



# STATISTICS

## General Insurance claims development statistics – highlights

DECEMBER 2019 (released 2 July 2020)

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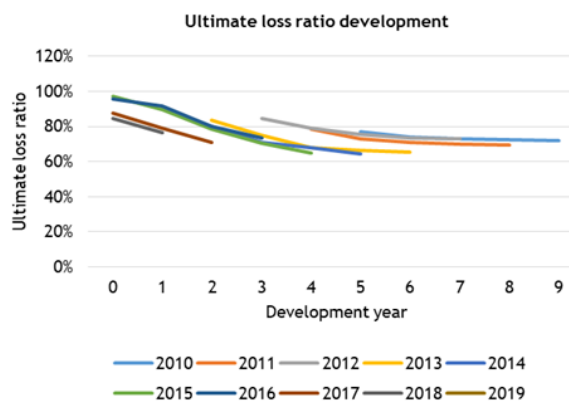
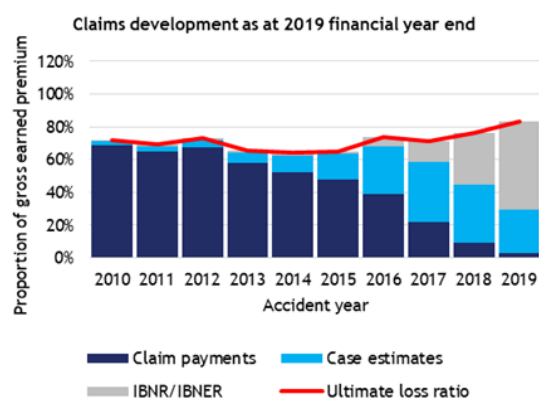
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## CTP motor vehicle

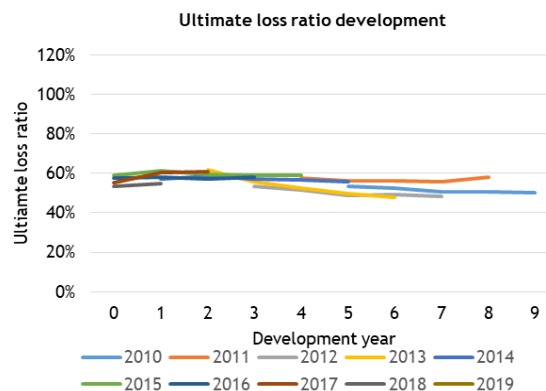
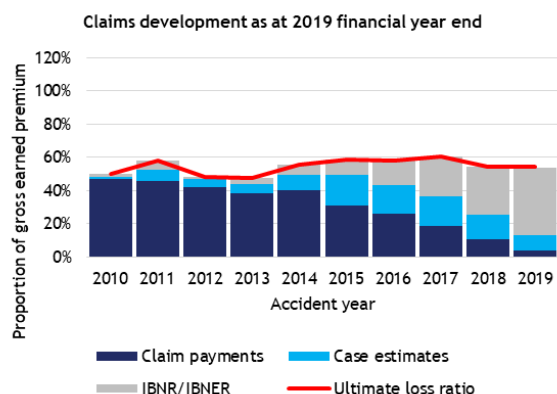
Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	2,597	2,792	2,931	3,210	3,468	3,554	3,768	4,134	3,768	3,578
Latest estimated gross ultimate cost of claims (\$m)	1,861	1,936	2,135	2,101	2,226	2,306	2,769	2,937	2,874	2,979
Latest estimated ultimate loss ratio (%)	71.7%	69.3%	72.8%	65.5%	64.2%	64.9%	73.5%	71.0%	76.3%	83.3%



In the 2019 financial year significant reserve releases occurred consistently across all prior accident years, albeit at lower levels than in recent financial years. These were mainly concentrated within the accident years up to 5 years prior. The estimated ultimate loss ratio for the 2019 accident year (83.3 per cent) is slightly lower than recent accident years at the same stage of development with decreased claims costs offset by the decrease in earned premium resulting from recent scheme reforms.

## Public and product liability

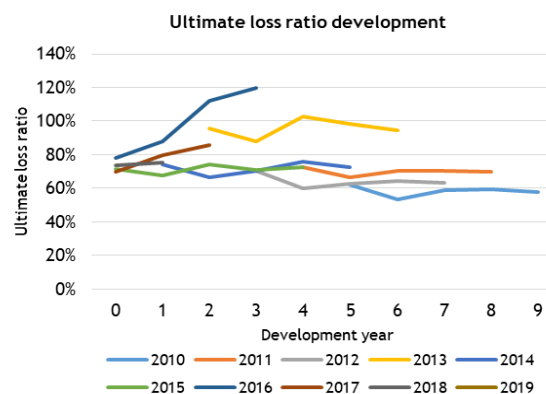
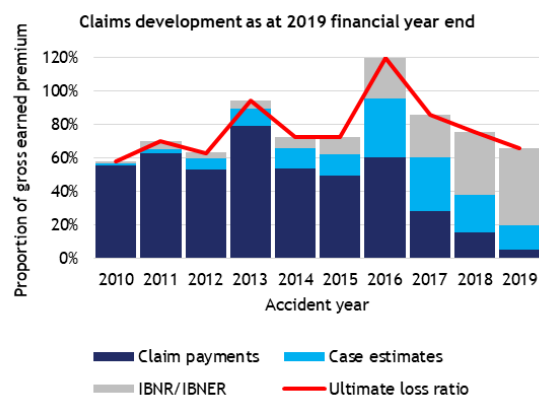
Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	1,899	2,030	2,069	2,087	2,178	2,198	2,214	2,256	2,367	2,459
Latest estimated gross ultimate cost of claims (\$m)	953	1,178	1,000	992	1,208	1,292	1,282	1,367	1,292	1,328
Latest estimated ultimate loss ratio (%)	50.2%	58.0%	48.3%	47.5%	55.5%	58.8%	57.9%	60.6%	54.6%	54.0%



In the 2019 financial year there was some reserve strengthening across recent accident years, in contrast to the reserve releases across recent financial years. The estimated ultimate loss ratio for the 2019 accident year (54.0 per cent) is in line with recent accident years at the same stage of development.

## Professional indemnity

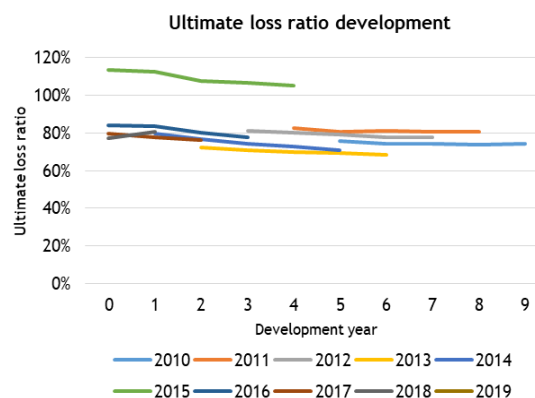
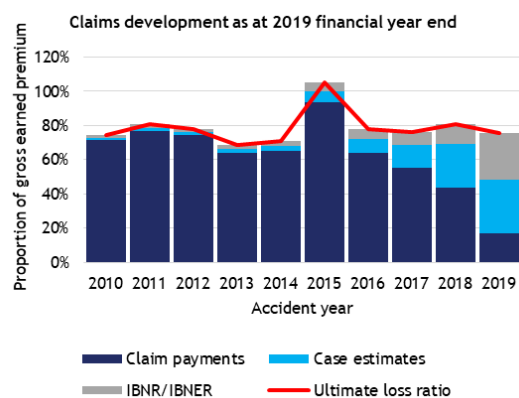
Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	1,309	1,283	1,273	1,288	1,407	1,419	1,457	1,623	1,799	2,087
Latest estimated gross ultimate cost of claims (\$m)	755	898	802	1,215	1,022	1,027	1,744	1,388	1,358	1,375
Latest estimated ultimate loss ratio (%)	57.7%	70.0%	63.0%	94.3%	72.6%	72.4%	119.7%	85.5%	75.5%	65.9%



In the 2019 financial year reserve strengthening occurred across all recent accident years, albeit at a lower level than in 2017 or 2018. This trend aligns with an increase in class action activity. These reserve strengthening were mainly concentrated within the accident years up to 4 years prior. The estimated ultimate loss ratio for the 2019 accident year (65.9 per cent) is lower than recent accident years at the same stage of development due to significant premium increases.

## Employers' liability

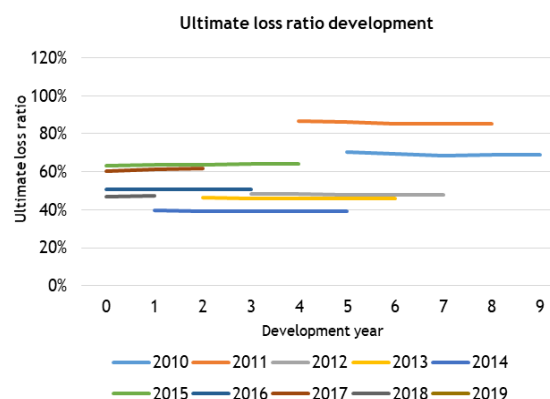
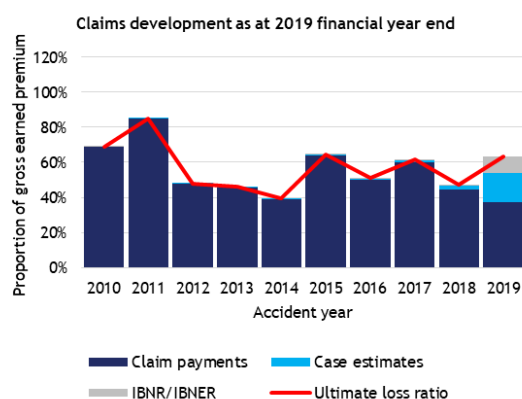
Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	1,208	1,244	1,407	1,629	1,612	1,640	1,568	1,555	1,633	1,774
Latest estimated gross ultimate cost of claims (\$m)	898	1,004	1,094	1,115	1,145	1,726	1,222	1,186	1,317	1,345
Latest estimated ultimate loss ratio (%)	74.3%	80.7%	77.8%	68.4%	71.0%	105.2%	77.9%	76.3%	80.6%	75.8%



In the 2019 financial year reserve releases continued across most recent accident years, however reserve strengthening was seen for the 2018 accident year. The estimated ultimate loss ratio for the 2019 accident year (75.8 per cent) is slightly lower than recent accident years at the same stage of development driven by premium increases. There is a significant transactional impact on the 2015 accident year data, excluding the impact of this transaction the ultimate loss ratio for the 2015 accident year would be approximately 75 per cent.

## Houseowners/householders

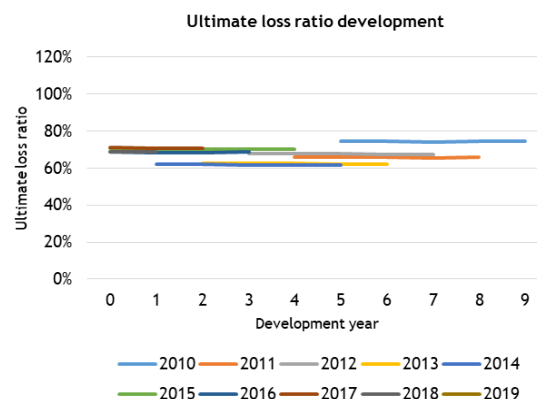
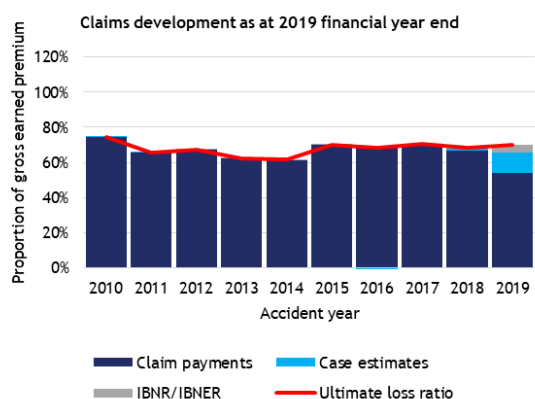
Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	4,722	5,404	6,217	7,016	7,605	7,838	8,034	8,328	8,661	9,207
Latest estimated gross ultimate cost of claims (\$m)	3,261	4,605	2,976	3,228	2,986	5,041	4,085	5,130	4,113	5,849
Latest estimated ultimate loss ratio (%)	69.1%	85.2%	47.9%	46.0%	39.3%	64.3%	50.8%	61.6%	47.5%	63.5%



Given the short tail nature of claims in this class of business, the ultimate claims cost estimate for any particular accident year does not develop much over time. The estimated ultimate loss ratio for the 2019 accident year (63.5 per cent) is higher than the 10 year average of 57.5 per cent with an increased cost of claims only partially offset by premium increases. The impact of recent natural catastrophe events (including bushfire losses) is only included in the data reported by insurers with 31 December balance dates as the claims development data is submitted to APRA annually.

## Domestic motor vehicle

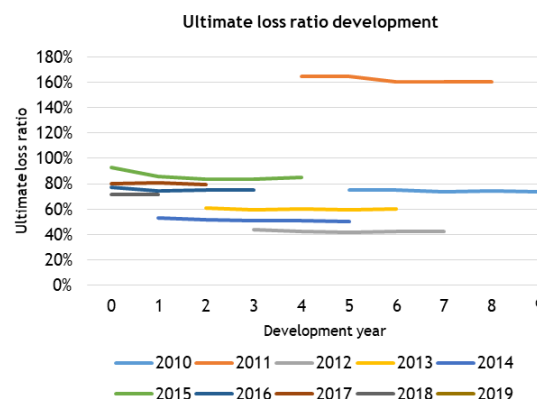
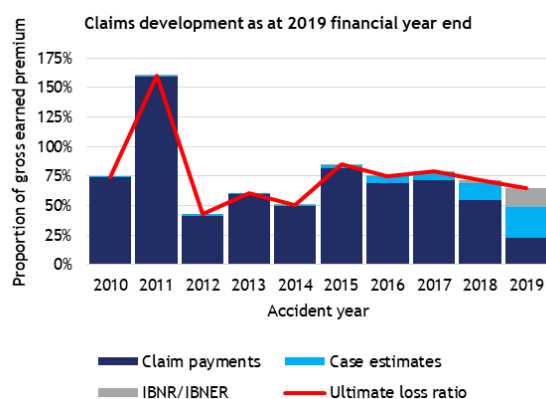
Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	6,196	6,610	6,937	7,378	7,772	7,987	8,286	8,720	9,345	9,985
Latest estimated gross ultimate cost of claims (\$m)	4,616	4,333	4,671	4,587	4,779	5,582	5,674	6,154	6,405	7,020
Latest estimated ultimate loss ratio (%)	74.5%	65.6%	67.3%	62.2%	61.5%	69.9%	68.5%	70.6%	68.5%	70.3%



Given the short tail nature of claims in this class of business, the ultimate claims cost estimate for any particular accident year does not develop much over time. The estimated ultimate loss ratio for the 2019 accident year (70.3 per cent) is slightly higher than the 10 year average of 67.9 per cent with an increased cost of claims only partially offset by premium increases. The impact of recent natural catastrophe events (including bushfire losses) is only included in the data reported by insurers with 31 December balance dates as the claims development data is submitted to APRA annually.

## Fire and ISR

Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	3,068	3,416	3,895	4,067	3,960	3,860	3,999	4,154	4,402	4,933
Latest estimated gross ultimate cost of claims (\$m)	2,271	5,469	1,664	2,450	1,981	3,292	2,997	3,286	3,148	3,209
Latest estimated ultimate loss ratio (%)	74.0%	160.1%	42.7%	60.2%	50.0%	85.3%	74.9%	79.1%	71.5%	65.1%

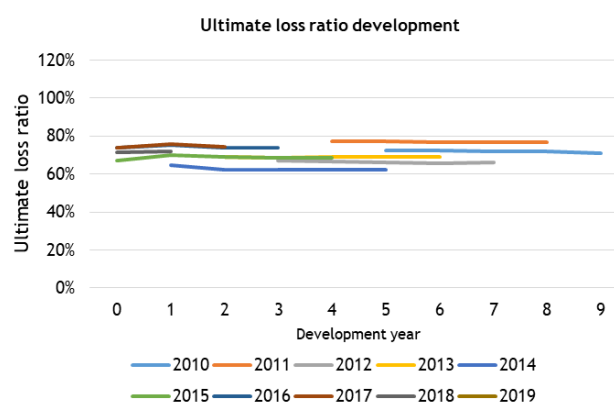
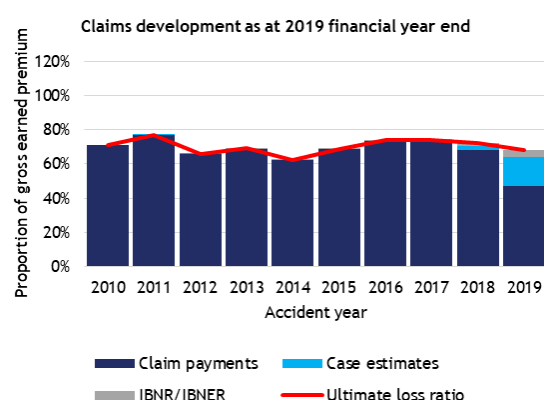


Given the short tail nature of claims in this class of business, the ultimate claims cost estimate for any particular accident year does not develop much over time. The estimated ultimate loss ratio for the 2019 accident year (65.1 per cent) is below the 10 year average of 67.9 per cent

76.3 per cent, continuing a recent downward trend due to premium growth. The impact of recent natural catastrophe events (including bushfire losses) is only included in the data reported by insurers with 31 December balance dates as the claims development data is submitted to APRA annually.

## Commercial motor vehicle

Accident year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross earned premium (\$m)	1,690	1,832	1,937	2,059	2,103	2,193	2,101	2,243	2,493	2,678
Latest estimated gross ultimate cost of claims (\$m)	1,198	1,405	1,277	1,420	1,308	1,506	1,549	1,663	1,793	1,819
Latest estimated ultimate loss ratio (%)	70.9%	76.7%	65.9%	69.0%	62.2%	68.7%	73.7%	74.1%	71.9%	67.9%

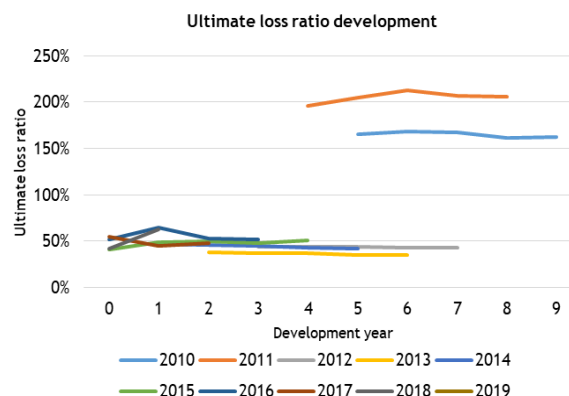
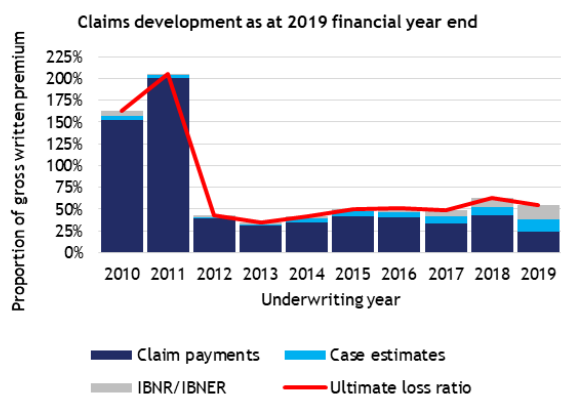


Given the short tail nature of claims in this class of business, the ultimate claims cost estimate for any particular accident year does not develop much over time. The estimated ultimate loss ratio for the 2019 accident year (67.9 per cent) is slightly lower than the 10 year average of 70.1 per cent, continuing a recent downward trend due to premium growth. The impact of recent natural catastrophe events (including bushfire losses) is only included in the data reported by insurers with 31 December balance dates as the claims development data is submitted to APRA annually.



## Reinsurance

Underwriting year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross written premium (\$m)	4,231	4,644	5,176	5,467	6,130	6,756	7,446	6,511	7,423	6,276
Latest estimated gross ultimate cost of claims (\$m)	6,884	9,554	2,199	1,891	2,542	3,404	3,829	3,139	4,631	3,455
Latest estimated ultimate loss ratio (%)	162.7%	205.7%	42.5%	34.6%	41.5%	50.4%	51.4%	48.2%	62.4%	55.1%



In the 2017 financial year reserve movements were impacted by one insurer consolidating its APRA licences and should be used with caution. The estimated ultimate loss ratio for the 2019 underwriting year (55 per cent) is slightly higher than recent underwriting years at the same stage of development. The impact of recent natural catastrophe events (including bushfire losses) is only included in the data reported by insurers with 31 December balance dates as the claims development data is submitted to APRA annually.



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