



# STATISTICS

## Quarterly life insurance performance statistics - highlights

December 2020 (released 4 March 2021)

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## Industry highlights for the year ended 31 December 2020

- For the year to December 2020, the industry has reported a net loss of \$0.1 billion (\$0.3 billion loss for the year to December 2019) and a return on net assets of -0.4 per cent (-1.2 per cent for the year to December 2019). Total revenue dropped significantly as a result of the market volatility impacts of COVID-19, which led to an investment loss of \$2.3 billion for the year to December 2020 (\$24.6 billion profit for the year to December 2019). However, this was mostly offset by a reduction in expenses, primarily due to release of investment and claims reserves of \$25.4 billion throughout the year.
- Within risk products, Individual Lump Sum (LS) is the only category reporting a profit in the 12 months to December 2020 (refer Table 2 and Chart 4). Individual Disability Income Insurance (IDII) recorded a loss of \$0.7 billion during the year, which is a \$0.7 billion improvement in comparison to the previous year's result. Results for Group LS and Group DII have also improved this year; however, both products continued to record losses of \$173.5 million and \$122.5 million respectively. The improvements across IDII, Group LS, and Group DII were primarily driven by release of reserves for each product throughout the year.
- The industry PCA coverage ratio increased from 1.66x to 1.80x over the year (refer Chart 6), mainly driven by capital injections in response to the IDII capital charge that came into effect on 1 October 2020 and the fall in the asset risk charge as a result of de-risking of investment portfolios.

**Table 1: Key performance metrics for the year ended 31 December**

(\$ billion)

	Year to 31 Dec 2019	Year to 31 Dec 2020	Yearly Change
Net policy revenue	15.8	14.4	-9.3%
Investment revenue	24.6	-2.3	
Total revenue	42.7	13.3	-68.9%
Net policy expenses	10.6	9.7	-8.0%
Operating expenses	8.4	7.3	-12.5%
Effective movement in net policy liabilities	22.2	-3.2	
Total expenses	41.5	14.1	-66.1%
Net profit after tax	-0.3	-0.1	69.6%
Total assets	202.6	130.3	-35.7%
Return on net assets	-1.2%	-0.4%	0.9pp
PCA coverage ratio	1.66x	1.80x	0.13x

**Table 2: Risk products net profit after tax for the year ended 31 December**

(\$ million)

	Year to 31 Dec 2019	Year to 31 Dec 2020	Dec Quarter 2020
Individual lump sum	653.3	543.7	73.0
Individual disability income insurance	-1,472.8	-739.9	-97.5
Group lump sum	-240.6	-173.5	-7.8
Group disability income insurance	-270.9	-122.5	-108.0
Total	-1,331.0	-492.3	-140.3

## Industry highlights for the quarter ended 31 December 2020

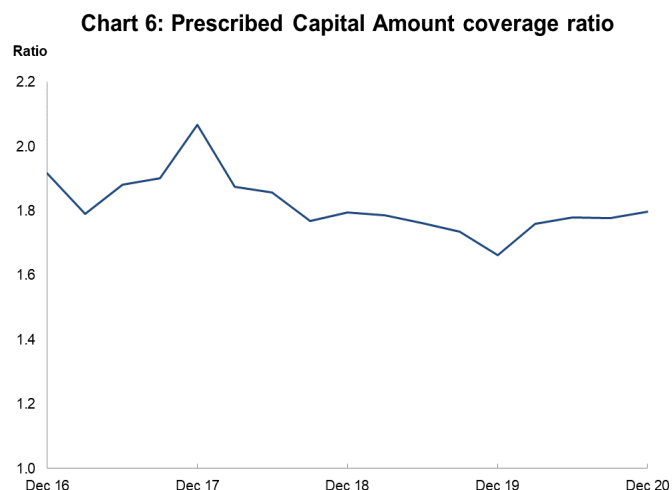
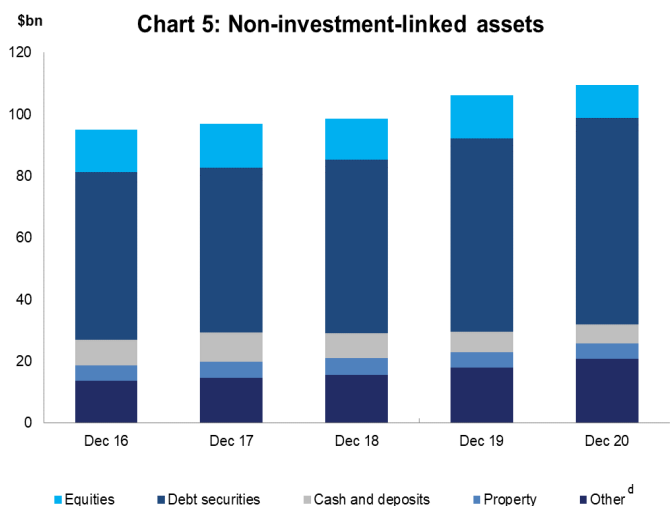
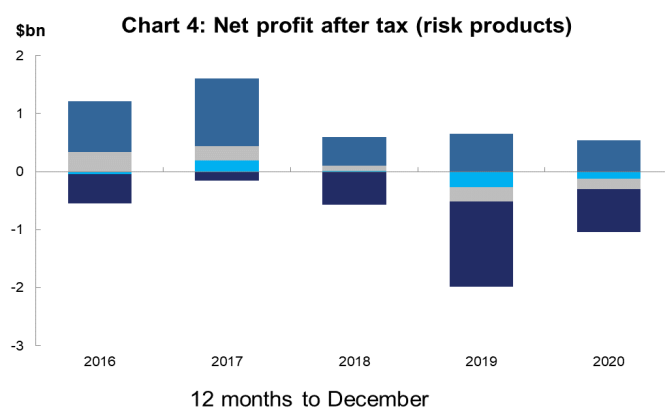
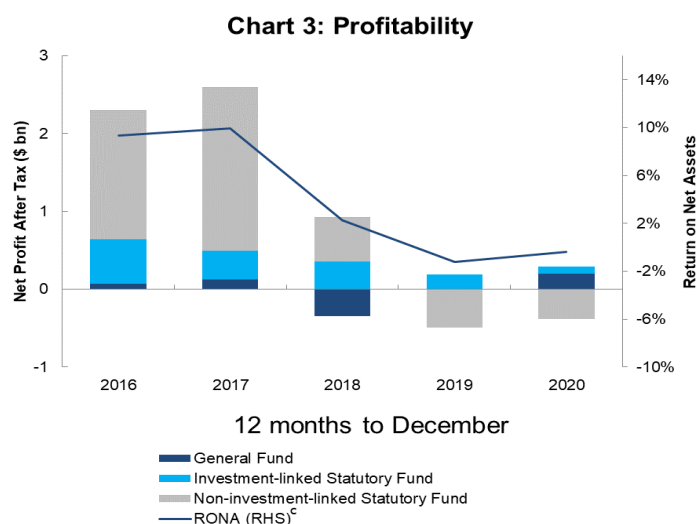
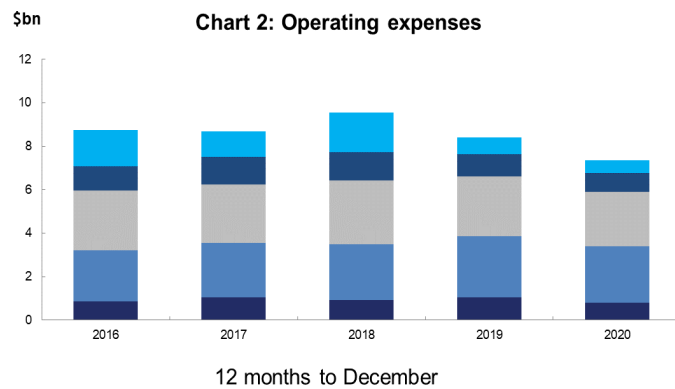
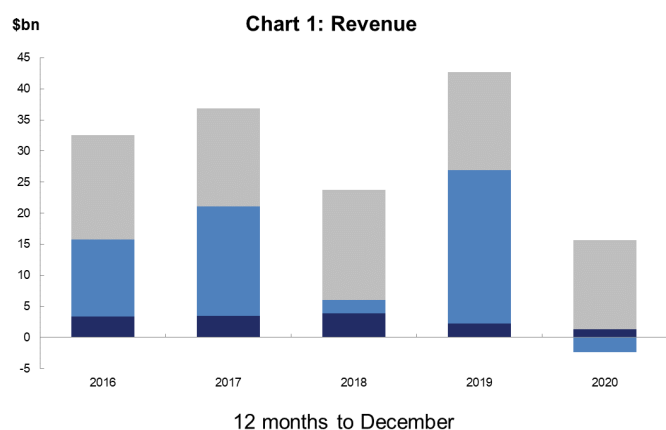
- For the December quarter, the industry reported a profit of \$439.2 million, an increase of \$420.7 million from the previous quarter. This was primarily driven by an increase in investment revenue due to strong equity performance over the quarter.

**Table 3: Key performance indicators for the quarter at a glance**

(in \$ billion, unless noted otherwise)

	September 2020 Quarter	December 2020 Quarter	Quarterly Change
Net policy revenue	3.9	3.5	-10.4%
Investment revenue	1.6	2.5	50.6%
Total revenue	5.7	6.2	8.9%
Net policy expenses	2.5	2.4	-2.8%
Operating expenses	1.8	1.7	-3.4%
Effective movement in net policy liabilities	1.3	1.1	-17.2%
Total expenses	5.6	5.3	-5.7%
Net profit after tax	0.0	0.4	
Total assets	128.9	130.3	1.1%
Return on net assets	0.3%	6.6%	6.4pp
PCA coverage ratio	1.78x	1.80x	0.02x

# Historical performance trends for the five years to December 2020



<sup>a</sup> Other comprises management service fees and other revenue

<sup>b</sup> Other comprises investment management, net movement in deferred acquisition costs and other operating expenses.

<sup>c</sup> See Return on net assets in the glossary.

<sup>d</sup> Other comprises other investments, other assets and reinsurance policy liabilities.



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