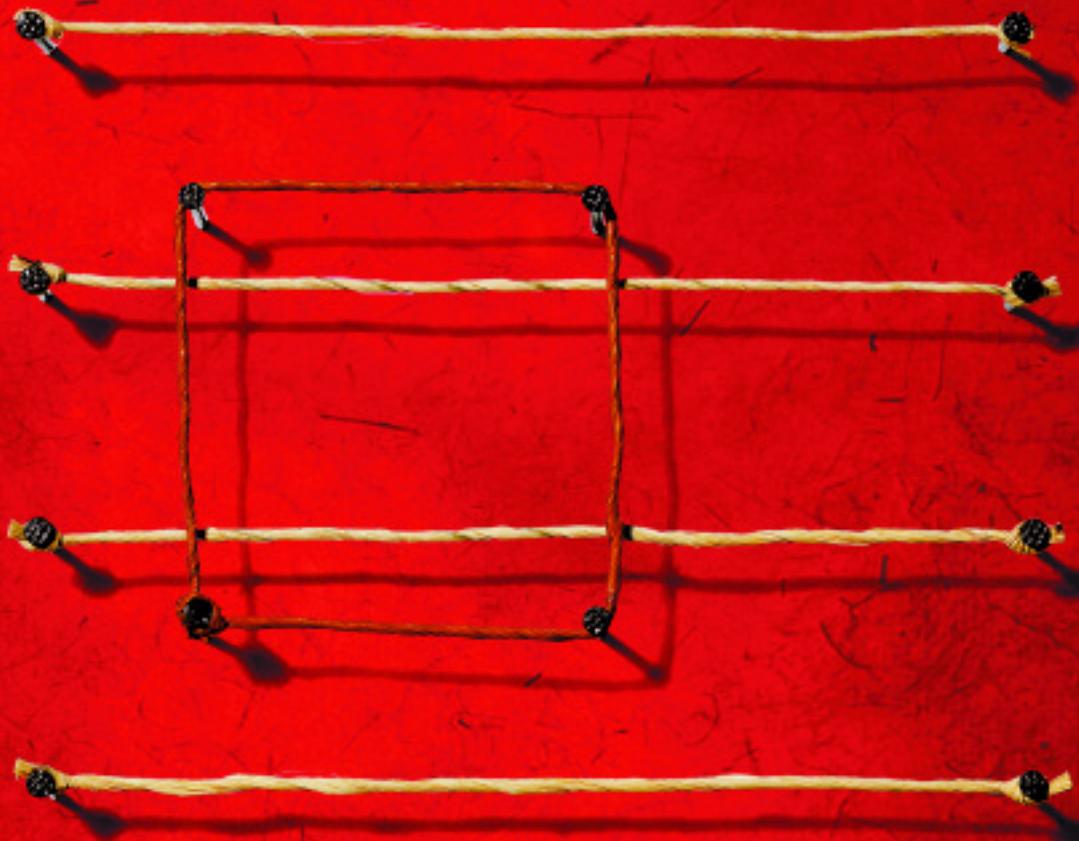




Statistics

Half Yearly General Insurance Bulletin

June 2006 (issued 1 February 2007)



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Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

Notation

Except where indicated, amounts are expressed in millions of Australian dollars.

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

Glossary and explanatory notes

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data. In particular, these notes help explain differences between the data presented and information publicly released by insurers in their financial statements. The notice following the contents page also provides details in relation to the change in the general insurance reporting framework that took effect on 1 July 2002.

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Introduction

APRA's statistics publications provide the most accurate and independent overview of Australia's general insurance industry.

This is the third edition of this publication and is compiled from information provided to APRA as part of APRA-regulated general insurance companies' prudential reporting requirements. It differs in content to the APRA *Quarterly General Insurance Performance Statistics* (QGIPS) in the following ways:

- This publication is based on audited annual returns whereas the QGIPS is based on quarterly data;
- This publication contains data at an individual entity level;
- This publication contains data for individual classes of business and States;
- See "Notice" section for differences in the basis of calculation.

In developing the content of this publication, APRA has closely considered the detail contained in the previous publication and has consulted with both industry participants and other interested parties on the data to be published. We also took into consideration the recommendations of the HIH Royal Commission.

The *Half Yearly General Insurance Bulletin* will publish relevant information according to the following key principles and considerations:

- the importance of public release of company level information;
- adequate disclosure to assist in the protection of Australian general insurance policyholders;
- the importance of commercial considerations for individual companies;
- general insurance data which are already publicly available;
- the disclosure regime in existence prior to July 2002; and
- the recommendations of the HIH Royal Commission.

APRA is committed to working to provide equivalent data for the period between June 2002 and June 2005. APRA will also examine if there are additional data items that serve the considerations outlined above and that should be added in future issues and also whether some of the currently published data should be presented in a different fashion or discontinued.

We welcome your feedback and suggestions for improvement.

Important notice

Change in the reporting framework

The information contained in the private insurer tables (Key statistics through to Table 14) is not directly comparable to information reported for public insurers (Table 15 through to Table 18). Key statistics through to Table 14 are also not directly comparable to APRA's previous publication *Selected Statistics on the General Insurance Industry*. The differences are due to:

- the change in prudential reporting framework for private insurers that took effect on 1 July 2002, described in the Explanatory notes; and
- changes in the definition of certain ratios to better align with industry standards. Details on ratios are included in the glossary.

Lloyd's Australia and public insurer data are not affected by these changes.

Double counting of claims and premiums

Due to the nature of the insurance and reinsurance industry, some 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). Also, 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) and loans between parents and subsidiaries. Refer to the Explanatory Notes for further details.

Insurance Groups

Where an insurance group holds more than one licence, each entity within the group is reported separately within this publication. No insurance information is therefore included in this publication.

Reconciliation with Quarterly General Insurance Performance Statistics

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics* (QGIPS) for the following reasons:

Different basis for calculation - the QGIPS uses quarterly movements for flow data. The year-end figures for the quarterly publication are the aggregate movements for the previous four quarters. This bulletin uses full year data from each entity.

Different balance dates - the Half Yearly General Insurance Bulletin uses annual accounts that correspond to insurers own financial years. Most insurers balance in June or December, therefore not all data in this publication relate to the June 2006 year end.

Changes in the population of insurers - the QGIPS includes some insurers that have recently obtained a license, but have yet to submit annual accounts to APRA. Data from these insurers are not included in this bulletin. The QGIPS includes some insurers that have submitted quarterly returns throughout the year, but have left the industry before the reference period of the bulletin.

Highlights

Private insurers

These highlights relate to data used in the tables for private insurers. These data are submitted by licensed general insurers for their respective financial years ended between 1 July 2005 and 30 June 2006.

Specifically, highlights discussed in this section will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the Important notice for further details.

- General insurance business (i.e. insurance other than life and health insurance) was accepted by 133 private sector insurers, licensed at 30 June 2006. Of these there were 112 direct insurers and 21 reinsurers. These companies are prudentially supervised under the *Insurance Act 1973* (Insurance Act).
- In their financial years ending between July 2005 and June 2006, private insurers reported gross premium revenue of \$28.2 billion. Direct insurers reported gross premium revenue of \$26.3 billion, making up 93.3 per cent of the total. Reinsurers accounted for the remaining 6.7 per cent of the total, or \$1.9 billion. Gross premium revenue for Inwards reinsurance was \$5.4 billion.
- The domestic motor vehicle and householders classes of business accounted for the largest proportions of total direct gross premium revenue at 21.7 per cent 14.9 per cent respectively.
- Gross premium revenue for professional indemnity insurance fell 5.6 per cent from the previous year to \$1.3 billion. Public and product liability gross premium revenue fell 8.8 per cent from the previous year to \$1.9 billion.
- In financial years ending between July 2005 and June 2006, private insurers reported 98 per cent of gross premium revenue being accepted inside Australia. Private insurers Total assets inside Australia for the same period were reported as \$77.7 billion, or 95 per cent of all Total assets.
- Direct insurers in New South Wales and the Australian Capital Territory (NSW/ACT) account for 42.8 per cent of total gross premium revenue in Australia for financial years ending between July 2005 and June 2006. The state/territory dominates in all classes other than Employers liability, for which Western Australia (WA) accounts for 54.9 per cent of the total in Australia. CTP motor vehicle is underwritten by public insurers in all states and territories of Australia apart from NSW and QLD. CTP motor vehicle gross premium revenue for NSW/ACT and QLD was \$1,521 million and \$828 million respectively in financial years ending between July 2005 and June 2006.
- Gross incurred claims reported in financial years ending between July 2005 and June 2006 were \$17.7 billion, with \$16.8 billion (94.8 per cent) made up by claims on direct insurers. Gross incurred claims represent the demands made by the insured for payment of benefits as provided by a general insurance policy. They include claims paid during the period and movements in insurance provisions.
- In their financial years ending between July 2005 and June 2006 private insurers reported underwriting results of \$3.1 billion, up 18.6 per cent on the previous twelve months, and 13.4 per cent lower than the twelve months to 30 June 2004.
- Outstanding claims provision (OCP) and Premium Liabilities (PL) represent the amounts set aside by insurers to provide payment for prior, current and future claims by insured parties. Private direct insurers reported \$30.3 billion in OCP and \$12.4 billion in PL in their financial years ending between July 2005 and June 2006. Reinsurers reported \$4.8 billion in OCP and \$1.1 billion in PL in their financial years ending between July 2005 and June 2006.

Highlights (continued)

- The capital position for private sector insurers remains strong. In terms of risk-based capital measures, the industry's capital coverage is currently 2.36 times the minimum capital requirement, a figure that has been rising since 2003. Although direct comparisons cannot be made prior to June 2003 due to changes in prudential regimes, evidence of a strengthening capital position is also reflected over a longer period with a 69.1 per cent increase in shareholders' equity over the past five years, from \$14.8 billion to \$24.9 billion.
- In financial year ends between July 2005 and June 2006 private insurers reported total assets of \$82.2 billion, an increase of \$4.4 billion (5.6 per cent) on the previous year. Some \$72.2 billion of assets (87.9 per cent) are held by direct insurers. Industry assets were offset by total liabilities of \$57.2 billion.

Public insurers

- General insurance was also written by 14 public sector insurers for the year ended 30 June 2006. These insurers are not subject to the Insurance Act and are not regulated by APRA.
- For the year ended 30 June 2006, total public sector premium revenue was \$9.4 billion. Public insurer premium revenue is deferred and amortised in accordance with AASB 1023 and consequently cannot be directly compared to premiums written by private insurance companies.

Key statistics

Financial years ended in the 12 months to June

Industry at a glance							
	Jun 2006	Jun 2005	Jun 2004	Jun 2003 ^a	Jun 2002 ^b	Jun 2001 ^b	Jun 2000 ^b
Net premium revenue (\$m)	21,046	20,488	20,401	19,412	14,946	13,031	14,347
Net incurred claims (\$m)	12,372	12,736	11,868	12,868	11,463	10,820	13,198
Underwriting result (\$m)	3,132	2,641	3,615	1,848	-630	-1,218	-2,623
Investment income (\$m)	4,820	4,292	2,951	2,859	2,106	3,047	2,270
Net profit / loss (\$m)	5,600	4,706	4,311	2,832	740	1,275	-981
Net loss ratio	59%	62%	58%	66%	77%	83%	92%
Total assets (\$m)	82,155	77,801	76,138	73,761	65,059	57,482	59,920
Shareholders' equity (\$m)	24,950	23,195	21,356	19,696	16,369	14,751	14,155
Return on assets	7.0%	6.1%	5.8%	4.1%	1.2%	2.2%	-1.7%
Return on equity	23.3%	21.1%	21.0%	15.7%	4.8%	8.8%	-7.1%
Solvency coverage	2.36	2.34	2.21	2.00	2.34	2.90	2.95

Gross premium revenue by class of business (\$m)

	Jun 2006	Jun 2005	Jun 2004	Jun 2003 ^c	Jun 2002 ^{bd}	Jun 2001 ^{bd}	Jun 2000 ^{bd}
Direct business	22,820	22,617	22,243		15,542	12,948	14,326
<i>of which:</i>							
Houseowners/householders	3,407	3,250	3,230		2,461	2,201	2,284
Commercial motor vehicle	1,348	1,326	1,306		1,121	959	1,036
Domestic motor vehicle	4,944	4,776	4,720		3,710	3,276	3,399
Fire and ISR	2,737	2,770	2,780		1,655	1,213	1,279
CTP motor vehicle	2,385	2,429	2,448		1,976	1,635	2,249
Public and product liability	1,935	2,121	2,142		1,001	761	817
Professional indemnity	1,276	1,351	1,408		556	363	579
Employers' liability	1,157	1,143	999		873	760	771
Other direct classes	3,631	3,451	3,211		2,190	1,779	1,911
Inwards reinsurance	5,401	4,717	6,289		2,457	2,240	1,700

Gross direct premiums and direct claims by state of Australia for direct insurers (\$m)

	June 2006						Total
	NSW/ACT	VIC	QLD	SA	WA	Other	
Gross premium revenue	9,571	4,613	3,977	1,299	2,412	507	22,379
Gross incurred claims	5,769	3,117	2,597	766	1,154	306	13,709

^a Financial performance figures for June 2003 are annualised using nine months of data.

^b Figures reported up to June 2002 are not directly comparable to current periods. Please see the 'Important notice'.

^c Class of business data for June 2003 are impacted by transitional reporting affects and have been excluded.

^d Class of business data up to June 2002 reflect business written inside Australia only and are therefore not directly comparable to later periods, which include business written outside Australia.

Table 1 Industry financial performance

Financial years ended in the 12 months to June 2006
(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Gross premium revenue	26,328	1,894	28,221
<i>of which:</i>			
Direct business	22,839	-19	22,820
Inwards reinsurance ^a	3,488	1,913	5,401
Outwards reinsurance expense	6,889	286	7,175
Net premium revenue	19,439	1,608	21,046
Gross incurred claims	16,756	917	17,673
<i>of which:</i>			
Direct business	14,118	56	14,173
Inwards reinsurance ^a	2,639	861	3,500
Non-reinsurance recoveries revenue	1,732	-2	1,731
Reinsurance recoveries revenue	3,481	90	3,571
Net incurred claims	11,543	829	12,372
Acquisition costs	2,759	294	3,052
Other underwriting expenses	1,965	84	2,049
Levies and charges	814	1	815
Commission revenue	369	4	373
Total underwriting expenses	5,168	375	5,543
Underwriting result	2,728	404	3,132
Investment income	4,305	515	4,820
Other operating expenses	1,498	96	1,594
Other items	-553	-205	-758
Net profit / loss after tax	4,982	618	5,600
Number of entities	112	21	133

Notes:

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the 'Important notice'.

^a For direct insurers, inwards reinsurance predominantly represents transactions between related entities within the same insurance group.

Table 2 Industry operating income and expense

Financial years ended in the 12 months to June 2006

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Investment income	4,304	515	4,819
<i>arising from:</i>			
Interest	2,000	425	2,425
Dividend	1,463	16	1,479
Rent	105	0	105
Change in net market value of investments	552	44	596
<i>of which:</i>			
Unrealised gains/losses	400	23	423
Realised gains/losses	152	21	173
Other investment income	183	30	213
Other operating income	874	38	912
Operating expenses	1,498	96	1,593
<i>of which:</i>			
Interest	113	2	115
Wages and salaries	383	44	427
Other employee related	86	13	98
Occupancy and equipment	88	8	95
Fees	448	25	474
<i>of which:</i>			
Management	389	18	406
Audit firm	11	2	14
Consulting	33	3	35
Actuarial	9	2	11
Directors	6	1	7
Bad and doubtful debts	2	-19	-17
Other operating expenses	378	23	401
Number of entities	112	21	133

Table 3 Industry financial position

Financial years ended in the 12 months to June 2006

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated	of which: inside Australia ^a
Cash and liquid assets	1,665	128	1,793	1,657
Investments	47,793	7,757	55,550	52,279
<i>of which:</i>				
Interest	32,921	6,551	39,472	
Equity	4,259	628	4,887	
Indirect investments	3,011	123	3,134	
Property	514	0	514	
Loans and advances	1,644	454	2,098	
Other investments	5,445	0	5,445	
Reinsurance recoverables	8,662	488	9,151	8,637
Non-reinsurance recoverables	2,382	8	2,390	2,387
Premium receivables	5,339	1,124	6,463	6,335
Intangible assets	1,491	1	1,492	1,475
Other assets	4,896	421	5,317	4,920
Total assets	72,228	9,927	82,155	77,690
Outstanding claims provision	30,315	4,849	35,163	34,238
Premium liabilities	12,375	1,056	13,431	13,271
Tax provisions	931	296	1,227	1,214
Payables on reinsurance contracts	1,086	252	1,337	1,176
Borrowings and loan capital	2,314	0	2,314	2,251
Other liabilities	3,311	423	3,733	3,701
Total liabilities	50,331	6,875	57,206	55,852
Share capital	11,668	2,143	13,811	
Reserves	1,084	227	1,312	
Retained profits	9,145	682	9,827	
Shareholders' equity	21,897	3,052	24,950	
Number of entities	112	21	133	

Notes:

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the 'Important notice'.

^a Breakdown of investments is not available at inside Australia level.

Table 4 Industry offshore profile

Financial years ended in the 12 months to June 2006

(\$ million)

	Direct insurers		Reinsurers		Total APRA regulated	
	Australia	Offshore	Australia	Offshore	Australia	Offshore
Financial performance						
Gross premium revenue	25,803	525	1,847	47	27,649	572
<i>of which:</i>						
Direct business					22,350	470
Inwards reinsurance					5,299	102
Outwards reinsurance expense	6,704	185	223	63	6,928	247
Net premium revenue	19,097	342	1,624	-16	20,722	324
Gross incurred claims	16,603	153	951	-34	17,554	119
<i>of which:</i>						
Direct business					14,045	128
Inwards reinsurance					3,509	-9
Reinsurance recoveries revenue	3,466	15	77	13	3,544	27
Investment income	4,218	87	491	24	4,709	111
Financial position						
Investments	45,256	2,537	7,023	734	52,279	3,271
Reinsurance recoverables	8,192	470	446	42	8,637	514
Other assets	15,141	632	1,633	49	16,774	681
Total assets	68,589	3,639	9,102	825	77,690	4,465
Outstanding claims provision	29,874	441	4,364	485	34,238	925
Premium liabilities	12,235	140	1,037	19	13,271	160
Borrowings and loan capital	2,251	63	0	0	2,251	63
Other liabilities	5,184	143	907	63	6,092	206
Total liabilities	49,544	787	6,308	567	55,852	1,354

Notes:

It is not possible to show the breakdown of 'net incurred claims' between Australia and offshore as 'non-reinsurance recoveries' are not reported to APRA.

Table 5 Industry capital adequacy

Financial years ended in the 12 months to June 2006

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Minimum capital requirement risk charges arising from:			
Off balance sheet business	39	7	45
Investments	1,167	140	1,307
<i>of which:</i>			
Interest	489	78	566
Equity	347	54	401
Indirect investments	207	4	210
Property	51	0	51
Loans and advances	73	5	78
Investment risk rebate	1	0	1
Counterparty default	1,121	66	1,188
Asset concentration	45	6	51
Derivative activity	4	0	4
Maximum event retention	1,684	130	1,815
Outstanding claims provision	2,907	672	3,579
Premium liabilities	1,524	175	1,699
Minimum capital requirement^a	8,511	1,213	9,723
Capital base	19,822	3,089	22,911
<i>of which:</i>			
Branch insurers ^b	1,117	2,012	3,129
Non-branch insurers	18,705	1,077	19,782
<i>of which:</i>			
Tier 1 capital (net of deductions)	17,631	1,077	18,708
Tier 2 capital	1,150	0	1,150
<i>of which:</i>			
Upper tier 2 capital	205	0	205
Lower tier 2 capital	944	0	944
Tier 1 ratio	94%	100%	95%
Lower tier 2 ratio	5%	0%	5%
Capital surplus	11,296	1,877	13,173
Solvency coverage	2.33	2.55	2.36
Number of entities	112	21	133

^a Minimum capital requirement (MCR) will not necessarily equal the sum of all risk charges, as insurers are required to hold \$5 million minimum capital. MCR also encompasses approved capital arrangements for some run-off insurers.

^b Capital base for branch insurers is derived from net assets inside Australia.

Table 6 Reconciliation to AASB 1023 accounts (non-branch insurers)

Financial years ended in the 12 months to June 2006

(\$ million)

	Non-branch direct insurers	Non-branch reinsurers	Total non-branch insurers
Financial performance			
APRA reporting: Net profit / loss after tax	4,802	82	4,884
<i>Include items specific to APRA reporting:</i>			
Gross premium revenue	25,064	143	25,206
Outwards reinsurance expense	6,303	76	6,379
Gross incurred claims	16,150	81	16,231
Reinsurance recoveries revenue	3,248	56	3,304
Acquisition costs	2,701	16	2,716
Other adjustments	-1,892	-75	-1,967
<i>Exclude items specific to AASB 1023 reporting:</i>			
Earned premium	24,477	140	24,617
Reinsurance expense	6,048	73	6,121
Claims expense	15,761	91	15,853
Reinsurance recoveries revenue	3,467	60	3,527
Underwriting costs	3,609	16	3,625
Other adjustments	1,379	40	1,418
<i>Total adjustments</i>	119	-29	90
AASB 1023 reporting: Net profit / loss after tax	4,683	111	4,794
Financial position			
APRA reporting: Net assets	20,744	1,160	21,904
<i>Include items specific to APRA reporting:</i>			
Reinsurance recoverables	7,632	358	7,990
Outstanding claims provision	28,505	1,588	30,093
Premium liabilities	11,796	61	11,857
Other adjustments	2,528	65	2,592
<i>Exclude items specific to AASB 1023 reporting:</i>			
Deferred acquisition costs	1,937	4	1,940
Deferred reinsurance expense	2,937	23	2,960
Reinsurance recoverables	6,470	344	6,814
Outstanding claims provision	28,835	1,595	30,430
Unearned premium provision	14,249	44	14,293
Other adjustments	-210	-71	-281
<i>Total adjustments</i>	1,389	-29	1,360
AASB 1023 reporting: Net assets	19,355	1,189	20,544
Number of entities	91	6	97

Table 7 Industry premiums and claims by class of business

Financial years ended in the 12 months to June 2006

(\$ million)

Class of business	Gross premium revenue	Reinsurance expense	Net premium revenue	Gross incurred claims ^a	Reinsurance recoveries revenue ^a
Direct business					
Houseowners/householders	3,407	1,298	2,108	2,137	614
Commercial motor vehicle	1,348	103	1,245	1,103	86
Domestic motor vehicle	4,944	2,069	2,874	4,401	1,635
Travel	445	128	317	137	32
Fire and ISR	2,737	1,191	1,546	1,288	450
Marine and aviation	600	137	463	290	46
Mortgage	627	131	496	51	0
Consumer credit	215	23	192	50	3
Other accident	1,070	270	801	428	95
Other	674	173	501	274	67
CTP motor vehicle	2,385	436	1,949	1,681	346
Public and product liability	1,935	340	1,595	825	128
Professional indemnity	1,276	294	982	688	81
Employers' liability	1,157	65	1,092	685	-16
Total direct business	22,820	6,658	16,162	14,038	3,568
Total inwards reinsurance	5,401	517	4,884	3,243	85
Total	28,221	7,175	21,046	17,281	3,653

Notes:

It is not possible to show the breakdown of 'net incurred claims' at class of business level as 'non-reinsurance recoveries' are not reported to APRA.

^a Gross incurred claims and reinsurance recoveries revenue in this table relate only to current and prior years.

Table 8 Industry outstanding claims provision by class of business

Financial years ended in the 12 months to June 2006

(\$ million)

Class of business	Outstanding Claims Provision	Reinsurance recoverables	Non-reinsurance recoverables	Net outstanding claims provision
Direct business				
Houseowners/householders	1,057	331	76	650
Commercial motor vehicle	506	71	115	321
Domestic motor vehicle	1,006	353	267	385
Travel	109	36	1	72
Fire and ISR	1,346	735	60	552
Marine and aviation	310	74	16	220
Mortgage	75	3	2	71
Consumer credit	49	3	1	45
Other accident	438	169	24	244
Other	310	138	10	162
CTP motor vehicle	9,141	1,374	964	6,803
Public and product liability	5,624	1,307	191	4,127
Professional indemnity	3,359	944	304	2,112
Employers' liability	3,315	293	96	2,926
Total direct business	26,644	5,829	2,127	18,689
Total inwards reinsurance	6,973	609	327	6,037
Total	33,617	6,438	2,453	24,726

Notes:

All items in this table are reported in relation to the 75 per cent level of sufficiency. Please refer to the provisioning data note in the explanatory notes.

Table 9 Industry premium liabilities by class of business

Financial years ended in the 12 months to June 2006

(\$ million)

Class of business	Premium Liabilities	Reinsurance recoverables	Non-reinsurance recoverables	Net premium liabilities
Direct business				
Houseowners/householders	1,422	359	82	980
Commercial motor vehicle	696	32	116	548
Domestic motor vehicle	2,727	922	514	1,291
Travel	96	6	1	89
Fire and ISR	989	270	32	687
Marine and aviation	185	22	8	156
Mortgage	625	42	8	575
Consumer credit	163	8	8	147
Other accident	358	67	9	281
Other	314	59	9	246
CTP motor vehicle	1,145	173	90	882
Public and product liability	746	76	27	643
Professional indemnity	537	121	14	402
Employers' liability	634	4	16	614
Total direct business	10,637	2,161	934	7,541
Total inwards reinsurance	2,718	73	294	2,351
Total	13,355	2,234	1,229	9,892

Notes:

All items in this table are reported in relation to the 75 per cent level of sufficiency. Please refer to the provisioning data note in the explanatory notes.

Table 10 Gross premium revenue by state of Australia (direct insurers)

Financial years ended in the 12 months to June 2006

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	1,234	828	669	261	333	65	10	3,400
Commercial motor vehicle	465	347	233	115	151	26	11	1,347
Domestic motor vehicle	1,967	1,269	882	305	439	70	10	4,942
Travel	342	*	*	11	19	1	0	436
Fire and ISR	1,165	668	360	169	224	36	14	2,636
Marine and aviation	248	88	90	33	53	10	10	532
Mortgage	220	147	146	41	108	9	4	676
Consumer credit	71	46	47	14	23	5	2	208
Other accident	422	211	162	82	99	15	5	996
Other	291	145	86	40	54	5	2	623
CTP motor vehicle	1,521	0	828	0	0	0	0	2,350
Public and product liability	736	502	302	129	172	26	8	1,875
Professional indemnity	572	280	149	82	107	13	4	1,207
Employers' liability	316	*	*	17	631	98	46	1,149
Total direct business	9,571	4,613	3,977	1,299	2,412	381	126	22,379

Notes:

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

Table 11 Gross claims expense by state of Australia (direct insurers)

Financial years ended in the 12 months to June 2006

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	632	457	566	155	189	45	3	2,047
Commercial motor vehicle	382	293	215	85	106	20	7	1,107
Domestic motor vehicle	1,591	1,259	862	256	360	63	7	4,399
Travel	112	*	*	2	4	0	0	136
Fire and ISR	460	304	241	70	115	16	8	1,213
Marine and aviation	125	45	48	15	17	4	9	263
Mortgage	24	13	8	2	5	0	0	52
Consumer credit	20	9	8	3	6	1	0	49
Other accident	195	89	54	38	28	5	1	410
Other	101	75	29	25	23	1	1	255
CTP motor vehicle	1,218	203	251	0	0	0	0	1,672
Public and product liability	361	210	189	51	60	7	3	880
Professional indemnity	262	111	46	59	53	4	2	536
Employers' liability	286	*	*	27	188	67	31	690
Total direct business	5,769	3,117	2,597	766	1,154	234	73	13,709

Notes:

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

Gross claims expense in this table relate only to current and prior years, and hence is not directly comparable to premium revenue by state.

Table 12 Company level financial performance

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
AAIL	31 Dec	2,360,062	401,596	1,958,466	1,720,013	215,310	99,990
AAMI	31 Dec	1,336,540	1,312,095	24,445	1,307,836	0	1,307,836
ACE	31 Dec	493,663	298,542	195,121	150,871	7,066	70,618
AFG ^{ab}	30 Sep						
AIOI	31 Mar	16,028	3,640	12,388	14,968	2,469	1,692
ALEA	31 Dec	2,810	2,373	437	-782	0	0
AM HOME	31 Dec	505,010	282,104	222,906	232,233	0	110,851
AM INT _b	30 Nov	0	0	0	0	0	0
AME RE _b	31 Dec	153	1,150	-997	-21,671	0	-3,779
AMPG _b	31 Dec	0	0	0	-272	0	6
ANZ LMI	30 Sep	70,513	54,246	16,267	-19,646	1	-14,860
ANZCOVER	30 Sep	20,414	6,340	14,074	5,050	0	210
ASSET	31 Dec	19,677	6,785	12,892	6,559	0	1,129
ATRADIUS	31 Dec	24,086	19,617	4,469	5,770	212	4,317
AUS ALLNCE	31 Dec	344,517	332,003	12,514	287,526	0	287,526
AUS FAMILY _b	31 Dec	-8	4	-12	-106	0	46
AUS INT	30 Jun	129,872	39,077	90,795	90,752	2,888	38,421
AUS MED	30 Jun	118,326	-18,682	137,008	18,400	0	-25,773
AUS UNITY	30 Jun	67,900	27,976	39,924	34,182	1,891	11,316
AUTO GEN	30 Jun	86,419	968	85,451	77,404	19,013	0
AXA _b	31 Dec	0	0	0	-2,623	605	-1,594
BARRISTERS	30 Jun	1,054	161	893	494	0	0
BHP MARINE	30 Jun	110,951	42,574	68,377	97,913	0	26,356
BORAL _b	30 Jun	0	0	0	-2,595	0	-2,417
BUDGET _b	30 Jun	3,239	401	2,838	-6,952	-459	-82
CALLI	31 Dec	11,914	7,306	4,608	9,500	0	4,599
CALLI GRP _b	31 Dec	213	-14	227	-262	0	-17
CATHOLIC	30 Jun	178,438	50,387	128,051	102,739	900	13,209
CAVELL _b	31 Dec	0	0	0	911	0	0
CGU	30 Jun	1,909,404	233,498	1,675,906	1,218,671	200,754	89,698
CGU VACC	30 Jun	-120	-525	405	-6,616	-1,468	334
CHUBB	31 Dec	269,730	43,051	226,679	153,504	0	34,105
CIC	31 Dec	115,657	115,657	0	136,650	-959	137,609
COL PROT _b	30 Jun	0	0	0	-1,178	-101	0
COLOGNE RE	31 Dec	-2	0	-2	-38,144	0	0

^a Not required to submit data for the relevant period.

^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
1,404,713	466,938	86,815	267,102	-92,982	260,935	31 Dec	AAIL
0	162,735	-138,290	1,071	137,759	540	31 Dec	AAMI
73,187	57,096	64,838	25,276	-36,292	53,822	31 Dec	ACE
						30 Sep	AFG _{ab}
10,807	1,761	-180	1,197	-2,335	-1,318	31 Mar	AIOI
-782	177	1,042	1,296	-875	1,463	31 Dec	ALEA
121,382	43,029	58,495	44,535	-31,626	71,404	31 Dec	AM HOME
0	0	0	37	-11	26	30 Nov	AM INT _b
-17,892	2,595	14,300	26,455	5,585	46,340	31 Dec	AME RE _b
-278	0	278	1,497	-662	1,113	31 Dec	AMPG _b
-4,787	-15,286	36,340	7,559	-14,848	29,051	30 Sep	ANZ LMI
4,840	158	9,076	9,790	-5,775	13,091	30 Sep	ANZCOVER
5,430	8,982	-1,520	21,699	-16,161	4,018	31 Dec	ASSET
1,241	-4,562	7,790	1,186	-12,542	-3,566	31 Dec	ATRADIUS
0	12,514	0	224	-67	157	31 Dec	AUS ALLNCE
-152	-4	144	151	-764	-469	31 Dec	AUS FAMILY _b
49,443	15,165	26,187	9,592	-17,003	18,776	30 Jun	AUS INT
44,173	14,890	77,945	41,130	-42,085	76,990	30 Jun	AUS MED
20,975	7,382	11,567	4,819	-13,989	2,397	30 Jun	AUS UNITY
58,391	23,892	3,168	2,271	-3,593	1,846	30 Jun	AUTO GEN
-1,634	0	1,634	2,314	-907	3,041	31 Dec	AXA _b
494	0	399	1,799	-773	1,425	30 Jun	BARRISTERS
71,557	5,315	-8,495	22,625	-5,671	8,459	30 Jun	BHP MARINE
-178	0	178	1,179	-479	878	30 Jun	BORAL _b
-6,411	520	8,729	1,708	-10,060	377	30 Jun	BUDGET _b
4,901	-471	178	2,055	-8,191	-5,958	31 Dec	CALLI
-245	-21	493	2,790	-2,962	321	31 Dec	CALLI GRP _b
88,630	26,237	13,184	85,783	-6,057	92,910	30 Jun	CATHOLIC
911	0	-911	665	146	-100	31 Dec	CAVELL _b
928,219	679,060	68,627	278,763	-84,235	263,155	30 Jun	CGU
-5,482	-1,448	7,335	29,254	-10,523	26,066	30 Jun	CGU VACC
119,399	32,169	75,111	30,898	-62,685	43,324	31 Dec	CHUBB
0	0	0	503	0	503	31 Dec	CIC
-1,077	6	1,071	432	-455	1,048	30 Jun	COL PROT _b
-38,144	12	38,130	10,364	-118	48,376	31 Dec	COLOGNE RE

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
COM INSUR	30 Jun	188741	26,533	162,208	83,814	-319	2,865
COM STEAM _b	30 Jun	0	0	0	29	29	0
COMBINED	31 Dec	84,001	0	84,001	36,987	0	0
CONVER	31 Dec	5,121	2,948	2,173	-18,204	0	-188
COPENHAGEN _b	31 Dec	25	0	25	363	0	-12
CORRVAS _b	30 Jun	0	0	0	-650	0	0
CREDICORP	30 Jun	2,680	0	2,680	442	0	0
CUMIS	31 Dec	46,948	2,385	44,563	31,199	3,513	195
CURASALUS	30 Sep	31,092	13,762	17,330	3,947	0	-4,882
EIG ANSVAR	31 Dec	105,097	34,895	70,202	60,932	6,814	11,937
ELDERS	30 Jun	309,281	143,215	166,066	250,766	22,731	113,724
EMPLOY MUT	30 Jun	2,504	1,047	1,457	5,333	188	1,079
EMPLOY RE	31 Dec	71,368	21,030	50,338	75,781	0	2,765
FARM MIL	31 Mar	51,418	23,445	27,973	35,107	1,402	16,495
FIRST AM	31 Dec	4,364	78	4,286	2,948	0	2,306
FM INS	31 Dec	164,362	88,928	75,434	82,309	0	51,807
FORTRON	30 Jun	21,560	514	21,046	7,883	1,881	-45
GE MORT	31 Dec	354,969	21,562	333,407	149,097	1,389	-1,031
GEN RE	31 Dec	139,154	77,553	61,601	38,825	0	48,280
GERLING	31 Dec	3,553	3,709	-156	-18,282	0	-12,311
GIO GEN	30 Jun	1,454,308	68,231	1,386,077	1,017,880	142,102	9,008
GORDIAN _b	31 Dec	3,509	-1,679	5,188	43,398	-1,550	2,109
GUILD INS	30 Jun	121,805	36,089	85,716	60,998	0	15,095
HALLMARK	31 Dec	45,310	1,511	43,799	7,840	-2,913	1,005
HANNOVER	31 Dec	158,768	24,101	134,667	92,462	0	2,820
HBF INS	30 Jun	87,702	13,667	74,035	55,727	9,607	6,181
HOLLARD	30 Jun	79,065	29,854	49,211	45,242	821	17,023
HPIA	30 Jun	57,930	5,100	52,830	11,538	0	60
HSB	31 Dec	21,805	6,014	15,791	9,288	0	-1,088
IAG RE	30 Jun	0	0	0	0	0	0
IAL	30 Jun	2,661,621	1,490,279	1,171,342	1,752,989	222,577	692,008
IMA	30 Jun	1,991,234	148,985	1,842,249	1,303,372	166,451	3,900
ING	31 Dec	19,727	0	19,727	5,578	0	0
KEMPER INS _b	31 Dec	0	0	0	-210	0	-1
LAWCOVER	30 Jun	77,669	33,088	44,581	57,844	0	27,745

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
81,268	48,420	32,520	6,873	-12,500	26,893	30 Jun	COM INSUR
0	0	0	120	-104	16	30 Jun	COM STEAM _b
36,987	21,995	25,019	6,823	-25,633	6,209	31 Dec	COMBINED
-18,016	1,923	18,266	10,457	-12,879	15,844	31 Dec	CONVER
375	93	-443	4,917	-2,051	2,423	31 Dec	COPENHAGEN _b
-650	-68	718	891	-50	1,559	30 Jun	CORRVAS _b
442	2,138	100	618	-356	362	30 Jun	CREDICORP
27,491	8,958	8,114	5,411	-15,003	-1,478	31 Dec	CUMIS
8,829	2,170	6,331	5,793	-2,762	9,362	30 Sep	CURASALUS
42,181	13,181	14,840	7,085	-8,080	13,845	31 Dec	EIG ANSVAR
114,311	11,040	40,715	9,335	-39,649	10,401	30 Jun	ELDERS
4,066	312	-2,921	7,682	2,718	7,479	30 Jun	EMPLOY MUT
73,016	5,536	-28,214	76,809	-27,529	21,066	31 Dec	EMPLOY RE
17,210	9,124	1,639	2,208	-3,458	389	31 Mar	FARM MIL
642	187	3,457	443	-3,624	276	31 Dec	FIRST AM
30,502	12,378	32,554	5,276	-15,668	22,162	31 Dec	FM INS
6,047	11,363	3,636	451	-3,420	667	30 Jun	FORTRON
148,739	22,403	162,265	66,621	-74,615	154,271	31 Dec	GE MORT
-9,455	78,701	-7,645	43,606	-13,928	22,033	31 Dec	GEN RE
-5,971	188	5,627	5,303	-34	10,896	31 Dec	GERLING
866,770	302,931	216,376	203,378	-120,807	298,947	30 Jun	GIO GEN
42,839	1,669	-39,320	102,595	-13,334	49,941	31 Dec	GORDIAN _b
45,903	9,433	30,380	16,558	-29,490	17,448	30 Jun	GUILD INS
9,748	6,473	27,578	8,576	-15,072	21,082	31 Dec	HALLMARK
89,642	24,168	20,857	39,132	-21,864	38,125	31 Dec	HANNOVER
39,939	3,638	30,458	5,203	-20,505	15,156	30 Jun	HBF INS
27,398	29,671	-7,858	7,176	-9,006	-9,688	30 Jun	HOLLARD
11,478	4,299	37,053	6,588	-19,960	23,681	30 Jun	HPIA
10,376	109	5,306	1,183	-4,455	2,034	31 Dec	HSB
0	0	0	482	-144	338	30 Jun	IAG RE
838,404	289,959	42,979	893,985	-284,335	652,629	30 Jun	IAL
1,133,020	369,132	340,096	178,613	-166,063	352,646	30 Jun	IMA
5,578	4,091	10,058	2,505	-4,747	7,816	31 Dec	ING
-209	0	209	293	-236	266	31 Dec	KEMPER INS _b
30,099	0	14,482	4,315	-9,451	9,346	30 Jun	LAWCOVER

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
LIBERTY	31 Dec	166,841	91,406	75,435	59,917	0	2,772
LIONHEART _b	30 Jun	1,083	0	1,083	352	0	0
LUMLEY GEN	30 Jun	530,391	157,467	372,924	392,065	45,342	145,729
MASTER BUT _{ab}	01 Dec						
MDA	30 Jun	53,058	7,306	45,752	40,364	6,628	13,246
MDU _b	30 Jun	0	0	0	-584	0	-388
METLIFE _b	31 Dec	0	0	0	240	0	0
MIA	30 Jun	41,840	9,130	32,710	30,766	6,136	9,267
mitsui	31 Mar	22,237	6,732	15,505	9,398	0	-80
MMIA	31 Dec	3,959	19,603	-15,644	-84,400	-22,956	-10,812
MRMPL	30 Jun	3,506	1,558	1,948	335	23	0
MTA	30 Jun	19,035	0	19,035	2,986	0	0
MUNICH RE	31 Dec	696,871	36,300	660,571	327,907	0	12,792
MUNICIPAL _b	30 Jun	0	0	0	450	0	0
MUT COMM	30 Jun	36,847	4,061	32,786	20,038	2,729	973
NEW INDIA	31 Mar	5,801	1,756	4,045	4,548	0	214
NIPPONKOA	31 Mar	6,643	2,167	4,476	11,766	115	10,496
NORTH _b	31 Dec	0	0	0	-802	132	-72
NRG LONDON _b	31 Dec	0	0	0	586	0	0
NRG VIC _b	31 Dec	-14	0	-14	-906	0	5,679
NZI AUS	30 Jun	77	0	77	-16,630	4,636	3,616
OPTUS	31 Mar	42,357	0	42,357	38,176	6,917	0
PIA _b	30 Jun	0	0	0	-2,183	0	-2,093
PIICA	30 Jun	59,995	9,395	50,600	26,477	1,200	-10,817
PLMI	31 Dec	5,111	4,600	511	414	-8	35
PMI IND	31 Dec	953	741	212	-36,571	-2,645	0
PMI MORT	31 Dec	204,355	8,952	195,403	59,315	996	-1,118
POSEIDON _b	30 Jun	0	0	0	58	58	0
QBE AUS	31 Dec	2,360,372	351,886	2,008,486	990,506	15,521	-32,052
QBE INT	31 Dec	317,946	82,034	235,912	95,631	0	3,558
RAA	30 Jun	70,683	4,990	65,693	57,588	9,980	-153
RAC	31 Dec	202,893	6,692	196,201	161,800	29,205	6,619
RACQ	31 Dec	390,570	29,386	361,184	338,886	46,343	35,087
RACT	30 Jun	45,250	3,280	41,970	37,706	3,540	157
RURAL _b	30 Jun	0	0	0	-124	0	0

^a Not required to submit data for the relevant period.

^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
57,145	-35	18,325	17,146	-25,638	9,833	31 Dec	LIBERTY
352	943	-212	183	-357	-386	30 Jun	LIONHEART _b
200,994	106,006	65,924	17,608	-36,659	46,873	30 Jun	LUMLEY GEN
						01 Dec	MASTER BUT _{ab}
20,490	1,400	23,862	9,936	-18,796	15,002	30 Jun	MDA
-196	0	196	206	-125	277	30 Jun	MDU _b
240	0	-240	959	-345	374	31 Dec	METLIFE _b
15,363	732	16,615	3,744	-10,024	10,335	30 Jun	MIA
9,478	1,685	4,342	5,136	-4,140	5,338	31 Mar	MITSUI
-50,632	6,836	28,152	46,881	-30,628	44,405	31 Dec	MMIA
312	114	1,522	1,336	-1,071	1,787	30 Jun	MRMPL
2,986	9,392	6,657	5,083	-6,352	5,388	30 Jun	MTA
315,115	147,504	197,952	112,405	-117,444	192,913	31 Dec	MUNICH RE
450	9	-459	14	0	-445	30 Jun	MUNICIPAL _b
16,336	11,395	5,055	1,185	-2,084	4,156	30 Jun	MUT COMM
4,334	666	-955	1,147	-536	-344	31 Mar	NEW INDIA
1,155	1,925	1,396	1,231	-689	1,938	31 Mar	NIPPONKOA
-862	0	862	861	-528	1,195	31 Dec	NORTH _b
586	0	-586	1,133	-480	67	31 Dec	NRG LONDON _b
-6,585	-1	6,572	2,581	197	9,350	31 Dec	NRG VIC _b
-24,883	-466	25,425	18,463	-13,489	30,399	30 Jun	NZI AUS
31,259	3,417	7,681	1,050	-3,117	5,614	31 Mar	OPTUS
-90	0	90	3,031	-1,495	1,626	30 Jun	PIA _b
36,094	2,815	11,691	6,203	-14,575	3,319	30 Jun	PIICA
387	-1,170	1,294	596	-874	1,016	31 Dec	PLMI
-33,926	5	34,133	10,298	-14,455	29,976	31 Dec	PMI IND
59,437	22,702	113,264	53,916	-62,608	104,572	31 Dec	PMI MORT
0	0	0	26	-111	-85	30 Jun	POSEIDON _b
1,007,037	735,832	265,617	238,875	-81,159	423,333	31 Dec	QBE AUS
92,073	41,342	102,497	31,555	-74,797	59,255	31 Dec	QBE INT
47,761	14,088	3,844	5,183	-3,838	5,189	30 Jun	RAA
125,976	23,631	46,594	12,921	-38,394	21,121	31 Dec	RAC
257,456	58,358	45,370	52,413	-44,389	53,394	31 Dec	RACQ
34,009	8,530	-569	2,382	-512	1,301	30 Jun	RACT
-124	0	124	14	-781	-643	30 Jun	RURAL _b

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
SCOR	31 Dec	12,333	9,153	3,180	5,169	0	-2,785
SOMPO	31 Dec	12,330	3,761	8,569	10,969	609	6,120
SPHERE DRA ^b	31 Dec	0	0	0	-177	0	0
ST ANDREW	31 Dec	11,339	85	11,254	1,406	0	0
ST PAUL ^b	30 Sep	26	1,188	-1,162	11,644	0	3,328
STATECOVER	30 Jun	50,898	2,635	48,263	29,700	698	-432
STEWART	31 Dec	1,540	127	1,413	357	0	21
SUNCORP	30 Jun	1,195,748	97,846	1,097,902	982,075	90,476	73,472
SUNDERLAND	31 Dec	21,985	5,276	16,709	9,670	0	735
SUNSTATE	30 Jun	3,904	1,844	2,060	-228	0	-145
SWANN	30 Jun	215,120	14,747	200,373	104,207	14,970	5,071
SWISS RE	31 Dec	753,751	92,078	661,673	373,700	0	10,034
TAXI	30 Jun	943	0	943	988	0	520
TGI AUS ^b	31 Dec	1,760	579	1,181	-6,618	3,212	9,916
TMIC	30 Jun	5,006	2,121	2,885	2,874	22	10
TOKIO	31 Mar	42,070	20,000	22,070	39,427	4,814	22,621
TOWER ^b	30 Sep	0	0	0	66	0	277
TRC	31 Dec	15,786	796	14,990	3,632	0	324
VERO	31 Dec	2,571,928	205,370	2,366,558	2,065,327	373,948	26,081
VERO LMI ^b	31 Dec	5	3,052	-3,047	-28,566	0	-101
VIRGINIA	31 Dec	10,486	2,947	7,539	2,263	0	239
WESFARMERS	30 Jun	289,211	44,162	245,049	216,469	13,906	64,489
WESTERN	31 Dec	24,535	22,082	2,453	4,513	132	1,102
WESTPAC	30 Sep	152,781	10,777	142,004	60,373	0	-4
WPAC LMI	30 Sep	46,034	13,713	32,321	-18,943	-2,020	-14,621
XL INS	31 Dec	62,759	24,952	37,807	31,404	3,646	6,320
XL RE ^b	31 Dec	28,278	19,656	8,622	8,169	0	7,746
ZURICH	31 Dec	838,925	157,434	681,491	333,446	49,509	-42,353
Total (\$ million)		28,221	7,175	21,046	17,673	1,731	3,571

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
7,954	455	-5,229	3,615	-667	-2,281	31 Dec	SCOR
4,240	1,085	3,244	1,255	-3,180	1,319	31 Dec	SOMPO
-177	0	177	314	-193	298	31 Dec	SPHERE DRA _b
1,406	3,218	6,630	1,542	-3,611	4,561	31 Dec	ST ANDREW
8,316	-139	-9,339	4,797	0	-4,542	30 Sep	ST PAUL _b
29,434	9,193	9,636	6,766	-7,182	9,220	30 Jun	STATECOVER
336	1,026	51	403	-734	-280	31 Dec	STEWART
818,127	327,463	-47,688	755,718	-94,727	613,303	30 Jun	SUNCORP
8,935	5,929	1,845	953	-1,625	1,173	31 Dec	SUNDERLAND
-83	112	2,031	898	-1,117	1,812	30 Jun	SUNSTATE
84,166	91,647	24,560	55,186	-24,107	55,639	30 Jun	SWANN
363,666	112,127	185,880	95,239	-75,225	205,894	31 Dec	SWISS RE
468	0	475	219	-407	287	30 Jun	TAXI
-19,746	201	20,726	10,768	-10,595	20,899	31 Dec	TGI AUS _b
2,842	308	-265	483	-2,925	-2,707	30 Jun	TMIC
11,992	4,490	5,588	4,648	-3,645	6,591	31 Mar	TOKIO
-211	0	211	2,008	-727	1,492	30 Sep	TOWER _b
3,308	2,091	9,591	1,870	-4,700	6,761	31 Dec	TRC
1,665,298	611,247	90,013	288,514	-59,114	319,413	31 Dec	VERO
-28,465	-540	25,958	19,953	-13,780	32,131	31 Dec	VERO LMI _b
2,024	813	4,702	1,364	-437	5,629	31 Dec	VIRGINIA
138,074	63,495	43,480	12,335	-27,396	28,419	30 Jun	WESFARMERS
3,279	-4,817	3,991	963	-2,252	2,702	31 Dec	WESTERN
60,377	38,038	43,589	7,140	-14,055	36,674	30 Sep	WESTPAC
-2,302	3,287	31,336	5,957	-11,188	26,105	30 Sep	WPAC LMI
21,438	2,117	14,252	7,043	-11,946	9,349	31 Dec	XL INS
423	33	8,166	3,500	-6,142	5,524	31 Dec	XL RE _b
326,290	238,114	117,087	185,094	-39,895	262,286	31 Dec	ZURICH
12,372	5,543	3,132	4,820	-2,351	5,600		Total (\$ million)

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
AAIL	31 Dec	5,077,131	7,246,783	4,189,502	1,059,040	5,711,836	1,534,947
AAMI	31 Dec	2,193	1,858,097	1,045,590	735,854	1,844,812	13,285
ACE	31 Dec	401,315	1,042,058	567,957	181,480	871,850	170,208
AFG ^{ab}	30 Sep						
AIOI	31 Mar	20,071	43,453	11,886	19,400	34,850	8,603
ALEA	31 Dec	21,065	25,486	5,268	578	6,589	18,897
AM HOME	31 Dec	635,034	1,207,410	592,520	225,237	929,071	278,339
AM INT _b	30 Nov	10,778	10,977	326	0	349	10,628
AME RE _b	31 Dec	366,095	420,407	236,549	749	265,214	155,193
AMPG _b	31 Dec	21,554	29,035	135	38	1,578	27,457
ANZ LMI	30 Sep	138,016	169,083	1,704	38,055	57,974	111,109
ANZCOVER	30 Sep	170,902	314,110	173,099	12,004	187,455	126,655
ASSET	31 Dec	220,470	263,436	127,581	4,462	172,172	91,264
ATRADIUS	31 Dec	24,778	47,034	11,678	3,467	26,509	20,525
AUS ALLNCE	31 Dec	0	342,856	71,711	169,507	324,911	17,945
AUS FAMILY _b	31 Dec	2,282	2,666	912	0	1,723	943
AUS INT	30 Jun	138,117	250,764	93,099	69,506	191,945	58,819
AUS MED	30 Jun	411,737	762,905	329,049	32,400	481,440	281,465
AUS UNITY	30 Jun	48,774	99,000	39,731	25,967	74,968	24,034
AUTO GEN	30 Jun	33,891	77,001	11,375	44,969	65,269	11,732
AXA _b	31 Dec	41,807	48,960	14,558	0	15,354	33,606
BARRISTERS	30 Jun	14,731	14,927	433	800	2,405	12,522
BHP MARINE	30 Jun	426,156	595,161	126,300	89,778	247,276	347,885
BORAL _b	30 Jun	22,110	35,984	16,275	0	24,890	11,094
BUDGET _b	30 Jun	9,289	17,539	3,700	133	6,849	10,690
CALLI	31 Dec	45,279	56,868	1,926	6,874	12,826	44,042
CALLI GRP _b	31 Dec	120,811	125,830	9,114	0	38,779	87,051
CATHOLIC	30 Jun	540,434	734,055	336,482	86,328	509,128	224,927
CAVELL _b	31 Dec	12,535	14,353	4,123	0	4,159	10,194
CGU	30 Jun	2,928,762	4,735,110	2,071,436	843,055	3,480,481	1,254,629
CGU VACC	30 Jun	121,264	138,341	52,061	121	97,221	41,120
CHUBB	31 Dec	545,657	787,259	369,995	106,551	547,428	239,831
CIC	31 Dec	10,279	423,953	359,028	54,645	413,807	10,146
COL PROT _b	30 Jun	7,324	7,511	0	0	693	6,818
COLOGNE RE	31 Dec	197,701	200,567	77,216	0	79,104	121,463

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
COM INSUR	30 Jun	42,556	261,443	85,526	74,245	199,925	61,518
COM STEAM _b	30 Jun	2,147	4,439	1,995	0	2,090	2,348
COMBINED	31 Dec	110,313	135,323	21,617	12,883	48,356	86,967
CONVER	31 Dec	170,863	202,473	90,212	3,257	106,867	95,606
COPENHAGEN _b	31 Dec	79,681	81,863	26,067	0	33,975	47,888
CORRVAS _b	30 Jun	16,076	16,110	1,744	0	2,099	14,011
CREDICORP	30 Jun	10,686	11,960	520	4,293	4,860	7,100
CUMIS	31 Dec	86,229	123,169	15,331	42,030	78,113	45,056
CURASALUS	30 Sep	122,516	158,919	30,486	22,754	71,221	87,698
EIG ANSVAR	31 Dec	140,401	227,678	100,033	47,417	168,755	58,923
ELDERS	30 Jun	155,295	421,311	165,742	124,081	346,788	74,523
EMPLOY MUT	30 Jun	50,944	77,135	14,606	1,050	24,630	52,505
EMPLOY RE	31 Dec	816,887	924,988	536,722	100,253	685,108	239,880
FARM MIL	31 Mar	32,421	78,328	21,844	23,584	62,932	15,396
FIRST AM	31 Dec	8,036	14,579	5,585	0	7,594	6,985
FM INS	31 Dec	145,257	278,858	113,671	58,779	213,715	65,143
FORTRON	30 Jun	13,354	20,931	3,408	5,445	13,374	7,557
GE MORT	31 Dec	1,411,210	2,200,006	53,380	396,376	556,611	1,643,395
GEN RE	31 Dec	709,218	1,165,633	649,091	61,360	917,998	247,635
GERLING	31 Dec	80,479	244,491	198,397	2,061	211,123	33,368
GIO GEN	30 Jun	2,675,904	3,605,238	1,825,514	754,937	2,893,616	711,622
GORDIAN _b	31 Dec	1,600,981	1,785,040	918,152	20	999,821	785,219
GUILD INS	30 Jun	133,429	251,244	117,793	48,357	195,346	55,898
HALLMARK	31 Dec	93,072	128,738	8,539	36,352	54,285	74,453
HANNOVER	31 Dec	518,357	651,309	324,338	101,627	446,712	204,597
HBF INS	30 Jun	51,191	88,527	13,103	29,686	55,603	32,924
HOLLARD	30 Jun	26,228	112,121	29,835	26,880	88,291	23,830
HPIA	30 Jun	80,592	121,247	35,274	13,436	73,084	48,163
HSB	31 Dec	19,961	35,883	4,532	14,853	20,967	14,916
IAG RE	30 Jun	6,481	6,511	0	0	338	6,173
IAL	30 Jun	7,454,788	10,039,998	3,965,868	1,233,555	6,902,009	3,137,990
IMA	30 Jun	1,418,821	2,129,502	390,871	856,660	1,496,215	633,288
ING	31 Dec	42,202	56,159	4,422	13,977	27,143	29,016
KEMPER INS _b	31 Dec	4,382	4,627	713	0	1,070	3,557
LAWCOVER	30 Jun	141,894	235,025	88,405	61,478	206,866	28,159

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
LIBERTY	31 Dec	319,562	615,734	382,317	85,474	519,958	95,776
LIONHEART _b	30 Jun	2,835	3,357	258	479	2,396	961
LUMLEY GEN	30 Jun	290,686	726,330	351,328	165,880	609,625	116,705
MASTER BUT _{ab}	01 Dec						
MDA	30 Jun	114,396	209,599	119,341	14,901	162,974	46,625
MDU _b	30 Jun	0	5,761	455	0	456	5,305
METLIFE _b	31 Dec	0	9,315	2,912	0	2,933	6,382
MIA	30 Jun	50,698	143,087	76,222	21,883	111,908	31,179
MITSUI	31 Mar	96,931	114,474	17,845	10,660	29,969	84,505
MMIA	31 Dec	533,329	671,816	394,205	1,560	443,629	228,187
MRMPL	30 Jun	20,699	23,119	1,132	5,149	8,319	14,800
MTA	30 Jun	31,073	33,694	1,515	9,363	14,927	18,767
MUNICH RE	31 Dec	1,698,368	2,236,107	986,779	366,641	1,786,086	450,021
MUNICIPAL _b	30 Jun	12,238	12,246	2,582	0	2,591	9,655
MUT COMM	30 Jun	25,553	53,470	12,807	17,092	40,753	12,717
NEW INDIA	31 Mar	20,855	26,660	3,358	5,258	9,932	16,728
NIPPONKOA	31 Mar	0	41,853	16,453	3,274	23,817	18,036
NORTH _b	31 Dec	15,692	34,841	22,664	0	22,949	11,892
NRG LONDON _b	31 Dec	18,732	21,320	7,032	0	7,211	14,109
NRG VIC _b	31 Dec	40,365	47,146	11,788	0	12,782	34,364
NZI AUS	30 Jun	261,291	465,126	346,154	0	379,782	85,344
OPTUS	31 Mar	13,914	15,458	2,929	1,439	7,675	7,783
PIA _b	30 Jun	34,447	51,397	31,037	0	33,821	17,576
PIICA	30 Jun	145,188	211,566	97,200	20,700	176,467	35,099
PLMI	31 Dec	10,231	14,555	237	931	4,802	9,753
PMI IND	31 Dec	172,790	179,087	1,421	3,052	48,568	130,519
PMI MORT	31 Dec	955,721	1,067,229	14,907	136,921	321,337	745,892
POSEIDON _b	30 Jun	2,426	3,144	225	0	265	2,879
QBE AUS	31 Dec	3,143,817	5,091,361	2,475,673	773,860	3,811,280	1,280,081
QBE INT	31 Dec	493,302	865,060	290,822	87,640	472,207	392,853
RAA	30 Jun	49,307	77,034	13,644	34,853	59,015	18,019
RAC	31 Dec	182,658	377,805	37,982	109,783	171,153	206,652
RACQ	31 Dec	646,790	872,030	457,624	214,428	724,458	147,572
RACT	30 Jun	21,710	49,685	10,592	24,302	40,038	9,647
RURAL _b	30 Jun	3,028	4,140	3,136	0	3,309	831

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
SCOR	31 Dec	56,540	78,605	23,231	10,568	39,083	39,522
SOMPO	31 Dec	36,196	61,204	25,102	5,431	34,450	26,754
SPHERE DRA ^b	31 Dec	5,036	6,580	1,902	0	2,141	4,439
ST ANDREW	31 Dec	28,897	29,952	849	6,881	9,985	19,967
ST PAUL ^b	30 Sep	85,635	166,259	131,859	1,192	138,774	27,485
STATECOVER	30 Jun	110,846	164,167	66,513	36,993	121,750	42,417
STEWART	31 Dec	7,700	8,623	447	0	759	7,864
SUNCORP	30 Jun	5,194,201	5,826,054	2,412,744	629,145	3,572,333	2,253,721
SUNDERLAND	31 Dec	11,725	34,469	12,606	8,911	25,754	8,716
SUNSTATE	30 Jun	17,123	18,281	226	5,338	7,202	11,079
SWANN	30 Jun	333,332	414,158	43,582	172,869	299,077	115,081
SWISS RE	31 Dec	1,581,696	2,174,070	1,110,217	394,951	1,595,969	578,101
TAXI	30 Jun	2,230	2,464	112	0	540	1,924
TGI AUS ^b	31 Dec	171,217	226,593	113,730	809	140,141	86,452
TMIC	30 Jun	12,715	16,972	592	3,004	4,712	12,260
TOKIO	31 Mar	87,759	154,554	56,701	20,246	85,537	69,017
TOWER ^b	30 Sep	38,552	40,547	11,404	0	13,118	27,429
TRC	31 Dec	30,246	47,955	7,639	6,336	17,742	30,213
VERO	31 Dec	4,162,377	6,242,986	2,435,263	1,366,824	4,447,491	1,795,495
VERO LMI ^b	31 Dec	323,603	335,171	3,196	66,726	92,013	243,158
VIRGINIA	31 Dec	22,293	27,480	474	7,052	10,102	17,378
WESFARMERS	30 Jun	238,664	366,221	151,462	100,636	289,437	76,784
WESTERN	31 Dec	23,325	42,620	883	6,350	24,515	18,105
WESTPAC	30 Sep	131,440	192,333	36,755	66,062	125,674	66,659
WPAC LMI	30 Sep	131,121	163,173	1,865	37,432	62,061	101,112
XL INS	31 Dec	122,018	232,276	118,709	35,987	172,248	60,028
XL RE ^b	31 Dec	50,602	104,607	56,479	5,167	84,600	20,007
ZURICH	31 Dec	1,842,776	2,552,580	1,328,464	338,294	1,772,732	779,848
Total (\$ million)		55,550	82,155	35,163	13,431	57,206	24,950

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 14 Company level capital adequacy

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
AAIL	31 Dec	774,413	1,274,474	500,061	1.65
AAMI	31 Dec	5,000	5,011	11	1.00
ACE	31 Dec	83,571	177,583	94,012	2.12
AFG _c	30 Sep				
AIOI	31 Mar	6,041	10,146	4,105	1.68
ALEA _a	31 Dec	5,000	18,422	13,422	3.68
AM HOME	31 Dec	101,771	267,486	165,715	2.63
AM INT _d	30 Nov	2,000	10,628	8,628	5.31
AME RE _d	31 Dec	45,447	138,986	93,539	3.06
AMPG _d	31 Dec	8,247	27,457	19,210	3.33
ANZ LMI	30 Sep	36,542	111,109	74,567	3.04
ANZCOVER	30 Sep	68,631	143,981	75,350	2.10
ASSET	31 Dec	40,624	90,404	49,780	2.23
ATRADIUS	31 Dec	14,453	17,950	3,497	1.24
AUS ALLNCE	31 Dec	5,000	17,945	12,945	3.59
AUS FAMILY _d	31 Dec	2,000	943	-1,057	0.47
AUS INT	30 Jun	28,803	55,877	27,074	1.94
AUS MED _b	30 Jun	93,945	285,527	191,582	3.04
AUS UNITY	30 Jun	12,840	21,351	8,511	1.66
AUTO GEN	30 Jun	8,320	12,795	4,475	1.54
AXA _d	31 Dec	5,000	33,606	28,606	6.72
BARRISTERS	30 Jun	5,000	12,522	7,522	2.50
BHP MARINE	30 Jun	126,984	347,378	220,394	2.74
BORAL _d	30 Jun	4,805	9,293	4,488	1.93
BUDGET _d	30 Jun	5,000	6,740	1,740	1.35
CALLI	31 Dec	5,000	44,042	39,042	8.81
CALLI GRP _d	31 Dec	16,285	86,541	70,256	5.31
CATHOLIC	30 Jun	104,034	224,927	120,893	2.16
CAVELL _d	31 Dec	2,000	9,958	7,958	4.98
CGU	30 Jun	536,837	1,031,175	494,338	1.92
CGU VACC	30 Jun	12,181	44,221	32,040	3.63
CHUBB	31 Dec	84,791	237,753	152,962	2.80
CIC	31 Dec	5,000	10,146	5,146	2.03
COL PROT _d	30 Jun	5,000	6,818	1,818	1.36
COLOGNE RE	31 Dec	14,825	121,463	106,638	8.19

^a Capital base for branch insurers is derived from net assets inside Australia.^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.^c Not required to submit data for the relevant period.^d Insurer authorised to conduct run-off business only.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
COM INSUR	30 Jun	37,461	61,518	24,057	1.64
COM STEAM _d	30 Jun	2,000	2,333	333	1.17
COMBINED	31 Dec	8,917	78,721	69,804	8.83
CONVER	31 Dec	21,568	92,233	70,665	4.28
COPENHAGEN _d	31 Dec	5,345	46,777	41,432	8.75
CORRVAS _d	30 Jun	5,000	14,011	9,011	2.80
CREDICORP	30 Jun	5,000	6,955	1,955	1.39
CUMIS	31 Dec	24,444	41,787	17,343	1.71
CURASALUS	30 Sep	71,010	87,698	16,688	1.24
EIG ANSVAR	31 Dec	22,828	60,715	37,887	2.66
ELDERS	30 Jun	34,041	77,003	42,962	2.26
EMPLOY MUT	30 Jun	8,736	52,505	43,769	6.01
EMPLOY RE	31 Dec	124,643	339,191	214,548	2.72
FARM MIL	31 Mar	6,580	10,219	3,639	1.55
FIRST AM	31 Dec	5,000	6,985	1,985	1.40
FM INS	31 Dec	15,201	62,682	47,481	4.12
FORTRON	30 Jun	7,369	8,396	1,027	1.14
GE MORT	31 Dec	434,257	1,030,584	596,327	2.37
GEN RE	31 Dec	115,126	216,702	101,576	1.88
GERLING	31 Dec	15,733	34,777	19,044	2.21
GIO GEN	30 Jun	524,457	887,743	363,286	1.69
GORDIAN _d	31 Dec	172,298	733,440	561,142	4.26
GUILD INS	30 Jun	31,846	59,002	27,156	1.85
HALLMARK	31 Dec	15,501	74,642	59,141	4.82
HANNOVER	31 Dec	109,426	234,081	124,655	2.14
HBF INS	30 Jun	11,430	36,649	25,219	3.21
HOLLARD	30 Jun	9,666	23,830	14,164	2.47
HPIA _b	30 Jun	18,703	51,663	32,960	2.76
HSB	31 Dec	10,265	29,832	4,651	1.45
IAG RE	30 Jun	5,000	6,173	1,173	1.23
IAL	30 Jun	1,018,082	2,664,247	1,646,165	2.62
IMA	30 Jun	276,149	636,979	360,830	2.31
ING	31 Dec	19,476	29,016	9,540	1.49
KEMPER INS _d	31 Dec	2,000	3,557	1,557	1.78
LAWCOVER	30 Jun	18,645	28,159	9,514	1.51

^a Capital base for branch insurers is derived from net assets inside Australia.^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.^c Not required to submit data for the relevant period.^d Insurer authorised to conduct run-off business only.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
LIBERTY	31 Dec	52,845	114,881	62,036	2.17
LIONHEART _d	30 Jun	2,000	961	-1,039	0.48
LUMLEY GEN	30 Jun	63,435	114,232	50,797	1.80
MASTER BUT _{cd}	01 Dec				
MDA _b	30 Jun	27,618	54,625	27,007	1.98
MDU _d	30 Jun	3,500	5,170	1,670	1.48
METLIFE _{cd}	31 Dec				
MIA _b	30 Jun	15,654	30,719	15,065	1.96
MTSUI	31 Mar	35,444	76,467	41,023	2.16
MMIA	31 Dec	58,243	228,187	169,944	3.92
MRMPL	30 Jun	10,300	14,800	4,500	1.44
MTA	30 Jun	5,547	19,047	13,500	3.43
MUNICH RE	31 Dec	281,664	450,021	168,357	1.60
MUNICIPAL _d	30 Jun	2,000	9,655	7,655	4.83
MUT COMM	30 Jun	5,000	15,893	10,893	3.18
NEW INDIA	31 Mar	5,000	16,965	11,965	3.39
NIPPONKOA	31 Mar	5,000	17,612	12,612	3.52
NORTH _d	31 Dec	5,000	10,007	5,007	2.00
NRG LONDON _d	31 Dec	5,000	14,395	9,395	2.88
NRG VIC _d	31 Dec	5,000	34,217	29,217	6.84
NZI AUS	30 Jun	38,784	93,654	54,870	2.41
OPTUS	31 Mar	5,000	7,747	2,747	1.55
PIA _d	30 Jun	5,000	20,913	15,913	4.18
PIICA _b	30 Jun	23,181	30,240	7,059	1.30
PLMI	31 Dec	5,000	9,753	4,753	1.95
PMI IND	31 Dec	27,380	131,224	103,844	4.79
PMI MORT	31 Dec	250,520	745,892	495,372	2.98
POSEIDON _d	30 Jun	2,000	2,879	879	1.49
QBE AUS	31 Dec	632,046	1,199,782	567,736	1.90
QBE INT	31 Dec	71,361	376,319	304,958	5.27
RAA	30 Jun	9,023	22,366	13,343	2.48
RAC	31 Dec	24,358	105,569	81,211	4.33
RACQ	31 Dec	108,120	185,822	77,702	1.72
RACT	30 Jun	6,487	9,894	3,407	1.53
RURAL _d	30 Jun	2,000	831	-1,169	0.42

^a Capital base for branch insurers is derived from net assets inside Australia.

^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.

^c Not required to submit data for the relevant period.

^d Insurer authorised to conduct run-off business only.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to June 2006

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
SCOR	31 Dec	11,380	38,704	27,324	3.40
SOMPO	31 Dec	5,075	26,453	21,378	5.21
SPHERE DRA _d	31 Dec	2,000	4,439	2,439	2.22
ST ANDREW	31 Dec	5,000	19,967	14,967	3.99
ST PAUL _d	30 Sep	14,052	27,485	13,433	1.96
STATECOVER	30 Jun	22,260	44,789	22,529	2.01
STEWART	31 Dec	5,000	7,864	2,864	1.57
SUNCORP	30 Jun	679,339	1,544,762	865,423	2.27
SUNDERLAND	31 Dec	5,000	12,088	7,088	2.42
SUNSTATE	30 Jun	8,628	11,079	2,451	1.28
SWANN	30 Jun	59,106	115,888	56,782	1.96
SWISS RE	31 Dec	295,138	578,101	282,963	1.96
TAXI	30 Jun	306	1,924	1,618	6.29
TGI AUS _d	31 Dec	43,829	78,653	34,824	1.79
TMIC	30 Jun	8,476	12,260	3,784	1.45
TOKIO	31 Mar	20,496	70,991	50,495	3.46
TOWER _d	30 Sep	5,575	27,012	21,437	4.85
TRC	31 Dec	8,450	27,657	19,207	3.27
VERO	31 Dec	718,057	2,017,761	1,299,704	2.81
VERO LMI _d	31 Dec	59,131	243,158	184,027	4.11
VIRGINIA	31 Dec	5,000	17,233	12,233	3.45
WESFARMERS	30 Jun	37,859	75,840	37,981	2.00
WESTERN	31 Dec	5,000	18,105	13,105	3.62
WESTPAC	30 Sep	27,025	66,659	39,634	2.47
WPAC LMI	30 Sep	39,948	101,112	61,164	2.53
XL INS	31 Dec	22,922	59,614	36,692	2.60
XL RE _d	31 Dec	7,394	20,007	12,613	2.71
ZURICH	31 Dec	314,899	725,343	410,444	2.30

^a Capital base for branch insurers is derived from net assets inside Australia.

^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.

^c Not required to submit data for the relevant period.

^d Insurer authorised to conduct run-off business only.

Table 15 Public insurer financial performance

Year end June 2006

(\$ million)

	Total public sector
Earned premium	9,409
Reinsurance expense	105
Net premium revenue	9,304
Claims expense	6,148
Reinsurance and other recoveries revenue	347
Net claims expense^a	5,801
Underwriting costs	733
Underwriting result	2,769
Investment income	5,233
General and administration expenses ^b	2,814
Other items	-827
Net profit / loss after tax	4,362
Number of entities	14

Notes:

It is not possible to compare public insurer data with authorised private companies. Private insurers report under a prudential reporting framework. Public insurers report as required by AASB 1023 *General Insurance Contracts*.

^a Net claims expense is significantly lower than in June 2005 due to large revisions in some insurers' outstanding claims provisions.

^b General and administration expenses are significantly higher than in June 2005 due to a public insurer changing its classification of expenses.

Table 16 Public insurer operating income and expense

Year end June 2006

(\$ million)

	Total public sector
Investment income	5,233
<i>arising from:</i>	
Interest	824
Dividend	1,452
Rent	52
Change in net market value of investments	2,906
	166
Other operating income	
Operating expenses	1,964
<i>of which:</i>	
Interest	63
Wages and salaries	264
Other employee related	74
Occupancy and equipment	49
Fees	777
Bad and doubtful debts	14
Other operating expenses	725
	14
Number of entities	

Notes:

It is not possible to compare public insurer data with authorised private companies. Private insurers report under a prudential reporting framework. Public insurers report as required by AASB 1023.

Table 17 Public insurer financial position

Year end June 2006

(\$ million)

	Total public sector	of which: inside Australia
Unpaid premiums	766	766
Reinsurance assets	290	290
Investments	41,730	39,522
Other assets	3,741	3,741
Total assets	46,526	44,318
Underwriting provisions	37,084	37,084
Other provisions	92	92
Taxation	1,165	1,165
Total creditors and borrowings	1,674	1,674
Other liabilities	722	722
Total liabilities	40,737	40,737
Shareholders' equity	5,787	
Number of entities	14	

Notes:

It is not possible to compare public insurer data with authorised private companies. Private insurers report under a prudential reporting framework. Public insurers report as required by *AASB 1023*.

Table 18 Public insurer premiums and claims by class of business

Year end June 2006

(\$ million)

Class of business	Total premiums (in accordance with <i>AASB 1023 / AAS 26</i>)	Premium revenue ^a	Reinsurance expense	Claims expense	Reinsurance and other recoveries revenue
Houseowners/householders	38	37	15	27	8
Commercial motor vehicle	3	4	0	3	0
Domestic motor vehicle	13	13	2	7	0
Travel	0	0	0	0	0
Fire and ISR	36	36	22	16	7
Marine and aviation	1	2	1	0	0
Mortgage	0	0	0	0	0
Consumer credit	0	0	0	0	0
Other accident	2	2	1	0	0
Other	172	172	2	163	0
CTP motor vehicle	1,963	1,933	18	1,968	3
Public and product liability	20	20	11	-47	-1
Professional indemnity	4	4	0	-2	0
Employers' liability	7,387	7,188	28	4,014	330
Total direct business	9,639	9,409	101	6,148	347

Notes:

It is not possible to compare public insurer data with authorised private companies. Private insurers report under a prudential reporting framework. Public insurers report as required by AASB 1023.

^a Premium revenue equals total premiums plus unearned premiums at beginning of financial year minus unearned premiums at end of financial year.

Company classification

Year end June 2006

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
A.C.N. 000 007 492 Limited	RURAL	30 Jun	Direct		Run-off
A.F.G. Insurances Limited	AFG	30 Sep	Reinsurer		Run-off
ACE Insurance Limited	ACE	31 Dec	Direct		
AIOI Insurance Co, Ltd	AIOI	31 Mar	Direct	Branch	
AMPG (1992) Limited	AMPG	31 Dec	Direct		Run-off
<hr/>					
ANZ Lenders Mortgage Insurance Pty Limited	ANZ LMI	30 Sep	Direct		LMI
ANZCover Insurance Pty Ltd	ANZCOVER	30 Sep	Direct		
AXA Insurance Australia Limited	AXA	31 Dec	Direct		Run-off
Alea London Limited	ALEA	31 Dec	Reinsurer	Branch	
Allianz Australia Insurance Limited	AAIL	31 Dec	Direct		
<hr/>					
American Home Assurance Company	AM HOME	31 Dec	Direct	Branch	
American International Assurance Co (Aus)	AM INT	30 Nov	Direct		Run-off
AssetInsure Pty Limited	ASSET	31 Dec	Direct		
Atradius Credit Insurance N.V.	ATRADIUS	31 Dec	Direct	Branch	
Australasian Medical Insurance Limited	AUS MED	30 Jun	Direct		
<hr/>					
Australian Alliance Insurance Company Limited	AUS ALLNCE	31 Dec	Direct		
Australian Associated Motor Insurers Limited	AAMI	31 Dec	Direct		
Australian Family Assurance Limited	AUS FAMILY	31 Dec	Direct		Run-off
Australian International Insurance Limited	AUS INT	30 Jun	Direct		
Australian Unity General Insurance Limited	AUS UNITY	30 Jun	Direct		
<hr/>					
Auto & General Insurance Company Limited	AUTO GEN	30 Jun	Direct		
BHP Billiton Marine & General Insurances PL	BHP MARINE	30 Jun	Direct		Captive
Barristers' Sickness and Accident Fund Pty Ltd	BARRISTERS	30 Jun	Direct		
Boral Insurance Pty Limited	BORAL	30 Jun	Direct		Run-off
Budget Insurance Company Limited	BUDGET	30 Jun	Direct	Branch	Run-off
<hr/>					
CGU Insurance Limited	CGU	30 Jun	Direct		
CGU-VACC Insurance Limited	CGU VACC	30 Jun	Direct		
CIC Allianz Insurance Limited	CIC	31 Dec	Direct		
Calliden Group Limited	CALLI GRP	31 Dec	Reinsurer		Run-off
Calliden Limited	CALLI	31 Dec	Direct		
<hr/>					
Catholic Church Insurances Ltd	CATHOLIC	30 Jun	Direct		
Cavell Insurance Company Limited	CAVELL	31 Dec	Reinsurer	Branch	Run-off
Chubb Insurance Company of Australia Limited	CHUBB	31 Dec	Direct		
Cologne Reinsurance Co	COLOGNE RE	31 Dec	Reinsurer	Branch	
Colonial Protection Insurance Pty Limited	COL PROT	30 Jun	Direct		Run-off

Company classification (continued)

Year end June 2006

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
Combined Insurance Company of Australia	COMBINED	31 Dec	Direct	Branch	
Commonwealth Insurance Limited	COM INSUR	30 Jun	Direct		
Commonwealth Steamship Insurance Company	COM STEAM	30 Jun	Direct		Run-off
Converium Limited	CONVER	31 Dec	Reinsurer	Branch	
Corrvas Insurance Pty Ltd	CORRVAS	30 Jun	Direct		Run-off
<hr style="border-top: 1px dotted black;"/>					
Credicorp Insurance Pty Ltd	CREDICORP	30 Jun	Direct		
Cumis Insurance Society Inc	CUMIS	31 Dec	Direct	Branch	
Curasalus Insurance Pty Ltd	CURASALUS	30 Sep	Direct		Captive
EIG-Ansvar Limited	EIG ANSVAR	31 Dec	Direct		
Elders Insurance Limited	ELDERS	30 Jun	Direct		
<hr style="border-top: 1px dotted black;"/>					
Employers Mutual Limited	EMPLOY MUT	30 Jun	Direct		
Employers Reinsurance Corporation	EMPLOY RE	31 Dec	Reinsurer	Branch	
FM Insurance Company Limited	FM INS	31 Dec	Direct	Branch	
Farmers' Mutual Insurance Limited	FARM MIL	31 Mar	Direct	Branch	
First American Title Insurance Company of Aust PL	FIRST AM	31 Dec	Direct		
<hr style="border-top: 1px dotted black;"/>					
Fortron Insurance Group Limited	FORTRON	30 Jun	Direct		
GIO General Limited	GIO GEN	30 Jun	Direct		
General Reinsurance Australia Ltd	GEN RE	31 Dec	Reinsurer		
Genworth Financial Mortgage Indemnity Limited	VERO LMI	31 Dec	Direct		Run-off
Genworth Financial Mortgage Insurance PL	GE MORT	31 Dec	Direct		LMI
<hr style="border-top: 1px dotted black;"/>					
Gerling Australia Insurance Company PL	GERLING	31 Dec	Direct		
Gordian Runoff Limited	GORDIAN	31 Dec	Reinsurer		Run-off
Guild Insurance Limited	GUILD INS	30 Jun	Direct		
HBF Insurance Pty Ltd	HBF INS	30 Jun	Direct		
HSB Engineering Insurance Limited	HSB	31 Dec	Direct	Branch	
<hr style="border-top: 1px dotted black;"/>					
Hallmark General Insurance Company Ltd	HALLMARK	31 Dec	Direct		
Hannover Reuckversicherung AG	HANNOVER	31 Dec	Reinsurer	Branch	
IAG Re Limited	IAG RE	30 Jun	Reinsurer		
ING General Insurance Pty Limited	ING	31 Dec	Direct		
Insurance Australia Limited	IAL	30 Jun	Direct		
<hr style="border-top: 1px dotted black;"/>					
Insurance Manufacturers of Australia PL	IMA	30 Jun	Direct		
Kemper Insurance Co Ltd	KEMPER INS	31 Dec	Direct		Run-off
LawCover Insurance Pty Limited	LAWCOVER	30 Jun	Direct		
Liberty Mutual Insurance Company	LIBERTY	31 Dec	Direct	Branch	
Lionheart Insurance Pty Ltd	LIONHEART	30 Jun	Direct		Run-off

Company classification (continued)

Year end June 2006

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
Lumley General Insurance Ltd	LUMLEY GEN	30 Jun	Direct		
MDA National Insurance Pty Ltd	MDA	30 Jun	Direct		
MDU Australia Insurance Co Pty Limited	MDU	30 Jun	Direct		Run-off
MIPS Insurance Pty Ltd	HPIA	30 Jun	Direct		
MMIA Pty Limited	MMIA	31 Dec	Direct		
.....					
MTA Insurance Limited	MTA	30 Jun	Direct		
Master Butchers Co-operative Limited	MASTER BUT	01 Dec	Direct		Run-off
Medical Insurance Australia Pty Limited	MIA	30 Jun	Direct		
MetLife General Insurance Limited	METLIFE	31 Dec	Direct		Run-off
Mitsui Sumitomo Insurance Company, Limited	MITSUMI	31 Mar	Direct	Branch	
.....					
Mortgage Risk Management Pty Ltd	MRMPL	30 Jun	Direct		LMI
Munich Reinsurance America, Inc.	AME RE	31 Dec	Direct	Branch	Run-off
Munich Reinsurance Company Aus Branch	MUNICH RE	31 Dec	Reinsurer	Branch	
Municipal Mutual Insurance Limited	MUNICIPAL	30 Jun	Direct	Branch	Run-off
Mutual Community General Insurance PL	MUT COMM	30 Jun	Direct		
.....					
NIPPONKOA Insurance Company Limited	NIPPONKOA	31 Mar	Direct	Branch	
NRG London Reinsurance Company Ltd	NRG LONDON	31 Dec	Reinsurer	Branch	Run-off
NRG Victory Australia Limited	NRG VIC	31 Dec	Reinsurer		Run-off
NZI Insurance Australia Limited	NZI AUS	30 Jun	Direct		
North Insurances Pty Ltd	NORTH	31 Dec	Direct		Run-off
.....					
Optus Insurance Services Pty Limited	OPTUS	31 Mar	Direct		
PMI Indemnity Limited	PMI IND	31 Dec	Direct		LMI
PMI Mortgage Insurance Ltd	PMI MORT	31 Dec	Direct		LMI
Permanent LMI Pty Limited	PLMI	31 Dec	Direct		LMI
Poseidon Insurance Co Pty Ltd	POSEIDON	30 Jun	Direct		Run-off
.....					
Professional Indemnity Insurance Co Aus PL	PIICA	30 Jun	Direct		
Professional Insurance Australia Pty Ltd	PIA	30 Jun	Direct		Run-off
QBE Insurance (Australia) Limited	QBE AUS	31 Dec	Direct		
QBE Insurance (International) Ltd	QBE INT	31 Dec	Direct		
RAA Insurance Limited	RAA	30 Jun	Direct		
.....					
RAC Insurance Pty Limited	RAC	31 Dec	Direct		
RACQ Insurance Limited	RACQ	31 Dec	Direct		
RACT Insurance Pty Ltd	RACT	30 Jun	Direct		
SCOR Reinsurance Asia-Pacific Pte Ltd	SCOR	31 Dec	Reinsurer	Branch	
Sompo Japan Insurance Inc	SOMPO	31 Dec	Direct	Branch	

Company classification (continued)

Year end June 2006

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
Sphere Drake Insurance Limited	SPHERE DRA	31 Dec	Reinsurer	Branch	Run-off
St Andrew's Insurance (Australia) Pty Ltd	ST ANDREW	31 Dec	Direct		
St. Paul Travelers Insurance Company Limited	ST PAUL	30 Sep	Direct	Branch	Run-off
Statecover Mutual Limited	STATECOVER	30 Jun	Direct		
Stewart Title Limited	STEWART	31 Dec	Direct	Branch	
<hr/>					
Suncorp Metway Insurance Limited	SUNCORP	30 Jun	Direct		
Sunderland Marine Mutual Insurance Co Ltd	SUNDERLAND	31 Dec	Direct	Branch	
Sunstate Lenders Mortgage Insurance Pty Ltd	SUNSTATE	30 Jun	Direct		LMI
Swann Insurance (Aust) Pty Ltd	SWANN	30 Jun	Direct		
Swiss Reinsurance Company	SWISS RE	31 Dec	Reinsurer	Branch	
<hr/>					
TGI Australia Limited	TGI AUS	31 Dec	Direct		Run-off
Taxi Insurance Co-Operative Limited	TAXI	30 Jun	Direct		
The Copenhagen Reinsurance Company Limited	COPENHAGEN	31 Dec	Reinsurer	Branch	Run-off
The Hollard Insurance Company Pty Ltd	HOLLARD	30 Jun	Direct		
The Mortgage Insurance Company Pty Limited	TMIC	30 Jun	Direct		LMI
<hr/>					
The New India Assurance Co Ltd	NEW INDIA	31 Mar	Reinsurer	Branch	
Tokio Marine & Nichido Fire Insurance Co	TOKIO	31 Mar	Direct	Branch	
Tower Insurance Limited	TOWER	30 Sep	Direct	Branch	Run-off
Transatlantic Reinsurance Company	TRC	31 Dec	Reinsurer	Branch	
Vero Insurance Limited	VERO	31 Dec	Direct		
<hr/>					
Virginia Surety Company, Inc	VIRGINIA	31 Dec	Direct	Branch	
Wesfarmers Federation Insurance Limited	WESFARMERS	30 Jun	Direct		
Western Lenders Mortgage Insurance Co Ltd	WESTERN	31 Dec	Direct		LMI
Westpac General Insurance Limited	WESTPAC	30 Sep	Direct		
Westpac Lenders Mortgage Insurance Ltd	WPAC LMI	30 Sep	Direct		LMI
<hr/>					
XL Insurance Company Limited	XL INS	31 Dec	Direct	Branch	
XL Re Ltd	XL RE	31 Dec	Reinsurer	Branch	Run-off
Zurich Australian Insurance Limited	ZURICH	31 Dec	Direct		

List of public sector insurers

Year end June 2006

Insurer Name

Coal Mines Insurance Pty Limited

Comcare Australia

Defence Homes

Insurance Commission of Western Australia

Motor Accident Insurance Board of Tasmania

New South Wales Insurance Ministerial Corporation

Territory Insurance Office

The Motor Accident Commission

Transport Accident Commission (Victoria)

Victorian Managed Insurance Authority

Victorian Workcover Authority

Workcover Authority New South Wales

Workcover Corporation South Australia

WorkCover Queensland

Explanatory notes

Source of data

Data in this publication are sourced from audited regulatory returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* by authorised general insurance companies. June issues of this bulletin also include data submitted by Australian public insurers. Private insurer returns relate to the financial year end of each individual insurer, which can occur on any date within the 12 months up to and including the reference date of the publication. Details of each insurer's balance date can be found in the company classification table.

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

Change in the reporting framework

The introduction of revised private insurer requirements resulted in differences in the basis of accounting recognition and measurement to those required by *AASB 1023 General Insurance Contracts* (AASB 1023). Previous insurer returns were completed in accordance with that standard. The changes primarily stem from the prospective liability valuation requirements prescribed by APRA in *Prudential Standard GPS 210 - Liability Valuation for General Insurers* (GPS210).

The accounting changes for private insurers are summarised below:

Insurance revenue: For regulatory reporting, premium income is recognised fully from the date of acceptance of risk. Reinsurance premiums are generally recognised as a fully paid reinsurance expense and deferred acquisition costs are recognised fully as an acquisition cost. They are not deferred and amortised in accordance with AASB 1023 and consequently there is no unearned premium, deferred reinsurance expense or deferred acquisition cost provisions. APRA has only changed the recognition and not the measurement of these revenue and expense items.

Outstanding claims provision (OCP): This has the same basis for recognition, but must be measured in accordance with GPS 210 rather than in accordance with AASB 1023.

Premium liabilities: The concept of premium liabilities is not recognised by AASB 1023 and represents a forward-looking provision for claims yet to be incurred on the current written premiums.

GPS 210 requires a prospective basis for the recognition and measurement of insurance liability likely to arise from business written. AASB 1023 does not have a similar requirement. As a result expected future profit or loss on this written business is recognised earlier than would be the case under AASB 1023.

For APRA reporting, Premium Liabilities are recognised as a liability in *GRF 300.0 Statement of Financial Position* (balance sheet) and the movement in Premium Liabilities is recognised as a component of claims expense in *GRF 310.0 Statement of Financial Performance* (profit and loss). Under this approach, claims expense has two separately identifiable components. The first relates to the Outstanding Claims Provision (i.e. current year and prior year claims) and the other relates to the Premium Liabilities (i.e. future years claims).

Basis of preparation

Figures in this publication are prepared from the individual authorised 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) and loans between parents and subsidiaries.

Due to the nature of the insurance and reinsurance industry, 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).

Unless otherwise indicated, figures represent the total operations of Australian authorised insurers, not only business undertaken within Australia.

Provisioning data

In tables 8 and 9, *outstanding claims provision* (OCP) and *premium liabilities* are measured at a 75 per cent level of sufficiency in accordance with APRA's prudential standard on liability valuation, *GPS 210*, rather than in accordance with *AASB 1023*.

OCP and *premium liabilities* data used in all other tables (including insurer specific tables 12 to 14) may however be reported by insurers as greater than, but not be less than, the 75 per cent level of sufficiency as required by *GPS 210*.

Glossary

Definitions

Capital base is the amount of eligible capital held by an insurer to provide a buffer against losses that have not been anticipated and, in the event of problems, enable the insurer to continue operating while those problems are addressed or resolved. For locally incorporated insurers it is the sum of *tier 1 capital (net of deductions)* and *tier 2 capital*. Capital base for branch insurers is derived from net assets inside Australia.

Captive insurer is a company within a group of related companies performing the function of insurer to that group.

Classes of business in tables 7-11 are shown in order of risk capital factors as described in guidance note GGN 110.3.

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

Earned premium (as defined in *AASB 1023*) is the amount of premium earned during the financial year and includes movements in the unearned premium provision.

Gross claims expense (as per table 11) relates to: claims that are paid during a financial period; and recognised claims liabilities (i.e. movement in outstanding claims provision).

Gross incurred claims comprises claims paid during the period, movements in the *outstanding claims provision* and movements in *premium liabilities*.

Gross premium revenue is recognised fully when the business is written. The accounting concepts of earned and unearned premium are no longer recognised under the APRA prudential framework, hence this item is not consistent with *AASB 1023* requirements. Instead, the potential claims liabilities arising from the uncovered term of written insurance business are recognised through the creation of *premium liabilities*.

LMI (Lenders mortgage insurers) provide cover to protect lenders from default by borrowers on loans secured by mortgage. Mortgage insurers are substantially different to other insurers and are subject to special condition of authority.

Lower tier 2 ratio is lower *tier 2 capital* divided by *tier 1 capital (net of deductions)*. The regulatory maximum for this ratio is 50 percent.

Lloyd's is a London based insurance market in which business is underwritten by both individuals and corporate members who form syndicates to accept risk.

Minimum capital requirement is the amount of risk-based capital APRA requires general insurers to hold to meet its insurance obligations under a wide range of circumstances.

Net incurred claims is *gross incurred claims* net of *reinsurance recoveries revenue and non-reinsurance recoveries revenue*.

Net loss ratio is *net incurred claims* divided by *net premium revenue*.

Net premium revenue is *gross premium revenue* net of *outwards reinsurance expense*.

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

Non-reinsurance recoverables comprise recoverables from subrogation, salvage, sharing arrangements etc, net of provision for doubtful debts.

Non-reinsurance recoveries revenue comprises amounts the insurer has recovered or is entitled to recover from subrogation, salvage and other non-reinsurance recoveries.

Other assets comprises investment income receivable, other reinsurance assets receivable from reinsurers (i.e. other than reinsurance recoveries), GST receivable, other receivables, tax assets, plant and equipment (net of depreciation) and other assets.

Other investments are strategic investments/acquisitions and other investments that do not constitute investments integral to insurance operations.

Other items comprises other operating income, goodwill amortisation and income tax expense or benefit.

Other liabilities comprises creditors and accruals, other provisions and other liabilities.

Other operating expenses are all operating expenses not related to underwriting.

Outstanding claims provision 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*.

Outwards reinsurance expense is premium ceded to reinsurers, recognised as an expense fully when incurred or contracted.

Payables on reinsurance contracts comprise amounts payable to reinsurers. This includes premiums payable but not yet due for payment, deposits withheld from reinsurers, commissions due to reinsurers and the reinsurers' portion of recoveries and salvage.

Premium liabilities relate to the future claims arising from future events insured under existing policies accepted. This fully prospective determination is a more effective means of recognising potential risk than the accounting concept of unearned premium. The amount reported is after taking account of inflation and discounting, without deducting *reinsurance and non-reinsurance recoveries*.

Premium receivables are premiums due, net of provision for doubtful debts, including unclosed business written close to the reporting date.

Reinsurance recoverables comprise amounts recoverable under reinsurance contracts.

Reinsurance and other recoverables is the aggregate of *reinsurance recoverables* and *non-reinsurance recoverables*.

Reinsurance recoveries revenue comprises amounts the insurer has recovered or is entitled to recover from reinsurers on incurred claims during the reporting period.

Reinsurers are those insurers who, excluding intra-group arrangements, predominantly undertake liability by way of reinsurance business.

Return on assets is *net profit/loss* divided by the average on-balance sheet total assets for the period.

Return on equity is *net profit/loss* divided by the average shareholders' equity for the period.

Run-off insurers are restricted by APRA from writing new or renewal insurance business. However, the company may still be acting as an insurance agent, broker or underwriting agent for other general insurers.

Solvency coverage is *capital base* divided by *minimum capital requirement*.

Tier 1 capital (net of deductions) comprises the highest quality capital elements, including: paid-up ordinary shares, general reserves, retained earnings, current year earnings net of expected dividends and tax expenses, technical provisions in excess of those required by *GPS 210*, non-cumulative irredeemable preference shares and other "innovative" capital instruments. This amount is net of goodwill, other intangible assets and future income tax benefits.

Tier 1 ratio is *tier 1 capital (net of deductions)* divided by *capital base*. The regulatory minimum for this ratio is 50 percent.

Tier 2 capital comprises capital instruments that fall short of the quality of tier 1 capital, including: cumulative irredeemable preference shares, mandatory convertible notes and similar capital instruments, perpetual subordinated debt and any other hybrid capital instruments of a permanent nature.

Underwriting expenses are expenses incurred as a result of underwriting activities: i.e. acquisition costs plus levies and charges plus other underwriting expenses not including *outwards reinsurance expense* less commission revenue.

Underwriting result is *net premium revenue* less *net incurred claims* and *underwriting expenses*.



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