



STATISTICS

Quarterly general insurance performance statistics - highlights

March 2023 (released 25 May 2023)

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Highlights for the year ending 31 March 2023

- For the year ending 31 March 2023, the industry reported a net profit after tax of \$3.7 billion and a return on net assets of 12.0 per cent. These were substantial increases compared to the prior year and were driven by stronger underwriting results and a recovery in investment income.
- The industry reported an underwriting result of \$5.3 billion for the year ending 31 March 2023. This was a 12.4 per cent increase in the year and was driven by an increase in gross earned premium, which was underpinned by premium increases across almost all classes of business.
- Gross incurred claims remained relatively stable in the year ending 31 March 2023. Long tail claims costs increased during the year but were largely offset by a fall in short tail property claims costs, which were elevated in the prior year due to NSW and QLD flooding events. Net incurred claims increased substantially in the year (12.0 per cent). Higher incurred claims rose across most classes of business and was driven by reductions in reinsurance revenue.
- The industry reported a recovery of investment income to \$2.0 billion after experiencing a loss of \$0.9 billion in the previous year. This was driven by an increase in interest income and unrealised gains from interest-bearing investments.
- The industry prescribed capital amount (PCA) coverage ratio increased from 1.69x on 31 March 2022 to 1.75x on 31 March 2023 (Chart 6).

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

	Year ended 31 March 2022	Year ended 31 March 2023	Yearly change
Number of insurers	92	90	-2
Gross earned premium	\$58.9bn	\$64.4bn	9.4%
Net earned premium	\$41.2bn	\$45.6bn	10.7%
Gross incurred claims	\$44.6bn	\$45.0bn	1.0%
Net incurred claims	\$26.7bn	\$29.9bn	12.0%
Underwriting result	\$4.7bn	\$5.3bn	12.4%
Investment income	\$-0.9bn	\$2.0bn	-
Net profit after tax	\$1.3bn	\$3.7bn	195.0%
Return on net assets	4.3%	12.0%	7.7pp
Gross loss ratio	70%	65%	-5pp

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

	Year ended 31 March 2022	Year ended 31 March 2023	Yearly change
Net loss ratio	65%	66%	1pp
short-tail property	70%	67%	-3pp
long-tail classes	63%	73%	10pp
Underwriting exp ratio	24%	23%	-1pp
PCA coverage ratio	1.69x	1.75x	0.06x

Highlights for the quarter ending 31 March 2023

- For the March 2023 quarter, the industry reported an 18.0 per cent reduction in profit to \$1.1 billion. The industry reported an underwriting loss, though this was offset by positive growth in investment income for the March 2023 quarter.
- The industry recorded an underwriting loss of \$0.1 billion in the March 2023 quarter. This was predominantly driven by an increase in gross incurred claims costs.
- The industry PCA coverage ratio increased slightly from 1.74x on 31 December 2022 to 1.75x on 31 March 2023.

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

	December Quarter 2022	March Quarter 2023	Quarterly change
Number of insurers	89	90	1
Gross earned premium	\$16.5bn	\$16.4bn	-0.4%
Net earned premium	\$11.6bn	\$11.7bn	0.6%
Gross incurred claims	\$10.2bn	\$14.4bn	40.6%
Net incurred claims	\$7.6bn	\$9.2bn	20.4%
Underwriting result	\$1.6bn	\$-0.1bn	-
Investment income	\$1.0bn	\$2.1bn	106.1%
Net profit after tax	\$1.3bn	\$1.1bn	-18.0%
Return on net assets	16.9%	13.6%	-3.3pp

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

	December Quarter 2022	March Quarter 2023	Quarterly change
Gross loss ratio	57%	82%	25pp
Net loss ratio	66%	79%	13pp
Underwriting exp ratio	21%	22%	1pp
PCA coverage ratio	1.74x	1.75x	0.01x

Historical performance trends

Chart 1: Profitability

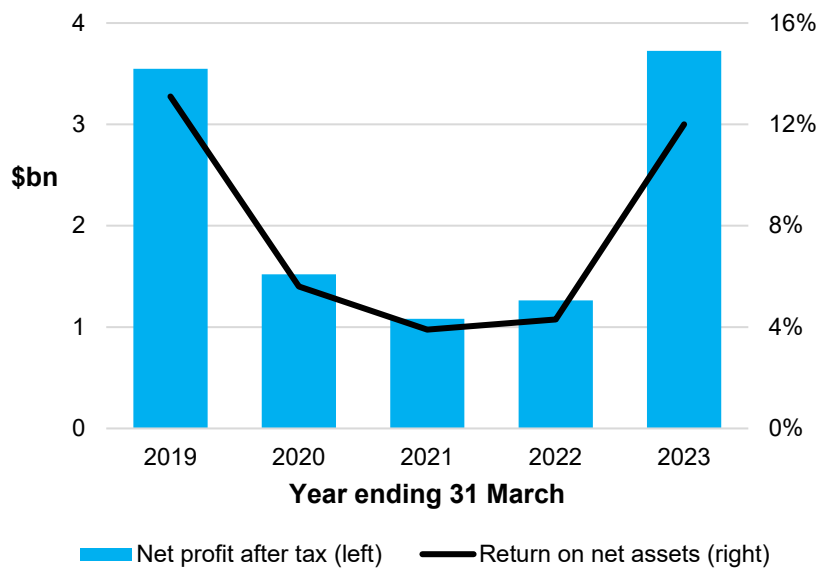


Chart 2: Major Profit Components

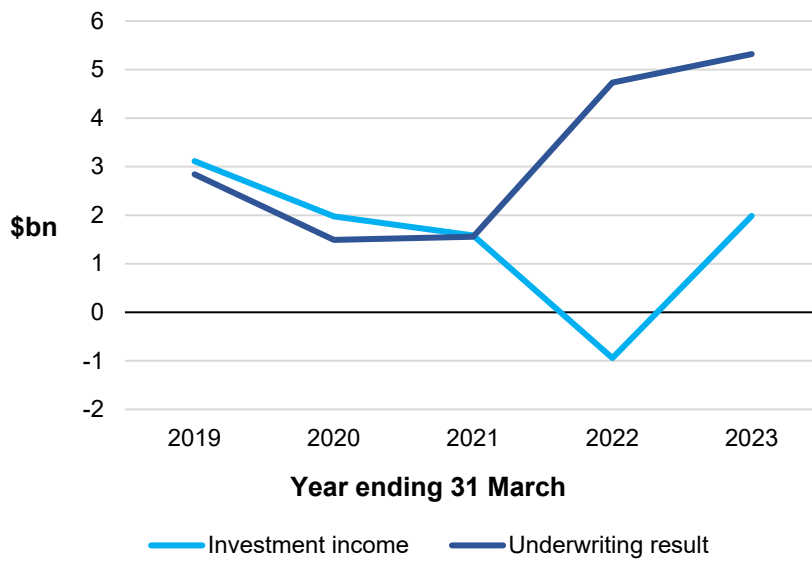


Chart 3: Premiums and Reinsurance

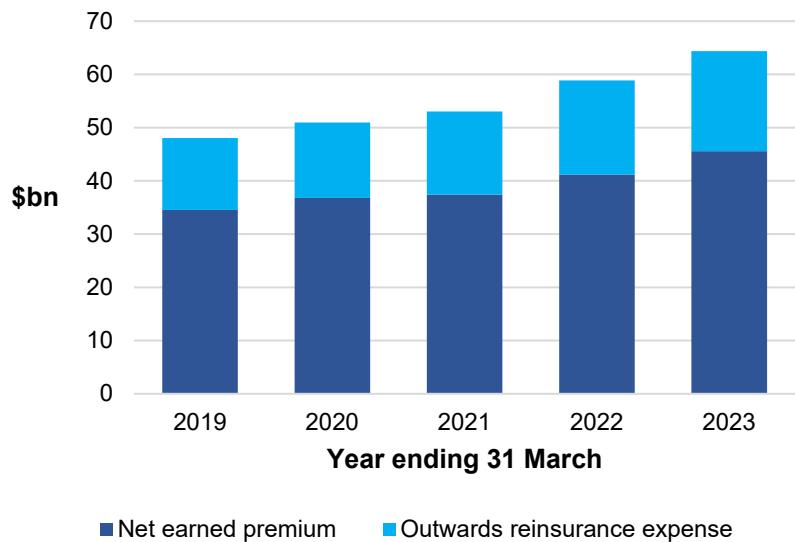


Chart 4: Gross Incurred Claims

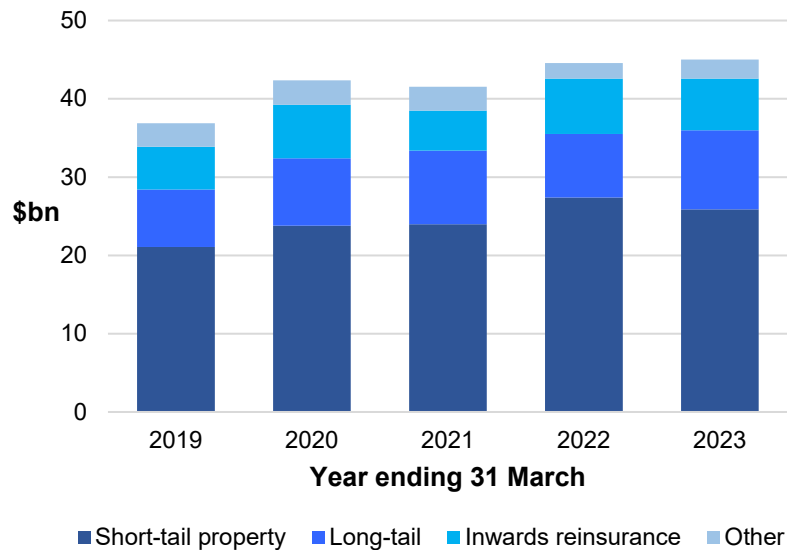


Chart 5: Net Loss Ratios

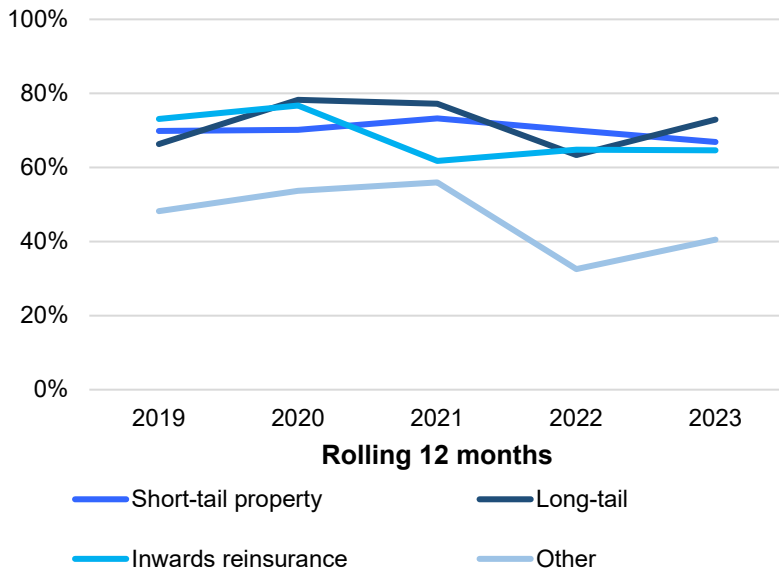
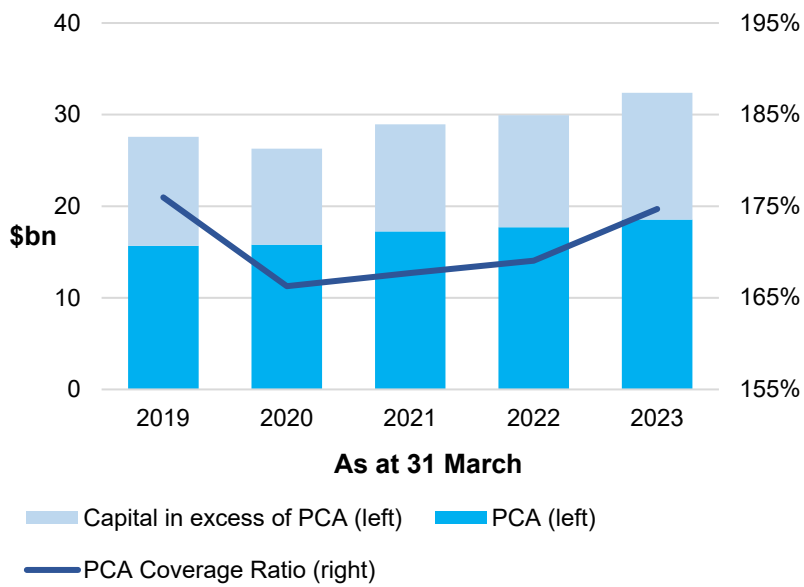


Chart 6: Capital Coverage





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