



STATISTICS

Quarterly general insurance performance statistics - highlights

March 2022 (released 26 May 2022)

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Highlights for the year ended 31 March 2022

- For the year ended 31 March 2022, the industry reported a net profit after tax of \$1.3 billion and a return on net assets of 4.3 per cent, an increase from the results of the prior year (Chart 1). The increase in net profit was due to stronger underwriting results for the year, however, this was partially offset by significant investment losses (Chart 2).
- Insurers reported increases in gross earned premium in most classes of business – in part reflecting increases in premium rates. Larger increases in gross earned premium were observed in Householders, Domestic Motor, Fire and Industrial Special Risks (ISR), Public and Product Liability and Professional Indemnity classes of business.
- The industry reported an increase in gross incurred claims costs from natural catastrophe events during the year, primarily from the New South Wales and south east Queensland flood events in the March quarter (Chart 4). As a result, large increases in gross incurred claims costs were recorded in the Householders and Reinsurance classes of business. Domestic and Commercial Motor claims costs also increased – in part reflecting higher levels of motor vehicle usage in the current year when compared to the prior year.
- The industry reported an investment loss of \$942m for the year which was primarily driven by unrealised losses on interest bearing investments as a result of increases in bond yields during the March quarter.
- Compared to the prior year, the industry PCA coverage ratio increased slightly to 1.71x (Chart 6).

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

	Year ended 31 March 2021	Year ended 31 March 2022	Yearly change
Number of insurers	93	92	-1
Net profit after tax	\$1.1bn	\$1.3bn	16.7%
Return on net assets	3.9%	4.3%	0.4pp
Underwriting result	\$1.6bn	\$4.7bn	204.4%
Investment income	\$1.6bn	\$-0.9bn	Significant
Gross earned premium	\$53.0bn	\$58.9bn	11.0%
Net earned premium	\$37.4bn	\$41.2bn	10.0%
Gross incurred claims	\$41.5bn	\$44.6bn	7.3%
Net incurred claims	\$26.6bn	\$26.7bn	0.3%
Gross loss ratio	73%	70%	-3pp

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

	Year ended 31 March 2021	Year ended 31 March 2022	Yearly change
Net loss ratio	71%	65%	-6pp
short-tail property	73%	70%	-3pp
long-tail classes	77%	63%	-14pp
Underwriting exp ratio	25%	24%	-1pp
PCA coverage ratio	1.69x	1.71x	+0.02x

Highlights for the quarter ended 31 March 2022

- For the March quarter, the industry reported a loss of \$428 million. Gross incurred claims were significantly higher in the March quarter as a result of the New South Wales and south east Queensland floods. The large investment loss of \$1.6 billion was driven by a rise in bond yields during the quarter resulting in unrealised losses on interest bearing investments.
- The industry PCA coverage ratio fell slightly during the March quarter from 1.72x to 1.71x.

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

	December Quarter 2021	March Quarter 2022	Quarterly change
Number of insurers	93	92	-1
Net profit after tax	\$0.1bn	\$-0.4bn	Significant
Return on net assets	1.4%	-5.7%	-7.1pp
Underwriting result	\$1.0bn	\$1.4bn	41.7%
Investment income	\$-0.3bn	\$-1.6bn	Significant
Gross earned premium	\$15.6bn	\$14.9bn	-4.7%
Net earned premium	\$10.6bn	\$10.4bn	-2.2%
Gross incurred claims	\$10.5bn	\$15.4bn	47.6%
Net incurred claims	\$7.1bn	\$6.7bn	-5.6%
Gross loss ratio	61%	99%	38pp
Net loss ratio	67%	65%	-2pp
Underwriting exp ratio	24%	22%	-2pp
PCA coverage ratio	1.72x	1.71x	-0.01x

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

Historical performance trends

Chart 1: Profitability

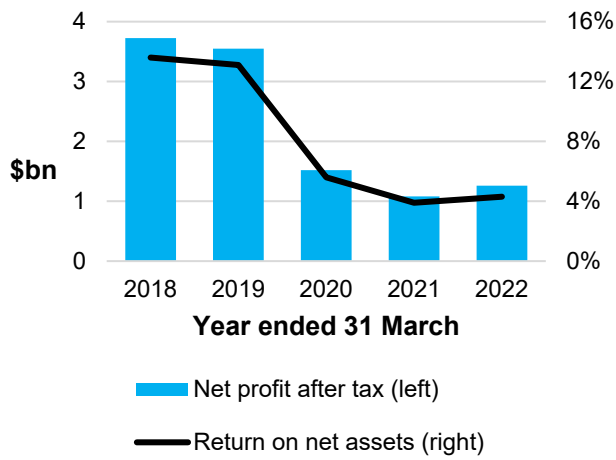


Chart 2: Major Profit Components

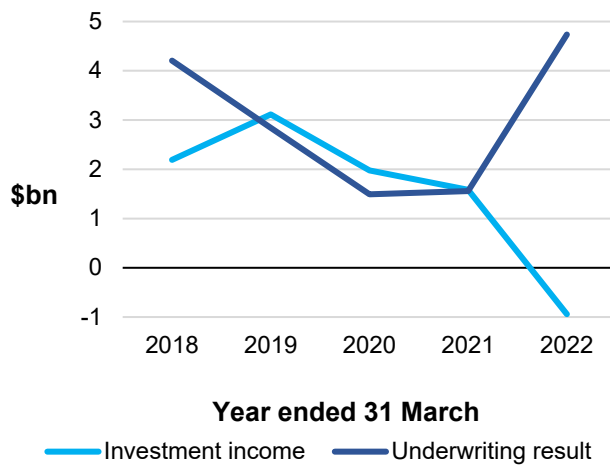


Chart 3: Premiums and Reinsurance

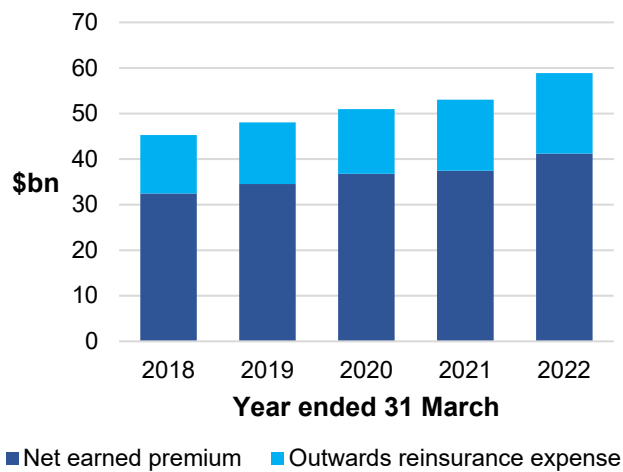


Chart 4: Gross Incurred Claims

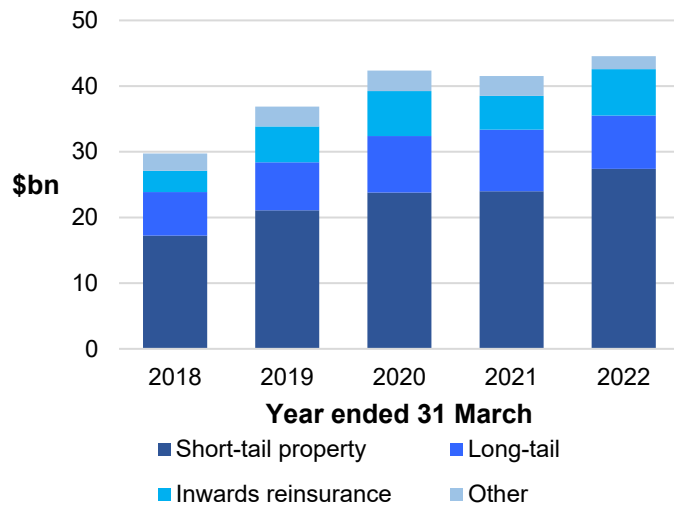


Chart 5: Net Loss Ratios

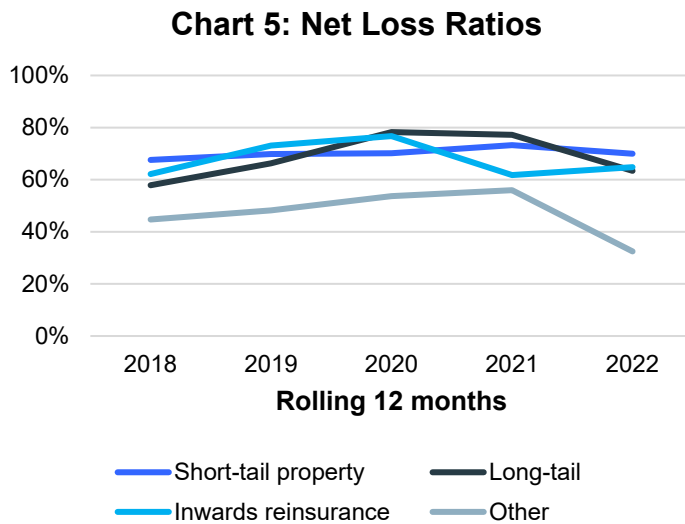
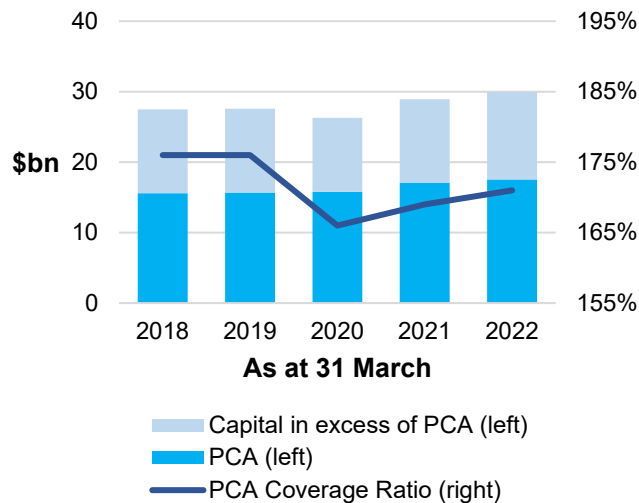


Chart 6: Capital Coverage





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