



STATISTICS

Quarterly general insurance performance statistics - highlights

September 2021 (released 25 November 2021)

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Highlights for the year ended 30 September 2021

- For the year ended 30 September 2021, the industry net profit after tax of \$944 million and return on net assets of 3.2 per cent were broadly unchanged relative to the prior year (Chart 1). The result was supported by improved underwriting results but investment income continues to be subdued (Chart 2).
- Within the underwriting results, insurers reported higher gross earned premium in most classes of business, including Householders, Domestic Motor, Fire & ISR and Professional Indemnity. This reflects the increase in premium rates across these classes.
- Gross incurred claims costs were slightly lower than a year ago (Chart 4). Lower claims costs were reported in the Householders class, reflecting the lower incidence of catastrophe events, and the Reinsurance classes of business. In contrast, costs increased materially in the Fire & ISR class of business reflecting the significant provisioning undertaken for Business Interruption claims in the December 2020 quarter. Domestic Motor claims costs also increased in the year notwithstanding lower levels of motor vehicle usage during COVID-19 lockdowns in the September 2021 quarter.
- Investment income during the year remained subdued with large increases in longer-term bond yields causing unrealised losses on interest bearing investments. These losses outweighed gains from equity investments over the year.
- The industry PCA coverage ratio was marginally lower at 1.72x compared to the same period a year ago, but remains strong.

Table 1: Key performance indicators for the year at a glance¹

	Year ended 30 September 2020	Year ended 30 September 2021	Yearly change
Number of insurers	94	93	-1
Net profit after tax	\$0.9bn	\$0.9bn	4.5%
Return on net assets	3.2%	3.2%	unchanged
Underwriting result	\$1.6bn	\$1.9bn	20.0%
Investment income	\$1.2bn	\$1.2bn	-0.7%
Gross earned premium	\$51.7bn	\$55.6bn	7.4%
Net earned premium	\$37.0bn	\$39.3bn	6.3%
Gross incurred claims	\$43.2bn	\$42.8bn	-0.9%
Gross loss ratio	78%	71%	-7pp
Net loss ratio	70%	71%	1pp

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

	Year ended 30 September 2020	Year ended 30 September 2021	Yearly change
short-tail property	69%	75%	+6pp
long-tail classes	78%	77%	-1pp
Underwriting exp ratio	25%	24%	-1pp
PCA coverage ratio	1.74x	1.72x	-0.02x

Highlights for the quarter ended 30 September 2021

- The industry reported net profit after tax of \$846 million in the September quarter driven by a very strong increase in underwriting results. Stronger underwriting results were particularly evident in the Domestic Motor class reflecting lower levels of motor vehicle usage during COVID-19 lockdowns, and the Professional Indemnity class.
- Investment income declined in the quarter as increases in bond yields caused unrealised losses on interest bearing investments.
- The industry PCA coverage ratio increased slightly during the September quarter to 1.72x, up from the June ratio of 1.71x.

Table 2: Key performance indicators for the quarter at a glance²

	June Quarter 2021	September Quarter 2021	Quarterly change
Number of insurers	93	93	Unchanged
Net profit after tax	\$708m	\$846m	19.5%
Return on net assets	9.6%	11.1%	+1.5pp
Underwriting result	\$899m	\$1519m	69.0%
Investment income	\$670m	\$292m	-56.4%
Gross earned premium	\$13.9bn	\$14.5bn	4.9%
Net earned premium	\$9.9bn	\$10.3bn	3.8%
Gross incurred claims	\$9.2bn	\$9.4bn	2.2%
Gross loss ratio	61%	60%	-1pp
Net loss ratio	66%	62%	-4pp
Underwriting exp ratio	25%	24%	-1pp

² Data on industry segments and classes of business is available in the publication

	June Quarter 2021	September Quarter 2021	Quarterly change
PCA coverage ratio	1.71x	1.72x	+0.01x

Historical performance trends

Chart 1: Profitability

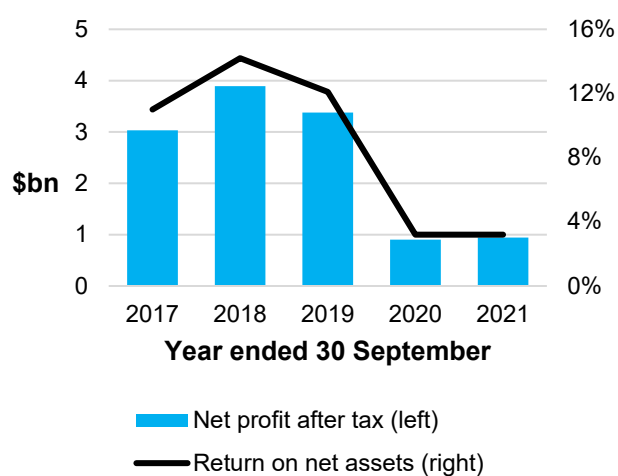


Chart 2: Major Profit Components

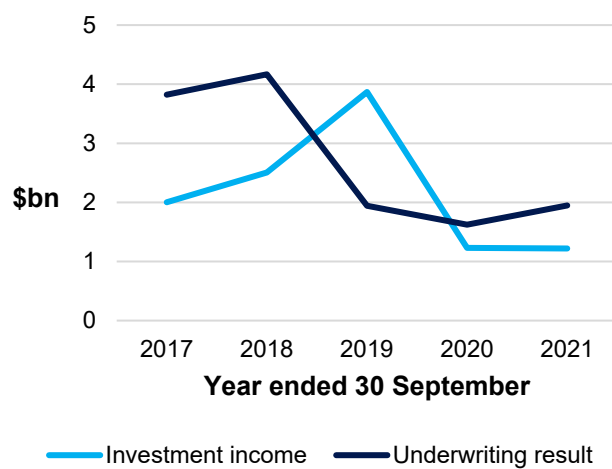


Chart 3: Premiums and Reinsurance

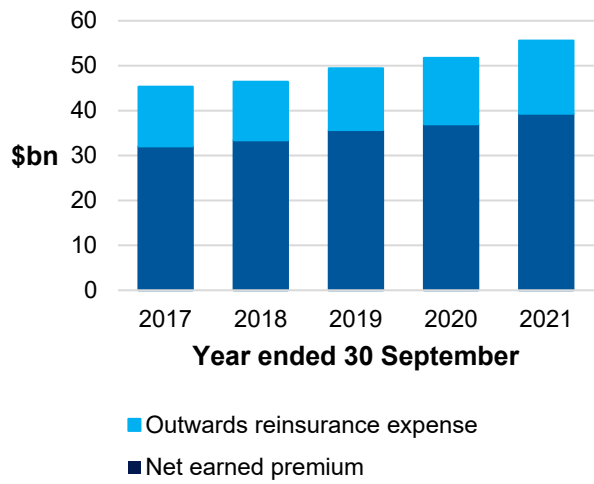


Chart 4: Gross Incurred Claims

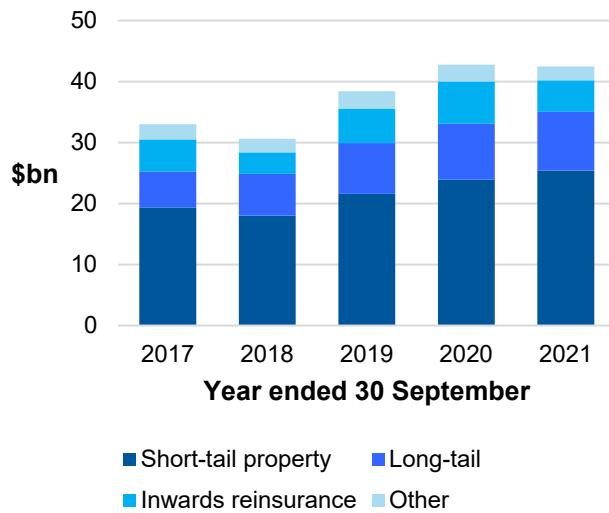


Chart 5: Net Loss Ratios

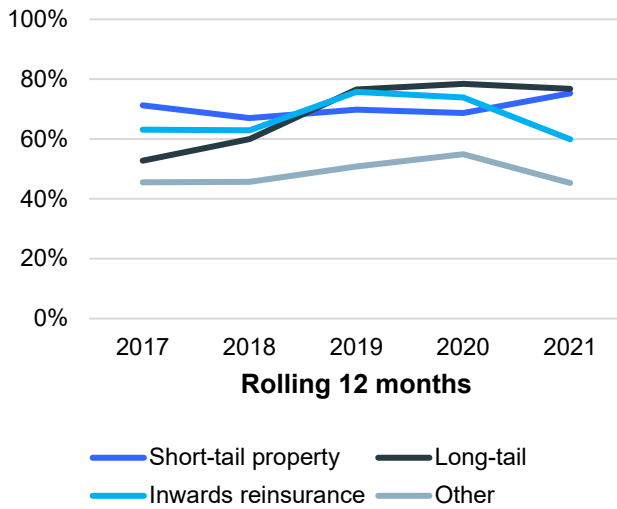
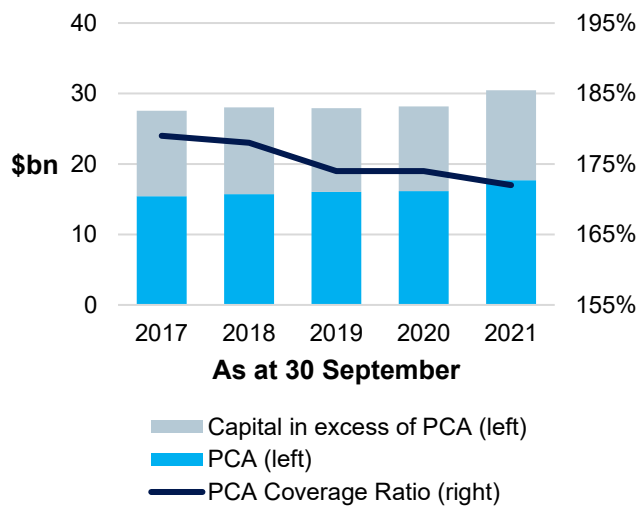


Chart 6: Capital Coverage





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