>
members' funds	<p>For a mutual insurer the portion of capital that belongs to the members that is not included in capital instruments (e.g. credit union securities), retained earnings, reserves, or non-controlling interests.</p>
net earned premium	<p>General insurance valuation of premium revenue from insurance business, net of outwards reinsurance earned premium.</p>

<u>Term</u>	<u>Definition</u>
net incurred claims	General insurance valuation of claims costs net of claim recoveries .
net policy expenses	Life insurance valuation of expenses from insurance business, net of outwards reinsurance claims .
net policy revenue	Life insurance valuation of premium revenue from insurance business, net of outwards reinsurance premium . Excludes management fee revenue.
net profit	Profit net of tax. Includes movements in reserves.
non-controlling interests	The amount of (external) minority ownership of subsidiaries or associates of the insurer.
NZ GAAP	NZ generally accepted accounting practice as defined by IPSA s6 .
NZ IFRS	NZ version of international financial reporting standards.
NZ IFRS (Diff. Rep.)	NZ version of international financial reporting standards for entities with differential reporting.
NZ PBE IFRS	NZ version of international financial reporting standards that applies to public benefit entities.
other (accumulation method)	Policy liabilities for insurance contracts that have been determined using accumulation methods (rather than projection methods).
other best estimate liability	Insurance related liabilities in respect of insurance contracts that are not included elsewhere. Excludes future policy benefits, future expenses, future profits, outstanding claims and reinsurance.
other expenses	Expenses other than investment management expenses and insurance-related expenses . This includes expenses for non-insurance activities.
other income	Income from all sources other than investment income , increase in property & currency reserves and insurance-related income . This includes commissions earned as an agent of another insurer, and fee income for non-insurance activities.

<u>Term</u>	<u>Definition</u>
other insurance expense	Insurance-related expenses other than in connection with insurance-related liabilities , commission expense and acquisition expense . This includes administration expenses and overheads. Investment management expenses and reinsurance expenses are excluded.
other investment assets	Assets that are intended to directly generate a return from either income or capital appreciation but are not included in the other investment assets. I.e. excludes cash , bonds , equity , property and related party assets . Examples include derivatives, non-traditional investments, etc.
outstanding claims	Liability for claims that have occurred but are unpaid, gross of outwards reinsurance. Includes both reported unpaid claims and incurred but not reported claims. This term is used for life insurance valuation methods. Refer gross outstanding claims liabilities for the corresponding general insurance valuation methods.
outwards reinsurance assets	Reinsurance assets other than outwards reinsurance claim recoveries . Includes reinsurance recoveries not yet received in respect of previously paid claims, deferred reinsurance expense or unearned reinsurance premium, unpaid earned reinsurance commissions, etc.
outwards reinsurance claim recoveries	The reinsurance asset that corresponds to gross outstanding claims liabilities . Excludes reinsurance recoveries not yet received in respect of previously paid claims.
outwards reinsurance claims	Outwards reinsurance in respect of gross policy expenses .
outwards reinsurance earned premium	The premium for outwards reinsurance that corresponds to gross earned premium .
outwards reinsurance of policy liabilities	The reinsurance asset that corresponds to gross policy liabilities . Includes reinsurance in respect of policyholder unvested benefit liability if applicable. This asset may be negative in some situations.
outwards reinsurance premium	The premium for outwards reinsurance that corresponds to gross policy revenue .

<u>Term</u>	<u>Definition</u>
policyholder unvested benefit liability	Liability for undistributed past profits that are expected to be paid to policyholders through future bonuses.
premium debt	Unpaid premiums.
property	Land and buildings owned by the insurer. Includes both owner occupied and investment properties. Excludes plant, equipment and other similar fixed assets .
related party assets	Debt owed to the insurer by a related party, or equity investments in related parties. Related party is defined in IPSA s6 . Related party assets must not be offset against related party liabilities .
related party liabilities	Debt owed by the insurer to a related party. Related party is defined in IPSA s6 . Related party liabilities must not be offset against related party assets .
reserves	Capital reserves of the insurer excluding retained earnings . Examples include (owner-occupied) property revaluation reserve and currency revaluation reserve.
retained earnings	The accumulation of past profits of the insurer less dividends paid.
secured policy loans	Loans to policyholders or premium debt that is secured against the value of the insurance policy. I.e. the loan or debt may be repaid in part or in full by reducing amounts otherwise payable from the policy (such as claims or surrender value).
tax assets	Tax balances owing to the insurer. These must not be netted off against tax liabilities .
tax expense	Cost of tax in respect of gross profit .
tax liabilities	Tax balances owed by the insurer. These must not be netted off against tax assets .
third party claim recoveries	Assets that relate to gross outstanding claims other than outwards reinsurance claim recoveries - i.e. recoveries from third parties. This does not include claim payments from co-insurers (e.g. EQC) unless there is an asset on the balance sheet and it relates to a claim amount that was already paid by the insurer on behalf of the co-insurer. Also excluded is the asset for repayment of claims that have been overpaid.

Term

Definition

unallocated capital

Balancing item for capital and net assets. If it is not zero this must be explained in the commentary.

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Exposure information

<u>Term</u>	<u>Definition</u>
as at Report Date	Please provide figures based on all policies and riders that have cover in force as at the Report Date. Insurance that has been accepted by the insurer but for which cover commences after Report Date is excluded. Insurance that was terminated after Report Date but with an end of cover on or before Report Date is also excluded.
as at end of previous financial year	Please provide the closing balances from the previous financial year, as reported to the Reserve Bank in a prior Insurer Return (if applicable). If there have been retrospective changes to these balances, the adjustment must be included within transfers and adjustments .
changes in cover	Include any changes in insured benefit amount (increases as positive, decreases as negative) that occurred during the financial year for policies with cover in force as at Report Date . For policies that are renewal of existing business , this includes the difference (if any) in insured benefit amount for the current policy and for the policy that had cover in force as at end of previous financial year .
contractual increases	Increases (negative for decreases) in insured benefit amount that do not depend on policyholder choice or circumstances. This includes increases that are part of the terms of cover (e.g. indexation increases) and also increases that are applied by the insurer to all similar policies (e.g. universally applied benefit improvements).
death	For health insurance only, terminations due to death of the insured life.
death & disability	For life insurance only, terminations due to death or disability of the insured life.

<u>Term</u>	<u>Definition</u>
Duration in years	<p>This is the average time from policy commencement until Report Date, weighted by insured benefit.</p> <p>For each policy calculate insured benefit and years insured, and multiply these figures. Sum across all relevant policies and divide by the sum of insured benefit for the same policies. Years insured is the difference in years (including fractional years) between Report Date and the date of commencement of cover. The date of commencement of cover is the earliest date for essentially the same cover that exists at Report Date that has been continuously in place (but treating any temporary suspension of cover as continuous).</p>
expiry of existing business	<p>Insurance with cover in force as at end of previous financial year that reached the end of the cover period (expired) on or before Report Date. These policies are then either renewed (renewal of existing business) or not renewed (non-renewal of existing business).</p> <p>For insurance with pre-defined period of cover the end of the cover period is when insurance cover ceases. This may be a fixed date or upon a claim occurring for insurance that requires reinstatement.</p> <p>For other insurance the end of the cover period is the date when premiums, terms and conditions are reviewed and able to be varied by the insurer. The insurer's practices for such reviews may be taken into account in determining this date – e.g. annual review cycles.</p> <p>Expiry of existing business does not apply for life insurance, instead refer to maturities.</p>
Gross annual premium	<p>The annual amount of premium that is payable by regular instalments (which could be annually or more frequently) as at the relevant date or the change in the annual amount of premium during the financial year to Report Date, as applicable.</p>
Gross single premium	<p>The amount of premium that is payable in a single amount, deposit premiums and other premiums where the amounts are determined by policyholders instead of the insurer.</p>

<u>Term</u>	<u>Definition</u>
Insured benefit	<p>For life insurance insured benefit is the sum insured except for annuity, group disability income and individual disability income business for which it is the annual benefit.</p> <p>For general insurance insured benefit is the probable maximum loss, on a reasonably conservative basis.</p> <p>For health insurance insured benefit is the maximum benefit amount for a treatment or series of related treatments.</p> <p>Insured benefit figures are for the insurer's potential liability but gross of outwards reinsurance. They exclude any applicable excess, deductible, franchise, or policyholder claim co-payments. For coinsurance, only the insurer's share of benefits is included.</p>
lapses & other terminations	<p>A termination that is due to lapse (non-payment of premiums) or for any other reason not separately recorded. For life insurance this excludes death & disability, maturities and surrenders & cancellations. For general insurance this excludes non-renewal of existing business. For health insurance this excludes non-renewal of existing business and death.</p>
Lives insured	<p>Count of people who are covered by life or health insurance. Since policies may cover multiple classes of insurance, there may be a balancing item in Unallocated. Currently there is no requirement for the number to be based on unique lives – i.e. people with more than one policy will contribute more than one to the figures.</p>
maturities	<p>Insurance with cover in force as at end of previous financial year that reached the end of the cover period (matured) on or before Report Date.</p> <p>For insurance with pre-defined period of cover the end of the cover period is when insurance cover ceases, and is generally a fixed date.</p> <p>For other insurance the end of the cover period is the date when premiums, terms and conditions are reviewed and able to be varied by the insurer. The insurer's practices for such reviews may be taken into account in determining this date – e.g. annual review cycles.</p> <p>Maturity does not apply for general insurance or health insurance, instead refer to expiry of existing business.</p>

<u>Term</u>	<u>Definition</u>
new business	<p>Insurance cover that was not in force as at end of previous financial year but excluding transfers (see transfers and adjustments). Included is any new business that was also a termination (cover ceased on or before Report Date).</p> <p>Policies that were cancelled from inception are excluded from new business and also excluded from terminations.</p> <p>New business does not include insurance that is included in any of the following - changes in cover, contractual increase, voluntary increase or renewal of existing business.</p> <p>For group life insurance or group health insurance, new group schemes and new lives insured within an existing group scheme are both treated as new business (unless one of the above exclusions applies).</p>
non-renewal of existing business	<p>Insurance that is an expiry of existing business that was not then continued (renewed) with essentially the same cover.</p>
policy count	<p>Number of policies.</p>
renewal of existing business	<p>Insurance that is an expiry of existing business that was then continued (renewed) with essentially the same cover.</p>
surrenders & cancellations	<p>A termination that is due to policyholder election to cease cover early. This includes surrenders (where the policy has some value at termination and this is paid to policy owner or offset against secured debt) and cancellations (where the policy has no value at termination).</p>
terminations	<p>Insurance cover that has ceased during the financial year – i.e. cover that was in force as at end of previous financial year and not in force as at Report Date (ignoring renewal of existing business).</p>

<u>Term</u>	<u>Definition</u>
transfers and adjustments	<p>Transfers are insurance business that is moved from another insurer (positive figures) or moved to another insurer (negative figures) during the current financial year.</p> <p>Adjustments are the balancing item so that calculated figures for as at Report Date are correct, or figures to correct errors (such as misclassified figures) in the opening balances (as at end of previous financial year), or where business has changed classification during the year.</p> <p>Any non-zero transfers and adjustments must be explained in the commentary.</p>
voluntary increases	<p>Increases (negative for decreases) in insured benefit amount that are the result of policyholder choice or circumstances. This includes election of options, purchase of additional cover, etc.</p>

Ends

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