



STATISTICS

Quarterly life insurance performance statistics - highlights

June 2023 (released 24 August 2023)

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Industry highlights for the year ending 30 June 2023

For the year ending 30 June 2023, the industry reported an increase in net profit after tax to \$1.2 billion and a return on net assets of 4.6 per cent (refer Chart 3).

Total revenue increased to \$20.5 billion and total expenses increased to \$18.8 billion. The improvement in net profit was underpinned by an increase in investment revenue which was partly offset by an increase in policy liabilities and reflected the impact of bond yield movements (refer Chart 1).

Risk products returned a net profit after tax of \$441 million (refer Table 2, Chart 4). Individual Lump Sum and Individual Disability Income Insurance (Individual DII) business reported weaker profits in the year, while Group Lump Sum and Group Disability Income Insurance (Group DII) business reported an improvement in performance in the year.

The aggregate industry prescribed capital amount (PCA) coverage ratio increased to 2.05x over the year ended 30 June 2023 (refer Chart 6).

Table 1: Key performance metrics for the year ending 30 June
(in \$ billion, unless noted otherwise)

	Year ending 30 Jun 2022	Year ending 30 Jun 2023	Change
Net policy revenue	14.7	14.7	0.0%
Investment revenue	-6.3	4.8	-
Total revenue	9.5	20.5	116.9%
Net policy expenses	9.2	8.5	-7.3%
Operating expenses	6.7	7.6	13.6%
Effective movement in net policy liabilities	-6.7	2.5	-
Total expenses	9.3	18.8	103.2%
Net profit after tax	0.5	1.2	136.1%
Total assets	121.4	124.4	2.5%
Return on net assets	1.9%	4.6%	2.7%
PCA coverage ratio	2.03x	2.05x	0.2x

Table 2: Risk products net profit after tax (NPAT) for the year ending 30 June
(in \$ million, unless noted otherwise)

	Year ending 30 Jun 2022	Year ending 30 Jun 2023	June Quarter 2023
Individual lump sum	88.1	-367.4	-659.5
Individual disability income insurance	1163.7	237.9	12.6
Group lump sum	-121.3	420.6	580.7
Group disability income insurance	76.2	150.1	40.0
Total	1206.8	441.3	-26.2

Industry highlights for the quarter ending 30 June 2023

- The industry reported a decrease in net profit after tax in the quarter to \$22.3 million and a return on net assets of 0.3 per cent in the June 2023 quarter. The decline in net profit was driven by lower investment revenue and was partly offset by effective movement in policy liabilities, both of which reflected the effect of higher bond yields in the quarter.
- The industry prescribed capital coverage ratio decreased to 2.05x over the June 2023 quarter.

Table 3: Key performance indicators for the quarter

(in \$ billion, unless noted otherwise)

	Mar 2023 Quarter	Jun 2023 Quarter	Quarterly Change
Net policy revenue	3.6	3.7	2.7%
Investment revenue	3.8	-0.3	-
Total revenue	7.6	3.6	-52.8%
Net policy expenses	2.2	2.1	-5.1%
Operating expenses	2.1	1.8	-11.8%
Effective movement in net policy liabilities	2.3	-0.4	-
Total expenses	6.6	3.6	-46.1%
Net profit after tax	652.3m	22.3m	-96.6%
Total assets	126.7	124.4	-1.8%
Return on net assets	10.0%	0.3%	-9.7%
PCA coverage ratio	2.09x	2.05x	-0.04x

Historical performance trends

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

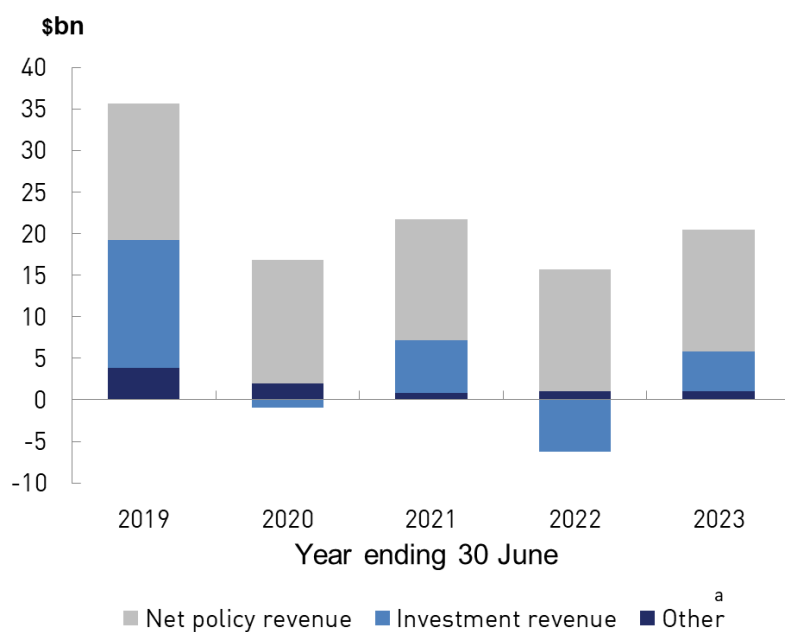


Chart 2: Operating expenses, for year ending June 2019 to June 2023

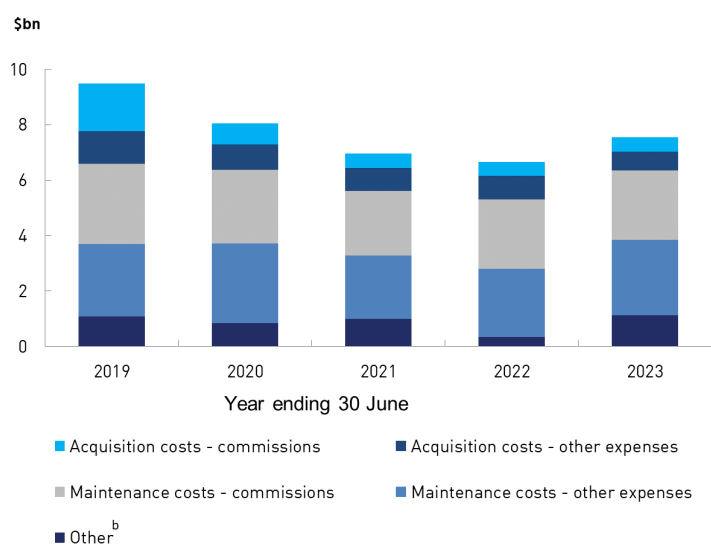


Chart 3: Profitability, for year ending June 2019 to June 2023

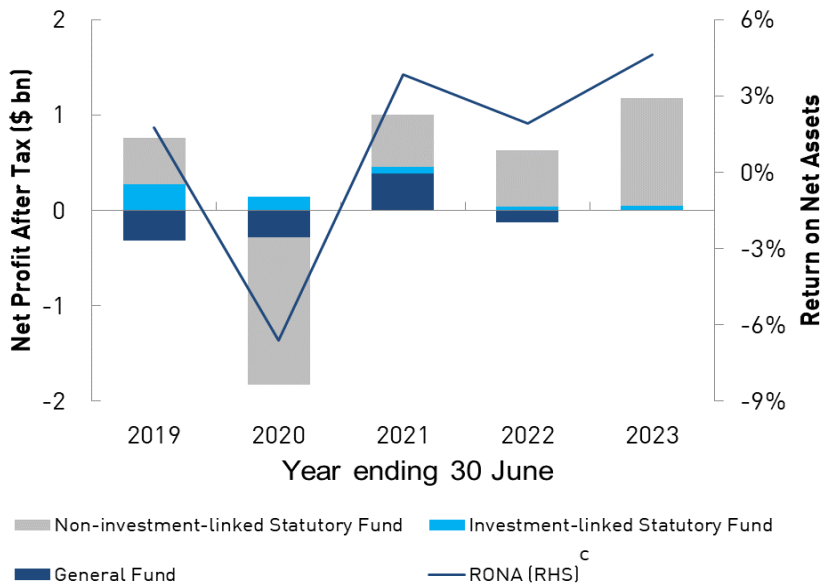


Chart 4: Net profit after tax for risk products, for year ending June 2019 to June 2023

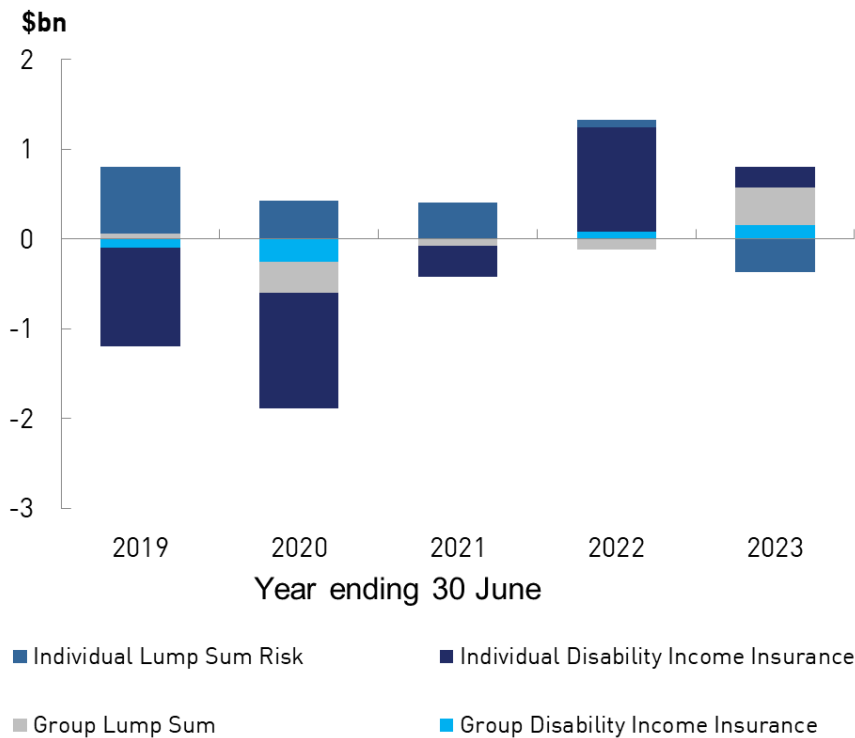


Chart 5: Non-investment linked assets, for year ending June 2019 to June 2023

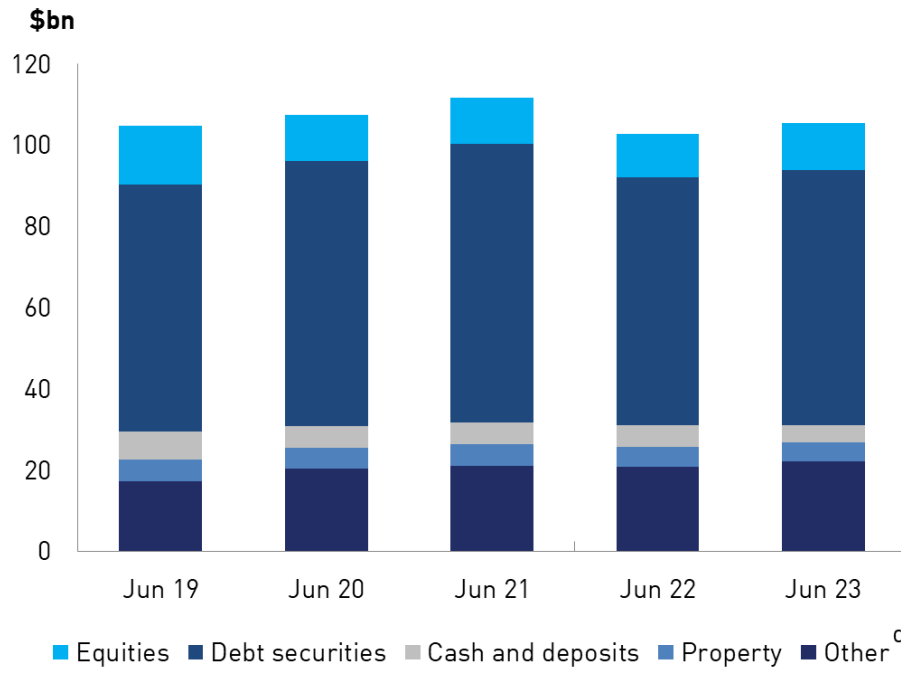
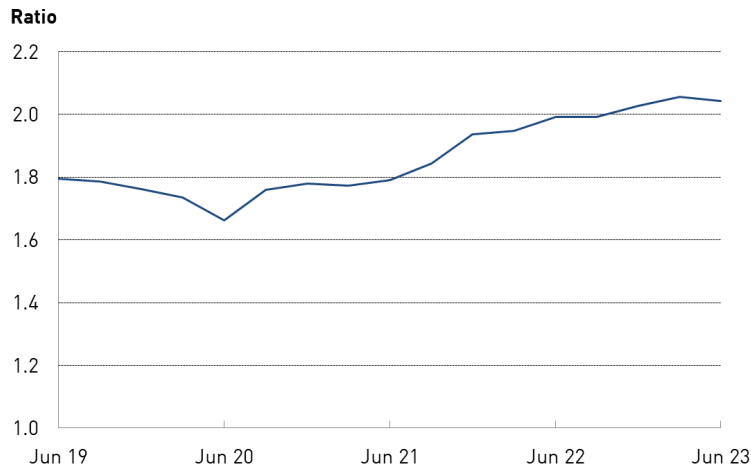


Chart 6: Prescribed capital amount coverage ratio, for year ending June 2019 to June 2023



^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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