



STATISTICS

Quarterly life insurance performance statistics - highlights

March 2023 (released 25 May 2023)

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Industry highlights for the year ending 31 March 2023

For the year ending 31 March 2023, the industry reported a small decline in net profit after tax to \$1 billion and a return on net assets of 3.8 per cent (refer Chart 3).

Total revenue increased to \$17.8 billion (6.6% higher than the prior year), which reflected increases in both net policy revenue and investment revenue with the latter benefiting from the effect of lower bond yields on asset valuations in recent quarters (refer Chart 1). Total expenses increased to \$16.6 billion (8.7% higher than the prior year), driven by a smaller reduction in net policy liabilities, in line with recent movements in interest rates.

Risk products returned a net profit after tax of \$872 million (refer Table 2, Chart 4). Individual Lump Sum and Individual Disability Income Insurance (Individual DII) business reported weaker profits in the year largely as a result of an increase in net policy expenses for Individual Lump Sum business and lower reserve releases for Individual DII business.

Group Lump Sum and Group Disability Income Insurance (Group DII) business reported an improvement in performance in the year, which was largely the result of higher investment revenue for Group Lump Sum business and reserve releases for Group DII business.

The industry prescribed capital amount (PCA) coverage ratio increased from 1.99x to 2.09x over the year ended 31 March 2023 (refer Chart 6).

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

(in \$ billion, unless noted otherwise)

	Year ending 31 Mar 2022	Year ending 31 Mar 2023	Change
Net policy revenue	14.9	15.6	5.0%
Investment revenue	0.8	1.1	40.7%
Total revenue	16.7	17.8	6.6%
Net policy expenses	9.1	9.5	4.3%
Operating expenses	7.0	7.2	2.2%
Effective movement in net policy liabilities	-1.1	-0.2	-78.8%
Total expenses	15.3	16.6	8.7%
Net profit after tax	1.1	1.0	-4.9%
Total assets	126.6	126.7	0.1%
Return on net assets	4.0%	3.8%	-0.2%
PCA coverage ratio	1.99x	2.09x	0.1x

Table 2: Risk products net profit after tax (NPAT) for the year ending 31 March
(in \$ million, unless noted otherwise)

	Year ending 31 Mar 2022	Year ending 31 Mar 2023	March Quarter 2023
Individual lump sum	430.5	238.4	545.0
Individual disability income insurance	713.2	523.9	-96.4
Group lump sum	-198.6	-59.3	-121.8
Group disability income insurance	28.1	169.4	-76.4
Total	973.3	872.4	250.4

Industry highlights for the quarter ending 31 March 2023

- The industry reported an increase in net profit after tax in the quarter to \$652 million and a return on net assets of 10 per cent in the March 2023 quarter. The improvement in net profit was driven by higher investment revenue and was partly offset by effective movement in policy liabilities, which reflected the effect of lower bond yields in the quarter.
- The industry prescribed capital coverage ratio increased to 2.09x over the March 2023 quarter.

Table 3: Key performance indicators for the quarter
(in \$ billion, unless noted otherwise)

	Dec 2022 Quarter	Mar 2023 Quarter	Quarterly Change
Net policy revenue	4.1	3.8	-6.3%
Investment revenue	1.7	3.8	122.1%
Total revenue	6.1	7.9	29.0%
Net policy expenses	2.4	2.4	-2.2%
Operating expenses	2.0	2.1	3.7%
Effective movement in net policy liabilities	0.9	2.4	150.9%
Total expenses	5.4	6.9	26.8%
Net profit after tax	451.6 m	652.3 m	44.4%
Total assets	123.4	126.7	2.7%
Return on net assets	7.0%	10.0%	3.0%
PCA coverage ratio	2.04x	2.09x	0.05x

Historical performance trends

Chart 1: Revenue, for year ending March 2019 to March 2023

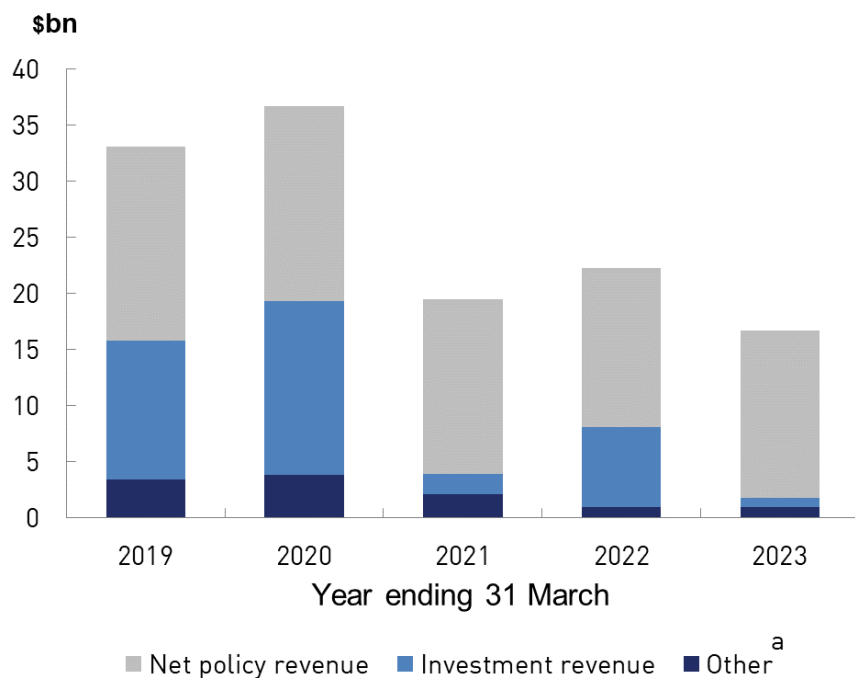


Chart 2: Operating expenses, for year ending March 2019 to March 2023

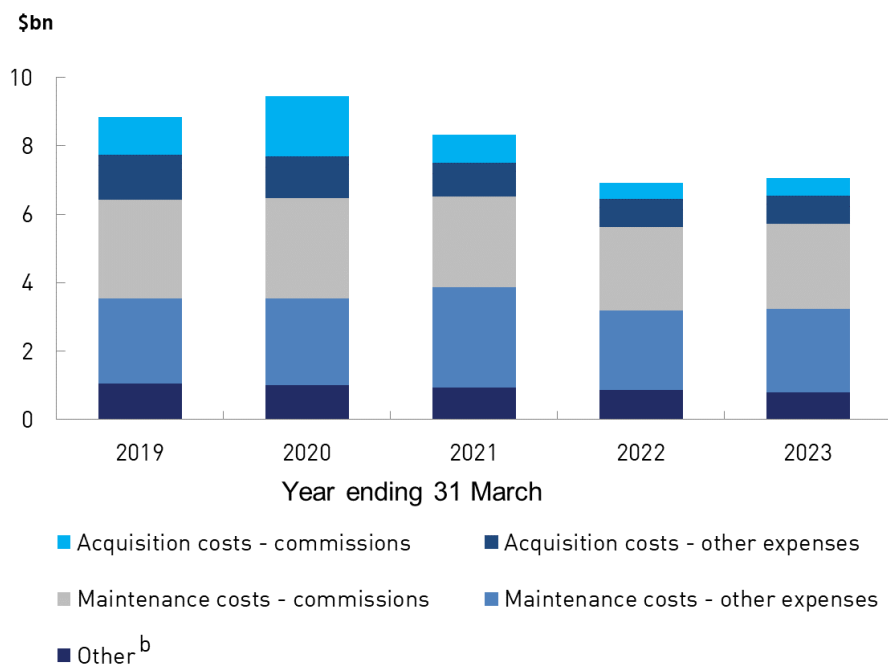


Chart 3: Profitability, for year ending March 2019 to March 2023

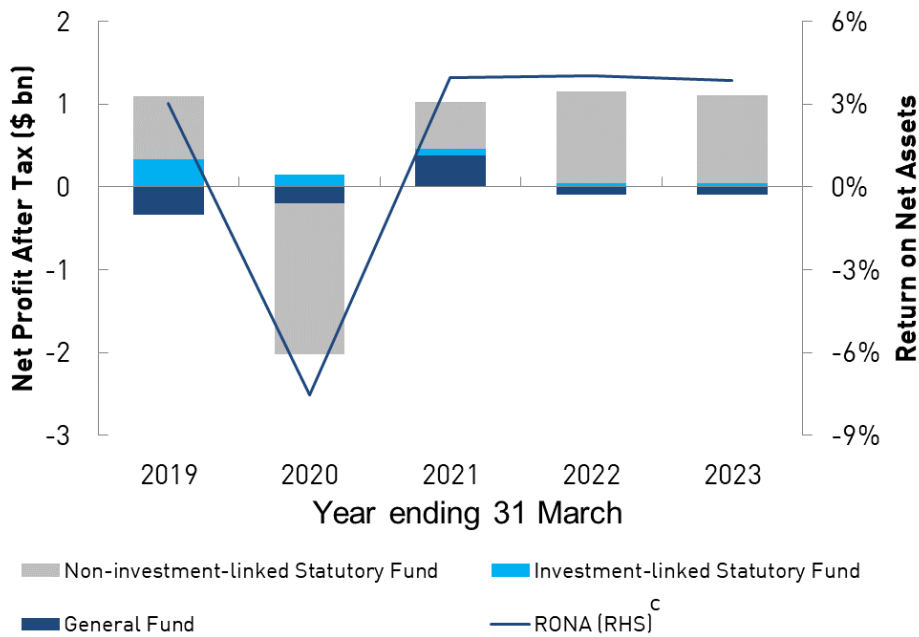


Chart 4: Net profit after tax for risk products, for year ending March 2019 to March 2023

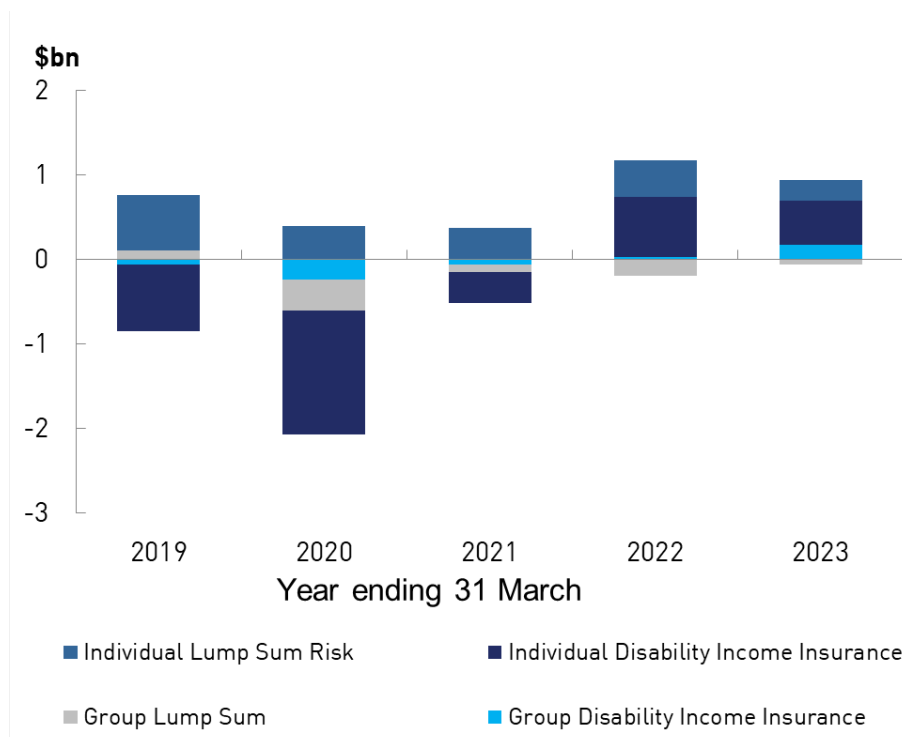


Chart 5: Non-investment linked assets, for year ending March 2019 to March 2023

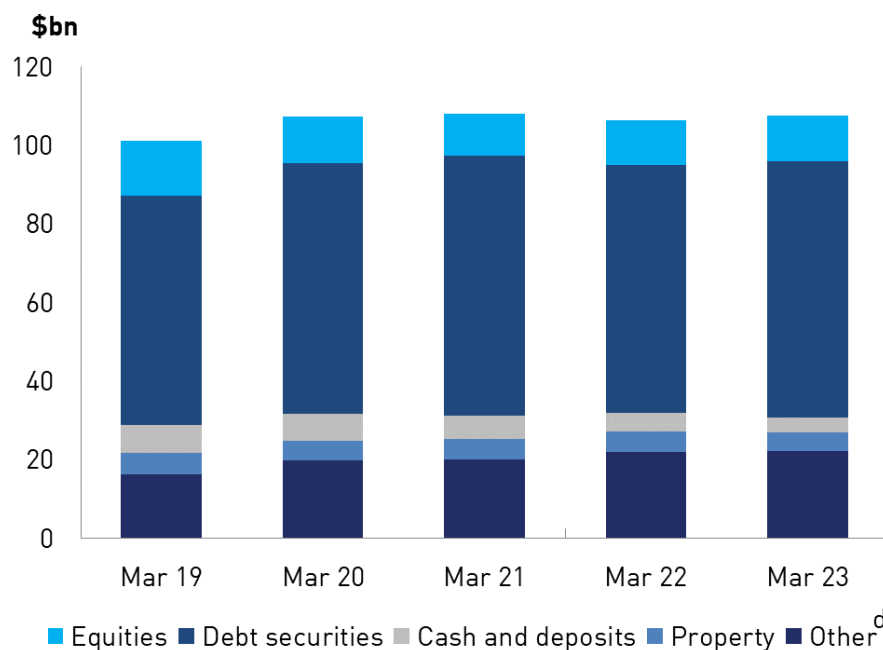
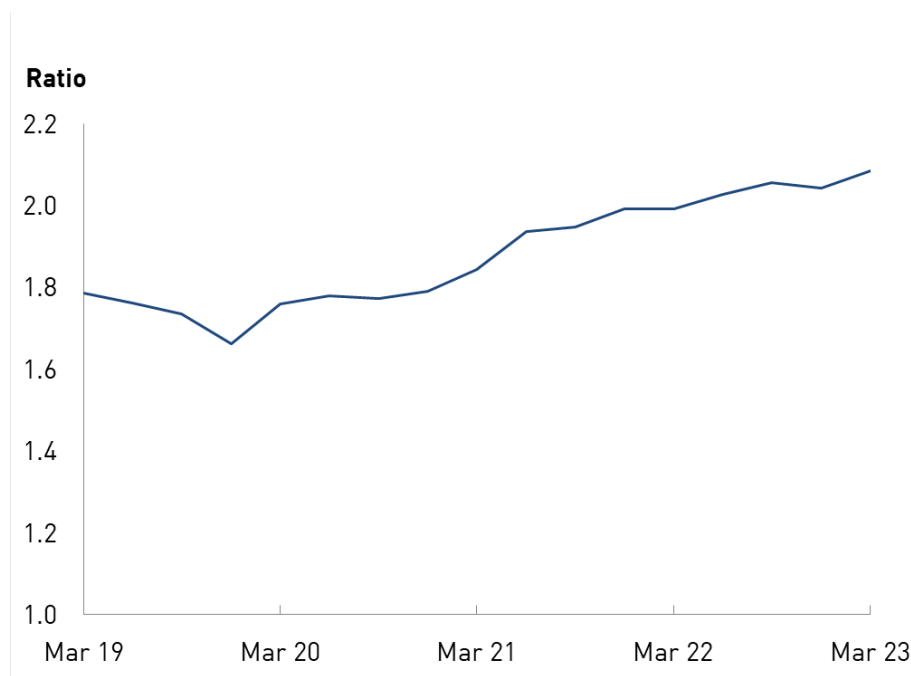


Chart 6: Prescribed capital amount coverage ratio, for year ending March 2019 to March 2023



^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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