



Reserve Bank
of New Zealand
Te Pūtea Matua

Definitions

for Annual Insurer Report and Quarterly Insurer Report

11 June 2024

UNCLASSIFIED

Purpose of this document

The purpose of this Definitions document is to clearly define the information that insurers are required to provide to the Reserve Bank of New Zealand (the “Reserve Bank”) in the Annual Insurer Report and Quarterly Insurer Report. These returns require certain financial, solvency and statistical information about the insurance and other activities of a licensed New Zealand insurer to be regularly provided in a standardised format.

The report templates and Definitions may be updated from time to time. The Reserve Bank’s website has the latest published versions at [Resources for insurers - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](#).

Nothing in this document over-rides the provisions of the Insurance (Prudential Supervision) Act 2010 (“IPSA”) and its Regulations (“IPSR”), or solvency standards issued by the Reserve Bank.

Version

This is version 1.5 of the Definitions dated 11 June 2024. It has been prepared for version 1.5 of the Annual Insurer Report and Quarterly Insurer Report.

Reserve Bank contact details

	Statistics Unit	Insurance Supervision
email	statsunit@rbnz.govt.nz	insurance@rbnz.govt.nz

Contents

1	General instructions	3
1.1	Terminology	3
1.2	Materiality	3
1.3	Revisions	3
2	PART A financial	4
2.1	Materiality threshold	4
2.2	Columns	4
2.3	Accounting standards and insurance measurement models	5
2.4	Insurance revenue	6
2.5	Insurance service expense	7
2.6	Insurance service result	8
2.7	Insurance finance result	8
2.8	Insurance balance sheet items	8
2.9	Outwards reinsurance balance sheet items	9
2.10	Additional disclosures	10
2.11	Investment result	13
2.12	Other income and expenses	14
2.13	Total comprehensive income	14
2.14	Investment assets	15
2.15	Other assets	17
2.16	Other liabilities	18
2.17	Off balance sheet items	18
2.18	Movement in net assets	18
3	PART B solvency	20
3.1	Columns	20
3.2	Materiality threshold	20
4	PART C statistics	21
4.1	Materiality threshold	21
4.2	Columns	21
4.3	Statistics	21
5	PART D supplementary	23
5.1	Materiality threshold	23
5.2	Columns	23
5.3	Financial data	23

1 General instructions

Unless otherwise indicated, all definitions in this document apply to both the Annual Insurer Report and Quarterly Insurer Report.

1.1 Terminology

Terms that are defined in IPSA, IPSR, the Interim Solvency Standard 2023 ("ISS") published by the Reserve Bank, or the New Zealand International Financial Reporting Standards ("NZ IFRS") have the same definition for the Annual Insurer Report and Quarterly Insurer Report unless otherwise stated in these definitions.

If there is any conflict in the meaning of defined terms between these sources, use the first definition according to the following priorities:

- 1) definitions in this document;
- 2) definitions in IPSA and IPSR;
- 3) ISS; and
- 4) NZ IFRS.

Words in bold face are defined terms.

1.2 Materiality

Materiality thresholds define the minimum level of accuracy that is required in the reporting. If insurers are capable of reporting more accurately then they should do so.

Approximate methods must not be used if they result in errors that are larger in absolute size than the specified materiality thresholds.

In the Annual Insurer Report and Quarterly Insurer Report materiality thresholds vary according to the type of information:

- financial data (*PART A* of the returns);
- solvency requirements of the Reserve Bank (sheets with names that start with "*solvency RBNZ*");
- solvency requirements of home jurisdictions ("*solvency foreign*" sheet);
- statistical data (*PART C* of the returns);
- supplementary overseas insurer data ("*supplementary overseas insurer*" sheet); and
- small insurer exemption data ("*supplementary small insurer*" sheet).

1.3 Revisions

Any error (whether by omission, understatement or overstatement) that is larger in absolute size than the relevant materiality threshold is likely to require resubmission with revised figures. Please contact the Reserve Bank to discuss.

2 PART A financial

Important notes

The definitions of items in *PART A financial* are not necessarily identical to definitions in the ISS (and reported in *PART B solvency*).

Revenue and expense items are reported in data returns based on the nature of the item. There is no distinction for reporting in financial statements or accounts within profit & loss or other comprehensive income.

2.1 Materiality threshold

The materiality threshold for *PART A financial* is:

min.(\$5 million, 5% * max.(revenue measure, balance sheet measure, \$0.1 million))

where:

revenue measure is annualised value of the item "total insurance revenue"

balance sheet measure is absolute value of the item "total insurance assets/(liabilities)"

2.2 Columns

Term	Definition
All global insurance	All NZ insurance and all foreign insurance.
NZ primary insurance	Insurance for the benefit of people and organisations based in New Zealand, excluding reinsurance of such business. It includes insurance of inbound visitors and workers where this is provided by a New Zealand licensed insurer.
NZ inwards reinsurance	Reinsurance of NZ primary insurance where risk is transferred (ceded) by another insurer to the reporting insurer.
All NZ insurance	NZ primary insurance and NZ inwards reinsurance .
All foreign insurance	For New Zealand incorporated insurers only: Insurance or inwards reinsurance that is not NZ primary insurance or NZ inwards reinsurance . It includes both foreign branch insurance business and any other insurance for the benefit of people and organisations not based in New Zealand (excluding inbound visitors and workers). For overseas insurers: Not applicable.
data classes	The classes used for reporting in the " <i>financial insurance</i> " and " <i>statistics insurance</i> " sheets. Currently these are the product classes defined in ISS paragraph 17.

UNCLASSIFIED

Term	Definition
unallocated {column}	The portion of the total figure that has not been allocated to other columns. This should be zero.
entire insurer or NZ branch	For New Zealand incorporated insurers (including mutual insurers established in New Zealand) this is the entire insurer, and for overseas insurers this is the New Zealand branch (if it exists).
NZ resident issued assets	Assets for which the issuer is a person, company or other entity that is ordinarily domiciled or has a principal centre of economic interest in New Zealand.
non-resident issued assets	Assets for which the issuer is a person, company or other entity that is ordinarily domiciled or has a principal centre of economic interest in a country other than New Zealand.
actual	Figures for the financial year to Report Date .
Past Forecast	The latest forecast approved by the Board available at the start of the financial year.
Current Forecast	The latest forecast approved by the Board available at Report Date .
financial year + <i>n</i>	The financial year that is <i>n</i> years after the financial year that includes Report Date .

2.3 Accounting standards and insurance measurement models

Term	Definition
NZ IFRS	NZ IFRS as defined by the NZ XRB.
NZ IFRS PBE	NZ IFRS for Public Benefit Entities as defined by the NZ XRB.
NZ IFRS RDR	NZ IFRS with Reduced Disclosure Regime as defined by the NZ XRB.
NZ GAAP	New Zealand Generally Accepted Accounting Practices as defined by the NZ XRB. Select this from the drop-down if the accounting standards are NZ GAAP but neither NZ IFRS or NZ IAS.
NZ IAS	New Zealand International Accounting Standards as defined by the NZ XRB.
other (accounting standard)	Accounting standards that are not NZ IFRS or NZ GAAP .
PAA	The NZ IFRS 17 measurement model Premium Allocation Approach.
GMM	The NZ IFRS 17 measurement model General Measurement Model.

Term	Definition
VFA	The NZ IFRS 17 measurement model Variable Fee Approach.
mixture	Where more than one NZ IFRS 17 measurement model has been used.
other (accounting insurance measurement models)	Accounting methods for insurance contracts that are not NZ IFRS 17 insurance measurement models.

2.4 Insurance revenue

Term	Definition
[PAA] insurance revenue	<p>The amount of expected premium receipts allocated to the period, applicable under the premium allocation approach.</p> <p>This is intended to cover similar information as paragraph B126 of NZ IFRS 17.</p>
expected insurance service expenses incurred	<p>The expected amount (as at the beginning of the period) of insurance service expense to be incurred.</p> <p>This is intended to cover similar information as paragraph B124(a) of NZ IFRS 17.</p>
decrease/(increase) in the risk adjustment for non-financial risk	<p>Changes in the risk adjustment for non-financial risk.</p> <p>This is intended to cover similar information as paragraph B124(b) of NZ IFRS 17.</p>
amount of CSM recognised	<p>Amount of Contract Services Margin ("CSM") recognised in profit or loss in the period.</p> <p>This is intended to cover similar information as paragraph B124(c) of NZ IFRS 17.</p>
other amounts including experience adjustments for premium receipts	<p>Other amounts e.g., experience adjustments for premium receipts other than those that relate to future service.</p> <p>This is intended to cover similar information as paragraph B124(d) of NZ IFRS 17.</p>
amounts related to the recovery of amortisation of insurance acquisition cash flows	<p>Revenue related to insurance acquisition cash flows determined by allocating the portion of the premiums that relate to recovering those acquisition cash flows to each reporting period.</p> <p>This is intended to cover similar information as paragraph B125 of NZ IFRS 17.</p>

2.5 Insurance service expense

Term	Definition
incurred claims for this financial year	<p>Incurred claims (excluding investment components) over the reporting period.</p> <p>This is intended to cover similar information as the incurred claims component of paragraphs 84 and 103(b)(i) of NZ IFRS 17 (and excluding paragraphs 103(b)(ii), (iii) and (iv)).</p>
other insurance service expenses	<p>Other insurance service expenses incurred over the reporting period.</p> <p>This is intended to cover similar information as the other insurance service expenses component of paragraphs 84 and 103(b)(i) of NZ IFRS 17 (and excluding paragraphs 103(b)(ii), (iii) and (iv)).</p>
[PAA] insurance acquisition cash flow expense (as incurred)	<p>Insurance acquisition cash flows recognised as expenses when incurred when applying the premium allocation approach.</p> <p>This is intended to cover similar information as paragraph 59(a) of NZ IFRS 17, if that option is taken.</p>
amortisation of insurance acquisition cash flows	<p>Amortisation of insurance acquisition cash flows.</p> <p>This is intended to cover similar information as paragraphs 84 (other amounts), 103(b)(ii) and B125 of NZ IFRS 17.</p>
losses/(reversal of losses) on onerous contracts for future service	<p>Changes that relate to future service, i.e., losses (+ve) on onerous groups of contracts and reversals (-ve) of such losses.</p> <p>This is intended to cover similar information as paragraphs 84 (other amounts) and 103(b)(iv) of NZ IFRS 17.</p>
increases/(decreases) to liabilities for incurred claims for past service	<p>Changes that relate to past service, i.e., changes in fulfilment cash flows relating to the liability for incurred claims (+ve for an increase to liability and -ve for a reduction to liability).</p> <p>This is intended to cover similar information as paragraphs 84 (other amounts) and 103(b)(iii) of NZ IFRS 17.</p>
impairment of assets for insurance acquisition cash flows	<p>Impairment loss of an asset for insurance acquisition cash flows assessed at the end of each reporting period, reported as a positive amount.</p> <p>This is intended to cover similar information as paragraphs 28E and B35D of NZ IFRS 17.</p>
(reversal of impairment of assets for insurance acquisition cash flows)	<p>Reversal of some of all of an impairment of assets for insurance acquisition cash flows reported as a negative amount.</p> <p>This is intended to cover similar information as paragraph 28F of NZ IFRS 17.</p>

2.6 Insurance service result

Term	Definition
allocation of outwards reinsurance premiums	Allocation of premiums paid in respect of a group of outwards reinsurance contracts, reported as a positive amount. This is intended to cover similar information as paragraph 86 of NZ IFRS 17 .
(amounts recoverable from reinsurers for incurred claims)	Claim amounts recovered from the reinsurer in respect of a group of outwards reinsurance contracts, reported as a negative amount. This is intended to cover similar information as paragraphs 66B and 86 of NZ IFRS 17 .

2.7 Insurance finance result

Term	Definition
insurance finance income/(expenses) for insurance contracts	Total insurance finance income (+ve) or expense (-ve) for the period irrespective of the entity's choice to disaggregate between profit or loss and other comprehensive income within its financial statements. This is intended to cover similar information as paragraphs 87 and 88 of NZ IFRS 17 .
outwards reinsurance finance income/(expenses) for outwards reinsurance contracts	Total outwards reinsurance finance income (+ve) or expense (-ve) for the period irrespective of the entity's choice to disaggregate between profit or loss and other comprehensive income within its financial statements. This is intended to cover similar information as paragraphs 82, 87, and 88 of NZ IFRS 17 .

2.8 Insurance balance sheet items

Term	Definition
insurance assets/(liabilities) for incurred claims	Assets (+ve) or liabilities (-ve) for incurred claims representing claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported and other incurred insurance expenses. In addition it relates to: <ul style="list-style-type: none"> • insurance contract services that have already been provided; • any investment components; and • other amounts that are not related to the provision of insurance contract services and that are not in the liability for remaining coverage. This is intended to cover similar information as paragraph 78 and Appendix A of NZ IFRS 17 .

Term	Definition
insurance assets/(liabilities) for remaining coverage	<p>Assets (+ve) or liabilities (-ve) for remaining coverage representing claims under existing insurance contracts for insured events that have not yet occurred.</p> <p>In addition it relates to:</p> <ul style="list-style-type: none"> • insurance contract services not yet provided; • any investment components; and • other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims. <p>This is intended to cover similar information to paragraph 78 and Appendix A of NZ IFRS 17.</p>
insurance assets for insurance acquisition cash flows (before contract recognition)	<p>Assets (+ve) for insurance acquisition cash flows.</p> <p>This is intended to cover similar information as paragraph 28B of NZ IFRS 17.</p>

2.9 Outwards reinsurance balance sheet items

Term	Definition
outwards reinsurance assets/(liabilities) for incurred claims	<p>Assets (+ve) or liabilities (-ve) for outwards reinsurance of reinsured claims that have already occurred, including events that have occurred but for which claims have not been reported and other incurred insurance expenses.</p> <p>In addition it relates to:</p> <ul style="list-style-type: none"> • insurance contract services that have already been received; • any investment components; and • other amounts that are not related to the receipt of insurance contract services and that are not in the liability for remaining coverage. <p>This is intended to cover similar information as paragraph 78 and Appendix A of NZ IFRS 17.</p>
outwards reinsurance assets/(liabilities) for remaining coverage	<p>Assets (+ve) or liabilities (-ve) for remaining coverage representing outwards reinsurance of claims under existing reinsurance contracts for insured events that have not yet occurred.</p> <p>In addition it relates to:</p> <ul style="list-style-type: none"> • insurance contract services not yet received; • any investment components; and • other amounts that are not related to the receipt of insurance contract services and that are not in the liability for remaining coverage.

Term	Definition
	This is intended to cover similar information as paragraph 78 and Appendix A of NZ IFRS 17.

2.10 Additional disclosures

Term	Definition
gross written premium	Includes insurance and inwards reinsurance , but excludes outwards reinsurance: For short-term contracts (as defined in the ISS) the total amount of premiums payable for contracts written during the reporting period. For long-term contracts (as defined in the ISS) the total amount of premium payable during the reporting period for contracts in-force.
unallocated {row}	The portion of the total figure that has not been allocated to other rows. This should be zero.
other {row}	The portion of the total figure that has not been included in other rows, due to not meeting the definition(s) for the other rows. This need not be zero (unlike unallocated).
[contracts under modified retrospective approach]	Contracts where the modified retrospective approach was applied at transition to NZ IFRS 17. This is intended to cover similar information as paragraph C6 to C19A of NZ IFRS 17.
[contracts under fair value approach]	Contracts where the fair value approach was applied at transition to NZ IFRS 17. This is intended to cover similar information as paragraph C20 to C24B of NZ IFRS 17.
directly attributable initial commission expense	For long-term insurance contracts (as defined in the ISS) the cost of commission payable in respect of the first year of cover, whether payable at inception or a later date.
other directly attributable acquisition expenses	Expenses associated with sales of insurance business, but excluding commission, for example marketing costs and salaries of employed sales staff.
other directly attributable commission expenses	The cost of commissions, excluding directly attributable initial commission . This includes all commission in respect of short-term insurance contracts (as defined in the ISS).
other directly attributable expenses	Administration and management expenses associated with insurance business that is not included elsewhere.

UNCLASSIFIED

Term	Definition
(outwards reinsurance commission deducted from outwards reinsurance premiums)	<p>The portion of outwards reinsurance commission that has been subtracted from outwards reinsurance premiums, as a –ve figure. This excludes all commission that is dependent on claim experience.</p> <p>This is intended to be consistent with paragraph 86 of NZ IFRS 17.</p>
(outwards reinsurance commission added to recoveries from reinsurers for incurred claims)	<p>The portion of outwards reinsurance commission that has been added to outwards reinsurance recoveries, as a –ve figure. This includes all commission that is dependent on claim experience.</p> <p>This is intended to be consistent with paragraph 86 of NZ IFRS 17.</p>
outwards reinsurance recoveries	<p>The portion of gross policy expense that is met from outwards reinsurance. Includes reinsurance claims and other payments by reinsurers based mainly on claims experience.</p>
additional reinsurance recoveries incurred	Outward reinsurance recoveries in respect of claims incurred in the period.
reinsurance recoveries received	Value of outward reinsurance recoveries received in the period.
increase/(decrease) in prior period including impairment of reinsurance recoveries	Impairments and other changes in the value of outward reinsurance recoveries related to prior periods.
insurance assets/(liabilities) present value of future premiums	Present value of the future cash inflows minus the present value of the future cash outflows that relate to premiums in respect of future service as at Report Date .
insurance assets/(liabilities) present value of future claims (guaranteed excluding time value)	Present value of the future cash inflows minus the present value of the future cash outflows that relate to guaranteed benefits in respect of future service as at Report Date , but excluding the time value of options and guarantees.
Insurance assets/(liabilities) present value of time value of options & guarantees	Present value of the time value of options and guarantees at Report Date , considering the range of possible outcomes.
insurance assets/(liabilities) present value of future claims (non-guaranteed)	Present value of the future cash inflows minus the present value of the future cash outflows that relate to non-guaranteed benefits (such as undeclared bonuses and other discretionary benefits) in respect of future service as at Report Date .

UNCLASSIFIED

Term	Definition
insurance assets/(liabilities) present value of future expenses	Present value of the future cash inflows minus the present value of the future cash outflows that relate to expenses in respect of future service as at Report Date .
insurance assets/(liabilities) present value of future other cash flows	Present value of the future cash inflows minus the present value of the future cash outflows that relate to other cash flows not included in other rows in respect of future service as at Report Date .
insurance assets/(liabilities) present value of net cash flow	Present value of the future cash inflows minus the present value of the future cash outflows that relate to future service as at Report Date .
insurance assets/(liabilities) present value of risk adjustment	Present value of risk adjustment for non-financial risk as at Report Date . This is intended to cover similar information as paragraph 37 of NZ IFRS 17 .
insurance assets/(liabilities) present value of contractual services margin	Present Value of NZ IFRS 17 Contractual Service Margin ("CSM") as at Report Date .
[Participating] total assets backing participating business	Total assets backing the Participating class of life insurance.
[Participating] shareholder retained profits for participating business	Shareholder retained profits in respect of the Participating class of life insurance.
[Participating] implied policyholder share of total assets backing participating business	The implied policyholder share of total assets backing the Participating class of life insurance.
[Participating] policyholder retained profits	As defined in IPSR 29 .
premium debt	Unpaid premiums and premiums yet to be forwarded to the insurer by agents or brokers. Excludes premiums already accounted for as received.
policy loans	Loans to policyholders that are secured against policy benefits and claims. Excludes loans and mortgages to policyholders that are not associated with insurance policies.
deferred tax on insurance contracts	The components of deferred tax assets/liabilities related to insurance contract assets or liabilities.

Term	Definition
	This is intended to cover similar information as paragraphs 5 and 81(g)(i) of NZ IAS 12 .
Insurance assets for insurance acquisition cash flows within remaining coverage	<p>The portion of assets / (liabilities) for remaining coverage that relates to insurance acquisition cash flows.</p> <p>This excludes insurance assets for insurance acquisition cash flows (before contract recognition).</p>
[IFRS 9] insurance business component of { item }	The component of { item } figure reported in the "financial accounts" sheet, using NZ IFRS 9 (instead of NZ IFRS 17), that relates to investment-related insurance business.

2.11 Investment result

Term	Definition
interest revenue calculated using the effective interest rate method	<p>Interest revenue calculated by applying the effective interest rate to the gross carrying amount of a financial asset.</p> <p>This is intended to cover similar information as paragraph 5.4.1 of NZ IFRS 9.</p>
other interest and similar income	Other interest and similar income that is otherwise not separately included in investment result.
net realised gains/(losses) on financial assets	<p>A realised net gain (+ve) or loss (-ve) on financial assets measured at fair value.</p> <p>This is intended to cover the realised portion of similar information as paragraphs 5.7.1 and 5.7.2 of NZ IFRS 9.</p>
net unrealised gains/(losses) on financial assets	<p>An unrealised net gain (+ve) or loss (-ve) on financial assets measured at fair value or amortised cost.</p> <p>This is intended to cover the unrealised portion of similar information as paragraphs 5.7.1 and 5.7.2 of NZ IFRS 9.</p>
dividend income	<p>Income from dividends.</p> <p>This is intended to cover similar information as paragraph 5.7.1A of NZ IFRS 9.</p>
rental income	<p>Income earned from investment property.</p> <p>This is intended to cover similar information as paragraph 75(f) of NZ IAS 40.</p>
net foreign exchange income/(expense)	<p>The net amount of exchange differences recognised as an income (+ve) or expense (-ve).</p> <p>This is intended to cover similar information as paragraph 52(a) of NZ IAS 21.</p>
(investment management expenses)	Expense (-ve) associated with management of investment assets (regardless of whether investments are managed internally or externally).

2.12 Other income and expenses

Term	Definition
insurance-related income (commissions and fees)	Fee & commission revenue that is from insurance-related activity (such as distribution or administration of another insurer's products). Excludes fee & commission revenue from insurance business.
asset management services revenue	Revenue (+ve) from asset management services. This is intended to cover similar information as paragraphs 113(a) and 114 of NZ IFRS 15 .
share of profit/(loss) of associates and joint ventures accounted for using the equity method	Profit (+ve) or loss (-ve) from associates and joint ventures accounted for using the equity method. This is intended to cover similar information as paragraph 3 of NZ IAS 28 .
other income	Other income (+ve) that is not reported elsewhere. Includes income from contracts outside the scope of NZ IFRS 17 .
(impairment loss for goodwill)	Impairment loss (-ve) i.e., the amount by which the carrying amount of a purchased asset or a cash-generating unit exceeds its recoverable amount. This is intended to cover similar information as paragraph 126(a) of NZ IAS 36 .
(other finance costs)	Includes interest expense (-ve) on lease liabilities. This is intended to cover similar information as paragraph 49 of NZ IFRS 16 .
(other expenses)	Other expenses (-ve) that are not reported elsewhere. Includes expenses from contracts outside the scope of NZ IFRS 17 .

2.13 Total comprehensive income

Term	Definition
income tax benefit/(expense)	Tax expense (-ve) or benefit (+ve) related to profit or loss from ordinary activities This is intended to cover similar information as paragraph 77 of NZ IAS 12 .

2.14 Investment assets

Important note

The definitions of investment assets in *PART A financial* are intended to be consistent with other surveys of the New Zealand financial system and international reporting (aggregated for all insurers). They are not all identical to definitions in the ISS (and reported in *PART B solvency*).

Term	Definition
cash & deposits	Cash at bank, transferable deposits directly useable for making payments, and fixed term deposits. Amounts are redeemable or withdrawable (with or without penalty) and are usually held with registered banks or other deposit taking institutions. Excludes loans and advances, debt securities and securities purchased under agreement to resell.
registered banks	All resident financial corporations that are registered under the <u>Banking (Prudential Supervision) Act 1989</u> or its successors to operate as banks in New Zealand.
other deposit taking institutions	All deposit taking institutions other than registered banks . It includes non-bank deposit takers as defined by the <u>Non-bank Deposit Takers Act 2013</u> or its successors.
short-term debt securities	Negotiable instruments serving as evidence of debt with a residual term to maturity of 1 year or less. Excludes loans and advances, securities purchased under agreement to resell, and derivatives.
long-term debt securities	Negotiable instruments serving as evidence of debt with a residual term to maturity of greater than 1 year. Excludes loans and advances, securities purchased under agreement to resell, and derivatives.
other financial institutions	Financial institutions not included in registered banks or other deposit taking institutions . They provide mainly financial services, including financial intermediation, financial risk management, liquidity transformation, and various supporting activities. These include insurers.
non-financial businesses	Resident business enterprises that produce goods and non-financial services to sell at competitive market prices that are sufficient to generate a profit or surplus in the long term. These units operate in markets where purchasers are free to buy, or not, depending on the price offered, so a sale only occurs when there is a mutually beneficial exchange. The major non-financial business subsectors are corporate businesses (e.g. registered private companies, publically listed companies, and state owned enterprises (SOEs)) and non-corporate businesses (e.g. sole proprietorships, small partnerships, and unincorporated businesses owned by the household sector).
central government	Organisational units of central government responsible for functions such as taxation, law and order, defence, and those responsible for advancing the

UNCLASSIFIED

Term	Definition
	economic and social well-being of the country in other ways. State-owned enterprises (SOEs) are included in non-financial businesses .
local government	Territorial authorities and regional councils, as well as other non-market units and non-profit institutions they control. They are responsible for functions such as town planning, providing local infrastructure, libraries, museums, and sports grounds.
governments and supra-nationals	Foreign central governments and inter-governmental agencies.
shares listed	Equity investments that are listed on an official stock exchange (such as NZX or ASX).
shares not listed	Equity investments that are not listed on an official stock exchange. Excludes investments in subsidiaries and associates.
property and infrastructure trusts	A type of retail public (offer) unit trust that issues units to the general public within New Zealand and invest the pooled monies primarily in real property. They must have registered a prospectus.
pooled investments	Investment products that pool money from investors, and purchases assets on behalf of the investors as a group. Examples include retail trusts and group investment funds , cash management trusts , and wholesale trusts .
retail trusts and group investment funds	Pooled investments where the trust or group investment fund is the legal owner of the investments and issues units to the general public within New Zealand.
cash management trusts	Pooled investments where the trust generally confines its investments to financial securities with a maturity of less than one year only, and issues units that are redeemable by the unit holder on demand. Includes all such trusts, whether open or closed to the general public.
wholesale trusts	Pooled investments where the trust is the legal owner of the investments and issues units, but only if the trust is not open to the general public. Exclude cash management trusts .
derivatives for investment	Positive or negative value of derivatives associated with investments. Exclude other derivatives (e.g., hedging of foreign currency liabilities). This is intended to cover similar information as Appendix A of NZ IFRS 9 .
other financial assets	Financial assets that are investments but not included elsewhere.
owner-occupied property	Land and buildings that are owner-occupied.

UNCLASSIFIED

Term	Definition
owned property (not owner-occupied)	Land and buildings for the purpose of investment.
other non-financial assets	Non-financial assets that are investments but not included elsewhere.

2.15 Other assets

Term	Definition
related party assets (excluding insurance-related)	Debt owed to the insurer by a related party, equity investments in related parties, or other assets exposed to related parties. Related party is defined in section 6 of IPSA . Related party assets must not be offset against related party liabilities . Excludes assets in relation to insurance business (such as outwards reinsurance to a reinsurer that is a related party), derivatives for investment and derivatives not for investment .
loans (excluding related party & policy loans)	Debt owed to the insurer that is non-negotiable and not evidenced by the issuance of securities. Includes general debtors. Excludes assets in relation to insurance business (such as policy loans), investment assets (such as debt securities), and related party assets .
derivatives not for investment	Positive or negative value of derivatives not associated with investments (e.g., hedging of foreign currency liabilities). This is intended to cover similar information as Appendix A of NZ IFRS 9 .
property, plant and equipment (excluding owner-occupied and owned property)	Fixed assets that are property-related, but excluding right-of use lease assets.
other fixed assets	Physical assets that are not investment assets and not property, plant and equipment .
goodwill & other intangible assets	Goodwill ("an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised") and any other intangible assets. This is intended to cover similar information as NZ IFRS 3 and NZ IAS 38 .
tax assets	Tax balances owing to the insurer, regardless of whether current or deferred. These must not be netted off against tax liabilities . Exclude any amount included within insurance assets/(liabilities).
other assets (n.e.c.)	Any other asset not elsewhere classified (e.g. right-of-use lease assets). Excludes assets in relation to insurance business and investment assets .

2.16 Other liabilities

Term	Definition
related party liabilities (excluding insurance-related)	Debt owed by the insurer to a related party. Related party is defined in section 6 of IPSA . Related party liabilities must not be offset against related party assets . Excludes liabilities in relation to insurance business (such as outwards reinsurance liabilities to a reinsurer that is a related party).
tax liabilities	Tax balances owed by the insurer, regardless of whether current or deferred. These must not be netted off against tax assets . Exclude any amount included within insurance assets/(liabilities).
other liabilities (n.e.c.)	Any other liability not elsewhere classified, e.g., lease liabilities. Excludes liabilities in relation to insurance business.

2.17 Off balance sheet items

Term	Definition
(declared but unpaid dividends & capital distributions)	<p>Future dividends or distributions of capital that have been declared by the board of the insurer at date of submission of the return (whether or not declared by Report Date), but which are not fully reflected in the balance sheet at Report Date.</p> <p><i>Note this definition for PART A financials differs from the solvency treatment in the Interim Solvency Standard 2023.</i></p>
(defined benefit scheme deficit)	The 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.
(contingent liabilities)	The total value of any contingent liabilities that are required to be disclosed by the accounting standards, to the extent that it is not already 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. Please include in the commentary an explanation of any contingent liabilities for which the maximum possible liability is not quantifiable.

2.18 Movement in net assets

Term	Definition
capital additions	New capital that has been raised during the financial year, other than through total comprehensive income. This includes issue of new share equity, transfer from head office for an overseas insurer , and contributions to members' funds for a mutual insurer.

UNCLASSIFIED

Term	Definition
(dividends and capital distributions)	Capital that has been released during the financial year, other than through total comprehensive income. This includes dividends and share buy-backs, transfers to head office for an overseas insurer , and repayment of contributions to members' funds for a mutual insurer.

3 PART B solvency

Important note

Most items in *PART B solvency* are defined in the ISS. Definitions used from the ISS are not repeated in this document.

Asset definitions in the ISS are not all identical to definitions in *PART A financial*.

3.1 Columns

Term	Definition
entire insurer	For New Zealand incorporated insurers (including mutual insurers established in New Zealand) this is the entire insurer, including any statutory funds .
1 st statutory fund or {label entered by insurer}	The first statutory fund of a New Zealand incorporated insurer or an overseas insurer that is subject to the Reserve Bank's solvency requirements.
consolidated	Entire insurer plus any insurance subsidiaries (whether incorporated in New Zealand or overseas). Refer ISS paragraph 6ii.

3.2 Materiality threshold

The materiality threshold for the sheets with names that start with "*solvency RBNZ*" is:

assessed by the **appointed actuary** in accordance with ISS Appendix 3.

The materiality threshold for the "*solvency foreign*" sheet is:

max.(\$1 million, 10% * home jurisdiction equivalent to **adjusted solvency margin**).

4 PART C statistics

4.1 Materiality threshold

The materiality threshold for *PART C statistics* is:

5% * total figure for each type of insurance at **Report Date**.

4.2 Columns

Term	Definition
NZ primary insurance	Insurance for the benefit of people and organisations based in New Zealand, excluding reinsurance of such business. It includes insurance of inbound visitors and workers where this is provided by a New Zealand licensed insurer.
data classes	The classes used for reporting in the " <i>financial insurance</i> " and " <i>statistics insurance</i> " sheets. Currently these are the product classes defined in ISS paragraph 17.
unallocated {column}	The portion of the total figure that has not been allocated to other columns. This should be zero.

4.3 Statistics

Term	Definition
lives insured	Number of insured lives. This is not unique lives – some policies may cover multiple classes and some insureds have multiple policies (with one or more insurers).
in-force annual premium	Annual amount of regularly recurring premiums, excluding single premium written . The premium amount or rate may be fixed or variable on a contractual basis. This differs from premium revenue in financial data due to being a point in time measure (and movement between points in time).
single premium written	Total of single or ad hoc premiums written during the financial year to Report Date , whether fixed (contractual) or discretionary.
sum insured or annual benefit	Sum insured (except annual amount of benefit for disability income , group disability income and annuity), gross of outwards reinsurance. Excludes any excess or deductible.
new business	Movement in statistic during the financial year to Report Date in respect of business that commenced on or after the start of the financial year. For group life and group health new business includes all new schemes and also additions for existing schemes. Excludes adjustments and business that is cancelled from inception. Not applicable to general insurance.

UNCLASSIFIED

Term	Definition
(lapses, surrenders and cancellations)	<p>Movement in statistic (-ve) during the financial year to Report Date in respect of business that terminated early due to policyholder election, whether by non-payment of premiums or active cancellation or surrender.</p> <p>Not applicable to general insurance.</p>
(maturities and expiries)	<p>Movement in statistic (-ve) during the financial year to Report Date in respect of business that reached the end of their contractual cover due to maturity or expiry.</p> <p>Not required for general insurance.</p>
(deaths and disability exits)	<p>Movement in statistic (-ve) during the financial year to Report Date in respect of business that ceased cover due to death or disablement of the insured live(s).</p> <p>Not required for general insurance.</p>
premium increases not included above	<p>Movement in in-force annual premium during the financial year to Report Date that is due to contractual increases or voluntary increases in premium rates and/or cover (e.g. associated with optional changes in cover), or exposure changes. Excludes movement in annual premium due to new business, lapses, surrenders & cancellations, maturities & expiries, deaths & disability exits. If the movement is a decrease record as a negative figure.</p>
sum insured or annual benefit increases not included above	<p>Movement in sum insured or annual benefit during the financial year to Report Date that is due to contractual increases or voluntary increases in premium rates and/or cover (e.g. associated with optional changes in cover), or exposure changes. Excludes movement in sum insured or annual benefit insured benefit due to new business, lapses, surrenders & cancellations, maturities & expiries, deaths & disability exits. If the movement is a decrease record as a negative figure.</p>
adjustments	<p>Movement in statistic (increase +ve or decrease -ve) during the financial year to Report Date that is not included elsewhere. This includes transfers of business to or from another insurer, business with an insurer that changes insurance class, correction of errors, etc.</p> <p>Not required for general insurance.</p>
growth	<p>The net movement in statistic during the financial year to Report Date.</p>

5 PART D supplementary

5.1 Materiality threshold

The materiality threshold for PART D supplementary is:

- "supplementary overseas insurer" sheet = \$1 million.
- "supplementary small insurer" sheet = \$1,000.

5.2 Columns

Term	Definition
All NZ insurance	NZ primary insurance and NZ inwards reinsurance.
NZ primary insurance	Insurance for the benefit of people and organisations based in New Zealand, excluding reinsurance of such business. It includes insurance of inbound visitors and workers where this is provided by a New Zealand licensed insurer.
NZ inwards reinsurance	Reinsurance of NZ primary insurance where risk is transferred (ceded) by another insurer to the reporting insurer.
data classes	The classes used for reporting in the " <i>financial insurance</i> " and " <i>statistics insurance</i> " sheets. Currently these are the product classes defined in ISS paragraph 17.
unallocated {column}	The portion of the total figure that has not been allocated to other columns. This should be zero.
entire insurer or NZ branch	For New Zealand incorporated insurer (including mutual insurers established in New Zealand) this is the entire insurer, and for overseas insurers this is the New Zealand branch (if it exists).

5.3 Financial data

Refer also the definitions for *PART A financial*.

Term	Definition
NZ business excluding NZ branch	For overseas insurers this is NZ primary insurance or NZ inwards reinsurance that is not conducted in the New Zealand branch.
annual gross premium income	<p>The total premium income for the relevant financial year, before outwards reinsurance, that would be reported under NZ IFRS 4.</p> <p>This is intended to cover similar information as paragraphs C5.2.2 and C8.1.2 of Appendix C of NZ IFRS 4 as well as paragraphs D4.1.1, D4.1.2, D4.2.2, and D19.1 of Appendix D of NZ IFRS 4; measured as income (refer to paragraph 4.68 of the NZ XRB's '2018 Conceptual Framework'.</p>