



STATISTICS

Quarterly life insurance performance statistics - highlights

March 2022 (released 26 May 2022)

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Industry highlights for the year ended 31 March 2022

- For the year ended March 2022, the industry reported a net profit of \$1 billion and a return on net assets of 4.0 per cent, a similar position to the prior year's result. Net policy revenue remained stable, with a decrease recorded in investment revenue reflecting changing market conditions.
- Collectively, risk products returned a significantly improved result in the year ended March 2022 of \$930.2m compared to a loss of \$145.5m in the prior year. This was predominantly driven by Individual Disability Income Insurance (Individual DII) which recorded a profit of \$723.2m, a substantial increase from the previous year's result of a \$359.9m loss. The improved result is primarily due to further reserve releases throughout the year in light of improved claims assumptions. Individual Lump Sum returned a profit of \$393.2m, a slight increase from the prior year's result of \$370.5m. Group products returned mixed results in comparison to the prior year, with continued losses in Group Lump Sum (-\$214.3m) and Group DII returning to profitability (\$28.1m). The improvement in Group DII can be attributed to reserve releases and a lower level of claims over the past 12 months.
- The industry prescribed capital coverage ratio increased from 1.84x to 1.99x over the year (refer Chart 6), mainly driven by capital injections in response to the IDII capital charges imposed by APRA. This measure, aimed at incentivising insurers to take strong action to improve the sustainability of Individual DII, came into effect on 1 October 2020.

Table 1: Key performance metrics for the year ended 31 March

(in \$ billion, unless noted otherwise)

	Year ended 31 Mar 2021	Year ended 31 Mar 2022	Yearly Change
Net policy revenue	14.1	14.9	5.4%
Investment revenue	7.1	0.8	-88.6%
Total revenue	22.2	16.7	-25.0%
Net policy expenses	9.5	9.1	-4.1%
Operating expenses	6.9	7.0	1.8%
Effective movement in net policy liabilities	4.0	-1.1	Significant
Total expenses	20.4	15.3	-25.0%
Net profit after tax	1.02	1.05	2.6%
Total assets	129.5	126.6	-2.2%
Return on net assets	4.0%	4.0%	0.0%
PCA coverage ratio	1.84x	1.99x	0.15x

Table 2: Risk products net profit after tax (NPAT) for the year ended 31 March

(in \$ million, unless noted otherwise)

	Year ended 31 Mar 2021	Year ended 31 Mar 2022	March Quarter 2022
Individual lump sum	370.5	393.2	-82.4
Individual disability income insurance	-359.9	723.2	418.2
Group lump sum	-94.7	-214.3	-30.1
Group disability income insurance	-61.3	28.1	74.7
Total	-145.5	930.2	380.4

Industry highlights for the quarter ended 31 March 2022

- For the March quarter, the industry returned a profit of \$47.2 million, a decrease from the December quarter largely attributed to a fall in investment revenue for the quarter. Total expenses fell compared with the December quarter, whilst premium revenue remained broadly stable.

Table 3: Key performance indicators for the quarter

(in \$ billion, unless noted otherwise)

	Dec 2021 Quarter	Mar 2022 Quarter	Quarterly Change
Net policy revenue	3.7	3.4	-8.0%
Investment revenue	0.8	-3.9	Significant
Total revenue	4.8	-0.2	Significant
Net policy expenses	2.4	2.1	-9.6%
Operating expenses	1.9	1.4	-25.1%
Effective movement in net policy liabilities	-0.1	-3.5	Significant
Total expenses	4.4	0.02	-99.5%
Net profit after tax	221.3m	47.2m	-78.7%
Total assets	132.0	126.6	-4.1%
Return on net assets	3.4%	0.7%	-2.7%
PCA coverage ratio	1.99x	1.99x	0

Historical performance trends

Chart 1: Revenue, for year ended March 2018 to March 2022

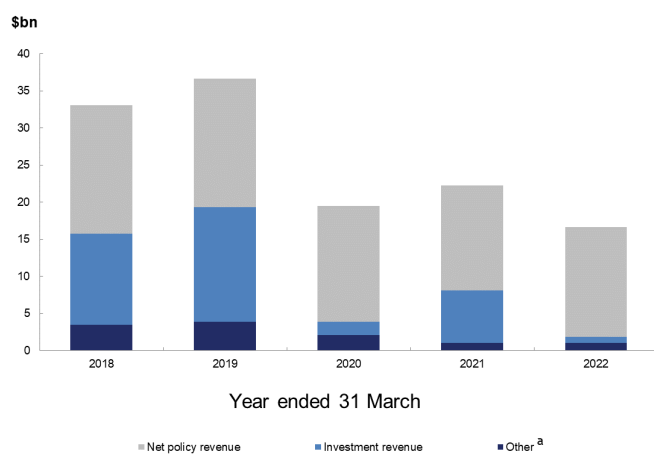


Chart 2: Operating expenses, for year ended March 2018 to March 2022

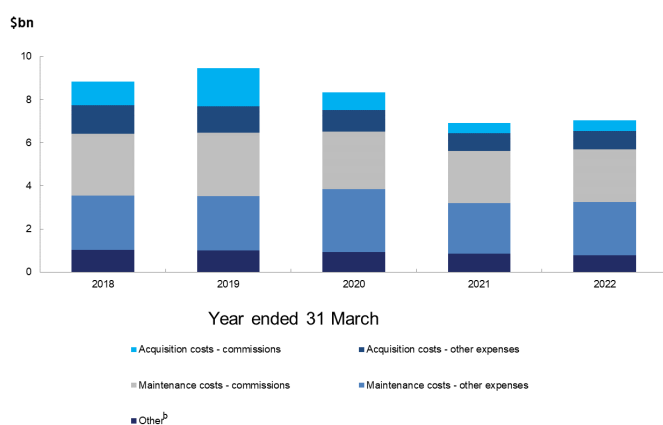


Chart 3: Profitability, for year ended March 2018 to March 2022

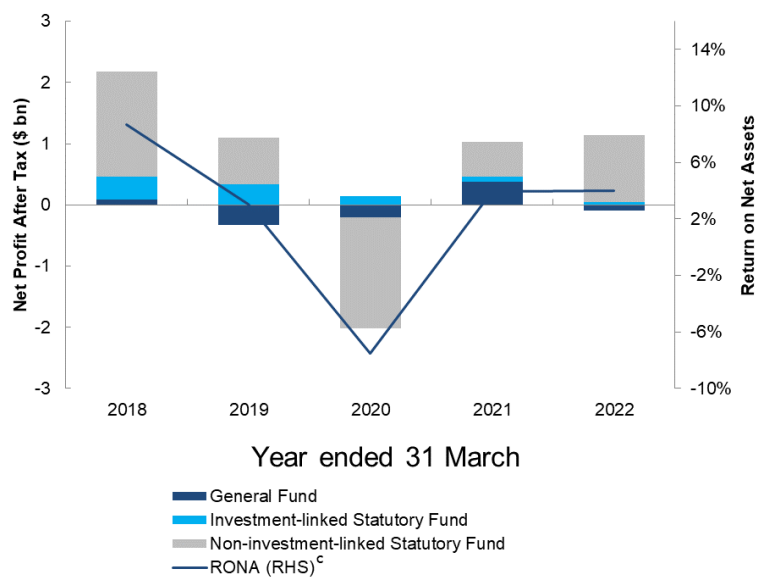


Chart 4: Net profit after tax for risk products, for year ended March 2018 to

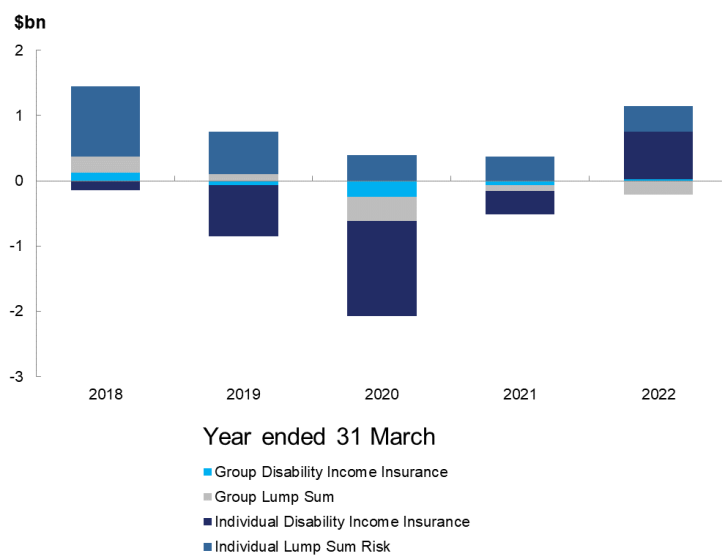


Chart 5: Non-investment linked assets, for year ended March 2018 to March 2022

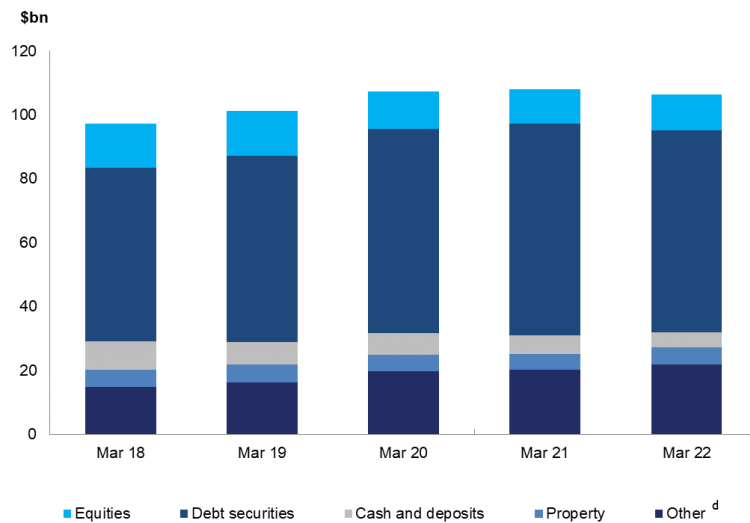


Chart 6: Prescribed capital amount coverage ratio, for year ended March 2018 to



^a Other comprises management service fees and other revenue

^b Other comprises investment management, net movement in deferred acquisition costs and other operating expenses.

^c See Return on net assets in the glossary.

^d Other comprises other investments, other assets and reinsurance policy liabilities.



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