



STATISTICS

Quarterly general insurance performance statistics - highlights

June 2022 (released 25 August 2022)

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Highlights for the year ended 30 June 2022

- For the year ended 30 June 2022, the industry reported a net profit after tax of \$924 million and a return on net assets of 3.1 per cent, a minimal change from the results of the prior year (Chart 1). The minor increase in net profit can be attributed to stronger underwriting results for the year due to increases in gross earned premium, offset partially by investment losses generated throughout the year (Chart 2).
- Strong underwriting results for the year ended 30 June 2022 were underpinned by increases in gross earned premium across most classes of business – in part reflecting the increases in premium rates. Larger increases in gross earned premium were observed in Householders, Domestic Motor and Fire and Industrial Special Risks (ISR), reflecting increases in underlying claims costs within these classes of business.
- Gross incurred claims costs were higher in the year ended 30 June 2022, reflecting the impact of adverse weather events throughout the year, most notably, the New South Wales and south-east Queensland flood event in the March quarter (Chart 4). As a result, large increases in gross incurred claims were reported within the Householders and Reinsurance classes of business. Furthermore, Domestic and Commercial Motor classes of business also recorded large increases in gross incurred claims whereas Public and Product Liability and Professional Indemnity reported considerable decreases in gross incurred claims.
- The industry reported an investment loss of \$2.8 billion for the year which was primarily driven by unrealised losses on interest bearing investments from increases in bond yields during the March and June quarters.
- The industry PCA coverage ratio decreased slightly in the year ended 30 June 2022 to 1.69x, down from the ratio of 1.70x reported for the same period last year (Chart 6).

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

	Year ended 30 June 2021	Year ended 30 June 2022	Yearly change
Number of insurers	93	90	-3
Gross earned premium	\$54.3bn	\$60.4bn	11.4%
Net earned premium	\$38.4bn	\$42.2bn	9.8%
Gross incurred claims	\$42.4bn	\$45.2bn	6.6%
Net incurred claims	\$27.5bn	\$26.1bn	-5.1%
Underwriting result	\$1.5bn	\$6.3bn	328.4%

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

	Year ended 30 June 2021	Year ended 30 June 2022	Yearly change
Investment income	\$1.6bn	\$-2.8bn	-
Net profit after tax	\$0.9bn	\$0.9bn	0.3%
Return on net assets	3.2%	3.1%	-0.1pp
Gross loss ratio	72%	70%	-2pp
Net loss ratio	72%	62%	-10pp
short-tail property	75%	67%	-8pp
long-tail classes	79%	57%	-22pp
Underwriting exp ratio	25%	23%	-2pp
PCA coverage ratio	1.70x	1.69x	-0.01x

Highlights for the quarter ended 30 June 2022

- For the June 2022 quarter, the industry reported a profit of \$360 million, an increase in comparison to the March quarter due to stronger underwriting results. The industry reported an investment loss of \$1.2 billion in the June quarter from rising bond yields leading to unrealised losses on interest bearing investments.
- The industry PCA coverage ratio decreased slightly during the June quarter from 1.71x to 1.69x.

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

	March Quarter 2022	June Quarter 2022	Quarterly change
Number of insurers	92	90	-2
Gross earned premium	\$14.9bn	\$15.4bn	3.8%
Net earned premium	\$10.4bn	\$10.9bn	5.0%
Gross incurred claims	\$15.4bn	\$9.8bn	-36.3%
Net incurred claims	\$6.7bn	\$5.9bn	-11.9%
Underwriting result	\$1.4bn	\$2.5bn	84.4%

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

	March Quarter 2022	June Quarter 2022	Quarterly change
Investment income	\$-1.6bn	\$-1.2bn	24.4%
Net profit after tax	\$-0.4bn	\$0.4bn	-
Return on net assets	-5.6%	4.8%	11.4pp
Gross loss ratio	99%	60%	-39pp
Net loss ratio	65%	54%	-11pp
Underwriting exp ratio	22%	23%	1pp
PCA coverage ratio	1.71x	1.69x	-0.02x

Historical performance trends

Chart 1: Profitability

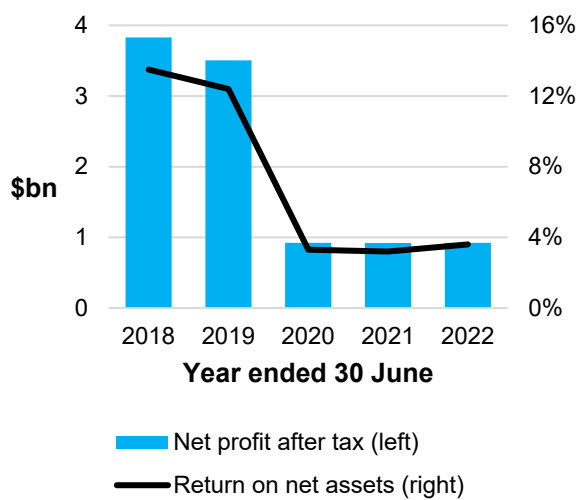


Chart 2: Major Profit Components

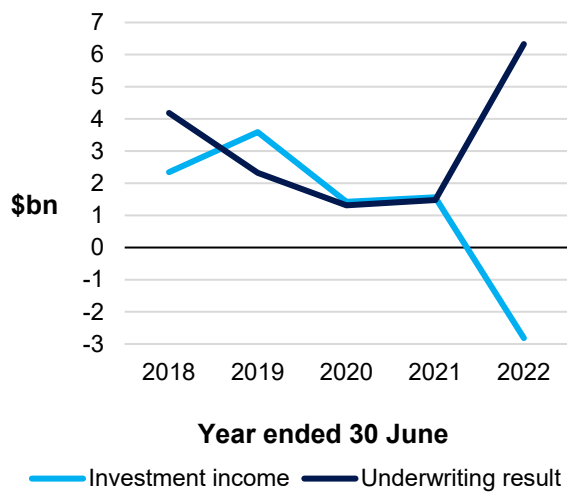


Chart 3: Premiums and Reinsurance

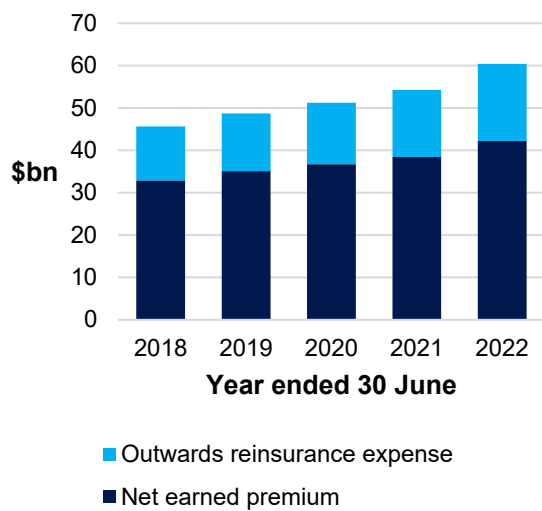


Chart 4: Gross Incurred Claims

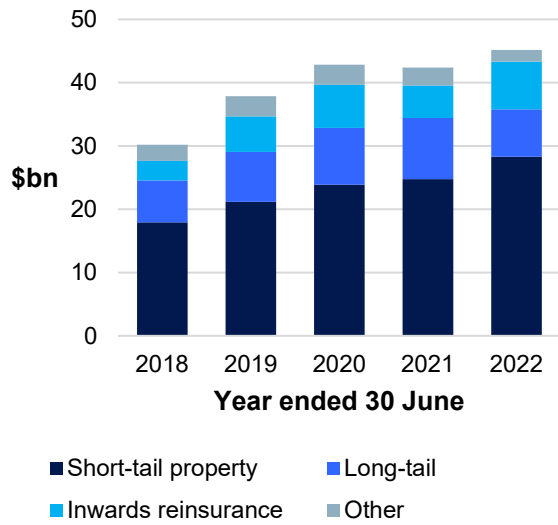


Chart 5: Net Loss Ratios

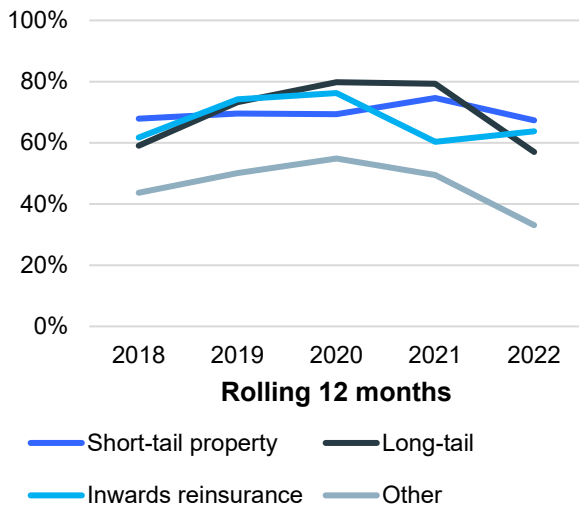
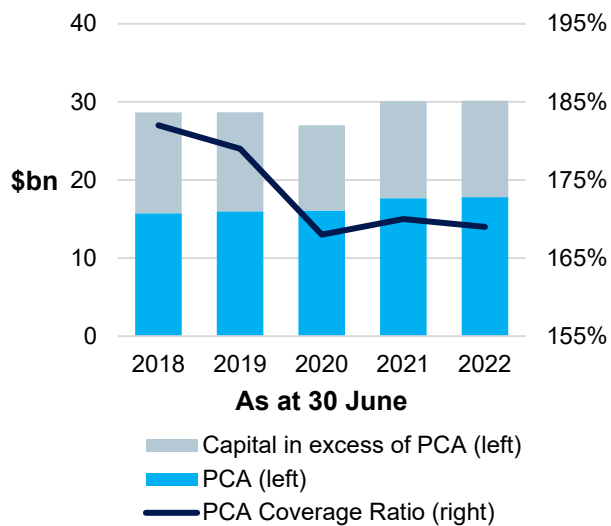


Chart 6: Capital Coverage





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