



STATISTICS

Quarterly general insurance performance statistics - highlights

September 2022 (released 24 November 2022)

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Highlights for the year ended 30 September 2022

- For the year ended 30 September 2022, the industry reported a net profit after tax of \$960 million and a return on net assets of 3.1 per cent, a small decrease from the prior year's results (Chart 1). The stronger underwriting results were offset by large investment losses leading to a small decrease in profits for the year ended 30 September 2022 (Chart 2).
- The industry recorded a stronger underwriting result of \$6.1 billion for the year ended 30 September 2022 (2021: \$1.9 billion). This rise was driven by the increase in net earned premium, reflecting the impacts of premium increases across most classes of business. Premium increases were more prominent in the Householders, Domestic Motor, Fire and Industrial Special Risks (ISR), Professional Indemnity and Reinsurance classes of business.
- Gross incurred claims costs increased in the year ended 30 September 2022 to \$46.3 billion (2021: \$42.8 billion). The adverse weather events throughout the year, most notably the NSW and SEQ Flooding event in the March quarter 2022, contributed to this increase. The increase in gross incurred claims costs was reflected in short tail property classes of business such as Householders, Domestic and Commercial Motor and Reinsurance classes of business (Chart 4). Net incurred claims however, decreased to \$26.9 billion (2021: \$27.9 billion), reflecting an increase of reinsurance recoveries for the industry in the year ended 30 September 2022.
- The industry reported an investment loss of \$3.0 billion for the year ended 30 September 2022. This was due to the increase in bond yields over the past 12 months, resulting in unrealised losses on interest bearing investments.
- The industry PCA coverage ratio increased in the year ended 30 September 2022 to 1.74x, up from the ratio of 1.72x reported for the same period last year (Chart 6).

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

	Year ended 30 September 2021	Year ended 30 September 2022	Yearly change
Number of insurers	93	90	-3
Gross earned premium	\$55.6bn	\$61.9bn	11.3%
Net earned premium	\$39.3bn	\$43.3bn	10.3%
Gross incurred claims	\$42.8bn	\$46.3bn	8.1%
Net incurred claims	\$27.9bn	\$26.9bn	-3.4%

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

	Year ended 30 September 2021	Year ended 30 September 2022	Yearly change
Underwriting result	\$1.9bn	\$6.1bn	215.3%
Investment income	\$1.2bn	\$-3.0bn	-
Net profit after tax	\$1.0bn	\$1.0bn	-0.8%
Return on net assets	3.2%	3.1%	-0.1pp
Gross loss ratio	71%	70%	-1pp
Net loss ratio	71%	62%	-9pp
short-tail property	75%	68%	-7pp
long-tail classes	77%	56%	-21pp
Underwriting exp ratio	24%	24%	0pp
PCA coverage ratio	1.72x	1.74x	0.02x

Highlights for the quarter ended 30 September 2022

- For the September 2022 quarter, the industry reported a profit of \$937 million. This was an increase compared to the June quarter, driven by a recovery in investment income for the quarter. However, investment income remained subdued relative to historic levels.
- The industry recorded an underwriting result of \$1.6 billion in the September 2022 quarter (June quarter: \$2.2 billion). The fall in underwriting result was due to an increase in net incurred claims costs during the quarter.
- The industry PCA coverage ratio increased for the September quarter from 1.66x to 1.74x.

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

	June Quarter 2022	September Quarter 2022	Quarterly change
Number of insurers	90	90	0
Gross earned premium	\$15.4bn	\$16.0bn	3.9%
Net earned premium	\$10.9bn	\$11.4bn	4.9%
Gross incurred claims	\$9.9bn	\$10.5bn	6.4%

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

	June Quarter 2022	September Quarter 2022	Quarterly change
Net incurred claims	\$5.9bn	\$7.1bn	19.5%
Underwriting result	\$2.2bn	\$1.6bn	-29.3%
Investment income	\$-1.2bn	\$0.1bn	-
Net profit after tax	\$0.3bn	\$0.9bn	176.4%
Return on net assets	4.5%	12.1%	7.6pp
Gross loss ratio	60%	61%	1pp
Net loss ratio	55%	62%	7pp
Underwriting exp ratio	25%	24%	-1pp
PCA coverage ratio	1.66x	1.74x	0.08x

Historical performance trends

Chart 1: Profitability

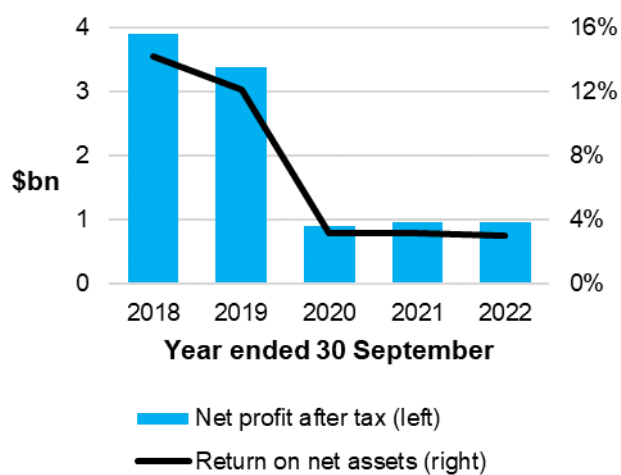


Chart 2: Major Profit Components

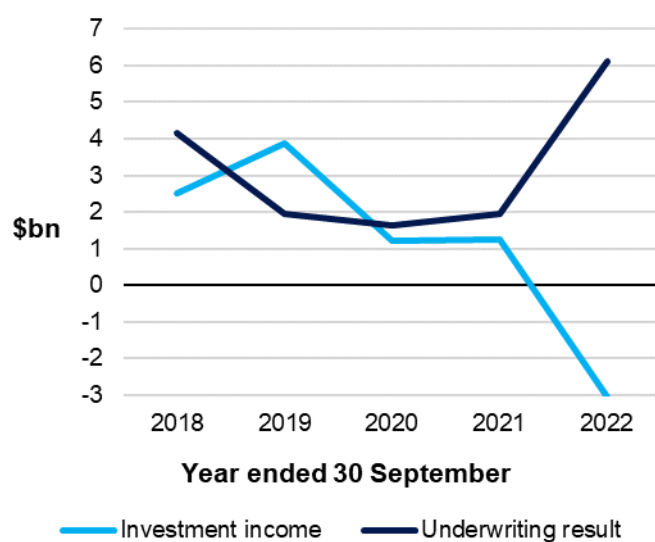


Chart 3: Premiums and Reinsurance

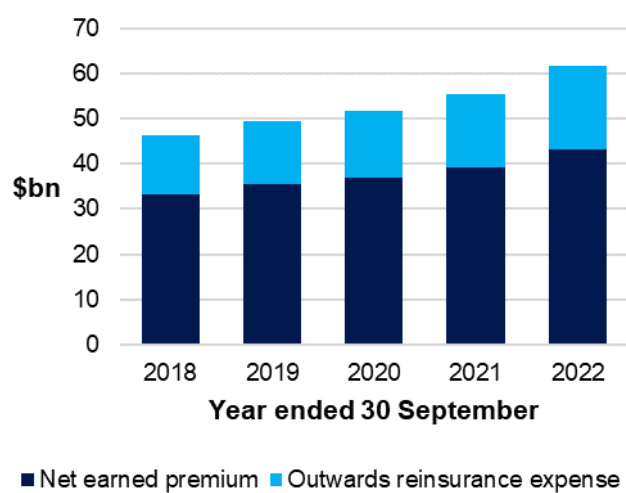


Chart 4: Gross Incurred Claims

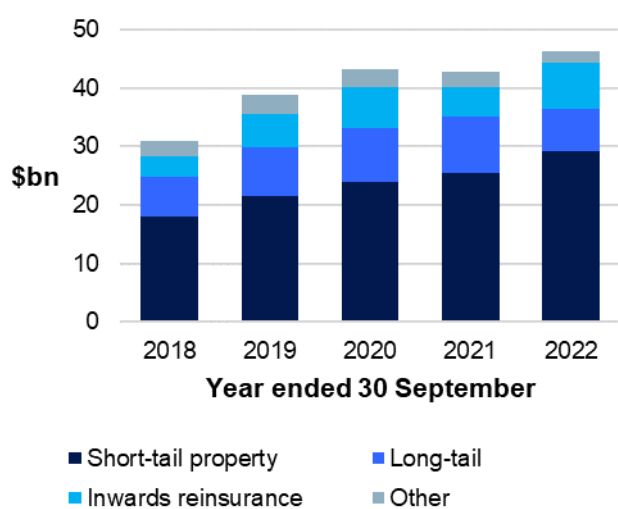


Chart 5: Net Loss Ratios

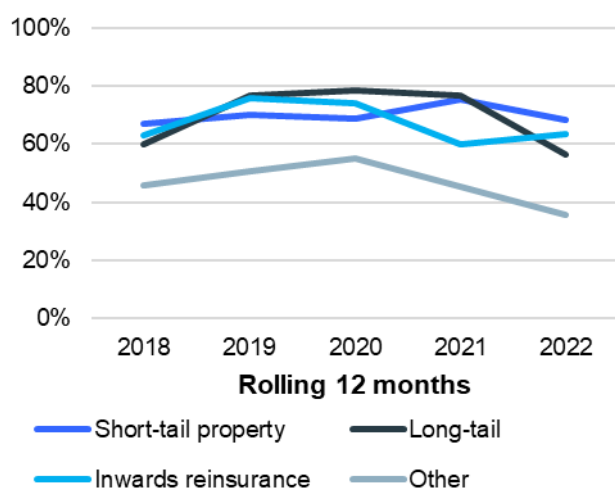
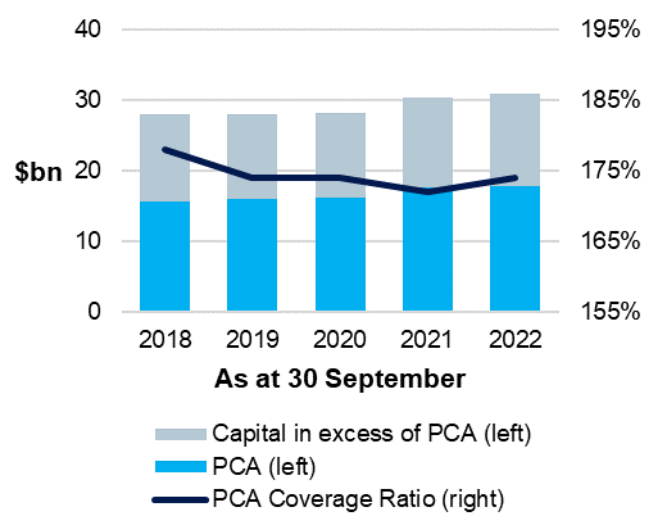


Chart 6: Capital Coverage





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