



STATISTICS

Life insurance claims and disputes statistics

June 2023 (issued 17 October 2023)

Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

Notation

The symbol '*' indicates that the data have been masked to avoid publishing data that is not statistically credible.

Rounding

Details on tables may not add up to totals due to rounding.

Glossary and explanatory notes

A set of explanatory notes and a glossary are provided on the APRA website to assist the reader in understanding the source and definitions of the data.

Enquiries

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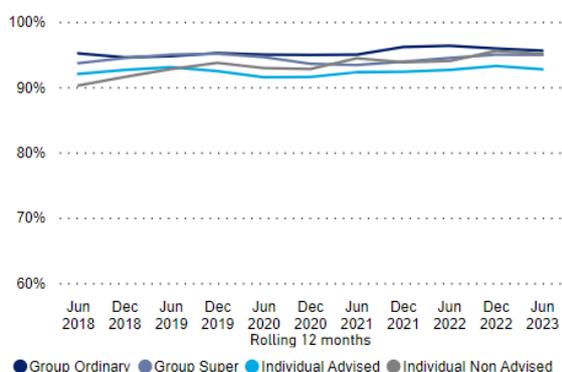
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Industry Highlights

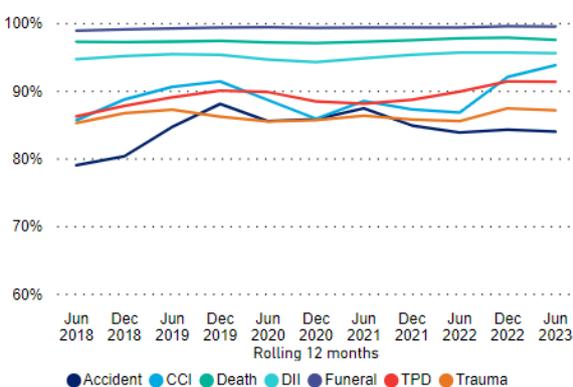
This publication presents the key industry-level claims and dispute outcomes for 17 Australian life insurers writing direct business (i.e., excluding reinsurance).

Chart 1: Admittance rates¹ by channels, for year ended June 2018 to June 2023



The admittance rates across all distribution channels have remained relatively stable over time.

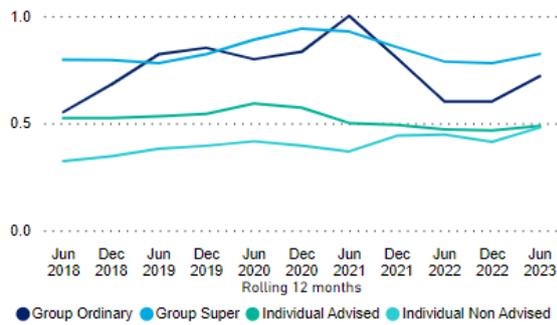
Chart 2: Admittance rates by cover types, for year ended June 2018 to June 2023



The admittance rates vary by cover types but have remained relatively stable over time.

¹ Admittance rate is defined as the number of admitted claims as a percentage of the number of finalised claims in the same period.

Chart 3: Claims paid ratio² by channels, for year ended June 2018 to June 2023

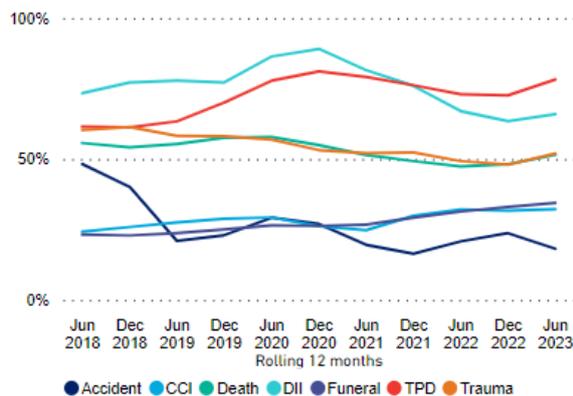


The claims paid ratios for Group products peaked in 2021 before returning to a lower level in the recent periods. In contrast, the ratios for Individual products have remained relatively stable.

APRA urges caution in using the claims paid ratio as a measure of consumer value or product profitability. For insurers, claims payments are only one part of the costs associated with an

insurance policy. Other costs, such as administration, acquisition costs and claims reserves, are not included. Whether, and how profitable, the product is to the insurer will also depend on these factors.

Chart 4: Claims paid ratios by cover types, for year ended June 2018 to June 2023

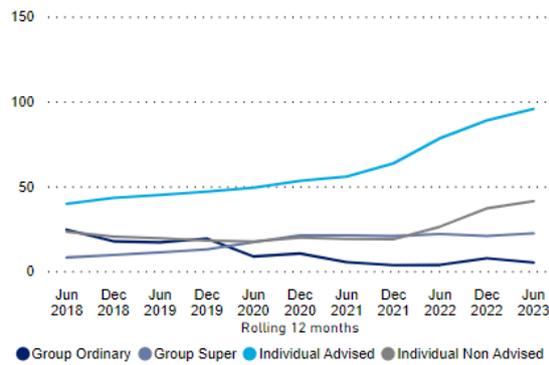


TPD and DII³ covers have higher claims paid ratios. In contrast, the ratios for Accident, CCI and Funeral have remained at a lower level.

² The claims paid ratio is the dollar amount of claims paid out in the reporting period as a percentage of the annual premium receivable in the same period.

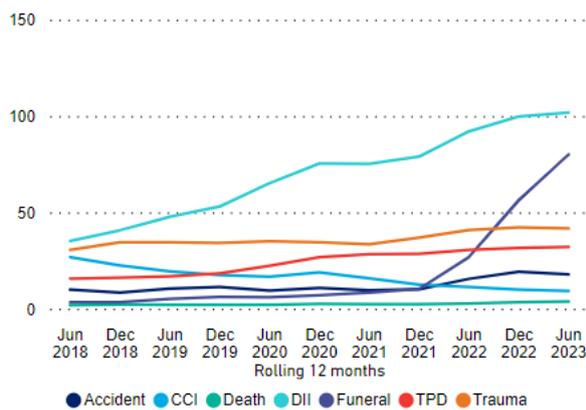
³ DII has recurring monthly payments. For the purposes of the reported claims ratio, total payments are approximated using an assumed 24-month payout period.

Chart 5: Dispute lodgement ratios by channels⁴, for year ended June 2018 to June 2023



For individual advised products, there was a sharp increase in the dispute lodgement ratios since June 2021.

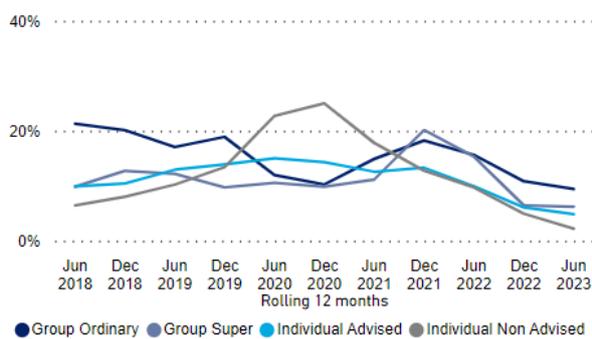
Chart 6: Dispute lodgement ratios by cover types, for year ended June 2018 to June 2023



The dispute lodgement ratios for DII and Funeral have increased considerably over time, due to recent regulatory focus.

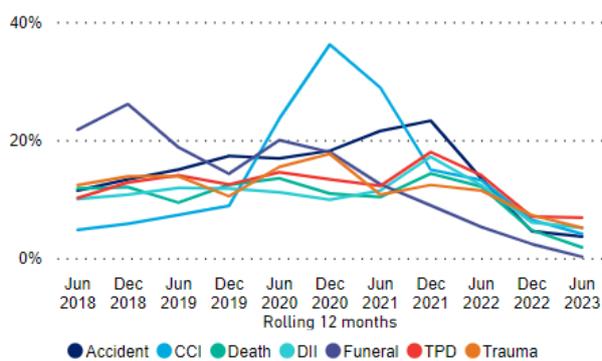
⁴ The dispute lodgement ratio is defined as the number of disputes lodged per 100,000 lives insured.

Chart 7: Original decision reversed⁵ by channels, for year ended June 2018 to June 2023



The original decision reversed rates across all distribution channels have been trending downwards since December 2021.

Chart 8: Original decision reversed by cover types, for year ended June 2018 to June 2023



The original decision reversed rates across all cover types have been trending downwards since December 2021.

⁵ Original decision reversed rate is defined as the number of disputes with original decision reversed as a percentage of the number of disputes lodged in the same period.



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