



# STATISTICS

## Quarterly general insurance performance statistics - highlights

June 2023 (released 24 August 2023)

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## Highlights for the year ending 30 June 2023

- For the year ending 30 June 2023, the industry reported a net profit after tax of \$4.6 billion and a return on net assets of 14.2 per cent (Chart 1). The increase in net profit after tax was driven by a strong recovery in investment returns (Chart 2).
- The industry reported a small decline in the underwriting result to \$5.7 billion for the year ending 30 June 2023. However, results remain relatively strong due to increasing premiums in response to higher recent claims costs.
- Overall, gross incurred claims remained relatively high in the year ending 30 June 2023 (Chart 4). The slight year-on-year movement was driven by large reductions in both Householders and Fire/ISR as claims stabilised after high expenses from the 2022 south-east QLD/NSW flooding event.
- Net incurred claims increased substantially in the year (16.1 per cent), which was largely due to a reduction in reinsurance revenue across almost all lines of business.
- The industry reported a recovery of investment returns, reaching \$3.0 billion overall. This was mostly driven by unrealised gains from interest-earning investments for year ending 30 June 2023.
- The aggregate industry prescribed capital amount (PCA) coverage ratio increased to 1.74x on 30 June 2023 (Chart 6).

**Table 1: Key performance indicators for the year at a glance<sup>1</sup>**

	Year ended 30 June 2022	Year ended 30 June 2023	Yearly change
Number of insurers	90	90	0
Gross earned premium	\$60.4bn	\$66.0bn	9.3%
Net earned premium	\$42.2bn	\$46.5bn	10.3%
Gross incurred claims	\$45.2bn	\$44.1bn	-2.3%
Net incurred claims	\$26.1bn	\$30.3bn	16.1%
Underwriting result	\$6.1bn	\$5.7bn	-6.3%
Investment income	\$-2.8bn	\$3.0bn	-
Net profit after tax	\$0.9bn	\$4.6bn	408.2%
Return on net assets	3.0%	14.2%	11.2pp
Gross loss ratio	70%	62%	-8pp
Net loss ratio	62%	65%	3pp

<sup>1</sup> Data on industry segments and classes of business is available in the publication

	Year ended 30 June 2022	Year ended 30 June 2023	Yearly change
short-tail property	67%	67%	0pp
long-tail classes	57%	69%	12pp
Underwriting expense ratio	24%	23%	-1pp
PCA coverage ratio	1.66x	1.74x	0.08x

## Highlights for the quarter ending 30 June 2023

- For the June 2023 quarter, the industry reported a 9.6 per cent increase in net profit after tax to \$1.2 billion. This was driven by a strong underwriting result, while investment returns fell substantially due to unrealised losses on interest-earning investments as a result of bond yield increases in the June quarter.
- The industry recorded an underwriting profit of \$2.6 billion in the June 2023 quarter. This was predominantly driven by a significant reduction in gross incurred claims.
- The industry PCA coverage ratio declined slightly to 1.74x on 30 June 2023.

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

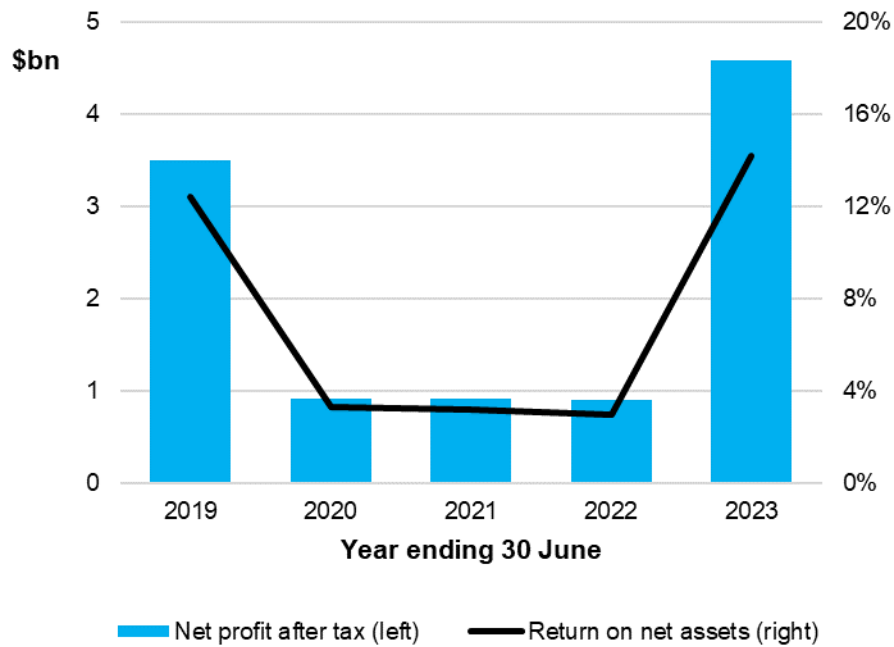
	March Quarter 2023	June Quarter 2023	Quarterly change
Number of insurers	90	90	0
Gross earned premium	\$16.4bn	\$17.1bn	3.8%
Net earned premium	\$11.7bn	\$11.8bn	1.5%
Gross incurred claims	\$14.4bn	\$9.0bn	-37.6%
Net incurred claims	\$9.2bn	\$6.4bn	-30.2%
Underwriting result	\$-0.1bn	\$2.6bn	-
Investment income	\$2.1bn	\$-0.2bn	-
Net profit after tax	\$1.1bn	\$1.2bn	9.6%
Return on net assets	13.6%	14.4%	0.8pp
Gross loss ratio	82%	48%	-34pp

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

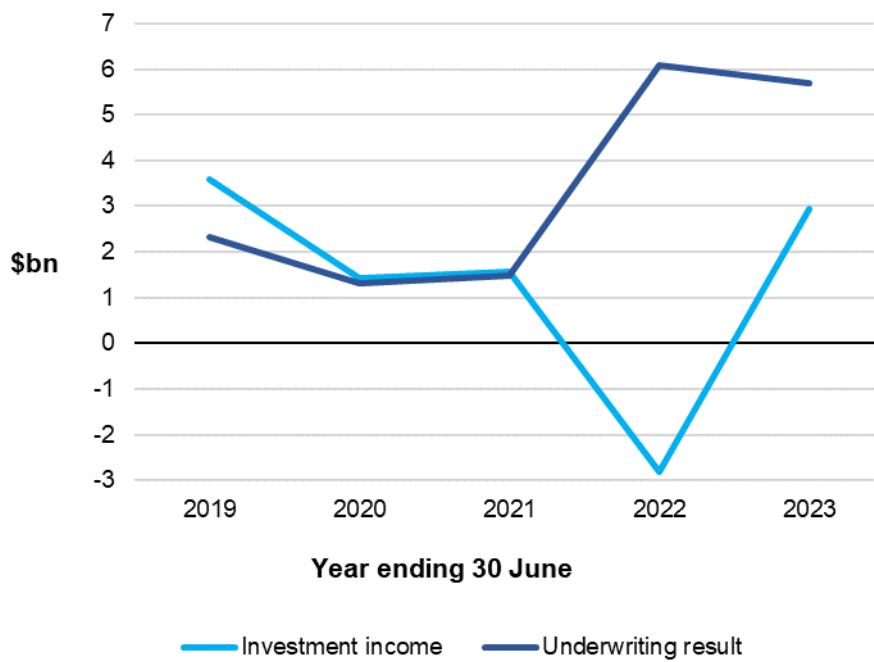
	March Quarter 2023	June Quarter 2023	Quarterly change
Net loss ratio	79%	54%	-25pp
Underwriting expense ratio	22%	24%	2pp
PCA coverage ratio	1.75x	1.74x	-0.01x

## Historical performance trends

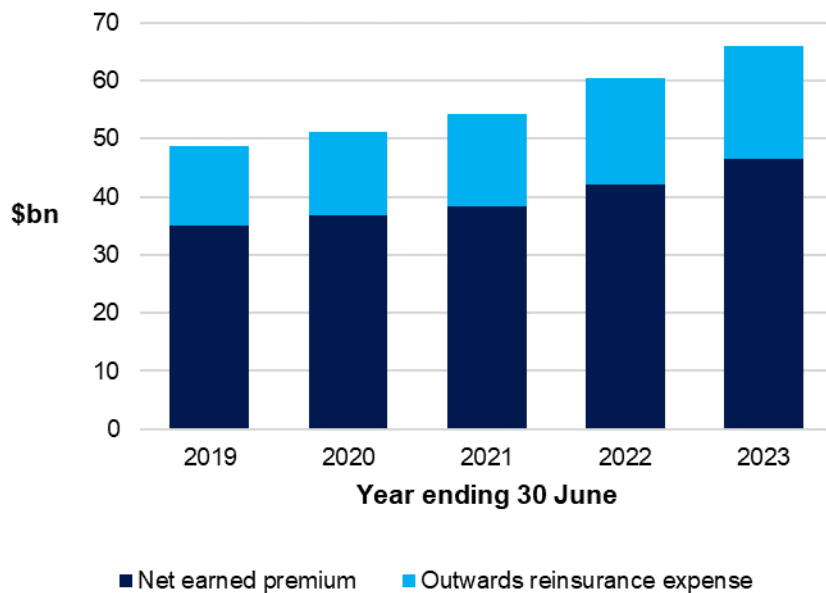
### Chart 1: Profitability



### Chart 2: Major Profit Components



**Chart 3: Premiums and Reinsurance**



**Chart 4: Gross Incurred Claims**

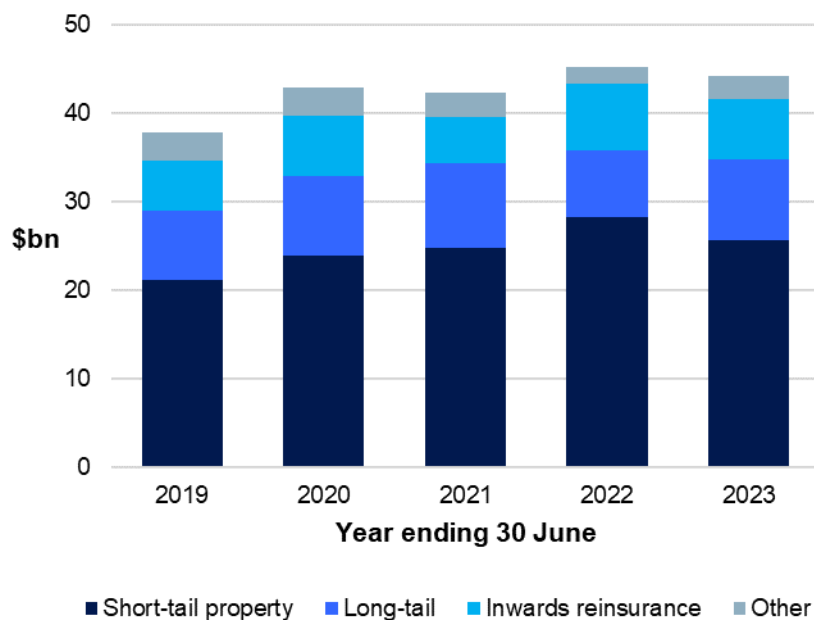


Chart 5: Net Loss Ratios

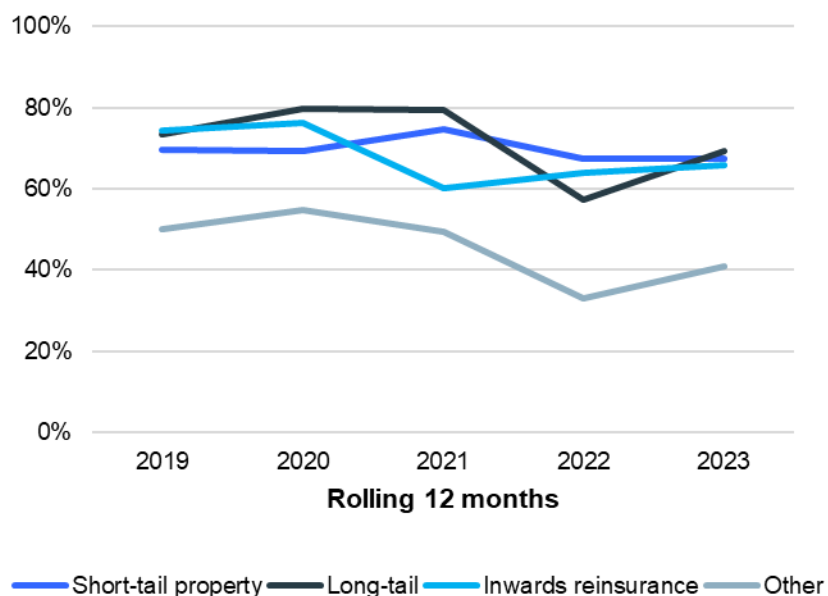
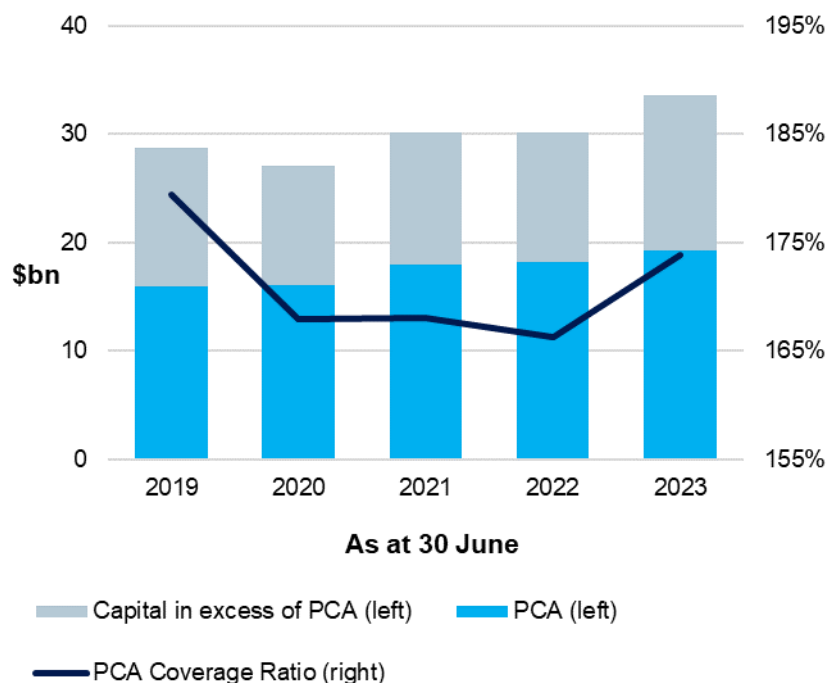


Chart 6: Capital Coverage







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