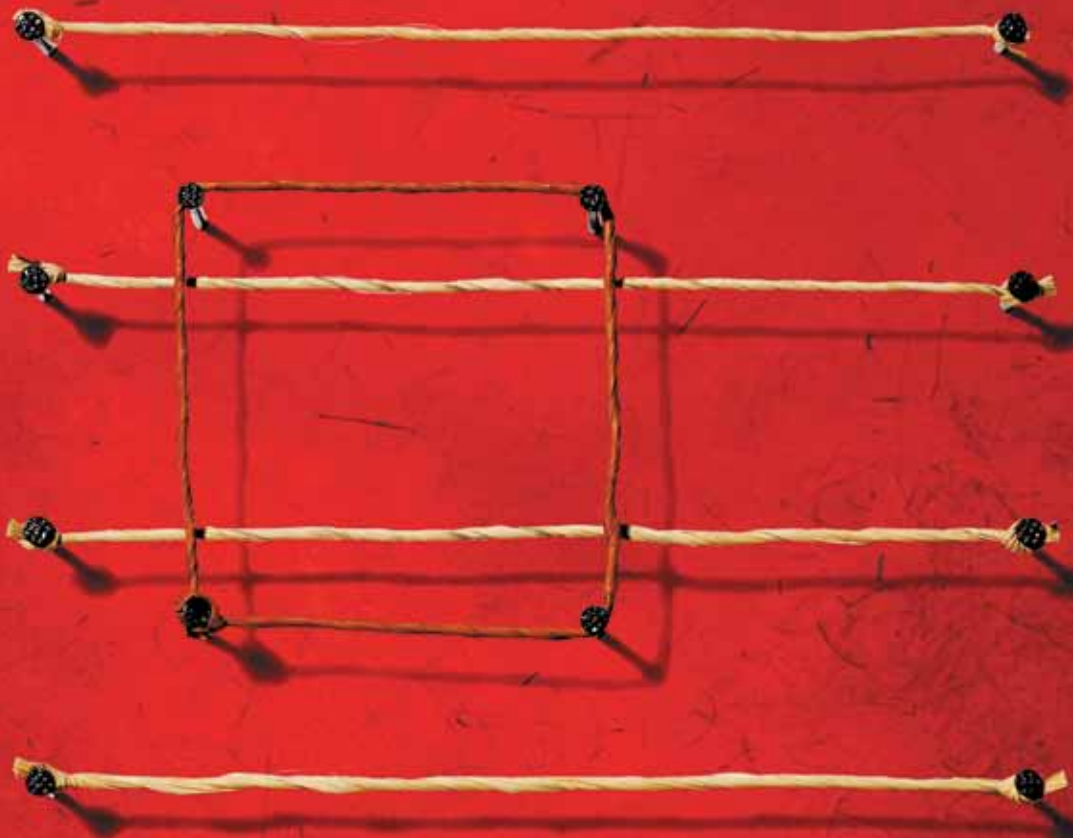




Statistics

General Insurance Supplementary Statistical Tables

June 2013 (issued 27 November 2013)



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Notation

Amounts are expressed in Australian dollars.

The symbol ' * ' indicates that the data have been masked to maintain confidentiality.

Glossary and explanatory notes

A set of explanatory notes and glossary are provided at the end of the publication to assist the reader in understanding the source and definitions of the data.

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Important notice

This edition of the *General Insurance Supplementary Statistical Tables (GISST)* only includes state-level premium and claims expenses for direct insurers.

This publication is available in three versions: an Adobe PDF version for printing, a Microsoft Excel version, and a database version (in a Microsoft Excel file) which contains a full time series of statistics that are published in the PDF and Excel versions back to 2005.

This is the last edition of the GISST publication. Following consultation, APRA has transferred the publication of state-level statistics to the *General Insurance Quarterly Performance Statistics* publication from the September 2013 reference period, and ceased publishing statistics on public insurers. Historical information about public insurers' financial performance, position, and premiums and claims by class of business are available in the database version of the publication until the 30 June 2012 reference period.

The publication includes data across two different reporting frameworks. Data prior to September 2010 is reported on a different basis to more recent periods. Further detail is provided in the *Explanatory Notes* at the end of this publication.

Highlights

Direct insurers

These highlights relate to state level premium and claims in Table 1 and Table 2, which are reported based on the location of risk. These data are submitted by direct insurers for their respective financial years ended between 1 July 2012 and 30 June 2013.

- For financial years ended in the 12 months to June 2013, direct insurers earned \$32.6 billion of gross premium inside Australia. Of this premium, \$12.8 billion (39 per cent) related to risks in New South Wales and the Australian Capital Territory (NSW/ACT). This region accounts for the highest percentage of gross earned premium in all direct classes other than employers' liability.
- The total claims incurred were \$20.8 billion for the financial years ended in the 12 months to June 2013. Of these claims, \$8.4 billion (41 per cent) were related to risks in New South Wales and the Australian Capital Territory (NSW/ACT). This region accounts for the highest percentage of gross incurred claims in all direct classes except for mortgage and employers' liability classes of business.
- The total claims incurred from homeowners/householders, domestic motor vehicle and fire and ISR classes of business accounted for 54 per cent (\$11.3 billion) of the total claims incurred in all direct classes. These incurred losses were impacted by catastrophic events that occurred in various states in early 2012 (the impact of which was included in the annual returns of direct insurers with September and December 2012 balance dates) and early 2013 (the impact of which was included in the annual returns of direct insurers with March and June 2013 balance dates).
- In Queensland, the gross loss ratio for mortgage class of business was 93 per cent. This high loss ratio was due to above average claims for loans on properties in some parts of the state.

Table 1 Gross earned premium by state of Australia (direct insurers)

Financial years ended in the 12 months to June 2013

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	2,661	1,463	1,683	481	651	137	20	7,095
Commercial motor vehicle	588	425	322	179	250	32	12	1,807
Domestic motor vehicle	2,807	1,829	1,334	502	738	120	25	7,354
Travel	383	156	76	47	59	6	2	730
Fire and ISR	1,492	973	704	224	468	67	21	3,948
Marine and aviation	224	150	107	37	64	12	7	602
Mortgage	257	183	214	49	125	14	11	853
Consumer credit	108	66	82	18	45	8	3	330
Other accident	348	248	194	100	127	17	7	1,042
Other	278	216	179	49	89	9	7	826
CTP motor vehicle	1,997	0	1,061	0	0	0	0	3,058
Public and product liability	746	461	356	172	226	28	9	1,998
Professional indemnity	600	307	230	77	140	15	7	1,375
Employers' liability	338	21	5	13	960	137	94	1,568
Total direct business	12,829	6,496	6,546	1,946	3,943	601	225	32,586

Notes:

Gross earned premium in this table is reported according to the location of risk.

Table 2 Gross incurred claims by state of Australia (direct insurers)

Financial years ended in the 12 months to June 2013

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	1,014	707	991	221	315	139	10	3,398
Commercial motor vehicle	623	344	213	122	177	22	8	1,510
Domestic motor vehicle	2,229	1,811	1,095	430	635	101	27	6,328
Travel	182	40	31	23	19	2	1	298
Fire and ISR	658	248	242	195	197	28	9	1,576
Marine and aviation	107	100	65	38	52	10	6	380
Mortgage	78	26	200	14	52	6	0	375
Consumer credit	25	15	19	5	10	2	0	76
Other accident	188	162	75	55	47	6	1	535
Other	284	101	77	20	27	2	2	513
CTP motor vehicle	1,945	0	795	0	0	0	0	2,740
Public and product liability	592	358	146	58	85	6	-2	1,244
Professional indemnity	324	127	165	19	67	1	1	705
Employers' liability	184	29	-13	-2	682	127	85	1,092
Total direct business	8,433	4,069	4,100	1,199	2,367	452	150	20,770

Notes:

Gross incurred claims in this table is reported according to the location of risk.

Explanatory notes

Introduction

This publication includes data across two different reporting frameworks. For more detail see *Change in reporting framework* in this note.

The database version of this publication includes a full time series of statistics that are published in the PDF and Excel versions. These data were published in the *Half Yearly General Insurance Bulletin*.

Some classes of business have been collapsed so as to maintain the confidentiality of individual insurers.

In the database version, industry data are not provided where direct classes of business and inwards reinsurance are provided. The industry figure can be calculated by summing these sectors. This principle also applies to direct class of business data. Sub-level data may not sum up to total figures due to rounding.

Source of data

Data for *direct insurers* in this publication are sourced from annual regulatory returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* by authorised general insurers. Direct insurer returns relate to the financial year end of each insurer, which can occur on any date within the 12 months up to and including the reference date of the publication.

Blank copies of the returns and associated instructions are available on the APRA website.

Basis of preparation

Figures in this publication are prepared from individual insurer accounts, not consolidated insurance group accounts. Transactions between related entities within the same insurance group have not been eliminated. Examples of such transactions include intra-group reinsurance arrangements (premiums, claims, reinsurance recoveries, provisions), dividends and loans between parents and subsidiaries.

Due to the interdependent nature of insurance and reinsurance, double counting of claims and premiums will occur in gross measures. Inwards reinsurance essentially reflects a restatement of premium that has already been included in the direct business figures (where the business is ceded by Australian authorised insurers).

Change in reporting framework

From the September 2010 quarter onwards, data in this publication are prepared based on APRA reporting which has been largely aligned with *AASB 1023 General Insurance Contracts (AASB 1023)*.

Data in the publication prior to September 2010 are based on APRA's 'prospective accounting' reporting framework that applied until 1 July 2010. Under this framework, insurers used prospective liability valuation requirements prescribed by *Prudential Standard GPS 310 Audit and Actuarial Reporting and Valuation (GPS 310)*.

Under APRA's prospective accounting reporting framework, expected future profit or loss on written business was immediately recognised. Under *AASB 1023*, profit or loss is recognised over time in accordance with the expected pattern of risk associated with the business.

Glossary

Definitions

Classes of business in tables 1 and 2 are shown in order of risk capital factors as described in Attachment A of *Prudential standard GPS 115 Capital Adequacy: Insurance Risk Capital Charge*.

Direct insurers are those insurers who, excluding intra-group arrangements, predominantly undertake liability by way of direct insurance business.

Gross incurred claims comprises claims paid during the period and movements in the outstanding claims liability.

Gross earned premium is the earned premium revenue plus Fire service levy and measured on an AASB 1023 basis.

Gross loss ratio is the gross incurred claims divided by the gross earned premium.

Net profit/loss refers to profit or loss from ordinary activities after income tax, before extraordinary items.

Outstanding claims liability is the insurer's liability for outstanding claims. It recognises the potential cost to the insurer of settling claims which it has incurred at the reporting date (including estimates of claims that have not yet been notified to the insurer), but which have not been paid. The amount reported is after taking account of inflation and discounting, without deducting reinsurance and non-reinsurance recoverables.

Public insurers are controlled, or (where a statutory corporation) wholly owned by the Commonwealth government or the government of an Australian state or territory.

Reinsurance and other recoveries revenue comprises amounts the insurer has recovered or is entitled to recover from reinsurers, subrogation, salvage and other non-reinsurance recoveries on incurred claims during the reporting period.



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