



# STATISTICS

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## Quarterly general insurance performance statistics - highlights

December 2022 (released 2 March 2023)

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## Highlights for the year ended 31 December 2022

- For the year ended 31 December 2022, the industry reported a net profit after tax of \$2.3 billion and a return on net assets of 7.2 per cent, an increase from the prior year's results (Chart 1). The stronger underwriting results were partly offset by large investment losses (Chart 2).
- The industry recorded a stronger underwriting result of \$6.8 billion for the year ended 31 December 2022 (2021: \$4.0 billion). This rise was driven by an increase in net earned premium, reflecting the impacts of premium increases across most classes of business. Premium increases were more prominent in the Fire and Industrial Special Risks (ISR), Public and Product Liability, and Professional Indemnity classes of business.
- Gross incurred claims costs increased in the year ended 31 December 2022 to \$46.2 billion (2021: \$38.5 billion). A series of adverse weather events throughout the year, including the NSW and SEQ Flooding event in the March quarter 2022, contributed to this increase. The increase in gross incurred claims costs was most notable in short tail property classes of business such as Householders, Domestic and Commercial Motor and Reinsurance classes of business (Chart 4)..
- Net incurred claims increased only slightly to \$27.4 billion (2021: \$26.6 billion) in the year ended 31 December 2022 as a result of an increase in reinsurance recoveries offsetting the increase in gross claims costs. It also reflects the unwinding of provisions for COVID-19 related Business Interruption claims and the impact of higher bond yields on claims reserves<sup>1</sup>.
- The industry reported an investment loss of \$1.7 billion for the year ended 31 December 2022. This was due to the increase in bond yields throughout 2022 resulting in losses on interest bearing investments.
- The industry PCA coverage ratio increased in the year ended 31 December 2022 to 1.74x, up 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 glance<sup>2</sup>**

	Year ended 31 December 2021	Year ended 31 December 2022	Yearly change
Number of insurers	93	89	-4
Gross earned premium	\$57.5bn	\$62.8bn	9.2%
Net earned premium	\$40.3bn	\$44.4bn	10.0%

<sup>1</sup> In general, increasing bond yields as experienced through 2022 reduce the present value of insurers claims liabilities and bond investments. This impact is further demonstrated in Chart 2.

<sup>2</sup> Data on industry segments and classes of business is available in the publication

	Year ended 31 December 2021	Year ended 31 December 2022	Yearly change
Gross incurred claims	\$38.5bn	\$46.2bn	19.8%
Net incurred claims	\$26.6bn	\$27.4bn	3.0%
Underwriting result	\$4.0bn	\$6.8bn	69.4%
Investment income	\$0.4bn	\$-1.7bn	-
Net profit after tax	\$1.7bn	\$2.3bn	34.3%
Return on net assets	5.6%	7.2%	1.6pp
Gross loss ratio	61%	69%	8pp
Net loss ratio	66%	62%	-4pp
short-tail property	69%	66%	-3pp
long-tail classes	71%	60%	-11pp
Underwriting exp ratio	24%	23%	-1pp
PCA coverage ratio	1.70x	1.74x	0.04x

## Highlights for the quarter ended 31 December 2022

- For the December 2022 quarter, the industry reported a profit of \$1.4 billion. This was an increase compared to the September quarter, driven by a strong rebound in investment income while the underwriting result was broadly stable at \$1.6 billion.
- The industry PCA coverage ratio was 1.74x in the December quarter, unchanged compared to the previous quarter.

Table 2: Key performance indicators for the quarter at a glance<sup>3</sup>

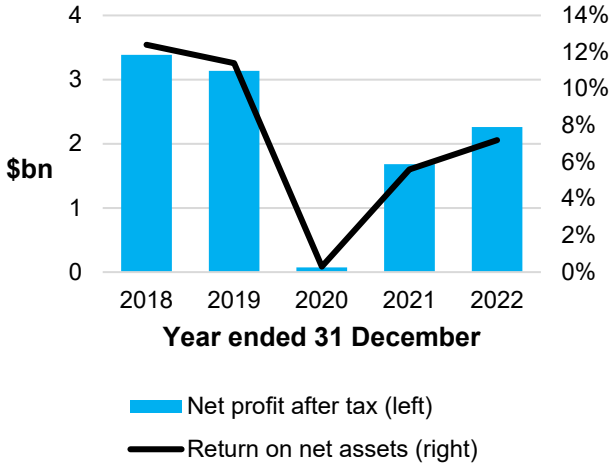
	September Quarter 2022	December Quarter 2022	Quarterly change
Number of insurers	90	89	-1
Gross earned premium	\$16.0bn	\$16.5bn	3.2%
Net earned premium	\$11.4bn	\$11.6bn	1.9%
Gross incurred claims	\$10.5bn	\$10.3bn	-1.6%
Net incurred claims	\$7.1bn	\$7.6bn	7.3%
Underwriting result	\$1.6bn	\$1.6bn	1.9%

<sup>3</sup> Data on industry segments and classes of business is available in the publication

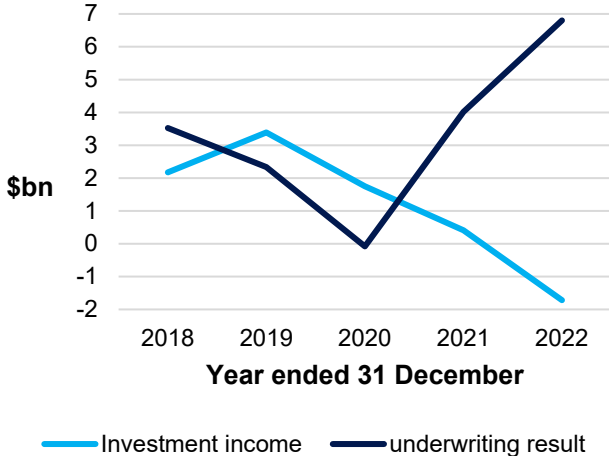
	September Quarter 2022	December Quarter 2022	Quarterly change
Investment income	\$0.1bn	\$1.0bn	-
Net profit after tax	\$0.9bn	\$1.4bn	50.7%
Return on net assets	12.1%	17.7%	5.6pp
Gross loss ratio	61%	57%	-4pp
Net loss ratio	62%	66%	4pp
Underwriting exp ratio	24%	21%	-3pp
PCA coverage ratio	1.74x	1.74x	unchanged

# Historical performance trends

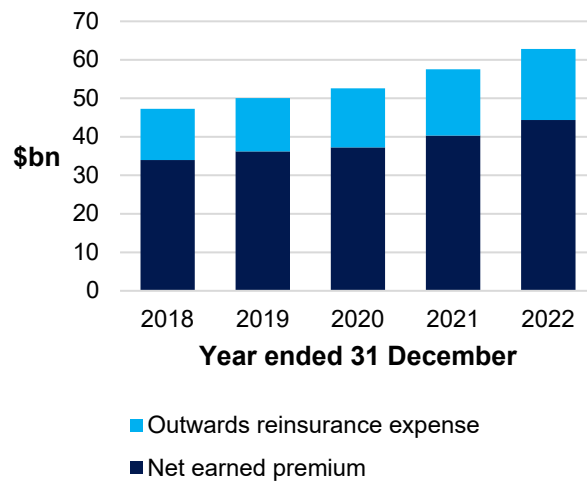
*Chart 1: Profitability*



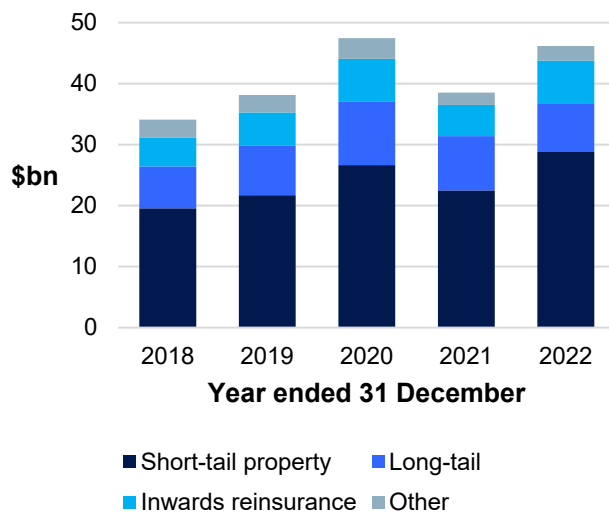
*Chart 2: Major Profit Components*



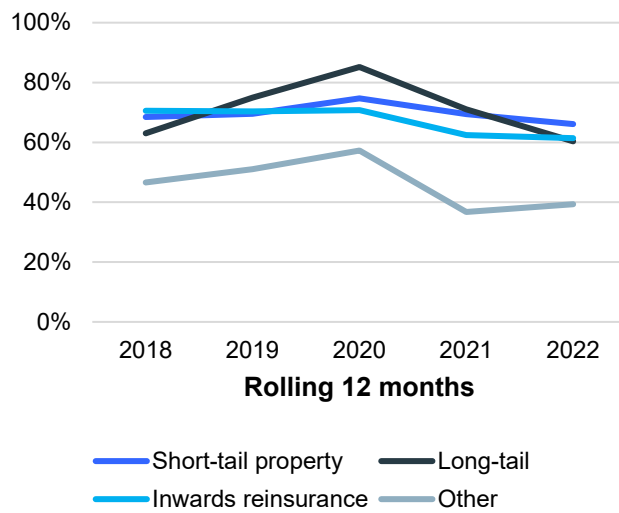
*Chart 3: Premiums and Reinsurance*



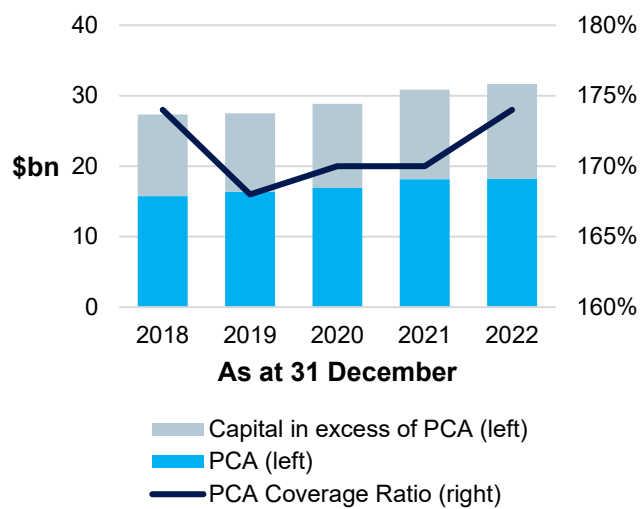
*Chart 4: Gross Incurred Claims*



**Chart 5: Net Loss Ratios**



**Chart 6: Capital Coverage**







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