



# STATISTICS

## Quarterly life insurance performance statistics - highlights

September 2021 (released 25 November 2021)



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## Industry highlights for the year ended 30 September 2021

- For the year ended September 2021, the industry has reported a net profit of \$1.4 billion and a return on net assets of 5.2 per cent, a significant improvement from the previous year. This result was primarily driven by an increase in investment revenue of \$8.7 billion over the past 12 months.
- Notable improvements were experienced within risk products, with all four products returning an improved result for the 12 months ended September 2021 in comparison to the previous year's result. Individual Lump Sum returned a profit of \$427.0m and Individual Disability Income Insurance recorded a profit of \$124.0m, a return to profitability following a substantial loss recorded in the prior year. Although Group products reported losses, they were at significantly lower levels in comparison to the previous year with Group LS and Group DII making losses of \$97.5m and \$14.4m respectively.
- The industry prescribed capital coverage ratio increased from 1.77x to 1.95x over the year (refer Chart 6), mainly driven by capital injections in response to the IDII capital charges imposed by APRA to incentivise insurers to take strong action to improve sustainability, that came into effect on 1 October 2020.

**Table 1: Key performance metrics for the year ended 30 September**

(in \$ billion, unless noted otherwise)

	Year ended 30 Sep 2020	Year ended 30 Sep 2021	Yearly Change
Net policy revenue	14.7	14.6	-0.6%
Investment revenue	-3.3	5.4	
Total revenue	12.9	20.9	62.0%
Net policy expenses	9.9	9.2	-7.0%
Operating expenses	7.5	7.0	-6.8%
Effective movement in net policy liabilities	-1.7	2.2	
Total expenses	15.9	18.6	16.7%
Net profit after tax	-1.6	1.4	
Total assets	128.9	134.2	4.1%
Return on net assets	-6.4%	5.2%	11.6%
PCA coverage ratio	1.77x	1.95x	0.18x

**Table 2: Risk products net profit after tax (NPAT) for the year ended 30 September**

(in \$ million, unless noted otherwise)

	Year ended 30 Sep 2020	Year ended 30 Sep 2021	September Quarter 2021
Individual lump sum	361.6	427.0	186.7
Individual disability income insurance	-1,414.7	124.0	144.9
Group lump sum	-403.2	-97.5	-122.6
Group disability income insurance	-147.9	-14.4	26.7
Total	-1,604.2	439.1	235.6



## Industry highlights for the quarter ended 30 September 2021

- For the September quarter, the industry returned a profit of \$375.2 million, a minor decrease from the June quarter. A significant drop in investment revenue over the quarter of \$2.4bn was offset by a broadly comparable level of reserve releases of \$2.1bn.

**Table 3: Key performance indicators for the quarter**

(in \$ billion, unless noted otherwise)

	June 2021 Quarter	Sep 2021 Quarter	Quarterly Change
Net policy revenue	3.9	3.8	-1.2%
Investment revenue	3.1	0.7	-76.4%
Total revenue	7.3	4.8	-33.6%
Net policy expenses	2.2	2.3	3.1%
Operating expenses	1.9	1.8	-3.2%
Effective movement in net policy liabilities	2.3	0.2	-91.0%
Total expenses	6.5	4.4	-32.5%
Net profit after tax	408.2m	375.2m	-8.1%
Total assets	132.7	134.2	1.1%
Return on net assets	6.2%	5.8%	-0.4%
PCA coverage ratio	1.94x	1.95x	0.01x



## Historical performance trends

Chart 1: Revenue, for year ended September 2017 to September 2021

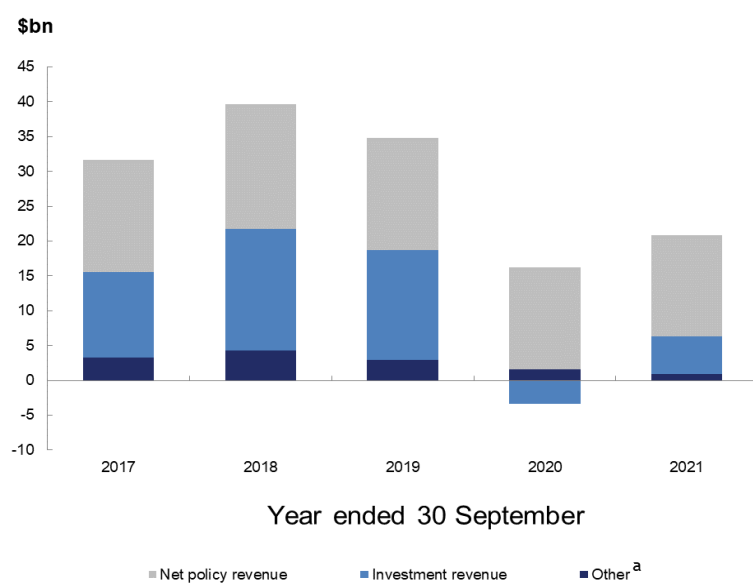


Chart 2: Operating expenses, for year ended September 2017 to September 2021

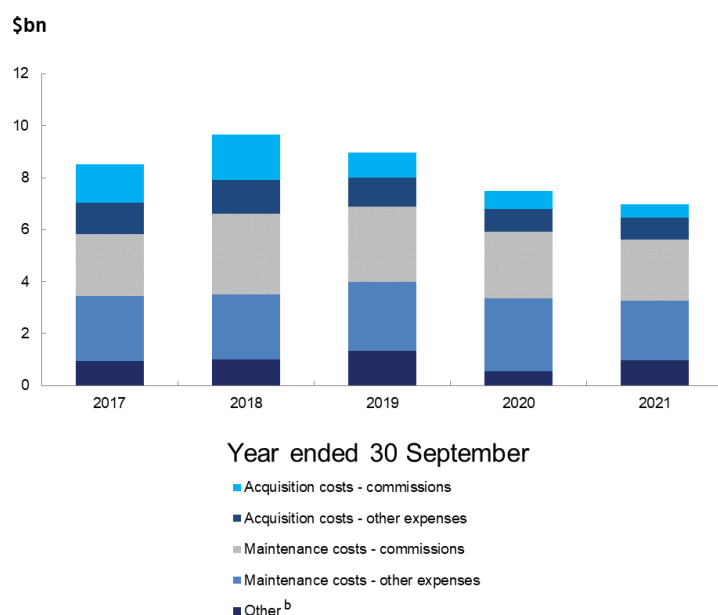




Chart 3: Profitability, for year ended September 2017 to September 2021

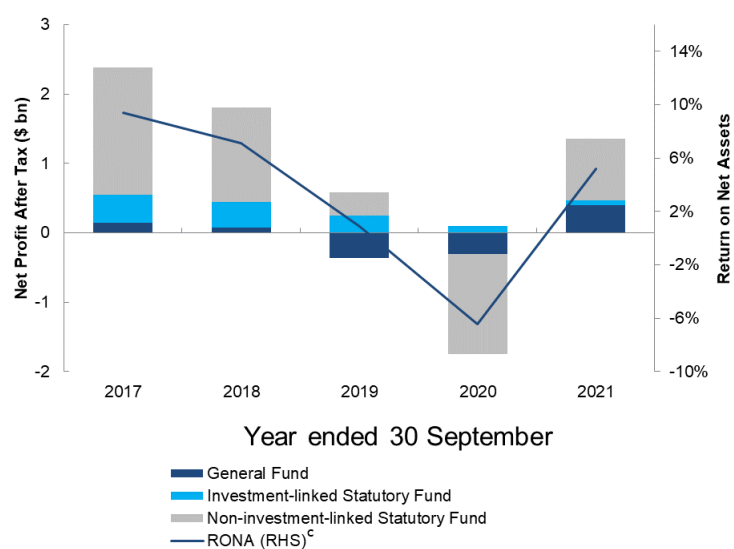
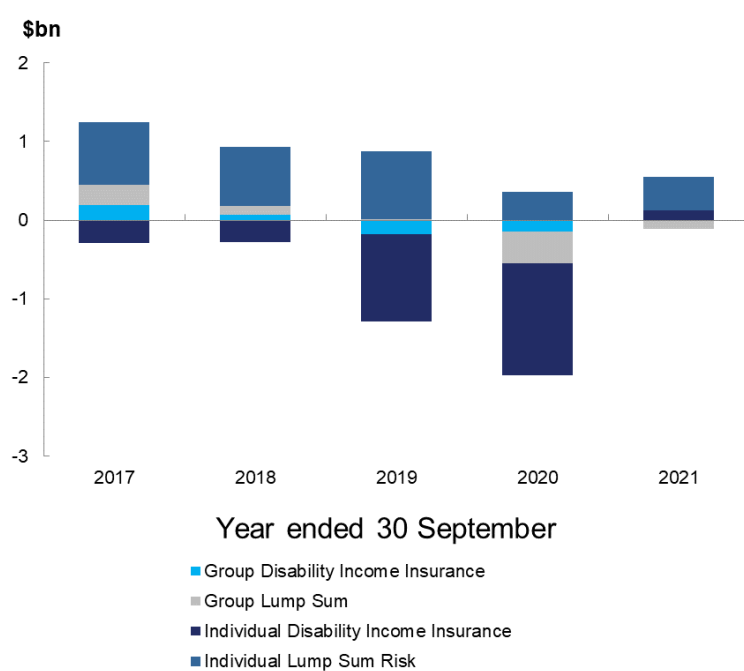
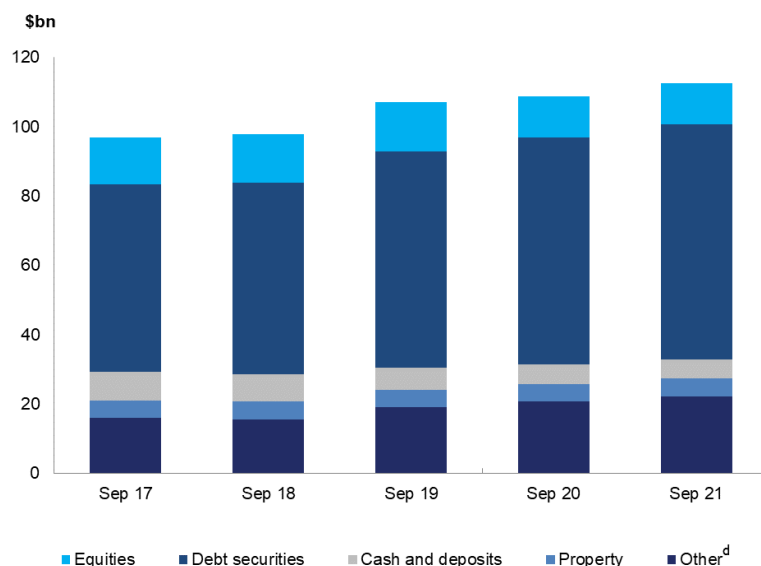


Chart 4: Net profit after tax for risk products, for year ended September 2017 to September 2021





**Chart 5: Non-investment linked assets, for year ended September 2017 to September 2021**



**Chart 6: Prescribed capital amount coverage ratio, for year ended September 2017 to September 2021**



<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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