



STATISTICS

Quarterly General Insurance Performance Highlights

December 2019 (released 27 February 2020)

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Highlights for the year ended 31 December 2019

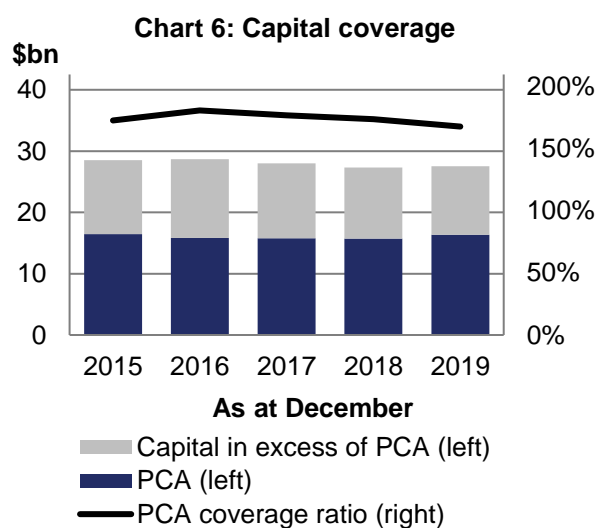
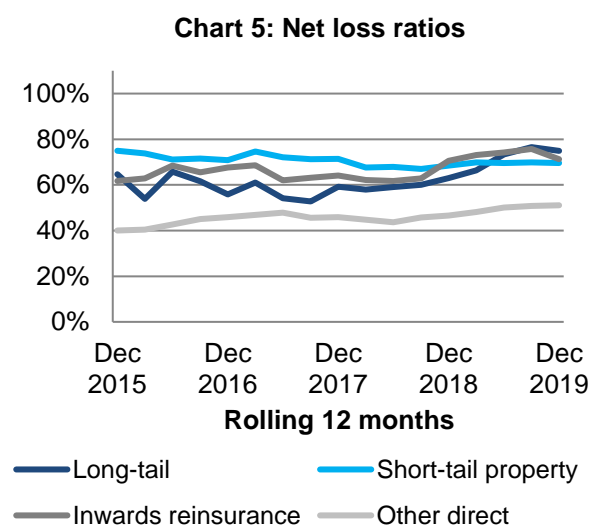
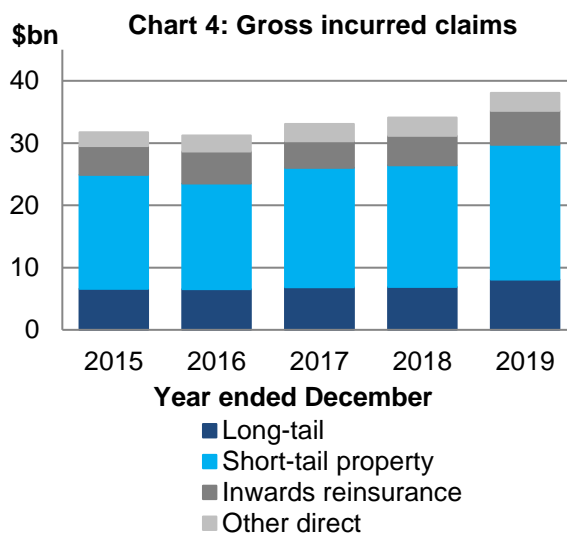
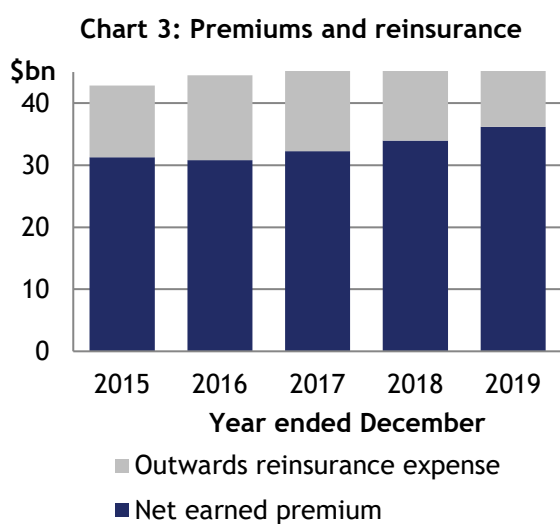
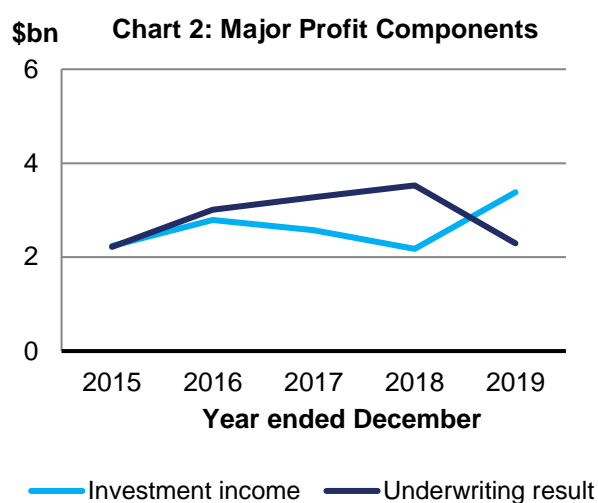
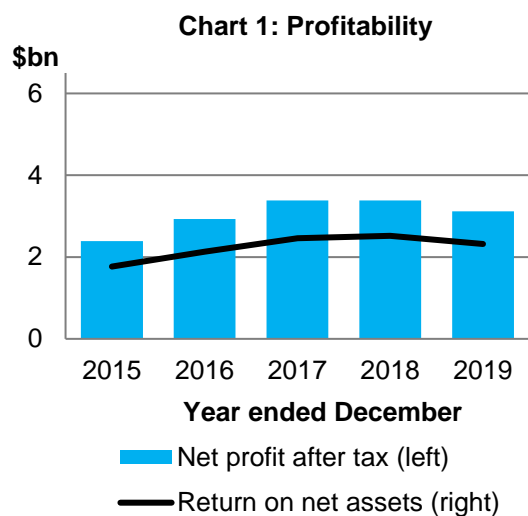
- Industry underwriting profit for the year to 31 December 2019 was \$2.3 billion (2018: \$3.5 billion). The result was negatively impacted primarily by the Townsville flood catastrophe event and the multiple bushfire events during the year, and a strengthening of claims reserves in long tail classes primarily due to falling bond yields.
- During the year, insurers reported increases in gross earned premium mainly from premium rate increases most notably in the short-tail, employers' liability and professional indemnity classes of business.
- Investment income increased significantly during the year, primarily due to unrealised gains in fixed interest investments resulting from falling bond yields in the first part of the year.
- Industry net profit after tax at \$3.1 billion and return on net assets at 11.4 per cent were both lower when compared to the prior year.
- Industry PCA coverage ratio declined from 1.74x to 1.68x in the December quarter.

Key performance data/ metrics at a glance¹

	Year to 31 December 2018	Year to 31 December 2019	Change
Number of insurers	96	96	unchanged
Net profit after tax	\$3.4bn	\$3.1bn	-7.9%
Return on net assets	12.4%	11.4%	-1pp
Underwriting result	\$3.5bn	\$2.3bn	-34.9%
Investment income	\$2.2bn	\$3.4bn	+55.4%
Gross earned premium	\$47.3bn	\$50.0bn	+5.8%
Net earned premium	\$34.0bn	\$36.2bn	+6.6%
Gross incurred claims	\$34.1bn	\$38.1bn	+11.6%
Gross loss ratio	66%	71%	+5pp
Net loss ratio	65%	69%	+4pp
<i>short-tail property</i>	68%	70%	+2pp
<i>long-tail classes</i>	63%	75%	+12pp
Underwriting exp ratio	24%	25%	+1pp
PCA coverage ratio	1.74x	1.68x	-0.06x

¹ Data on industry segments and classes of business is available in the publication

Historical performance trends 2015 - 2019





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