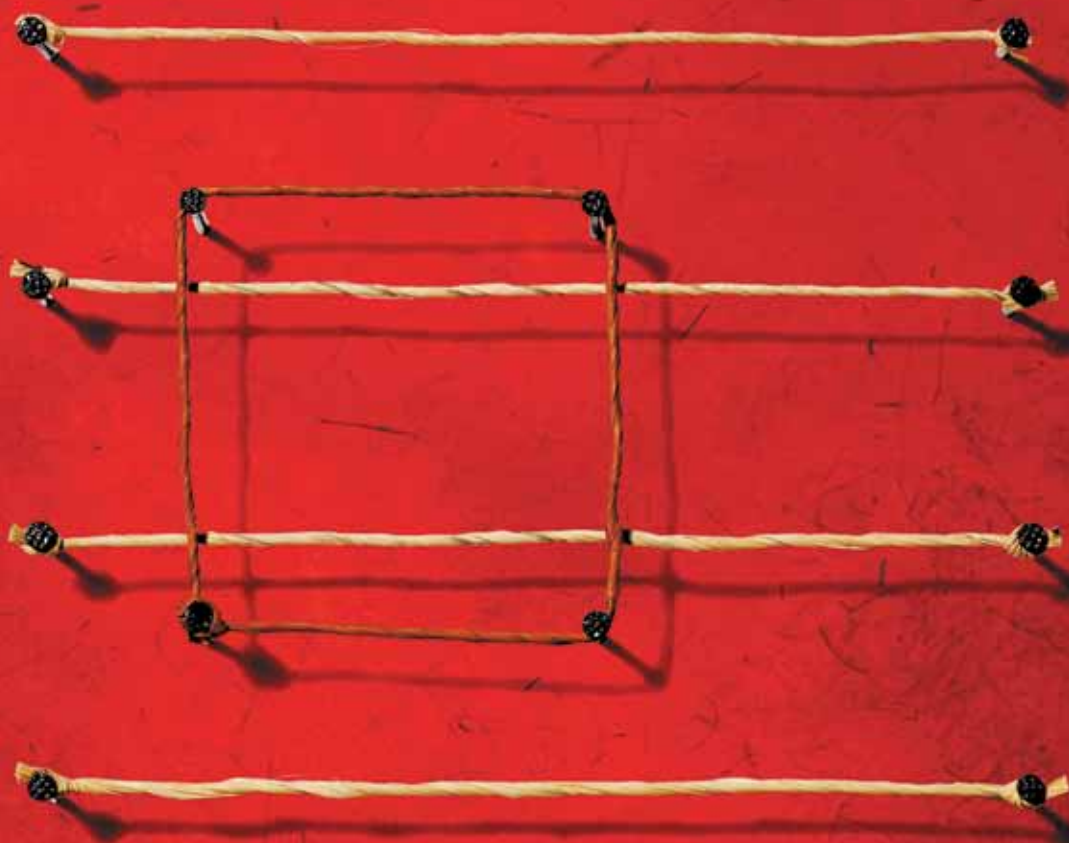




Statistics

Half Yearly General Insurance Bulletin

June 2008 (revised 25 May 2009)



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Forthcoming issues

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

Revisions

This publication has been revised to update the short name of entities to reflect the current company name in tables 12, 13 and 14.

Notation

Except where indicated, amounts are expressed in millions of Australian dollars.

The symbol * indicates that the data have been masked to maintain confidentiality.

Glossary and explanatory notes

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data. In particular, these notes help explain differences between the data presented and information publicly released by insurers in their financial statements.

Enquiries

For more information about the statistics in this publication:

email statistics@apra.gov.au

or write to Manager, Insurance Statistics
Australian Prudential Regulation Authority
GPO Box 9836
Sydney NSW 2001

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Introduction

APRA's statistics publications provide the most accurate and independent overview of Australia's general insurance industry.

This publication is compiled primarily from information provided to APRA as part of APRA-regulated general insurers' prudential reporting requirements. APRA-regulated general insurers are prudentially supervised under the Insurance Act 1973 (Insurance Act).

This publication reports relevant information on the general insurance industry according to the following key principles and considerations:

- the importance of public release of company level information;
- adequate disclosure to assist in the protection of Australian general insurance policyholders;
- the importance of commercial considerations for individual companies;
- general insurance data which are already publicly available;
- the disclosure regime in existence prior to July 2002; and
- the recommendations of the HIH Royal Commission.

We welcome your feedback and suggestions for improvement. Please send any comments to statistics@apra.gov.au

Comparison with other APRA publications

Quarterly General Insurance Performance Statistics

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics* (QGIPS) for the following reasons:

Different basis for calculation - the QGIPS uses quarterly movements for flow data. The year-end figures for the quarterly publication are the aggregate movements for the previous four quarters. This bulletin uses full year data from each entity.

Different balance dates - the QGIPS uses insurers' year to date data as at the end of each quarter. The Half Yearly General Insurance Bulletin uses annual accounts that correspond to insurers' own financial years. The majority of insurers balance in June or December, and the data in this publication will be a mix of annual returns from different periods.

Changes in the population of insurers - the QGIPS includes some insurers that have recently obtained a licence, but have yet to submit annual accounts to APRA. Data from these insurers are not included in this bulletin. The QGIPS includes some insurers that have submitted quarterly returns throughout the year, but have left the industry before the reference period of the bulletin.

Selected Statistics

Prior to the significant reforms to the prudential regime for general insurers in 2002, APRA and its predecessor released a semi-annual publication entitled *Selected Statistics on the General Insurance Industry*. Data in the *Selected Statistics* publication are not directly comparable to the data presented in this publication.

Highlights

Private insurers

These highlights relate to data used in Key statistics through to Table 14 (i.e. excluding public insurer tables). These data are submitted by insurers for their respective financial years ended between 1 July 2007 and 30 June 2008 (the period). Specifically, highlights discussed in this section will not reconcile with corresponding figures published in the QGIPS. Please see the Introduction on the previous page for further details.

During the period:

- There were 132 insurers licensed to conduct general insurance business (i.e. insurance other than life and health insurance). Of these, 111 were direct insurers and 21 were reinsurers.
- Insurers reported gross premium revenue of \$30.8 billion (up from \$29.5 billion in the previous period). Direct insurers reported gross premium revenue of \$29.3 billion, making up 95.1 per cent of the total. Reinsurers accounted for the remaining 4.9 per cent of the total, or \$1.5 billion.
- Insurers reported 97.6 per cent of gross premium revenue being accepted inside Australia. Insurers' total assets inside Australia for the same period were reported as \$84.7 billion, or 93.0 per cent of total assets.
- Gross incurred claims reported were \$23.0 billion (up from \$20.0 billion in the previous period), with \$22.2 billion (96.5 per cent) made up by claims on direct insurers. Gross incurred claims represent the demands made by the insured for payment of benefits as provided by a general insurance policy. They include claims paid during the period and movements in insurance provisions.
- Fire and industrial special risks business reported \$3.0 billion in gross incurred claims, up 94.4 per cent from the previous period (\$1.6 billion). The increase from the previous period was primarily due to the weather event-related claims in December 2007 and January 2008 (see selected feature - Movement in gross claims expense - for more information).
- Outstanding claims provision (OCP) and premium liabilities (PL) represent the amounts set aside by insurers to provide payment for prior, current and future claims by insured parties (i.e. insurance provisions). Direct insurers reported \$33.8 billion in OCP and \$14.6 billion in PL. Reinsurers reported \$4.3 billion in OCP and \$1.1 billion in PL.
- Insurers reported underwriting results of \$2.1 billion, down 43.5 per cent on the previous period, driven largely by the increased claims expense. Direct insurers reported an underwriting result of \$1.6 billion, making up 78.5 per cent of the total.
- Insurers reported \$3.4 billion in net profits after tax, down 32.2 per cent from the previous period. Of this, direct insurers reported \$2.9 billion (85.7 per cent), and reinsurers reported the remaining \$0.5 billion.
- Insurers reported total assets of \$91.1 billion, an increase of \$3.1 billion (3.5 per cent) on the previous period. Of these assets, \$82.2 billion (90.2 per cent) are held by direct insurers, the remaining \$8.9 billion (9.8 per cent) held by reinsurers.
- Industry total liabilities were \$65.6 billion, an increase of 4.7 per cent (\$3.0 billion) on the previous period. Of these liabilities, \$59.4 billion (90.5 per cent) are held by direct insurers, with the remaining \$6.2 billion (9.5 per cent) held by reinsurers.

Highlights (continued)

- In terms of risk-based capital measures, the industry's capital coverage is currently 1.91 times APRA's minimum capital requirement, down from the 2007 capital coverage of 2.06. This drop is the result of a combination of a \$0.4 billion (3.3 per cent) increase in the minimum capital requirement, and a \$0.9 billion (4.0 per cent) decrease in the eligible capital base.

Public insurers

- General insurance was also written by 14 public sector insurers for the year ended 30 June 2008. These insurers are not subject to the provisions of the Insurance Act and are not regulated by APRA.
- For the year ended 30 June 2008, total public sector premium revenue was \$9.0 billion. Public insurer premium revenue is deferred and amortised in accordance with AASB 1023 and consequently cannot be directly compared to premiums written by private insurance companies.
- For the year ended 30 June 2008, total public sector net profit/loss was -\$2.5 billion, down from \$3.1 billion in the previous year. This was due primarily to a loss on investment income of \$2.5 billion, compared to a \$5.9 billion gain in the previous year.

Gross premium revenue growth

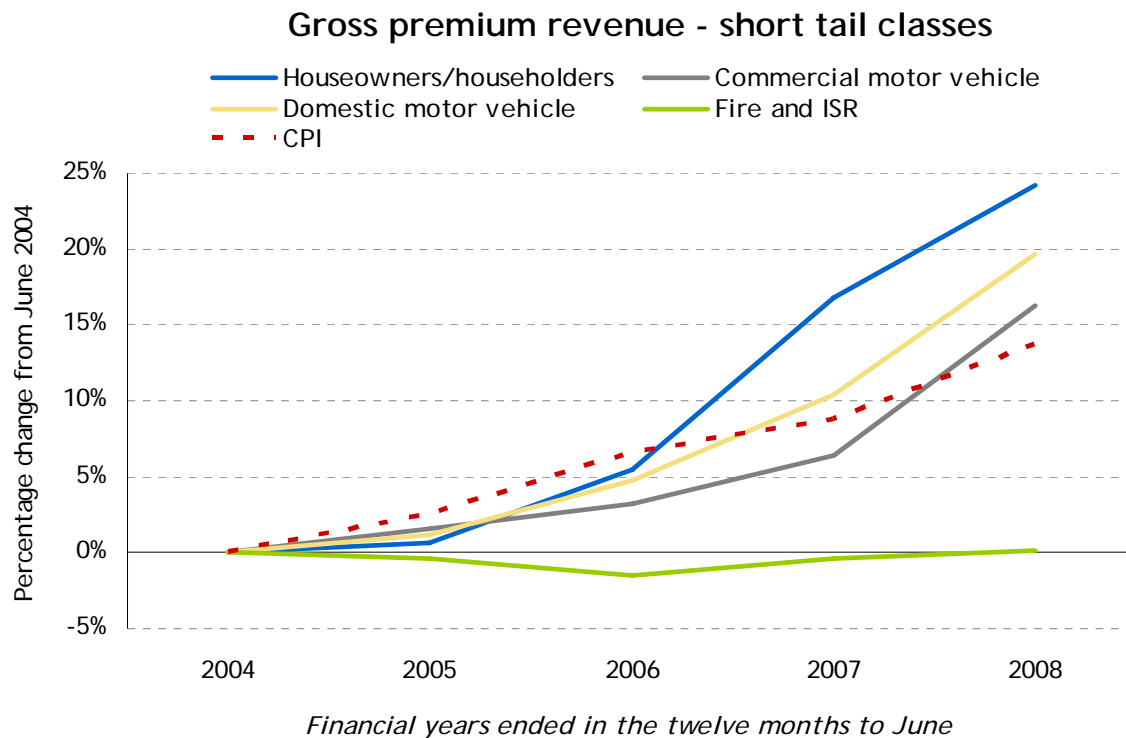
In financial years ended in the twelve months to June 2008, total gross premium revenue grew by 4.5 per cent from the previous year to \$30.8 billion. This growth matched the change in the Consumer Price Index (CPI) from June 2007 to June 2008 of 4.5 per cent.

Changes in underlying premium rates are likely to be one of the primary drivers behind changes in the total gross premium revenue. However, gross premium revenue will also be influenced by other factors such as changes in the number of policies being written, or the level and type of cover being taken out.

In the graphs and text below, reference to a particular year refers to financial years ended in the twelve months to June of that year. Gross premium revenue figures by class from 2004 to 2008 are included in the key statistics section of this publication.

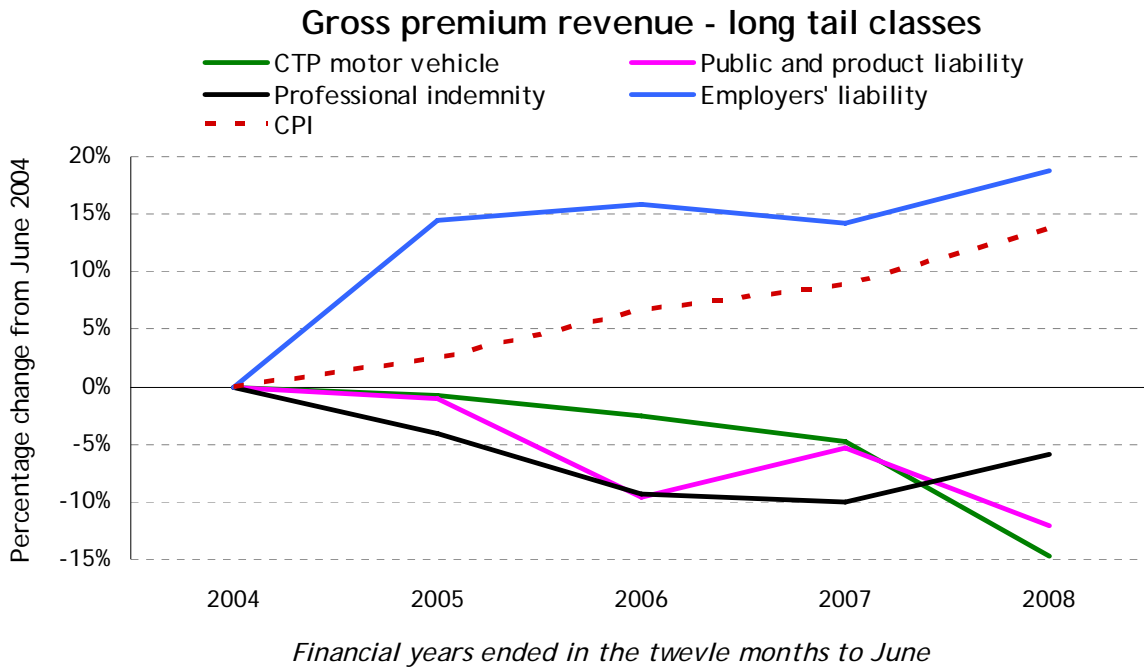
Since 2004, gross premium revenue across all direct classes has grown by 11.4 per cent, from \$22.2 billion to \$24.8 billion, which was below CPI growth of 13.7 per cent. Over this period, long tail liability classes have predominantly reported a reduction in gross premium revenue. This was offset by several short tail classes which experienced increases in gross premium revenue above CPI growth.

Of the short tail classes, homeowners/householders reported the largest growth, with gross premium revenue in 2008 of \$4.0 billion, 24.2 per cent higher than the 2004 year figure. Domestic motor vehicle gross premium revenue increased by 19.6 per cent over the same period. Gross premium revenue for commercial motor vehicle grew steadily from 2004 to 2007, but remained below CPI growth. However, the class reported a growth of 9.3 per cent from 2007 to 2008, more than double CPI growth for the year, bringing the four year growth up to 16.3 per cent. Gross premium revenue for fire and ISR has remained flat since 2004 at just under \$2.8 billion.



Gross premium revenue growth (continued)

Employers' liability was the only long tail class to experience growth above CPI since 2004, primarily due to a large increase between 2004 and 2005 of 14.4 per cent. From 2005 to 2008, gross premium revenue for employers' liability was more stable, increasing by 4.3 per cent over the three years. CTP motor vehicle reported a 14.8 per cent reduction from 2004 to 2008, with the largest fall occurring from 2007 to 2008 with gross premium revenue falling by 10.5 per cent to \$2.1 billion. Contributing to this reduction was the introduction of the lifetime care and support scheme levy which was implemented in two stages in October 2006 and April 2007. The additional charge created by the levy was partly offset by a reduction in the existing insurance premium component and resulted in lower gross premium revenue being reported by insurers. Public and product liability fell by 12.1 per cent over the four years, while professional indemnity gross premium revenue was 5.9 per cent lower over the same period, after a 4.7 per cent increase from 2007 to 2008 offset earlier reductions from 2004 to 2007.



Movement in gross claims expense

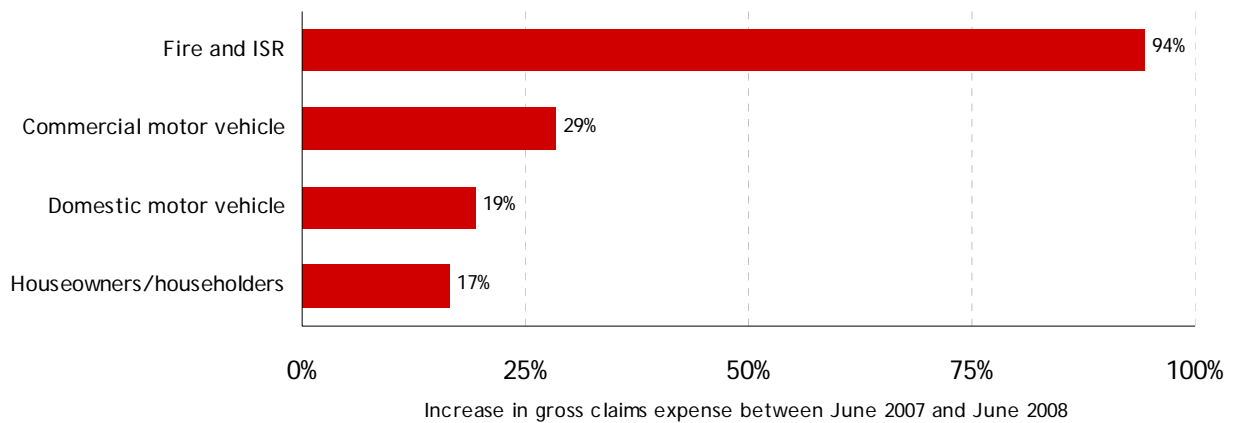
As noted in the highlights section, general insurers reported \$23.0 billion in gross claims expense for financial years ended in the twelve months to June 2008, up by 14.6 per cent from the previous year.

In the graphs and text below, reference to a particular year refers to financial years ended in the twelve months to June of that year. Gross claims expense figures by class and by state for 2008 are included in tables 7 and 11 of this publication.

In 2008, short tail property classes - homeowners/householders, domestic motor vehicle, commercial motor vehicle and fire and ISR - experienced higher claims cost due to weather related events. Gross claims expense in these classes was \$12.6 billion in 2008, up by 32.1 per cent from 2007. Fire and ISR reported the largest increase, up 94.4 per cent from \$1.6 billion in 2007 to \$3.0 billion in 2008. Commercial motor vehicle reported a 28.5 per cent increase from \$1.2 billion in 2007 to \$1.5 billion in 2008.

Movement in claims expense by class of business

For financial years ended in the twelve months to June 2007 and June 2008

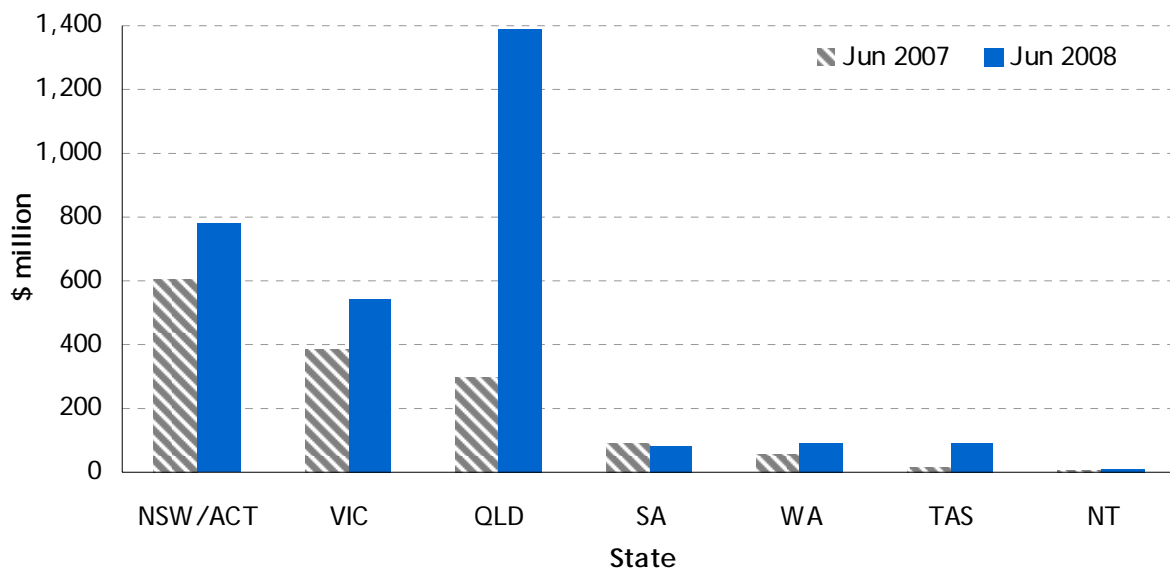


Movement in gross claims expense (continued)

Table 11 in this publication details the gross claims expense of direct insurers within Australia by class of business. The large increase to fire and ISR gross claims expense noted above is primarily attributable to Queensland (QLD), which incurred the largest claims cost of all states in 2008 of \$1.4 billion, 370 per cent higher than the previous year. This increase was largely due to the severe storms and floods from late 2007 and early 2008. New South Wales and the Australian Capital Territory (NSW/ACT) increased by 29.4 per cent from the previous year to \$0.8 billion, and Victoria (VIC) increased by 40.6 per cent to \$0.5 billion over the same period.

Gross claims expense by state - Fire and ISR

For financial years ended in the twelve months to period



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Key statistics

Financial years ended in the 12 months to June

Industry at a glance

	Jun 2008	Jun 2007	Jun 2006	Jun 2005	Jun 2004	Jun 2003 ^a	Jun 2002 ^b
Net premium revenue (\$m)	22,585	21,841	21,046	20,488	20,401	19,412	14,946
Net incurred claims (\$m)	14,359	12,321	12,372	12,736	11,868	12,868	11,463
Underwriting result (\$m)	2,061	3,649	3,132	2,641	3,615	1,848	-630
Investment income (\$m)	3,331	3,754	4,820	4,292	2,951	2,859	2,106
Net profit / loss (\$m)	3,382	4,989	5,600	4,706	4,311	2,832	740
Net loss ratio	64%	56%	59%	62%	58%	66%	77%
Total assets (\$m)	91,081	88,012	82,155	77,801	76,138	73,761	65,059
Shareholders' equity (\$m)	25,508	25,406	24,950	23,195	21,356	19,696	16,369
Return on assets	3.8%	5.9%	7.0%	6.1%	5.8%	4.1%	1.2%
Return on equity	13.3%	19.8%	23.3%	21.1%	21.0%	15.7%	4.8%
Solvency coverage	1.91	2.06	2.36	2.34	2.21	2.00	2.34

Gross premium revenue by class of business (\$m)

	Jun 2008	Jun 2007	Jun 2006	Jun 2005	Jun 2004	Jun 2003 ^c	Jun 2002 ^{bd}
Direct business	24,787	23,949	22,820	22,617	22,243		15,542
<i>of which:</i>							
Houseowners/householders	4,012	3,773	3,407	3,250	3,230		2,461
Commercial motor vehicle	1,519	1,390	1,348	1,326	1,306		1,121
Domestic motor vehicle	5,646	5,209	4,944	4,776	4,720		3,710
Fire and ISR	2,785	2,770	2,737	2,770	2,780		1,655
CTP motor vehicle	2,086	2,330	2,385	2,429	2,448		1,976
Public and product liability	1,883	2,029	1,935	2,121	2,142		1,001
Professional indemnity	1,325	1,266	1,276	1,351	1,408		556
Employers' liability	1,186	1,141	1,157	1,143	999		873
Other direct classes	4,345	4,041	3,631	3,451	3,211		2,190
Inwards reinsurance	5,995	5,500	5,401	4,717	6,289		2,457

Gross direct premiums and direct claims by state of Australia for direct insurers (\$m)

	June 2008						
	NSW/ACT	VIC	QLD	SA	WA	Other	Total
Gross premium revenue	9,856	5,019	4,507	1,372	2,732	567	24,053
Gross incurred claims	6,958	3,701	4,551	1,024	1,517	436	18,187

^a Financial performance figures for June 2003 are annualised using nine months of data.

^b Figures reported up to June 2002 are not directly comparable to current periods due to different reporting regimes.

^c Class of business data for June 2003 are impacted by changes to the reporting framework and have been excluded.

^d Class of business data up to June 2002 reflect business written inside Australia only and are therefore not directly comparable to later periods, which include business written outside Australia.

Table 1 Industry financial performance
 Financial years ended in the 12 months to June 2008
 (\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Gross premium revenue	29,268	1,514	30,781
<i>of which:</i>			
Direct business	24,766	21	24,787
Inwards reinsurance ^a	4,502	1,493	5,995
Outwards reinsurance expense	7,939	257	8,196
Net premium revenue	21,329	1,257	22,585
Gross incurred claims	22,160	794	22,954
<i>of which:</i>			
Direct business	18,563	-84	18,479
Inwards reinsurance ^a	3,597	878	4,475
Non-reinsurance recoveries revenue	1,919	0	1,919
Reinsurance recoveries revenue	6,431	246	6,676
Net incurred claims	13,810	549	14,359
Acquisition costs	3,714	247	3,961
Other underwriting expenses	1,737	18	1,755
Levies and charges	834	1	835
Commission revenue	383	2	386
Total underwriting expenses	5,902	263	6,165
Underwriting result	1,617	444	2,061
Investment income	3,033	299	3,331
Other operating expenses	1,964	102	2,065
Other items	213	-158	55
Net profit / loss after tax	2,899	483	3,382
Number of entities	111	21	132

Notes:

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the 'Introduction'.

^a For direct insurers, inwards reinsurance predominantly represents transactions between related entities within the same insurance group.

Table 2 Industry operating income and expense

Financial years ended in the 12 months to June 2008

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Investment income	3,032	299	3,330
<i>arising from:</i>			
Interest	2,257	426	2,683
Dividend	641	5	647
Rent	124	0	124
Change in net market value of investments	-355	-126	-481
<i>of which:</i>			
Unrealised gains/losses	-770	-98	-867
Realised gains/losses	415	-28	386
Other investment income	364	-6	358
Other operating income	976	2	978
Operating expenses	1,964	102	2,065
<i>of which:</i>			
Interest	156	1	157
Wages and salaries	443	32	475
Other employee related	121	10	132
Occupancy and equipment	157	5	161
Fees	646	33	679
<i>of which:</i>			
Management	561	27	589
Audit firm	15	2	17
Consulting	51	2	53
Actuarial	12	2	13
Directors	7	0	7
Bad and doubtful debts	2	-5	-3
Other operating expenses	439	25	464
 Number of entities	 111	 21	 132

Table 3 Industry financial position
 Financial years ended in the 12 months to June 2008
 (\$ million)

	Direct insurers	Reinsurers	Total APRA regulated	of which: inside Australia ^a
Cash and liquid assets	1,224	229	1,453	1,264
Investments	52,541	6,459	59,000	54,620
<i>of which:</i>				
Interest	36,539	5,430	41,969	
Equity	3,367	254	3,620	
Indirect investments	4,557	333	4,890	
Property	602	0	602	
Loans and advances	2,049	442	2,491	
Other investments	5,428	0	5,428	
Reinsurance recoverables	12,367	608	12,975	12,180
Non-reinsurance recoverables	4,168	16	4,184	4,177
Premium receivables	6,649	1,115	7,763	7,587
Intangible assets	949	0	949	932
Other assets	4,293	465	4,757	3,909
Total assets	82,190	8,891	91,081	84,669
Outstanding claims provision	33,772	4,342	38,114	37,683
Premium liabilities	14,639	1,117	15,757	15,310
Tax provisions	743	291	1,034	1,012
Payables on reinsurance contracts	1,546	179	1,725	1,493
Borrowings and loan capital	3,117	26	3,143	3,041
Other liabilities	5,535	265	5,800	4,809
Total liabilities	59,352	6,220	65,573	63,348
Share capital	12,822	1,672	14,494	
Reserves	566	192	758	
Retained profits	9,450	806	10,256	
Shareholders' equity	22,838	2,671	25,508	
Number of entities	111	21	132	

Notes:

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the 'Introduction'.

^a Breakdown of investments is not available at inside Australia level.

Table 4 Industry offshore profile

Financial years ended in the 12 months to June 2008
(\$ million)

	Direct insurers		Reinsurers		Total APRA regulated	
	Australia	Offshore	Australia	Offshore	Australia	Offshore
Financial performance						
Gross premium revenue	28,553	715	1,485	29	30,037	744
<i>of which:</i>						
Direct business					24,117	670
Inwards reinsurance					5,921	74
Outwards reinsurance expense	7,393	546	238	19	7,632	564
Net premium revenue	21,160	169	1,248	9	22,406	179
Gross incurred claims	21,906	254	806	-12	22,712	242
<i>of which:</i>						
Direct business					18,228	251
Inwards reinsurance					4,484	-9
Reinsurance recoveries revenue	6,253	178	241	5	6,495	181
Investment income	2,933	100	276	23	3,208	123
Financial position						
Investments	48,632	3,909	5,988	471	54,620	4,380
Reinsurance recoverables	11,595	772	584	24	12,180	795
Other assets	16,069	1,213	1,799	25	17,869	1,237
Total assets	76,297	5,893	8,372	519	84,669	6,412
Outstanding claims provision	33,372	400	4,311	31	37,683	431
Premium liabilities	14,206	433	1,105	12	15,310	447
Borrowings and loan capital	3,041	76	0	26	3,041	102
Other liabilities	6,584	1,240	730	5	7,314	1,245
Total liabilities	57,203	2,149	6,145	75	63,348	2,225

Notes:

It is not possible to show the breakdown of 'net incurred claims' between Australia and offshore as 'non-reinsurance recoveries' are not reported to APRA on this basis.

Table 5 Industry capital adequacy
 Financial years ended in the 12 months to June 2008
 (\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Minimum capital requirement risk charges			
<i>arising from:</i>			
Off balance sheet business	40	4	43
Investments	1,253	101	1,354
<i>of which:</i>			
Interest	554	66	619
Equity	272	22	294
Indirect investments	271	9	280
Property	60	0	60
Loans and advances	96	4	100
Investment risk rebate	1	0	1
Counterparty default	1,321	68	1,388
Asset concentration	36	0	36
Derivative activity	13	0	13
Maximum event retention	3,543	148	3,691
Outstanding claims provision	3,023	589	3,612
Premium liabilities	1,719	179	1,898
Minimum capital requirement^a	10,808	1,099	11,907
Capital base	20,208	2,536	22,744
<i>of which:</i>			
Branch insurers ^b	1,265	1,767	3,032
Non-branch insurers	18,944	769	19,713
<i>of which:</i>			
Tier 1 capital (net of deductions)	17,991	769	18,760
Tier 2 capital	953	0	953
<i>of which:</i>			
Upper tier 2 capital	20	0	20
Lower tier 2 capital	933	0	933
Tier 1 ratio	95%	100%	95%
Lower tier 2 ratio	5%	0%	5%
Capital surplus	9,400	1,437	10,837
Solvency coverage	1.87	2.31	1.91
Number of entities	111	21	132

^a Minimum capital requirement (MCR) will not necessarily equal the sum of all risk charges, as insurers are required to hold \$5 million minimum capital. MCR also encompasses approved capital arrangements for some run-off insurers.

^b Capital base for branch insurers is derived from net assets inside Australia.

Table 6 Reconciliation to AASB 1023 accounts (non-branch insurers)Financial years ended in the 12 months to June 2008
(\$ million)

	Non-branch direct insurers	Non-branch reinsurers	Total non-branch insurers
Financial performance			
APRA reporting: Net profit / loss after tax	2,751	94	2,844
<i>Include items specific to APRA reporting:</i>			
Gross premium revenue	27,970	70	28,040
Outwards reinsurance expense	7,361	32	7,393
Gross incurred claims	21,325	-103	21,222
Reinsurance recoveries revenue	5,954	-25	5,929
Acquisition costs	3,624	10	3,634
Other adjustments	-948	-51	-999
<i>Exclude items specific to AASB 1023 reporting:</i>			
Earned premium	26,804	91	26,895
Reinsurance expense	6,937	46	6,983
Claims expense	19,159	-86	19,072
Reinsurance recoveries revenue	4,714	-14	4,700
Underwriting costs	3,862	16	3,878
Other adjustments	755	43	798
<i>Total adjustments</i>	-139	-3	-143
AASB 1023 reporting: Net profit / loss after tax	2,890	97	2,987
Financial position			
APRA reporting: Net assets	21,533	844	22,377
<i>Include items specific to APRA reporting:</i>			
Reinsurance recoverables	10,898	222	11,120
Outstanding claims provision	31,596	965	32,561
Premium liabilities	13,968	51	14,019
Other adjustments	1,587	49	1,636
<i>Exclude items specific to AASB 1023 reporting:</i>			
Deferred acquisition costs	2,172	3	2,175
Deferred reinsurance expense	3,477	10	3,487
Reinsurance recoverables	7,880	208	8,088
Outstanding claims provision	31,727	1,003	32,730
Unearned premium provision	16,275	31	16,305
Other adjustments	-561	-75	-636
<i>Total adjustments</i>	833	-7	825
AASB 1023 reporting: Net assets	20,700	851	21,552
Number of entities	90	6	96

Table 7 Industry premiums and claims by class of businessFinancial years ended in the 12 months to June 2008
(\$ million)

Class of business	Gross premium revenue	Reinsurance expense	Net premium revenue	Gross incurred claims ^a	Reinsurance recoveries revenue ^a	Non-reinsurance recoveries revenue ^a	Net incurred claims ^a
Direct business							
Houseowners/householders	4,012	1,499	2,513	2,567	806	-4	1,765
Commercial motor vehicle	1,519	115	1,405	1,519	98	272	1,149
Domestic motor vehicle	5,646	2,365	3,281	5,523	2,183	837	2,503
Travel	484	141	343	135	-9	0	144
Fire and ISR	2,785	1,302	1,483	3,035	2,131	-5	909
Marine and aviation	615	108	507	346	65	11	270
Mortgage	1,049	119	930	447	24	28	395
Consumer credit	253	36	217	48	12	-3	39
Other accident	1,129	268	862	481	88	11	382
Other	815	192	623	253	46	9	198
CTP motor vehicle	2,086	357	1,729	1,833	506	9	1,317
Public and product liability	1,883	385	1,498	719	183	17	519
Professional indemnity	1,325	366	959	671	337	83	251
Employers' liability	1,186	52	1,134	904	28	38	838
Total direct business	24,787	7,302	17,484	18,479	6,497	1,303	10,679
Total inwards reinsurance	5,995	894	5,101	4,475	180	616	3,679
Total	30,781	8,196	22,585	22,954	6,676	1,919	14,359

^aThe basis for gross incurred claims and reinsurance recoveries revenue has changed since the June 2007 publication due to changes in the reporting framework in January 2007. These figures now include movements in premium liabilities and expected reinsurance recoveries. These data are therefore not directly comparable to previous publications.

Table 8 Industry outstanding claims provision by class of business

Financial years ended in the 12 months to June 2008

(\$ million)

Class of business	Outstanding Claims Provision	Reinsurance recoverables	Non-reinsurance recoverables	Net outstanding claims provision
Direct business				
Houseowners/householders	1,420	555	95	770
Commercial motor vehicle	664	102	147	415
Domestic motor vehicle	1,257	467	298	492
Travel	102	29	1	72
Fire and ISR	2,983	2,170	68	745
Marine and aviation	389	94	19	277
Mortgage	316	11	9	296
Consumer credit	49	3	1	44
Other accident	457	154	13	289
Other	322	166	11	145
CTP motor vehicle	9,109	1,633	940	6,535
Public and product liability	5,144	1,011	212	3,921
Professional indemnity	3,571	1,199	224	2,148
Employers' liability	3,328	240	94	2,994
Total direct business	29,110	7,834	2,133	19,143
Total inwards reinsurance	7,687	1,154	390	6,143
Total	36,798	8,988	2,523	25,286

Notes:

All items in this table are reported at a 75 per cent level of sufficiency. Please refer to the provisioning data note in the explanatory notes.

Table 9 Industry premium liabilities by class of business

Financial years ended in the 12 months to June 2008

(\$ million)

Class of business	Premium Liabilities	Reinsurance recoverables	Non-reinsurance recoverables	Net premium liabilities
Direct business				
Houseowners/householders	1,599	483	93	1,024
Commercial motor vehicle	900	50	167	683
Domestic motor vehicle	3,169	1,103	586	1,479
Travel	60	3	1	56
Fire and ISR	1,113	385	34	694
Marine and aviation	217	20	9	188
Mortgage	981	67	19	895
Consumer credit	187	18	9	160
Other accident	354	81	8	266
Other	389	65	8	315
CTP motor vehicle	1,081	179	82	820
Public and product liability	744	92	30	621
Professional indemnity	595	166	11	418
Employers' liability	665	6	15	645
Total direct business	12,056	2,720	1,071	8,264
Total inwards reinsurance	3,683	580	295	2,808
Total	15,739	3,300	1,366	11,073

Notes:

All items in this table are reported in relation to the 75 per cent level of sufficiency. Please refer to the provisioning data note in the explanatory notes.

Table 10 Gross premium revenue by state of Australia (direct insurers)

Financial years ended in the 12 months to June 2008

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	1,443	934	820	293	397	79	13	3,979
Commercial motor vehicle	534	381	255	122	181	29	10	1,513
Domestic motor vehicle	2,171	1,438	1,056	338	538	84	14	5,639
Travel	384	44	21	15	26	1	0	492
Fire and ISR	1,168	698	364	174	252	40	15	2,710
Marine and aviation	241	90	97	33	60	10	10	541
Mortgage	351	226	253	63	117	14	8	1,032
Consumer credit	74	62	58	16	34	8	3	254
Other accident	423	212	162	87	107	16	6	1,013
Other	242	197	145	36	60	7	3	691
CTP motor vehicle	1,235	0	809	0	0	0	0	2,044
Public and product liability	681	451	293	116	169	26	7	1,742
Professional indemnity	612	249	168	66	115	11	4	1,227
Employers' liability	296	38	6	13	676	94	56	1,178
Total direct business	9,856	5,019	4,507	1,372	2,732	418	149	24,053

Notes:

Gross premium revenue in this table is reported according to the location of risk.

Table 11 Gross claims expense by state of Australia (direct insurers)

Financial years ended in the 12 months to June 2008

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	809	632	633	190	219	60	6	2,550
Commercial motor vehicle	556	371	292	117	163	25	4	1,528
Domestic motor vehicle	2,037	1,465	1,022	402	488	78	13	5,505
Travel	82	*	*	*	13	1	1	134
Fire and ISR	780	544	1,390	80	94	91	9	2,987
Marine and aviation	125	64	66	14	29	6	5	309
Mortgage	178	74	68	16	21	2	2	361
Consumer credit	13	8	7	12	3	3	0	47
Other accident	174	79	88	34	66	5	1	448
Other	89	-6	109	15	14	1	1	223
CTP motor vehicle	1,155	*	638	*	0	0	0	1,819
Public and product liability	147	244	168	34	42	5	2	641
Professional indemnity	532	135	17	14	29	7	2	737
Employers' liability	281	40	*	*	334	72	36	899
Total direct business	6,958	3,701	4,551	1,024	1,517	356	81	18,187

Notes:

Gross claims expense in this table is reported according to the location of risk.

The basis for gross incurred claims has changed since the June 2007 publication due to changes in the reporting framework in January 2007. These figures now include movements in premium liabilities. These data are therefore not directly comparable to previous publications.

Table 12 Company level financial performance

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
AAIL	31 Dec	2,453,260	420,790	2,032,470	1,946,373	236,910	305,902
AAMI	30 Jun	1,602,146	1,559,161	42,985	1,873,868	0	1,873,868
ACE	31 Dec	459,839	276,910	182,929	254,743	3,434	157,762
AFG _{ab}	30 Sep						
AIOI	31 Mar	43,227	3,788	39,439	40,584	9,763	444
ALEA	31 Dec	200	0	200	-1,213	0	0
AM HOME	31 Dec	551,261	283,214	268,047	373,406	1,297	234,076
AME Re _b	31 Dec	171	156	15	-2,695	0	7,473
ANZ LMI	30 Sep	98,744	15,991	82,753	40,128	1,436	17,609
ANZCOVER	30 Sep	20,414	4,182	16,232	-30,953	900	26
ASSET	31 Dec	32,002	20,554	11,448	36,158	0	25,373
ATRADIUS	31 Dec	40,985	34,092	6,893	22,416	801	16,925
AUS ALLNCE	30 Jun	450,923	431,511	19,412	387,008	0	387,008
AUS FAMILY _b	31 Dec	0	0	0	-469	0	-165
AUTO GEN	30 Jun	135,420	3,163	132,257	110,171	27,426	2,492
AVANT	30 Jun	172,752	17,147	155,605	65,384	21,597	12,512
AXA _b	31 Dec	0	0	0	2,787	92	724
AXIS	31 Dec						
BARRISTERS	30 Jun	1,039	166	873	1,092	0	0
BERKLEY	31 Dec	1,951	2,623	-672	1,320	0	0
BHP MARINE	30 Jun	135,448	54,909	80,539	1,212,477	0	1,118,523
BORAL _b	30 Jun	0	0	0	-6,408	0	-6,322
CALLI	31 Dec	65,376	37,078	28,298	52,642	8,034	26,237
CATHOLIC	30 Jun	177,077	52,805	124,272	70,416	0	11,200
CAVELL _b	31 Dec	0	0	0	-343	203	0
CGU	30 Jun	1,983,600	225,902	1,757,698	1,248,859	21,290	48,086
CGU VACC	30 Jun	1,310	26,110	-24,800	-1,154	2,963	19,028
CHUBB	31 Dec	282,819	41,514	241,305	159,014	0	14,551
CHURCH _b	31 Dec	0	0	0	-56	0	-18
CIC	31 Dec	85,541	85,541	0	133,238	11,229	122,009
CIL _c	31 Dec	69,834	32,765	37,069	39,868	640	19,112
COLOGNE RE	31 Dec	3	0	3	12,324	0	0
COM INSUR	30 Jun	272,952	25,058	247,894	226,399	16,317	5,200
COM STEAM _b	30 Jun	0	0	0	179	179	0
COMBINED	31 Dec	92,250	0	92,250	31,551	0	0

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
1,403,561	524,770	104,139	279,386	-69,857	313,668	31 Dec	AAIL
0	204,417	-161,432	1,489	160,196	253	30 Jun	AAMI
93,547	68,375	21,007	21,091	-26,826	15,272	31 Dec	ACE
						30 Sep	AFG ^{ab}
30,377	8,473	589	2,992	-5,258	-1,677	31 Mar	AIOI
-1,213	20	1,393	1,358	-985	1,766	31 Dec	ALEA
138,033	59,813	70,201	37,749	-49,673	58,277	31 Dec	AM HOME
-10,168	1	10,182	12,896	-6,234	16,844	31 Dec	AME Re ^b
21,083	-6,450	68,120	15,238	-27,289	56,069	30 Sep	ANZ LMI
-31,879	253	47,858	12,753	-18,273	42,338	30 Sep	ANZCOVER
10,785	2,323	-1,660	16,400	-11,208	3,532	31 Dec	ASSET
4,690	-8,842	11,045	1,507	-10,080	2,472	31 Dec	ATRADIUS
0	19,412	0	426	-128	298	30 Jun	AUS ALLNCE
-304	0	304	65	-342	27	31 Dec	AUS FAMILY ^b
80,253	37,959	14,045	5,932	-14,394	5,583	30 Jun	AUTO GEN
31,275	29,813	94,517	-14,078	-44,053	36,386	30 Jun	AVANT
1,971	224	-2,195	2,619	-277	147	31 Dec	AXA ^b
						31 Dec	AXIS
1,092	0	-219	281	-250	-188	30 Jun	BARRISTERS
1,320	259	-2,251	149	-46	-2,148	31 Dec	BERKLEY
93,954	4,596	-18,011	31,053	-8,241	4,801	30 Jun	BHP MARINE
-86	0	86	1,168	-458	796	30 Jun	BORAL ^b
18,371	2,418	7,509	3,852	-12,065	-704	31 Dec	CALLI
59,216	30,262	34,794	-13,013	-10,500	11,281	30 Jun	CATHOLIC
-546	0	546	566	-521	591	31 Dec	CAVELL ^b
1,179,484	642,839	-64,626	136,169	-17,477	54,067	30 Jun	CGU
-23,145	269	-1,924	4,884	-1,091	1,869	30 Jun	CGU VACC
144,463	85,546	11,296	19,760	-10,212	20,844	31 Dec	CHUBB
-38	0	38	436	-243	231	31 Dec	CHURCH ^b
0	0	0	691	0	691	31 Dec	CIC
20,116	10,557	6,396	2,884	-9,922	-642	31 Dec	CIL ^c
12,324	99	-12,420	10,359	-104	-2,165	31 Dec	COLOGNE RE
204,882	83,851	-40,839	9,753	8,951	-22,135	30 Jun	COM INSUR
0	0	0	276	-259	17	30 Jun	COM STEAM ^b
31,551	22,817	37,882	4,328	-31,429	10,781	31 Dec	COMBINED

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
COPENHAGEN _b	31 Dec	0	0	0	-841	0	6
CORRVAS _b	30 Jun	0	10	-10	0	0	0
CREDICORP	30 Jun	3,276	0	3,276	388	13	0
CUMIS	31 Dec	73,889	1,561	72,328	51,531	9,056	425
CURASALUS	30 Sep	21,184	12,053	9,131	25,017	0	23,569
DOMESTIC	31 Mar	0	0	0	0	0	0
EIG ANSVAR	31 Dec	116,496	50,145	66,351	97,148	8,085	42,569
ELDERS	30 Jun	365,459	164,112	201,347	273,120	29,836	108,845
EMPLOY MUT	30 Jun	-3	90	-93	2,064	359	-49
FIRST AM	31 Dec	6,052	163	5,889	2,950	1,133	1,376
FM INS	31 Dec	164,090	94,747	69,343	146,592	0	133,217
FORTRON	30 Jun	20,372	319	20,053	6,272	892	-2
GEN LMI _b	31 Dec	0	-776	776	-9,337	-372	0
GEN MORT	31 Dec	547,910	53,217	494,693	264,371	28,887	-959
GEN RE	31 Dec	65,586	31,695	33,891	16,124	0	-19,083
GERLING	31 Dec	5,470	5,883	-413	30,549	0	29,849
GIO GEN	30 Jun	1,541,968	87,728	1,454,240	1,239,676	136,976	33,461
GORDIAN _b	31 Dec	4,693	280	4,413	-118,904	-536	-5,965
GRT LAKES	31 Dec						
GUILD INS	30 Jun	132,072	18,118	113,954	57,681	0	6,799
HALLMARK	31 Dec	25,987	98	25,889	-8,566	-3,059	72
HANNOVER	31 Dec	148,809	26,137	122,672	108,218	0	2,272
HBF INS	30 Jun	85,833	13,173	72,660	61,043	9,245	6,369
HOLLARD	30 Jun	109,407	43,688	65,719	67,066	4,689	32,143
HOTEL	30 Jun	6,415	2,237	4,178	4,990	242	1,053
HSB	31 Dec	12,602	-798	13,400	6,493	0	452
IAG RE AUS	30 Jun	438,130	371,028	67,102	-148,093	-5,242	-174,522
IAL	30 Jun	2,666,385	1,523,018	1,143,367	1,846,413	196,209	777,042
IMA	30 Jun	2,077,011	104,559	1,972,452	1,599,038	219,564	-79,215
ING	31 Dec	67,525	1,340	66,185	28,209	0	0
KEMPER INS _b	31 Dec	0	0	0	108	0	0
LAWCOVER	30 Jun	74,622	32,101	42,521	61,303	0	32,083
LIBERTY	31 Dec	157,249	92,782	64,467	34,836	0	-1,243
LIONHEART _b	30 Jun	0	0	0	0	0	0
LUMLEY GEN	30 Jun	779,497	211,988	567,509	582,023	72,347	131,388

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
-847	0	847	4,404	-1,874	3,377	31 Dec	COPENHAGEN ^b
0	0	-10	1,082	-34	1,038	30 Jun	CORRVAS ^b
375	1,210	1,691	791	-730	1,752	30 Jun	CREDICORP
42,050	16,220	14,058	5,404	-22,413	-2,951	31 Dec	CUMIS
1,448	1,965	5,718	8,690	-3,099	11,309	30 Sep	CURASALUS
0	0	0	83	-367	-284	31 Mar	DOMESTIC
46,494	15,195	4,662	7,730	-8,097	4,295	31 Dec	EIG ANSVAR
134,439	44,385	22,523	11,886	-25,352	9,057	30 Jun	ELDERS
1,754	2	-1,849	-6,318	5,075	-3,092	30 Jun	EMPLOY MUT
441	114	5,334	544	-3,722	2,156	31 Dec	FIRST AM
13,375	15,620	40,348	9,713	-29,592	20,469	31 Dec	FM INS
5,382	10,619	4,052	543	-3,171	1,424	30 Jun	FORTRON
-8,965	854	8,887	5,524	-9,284	5,127	31 Dec	GEN LMI ^b
236,443	50,871	207,379	132,490	-146,097	193,772	31 Dec	GEN MORT
35,207	27,392	-28,708	16,618	-876	-12,966	31 Dec	GEN RE
700	15	-1,128	2,633	-1,501	4	31 Dec	GERLING
1,069,239	426,822	-41,821	36,717	29,137	24,033	30 Jun	GIO GEN
-112,403	523	116,293	44,129	-53,943	106,479	31 Dec	GORDIAN ^b
						31 Dec	GRT LAKES
50,882	19,409	43,663	-2,333	-34,592	6,738	30 Jun	GUILD INS
-5,579	-518	31,986	12,020	-22,277	21,729	31 Dec	HALLMARK
105,946	22,347	-5,621	22,398	-8,953	7,824	31 Dec	HANNOVER
45,429	4,512	22,719	-2,337	-18,955	1,427	30 Jun	HBF INS
30,233	35,285	200	9,189	-15,151	-5,761	30 Jun	HOLLARD
3,695	-181	664	354	-558	460	30 Jun	HOTEL
6,041	2,265	5,094	1,217	-5,861	450	31 Dec	HSB
31,671	26,594	8,837	44,383	-17,384	35,836	30 Jun	IAG RE AUS
873,162	336,564	-66,358	547,175	-247,291	233,526	30 Jun	IAL
1,458,689	367,663	146,100	7,296	-58,525	94,871	30 Jun	IMA
28,209	14,867	23,109	4,484	-11,196	16,397	31 Dec	ING
108	0	-108	258	0	150	31 Dec	KEMPER INS ^b
29,220	0	13,301	6,187	-11,048	8,440	30 Jun	LAWCOVER
36,079	-2,897	31,285	16,168	-30,293	17,160	31 Dec	LIBERTY
0	0	0	279	-141	138	30 Jun	LIONHEART ^b
378,288	166,238	22,983	27,080	-32,355	17,708	30 Jun	LUMLEY GEN

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
MASTER BUT ^{ab}	01 Dec						
MDA	30 Jun	58,393	6,512	51,881	44,096	9,704	7,023
MDU ^b	30 Jun						
METLIFE ^b	31 Dec	0	0	0	0	0	0
MGIC	31 Dec	13,232	0	13,232	2,270	0	0
MIA	30 Jun	34,079	9,399	24,680	15,350	-324	944
MIPSI	30 Jun	37,947	4,720	33,227	37,085	0	18,943
MITSUI	31 Mar	22,847	5,496	17,351	15,617	0	4,415
MMIA	31 Dec	-151	53	-204	10,830	3,585	12,840
MRMPL	30 Jun	4,226	1,294	2,932	703	24	0
MTA	30 Jun	26,639	0	26,639	4,571	0	0
MUNICH RE	31 Dec	646,422	40,173	606,249	450,061	0	114,076
MUNICIPAL ^b	30 Jun	0	0	0	-5	0	0
MUT COMM	30 Jun	38,322	2,613	35,708	26,316	3,625	36
NEW INDIA	31 Mar	5,270	4,401	869	351	0	1,551
NIPPONKOA	31 Mar	5,964	1,900	4,064	6,265	437	3,887
NORTH ^b	31 Dec	0	0	0	-1,342	0	-445
OPTUS	31 Mar	38,488	0	38,488	30,731	5,981	0
PIA ^b	30 Jun	0	0	0	2,557	0	1,312
PLMI	31 Dec	6,625	3,975	2,650	865	4	599
PMI MORT	31 Dec	252,202	9,156	243,046	98,178	-1,680	12
POSEIDON ^b	30 Jun	0	0	0	-50	-50	0
QBE AUS	31 Dec	2,634,452	404,047	2,230,405	1,404,306	-30,605	195,920
QBE INT	31 Dec	380,237	177,080	203,157	129,308	0	71,408
RAA	30 Jun	83,104	2,927	80,177	73,723	14,174	-220
RAC	30 Jun	233,750	9,033	224,717	210,826	33,607	1,278
RACQ	31 Dec	449,832	30,169	419,663	346,431	50,011	16,171
RACT	30 Jun	50,521	2,949	47,572	42,602	5,207	1,353
RURAL ^b	30 Jun	0	0	0	0	0	0
SCOR	31 Dec	23,832	6,389	17,443	18,190	0	6,453
SGIA	30 Sep	71,967	8,661	63,306	11,034	0	0
SOMPO	31 Dec	10,190	4,068	6,122	6,467	2,111	2,518
SPHERE DRA	31 Dec	0	0	0	12	0	0
SSL	31 Dec	14,366	3,618	10,748	1,569	0	-1,541
ST ANDREW	30 Jun	11,343	0	11,343	250	0	0

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
27,369	1,658	22,854	-969	-17,603	4,282	01 Dec	MASTER BUT ^{ab}
						30 Jun	MDA
0	0	0	614	-201	413	30 Jun	MDU ^b
2,270	7,894	3,068	1,995	-1,759	3,304	31 Dec	METLIFE ^b
						31 Dec	MGIC
14,730	654	9,296	6,788	-11,063	5,021	30 Jun	MIA
18,142	2,424	12,661	3,598	-6,361	9,898	30 Jun	MIPSI
11,202	2,222	3,927	6,901	-4,982	5,846	31 Mar	MITSUI
-5,595	1,095	4,296	43,395	1,614	49,305	31 Dec	MMIA
679	150	2,103	1,471	-1,297	2,277	30 Jun	MRMPL
4,571	12,387	9,681	-4,680	-5,225	-224	30 Jun	MTA
335,985	126,209	144,055	83,752	-66,673	161,134	31 Dec	MUNICH RE ^b
-5	3	2	19	0	21	30 Jun	MUNICIPAL ^b
22,656	11,823	1,229	1,655	-914	1,970	30 Jun	MUT COMM
-1,200	721	1,348	1,681	-1,259	1,770	31 Mar	NEW INDIA
1,941	2,157	-34	1,708	-411	1,263	31 Mar	NIPPONKOA
-897	0	897	1,146	-781	1,262	31 Dec	NORTH ^b
24,750	3,004	10,734	1,822	-4,192	8,364	31 Mar	OPTUS
1,245	0	-1,245	1,727	-912	-430	30 Jun	PIA ^b
262	-927	3,315	1,044	-1,858	2,501	31 Dec	PLMI
99,846	8,810	134,390	54,110	-99,829	88,671	31 Dec	PMI MORT
0	0	0	144	-121	23	30 Jun	POSEIDON ^b
1,238,991	724,235	267,179	235,774	-124,881	378,072	31 Dec	QBE AUS
57,900	33,978	111,279	40,715	-80,005	71,989	31 Dec	QBE INT
59,769	14,861	5,547	357	-3,013	2,891	30 Jun	RAA
175,941	29,726	19,050	4,264	-22,555	759	30 Jun	RAC
280,249	66,546	72,868	39,891	-53,887	58,872	31 Dec	RACQ
36,042	9,621	1,909	795	-709	1,995	30 Jun	RACT
0	0	0	0	-2	-2	30 Jun	RURAL ^b
11,737	3,297	2,409	4,123	-5,439	1,093	31 Dec	SCOR
11,034	360	51,912	52,144	-31,070	72,986	30 Sep	SGIA
1,838	972	3,312	1,658	-2,942	2,028	31 Dec	SOMPO
12	0	-12	382	-252	118	31 Dec	SPHERE DRA
3,110	1,968	5,670	7,735	-5,478	7,927	31 Dec	SSL
250	2,424	8,669	1,398	-5,059	5,008	30 Jun	ST ANDREW

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
STATECOVER	30 Jun	56,212	2,648	53,564	45,282	1,145	-564
STEWART	31 Dec	2,086	157	1,929	1,719	0	107
SUNCORP	30 Jun	1,224,509	114,557	1,109,952	1,131,682	155,000	141,241
SUNDERLAND	31 Dec	20,170	5,966	14,204	11,735	0	2,035
SUNSTATE	30 Jun	5,274	-1,245	6,518	1,367	2	17
SWANN	30 Jun	212,440	13,466	198,973	92,819	14,637	2,625
SWISS RE	31 Dec	550,237	119,782	430,455	453,117	0	138,514
TAXI ^b	30 Jun	0	0	0	43	0	118
TGI AUS ^b	31 Dec	1,822	255	1,567	-10,454	864	124
TMIC	30 Jun	8,638	2,161	6,477	10,017	0	1,028
TOKIO	31 Mar	36,700	7,907	28,793	38,495	-1,418	17,416
TOWER ^b	30 Sep	0	0	0	299	0	24
TRAVELERS ^b	30 Sep	0	0	0	-26,677	0	-14,949
TRC	31 Dec	23,642	1,447	22,195	4,072	0	0
VERO	30 Jun	2,936,259	277,212	2,659,047	2,669,003	518,635	159,348
VIRGINIA	31 Dec	13,768	884	12,884	6,363	0	288
WESFARMERS	30 Jun	328,928	46,133	282,795	190,874	7,161	24,342
WESTPAC	30 Sep	188,257	10,602	177,655	79,523	0	401
WESTPORT	31 Dec	27,952	20,058	7,894	-141,043	0	11,965
WPAC LMI	30 Sep	91,225	26,979	64,246	31,592	-934	5,596
WRBERKLEY	31 Dec	126	12	114	81	0	0
XL INS	31 Dec	50,445	42,093	8,352	69,959	1,185	69,120
XL RE ^b	31 Dec	648	497	151	-8,974	0	-2,667
YOUI	30 Jun	0	0	0	0	0	0
ZURICH	31 Dec	899,485	170,154	729,331	687,694	54,230	160,223
Total (\$ million)		30,781	8,196	22,585	22,954	1,919	6,676

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
44,701	9,999	-1,136	-3,882	-2,573	-7,591	30 Jun	STATECOVER
1,612	1,339	-1,022	557	-993	-1,458	31 Dec	STEWART
835,441	355,392	-80,881	134,976	-57,597	-3,502	30 Jun	SUNCORP
9,700	4,730	-226	1,144	-999	-81	31 Dec	SUNDERLAND
1,349	163	5,006	1,535	-2,273	4,269	30 Jun	SUNSTATE
75,557	101,230	22,186	15,289	-12,401	25,074	30 Jun	SWANN
314,603	72,089	43,763	63,527	-62,098	45,192	31 Dec	SWISS RE
-75	0	75	633	-392	316	30 Jun	TAXI _b
-11,442	-100	13,109	8,434	-9,399	12,144	31 Dec	TGI AUS _b
8,989	332	-2,844	2,401	-1,501	-1,944	30 Jun	TMIC
22,497	8,098	-1,802	6,808	-1,742	3,264	31 Mar	TOKIO
275	0	-275	1,520	-433	812	30 Sep	TOWER _b
-11,728	0	11,728	5,139	0	16,867	30 Sep	TRAVELERS _b
4,072	4,610	13,513	3,604	-7,248	9,869	31 Dec	TRC
1,991,020	695,453	-27,426	203,732	-146,718	29,588	30 Jun	VERO
6,075	5,094	1,715	1,286	-1,986	1,015	31 Dec	VIRGINIA
159,371	73,390	50,034	18,522	-36,500	32,056	30 Jun	WESFARMERS
79,122	52,081	46,452	7,334	-14,082	39,704	30 Sep	WESTPAC
-153,008	4,239	156,663	31,954	-42,366	146,251	31 Dec	WESTPORT
26,930	5,221	32,095	11,487	-12,866	30,716	30 Sep	WPAC LMI
81	222	-189	321	-282	-150	31 Dec	WRBERKLEY
-346	3,538	5,160	5,629	-13,862	-3,073	31 Dec	XL INS
-6,307	-373	6,831	1,813	-1,467	7,177	31 Dec	XL RE _b
0	0	0	544	-2,973	-2,429	30 Jun	YOUI
473,241	272,425	-16,335	621,719	-9,308	596,076	31 Dec	ZURICH
14,359	6,165	2,061	3,331	-2,010	3,382		Total (\$ million)

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 13 Company level financial position

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
AAIL	31 Dec	5,822,046	8,572,329	4,394,242	1,089,339	7,116,510	1,455,819
AAMI	30 Jun	4,275	2,476,357	1,363,370	906,000	2,446,815	29,542
ACE	31 Dec	383,848	1,003,622	509,978	171,268	808,231	195,391
AFG ^{ab}	30 Sep						
AIOI	31 Mar	39,123	79,647	12,184	41,326	60,728	18,919
ALEA	31 Dec	24,062	26,226	2,564	0	3,364	22,862
AM HOME	31 Dec	708,960	1,674,434	956,568	297,205	1,383,700	290,734
AME Re _b	31 Dec	305,897	351,813	163,011	0	200,315	151,498
ANZ LMI	30 Sep	356,657	418,745	12,146	99,138	141,460	277,285
ANZCOVER	30 Sep	216,843	239,083	44,360	9,137	66,181	172,902
ASSET	31 Dec	169,790	225,944	115,996	10,418	147,068	78,876
ATRADIUS	31 Dec	32,699	88,212	24,820	10,900	54,953	33,259
AUS ALLNCE	30 Jun	0	480,716	118,478	209,965	455,682	25,034
AUS FAMILY _b	31 Dec	801	1,105	133	0	168	937
AUTO GEN	30 Jun	48,345	133,240	26,131	65,844	112,483	20,757
AVANT	30 Jun	655,842	1,028,268	433,616	42,781	606,054	422,214
AXA _b	31 Dec	47,729	55,751	20,292	0	23,169	32,582
AXIS	31 Dec						
BARRISTERS	30 Jun	15,520	16,037	595	1,051	2,680	13,357
BERKLEY	31 Dec	0	52,633	0	1,320	4,231	48,402
BHP MARINE	30 Jun	552,768	1,895,983	1,286,345	130,562	1,487,617	408,366
BORAL _b	30 Jun	16,561	23,324	5,380	0	10,785	12,539
CALLI	31 Dec	63,123	114,717	37,159	26,599	73,847	40,870
CATHOLIC	30 Jun	575,482	785,266	367,509	87,381	501,406	283,860
CAVELL _b	31 Dec	8,926	14,563	2,753	0	3,030	11,533
CGU	30 Jun	2,949,550	4,678,984	2,053,384	901,385	3,467,384	1,211,601
CGU VACC	30 Jun	36,461	76,085	36,458	1,679	62,116	13,969
CHUBB	31 Dec	677,085	918,188	452,015	111,933	634,247	283,941
CHURCH _b	31 Dec	6,572	7,449	43	0	191	7,258
CIC	31 Dec	11,142	560,134	509,346	39,516	548,862	11,272
CIL _c	31 Dec	77,029	167,520	66,169	37,223	134,803	32,717
COLOGNE RE	31 Dec	132,181	135,501	81,206	0	81,283	54,218
COM INSUR	30 Jun	150,162	367,512	117,345	146,466	292,226	75,286
COM STEAM _b	30 Jun	4,041	6,344	2,054	0	2,142	4,202
COMBINED	31 Dec	98,945	125,196	18,435	13,485	54,521	70,675

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Table 13 Company level financial position (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
COPENHAGEN ^b	31 Dec	35,293	36,445	7,945	0	13,562	22,883
CORRVAS ^b	30 Jun	14,771	14,780	1,366	0	1,667	13,113
CREDICORP	30 Jun	10,935	12,144	368	4,896	5,560	6,584
CUMIS	31 Dec	105,764	160,338	23,706	51,100	100,793	59,545
CURASALUS	30 Sep	134,894	188,101	49,403	14,000	80,820	107,281
DOMESTIC	31 Mar	7,750	7,968	0	0	101	7,867
EIG ANSVAR	31 Dec	170,848	302,184	149,126	57,909	231,522	70,662
ELDERS	30 Jun	164,392	486,443	191,286	158,162	415,984	70,459
EMPLOY MUT	30 Jun	62,272	95,661	18,171	57	26,037	69,624
FIRST AM	31 Dec	5,192	20,099	7,137	0	10,008	10,090
FM INS	31 Dec	199,811	476,231	196,523	62,593	359,577	116,654
FORTRON	30 Jun	14,835	21,860	2,897	5,524	11,551	10,309
GEN LMI ^b	31 Dec	77,924	94,219	1,194	2,476	23,050	71,169
GEN MORT	31 Dec	2,251,461	2,576,483	207,216	593,178	961,113	1,615,370
GEN RE	31 Dec	640,503	966,627	518,079	50,819	720,449	246,178
GERLING	31 Dec	57,624	201,715	159,611	1,733	168,373	33,342
GIO GEN	30 Jun	2,700,964	3,855,664	1,883,974	860,091	3,076,527	779,137
GORDIAN ^b	31 Dec	1,019,670	1,108,766	446,956	0	511,095	597,671
GRT LAKES	31 Dec						
GUILD INS	30 Jun	162,492	267,694	113,489	55,712	194,322	73,372
HALLMARK	31 Dec	154,857	184,183	6,931	32,007	46,119	138,064
HANNOVER	31 Dec	546,617	690,057	389,884	113,860	516,548	173,509
HBF INS	30 Jun	64,986	109,435	20,151	35,738	66,126	43,309
HOLLARD	30 Jun	30,458	163,428	44,308	40,660	139,198	24,230
HOTEL	30 Jun	18,471	30,940	173	4,814	10,480	20,460
HSB	31 Dec	24,743	34,132	6,303	12,252	21,972	12,160
IAG RE AUS	30 Jun	725,189	1,885,384	732,020	489,942	1,416,302	469,082
IAL	30 Jun	7,257,005	9,953,128	3,944,908	1,240,192	6,917,856	3,035,272
IMA	30 Jun	1,336,718	2,160,638	507,838	921,158	1,654,760	505,879
ING	31 Dec	90,908	130,070	14,029	39,900	71,950	58,120
KEMPER INS ^b	31 Dec	4,115	4,295	514	0	564	3,731
LAWCOVER	30 Jun	174,202	299,784	136,971	65,492	251,814	47,970
LIBERTY	31 Dec	404,248	735,306	436,752	86,570	603,363	131,943
LIONHEART ^b	30 Jun	6,387	6,461	0	0	2,095	4,366
LUMLEY GEN	30 Jun	551,992	1,204,183	480,595	386,715	1,003,382	200,801

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Table 13 Company level financial position (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
MASTER BUT ^{ab}	01 Dec						
MDA	30 Jun	177,622	274,833	160,366	21,925	208,345	66,488
MDU ^b	30 Jun						
METLIFE ^b	31 Dec	0	9,971	2,696	0	2,824	7,147
MGIC	31 Dec	123,053	140,485	53	2,217	8,738	131,748
MIA	30 Jun	113,019	187,491	103,145	20,563	137,824	49,667
MIPSI	30 Jun	111,372	171,786	72,352	14,049	103,653	68,134
MITSUI	31 Mar	95,504	110,540	20,156	11,701	33,705	76,835
MMIA	31 Dec	601,697	715,823	258,261	71	502,805	213,018
MRMPL	30 Jun	18,652	22,832	687	5,626	7,541	15,291
MTA	30 Jun	29,822	36,238	1,354	11,407	17,094	19,144
MUNICH RE	31 Dec	1,694,363	2,563,633	1,207,989	469,174	2,087,485	476,148
MUNICIPAL ^b	30 Jun	11,596	11,599	2,089	0	2,099	9,500
MUT COMM	30 Jun	25,203	51,970	12,614	17,827	36,441	15,528
NEW INDIA	31 Mar	26,680	33,159	5,070	2,073	9,218	23,941
NIPPONKOA	31 Mar	0	45,809	19,731	3,096	24,626	21,183
NORTH ^b	31 Dec	17,724	20,494	6,077	0	6,570	13,924
OPTUS	31 Mar	17,828	34,373	2,230	1,110	15,950	18,419
PIA ^b	30 Jun	33,780	48,002	27,739	0	28,193	19,809
PLMI	31 Dec	17,555	22,334	251	1,358	6,572	15,762
PMI MORT	31 Dec	1,456,561	1,591,068	85,645	182,023	458,523	1,132,545
POSEIDON ^b	30 Jun	2,321	3,036	119	0	183	2,853
QBE AUS	31 Dec	3,503,109	5,716,889	2,662,645	968,393	4,203,224	1,513,665
QBE INT	31 Dec	623,603	1,090,783	293,262	89,262	611,676	479,107
RAA	30 Jun	52,433	89,320	17,601	42,464	67,591	21,729
RAC	30 Jun	181,391	415,210	63,112	132,494	211,449	203,761
RACQ	31 Dec	696,137	948,842	485,021	217,711	748,993	199,848
RACT	30 Jun	31,061	57,895	14,656	26,138	46,069	11,826
RURAL ^b	30 Jun	2,864	3,953	2,912	0	3,085	868
SCOR	31 Dec	69,409	106,824	43,327	19,327	69,603	37,221
SGIA	30 Sep	370,295	390,346	571	30,937	109,802	280,544
SOMPO	31 Dec	27,214	42,682	15,285	4,600	22,825	19,857
SPHERE DRA ^b	31 Dec	5,639	6,588	1,950	0	2,251	4,337
SSL	31 Dec	155,077	182,950	55,705	9,099	69,285	113,665
ST ANDREW	30 Jun	24,366	25,997	400	6,507	10,387	15,610

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 13 Company level financial position (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
STATECOVER	30 Jun	130,909	193,144	106,593	36,518	154,909	38,235
STEWART	31 Dec	8,200	10,280	2,607	0	3,247	7,033
SUNCORP	30 Jun	4,995,089	5,711,367	2,300,014	648,705	3,616,899	2,094,468
SUNDERLAND	31 Dec	13,288	30,263	10,789	8,114	21,167	9,096
SUNSTATE	30 Jun	22,577	28,425	617	7,959	11,153	17,272
SWANN	30 Jun	307,067	374,051	36,853	156,177	241,851	132,200
SWISS RE	31 Dec	1,383,607	2,058,981	1,157,017	418,476	1,603,181	455,800
TAXI ^b	30 Jun	2,881	3,022	1	0	618	2,404
TGI AUS ^b	31 Dec	145,897	189,338	80,784	834	85,412	103,926
TMIC	30 Jun	38,798	44,281	6,477	14,510	22,013	22,267
TOKIO	31 Mar	104,686	174,243	70,346	19,425	97,738	76,505
TOWER ^b	30 Sep	39,948	41,247	10,442	0	11,078	30,169
TRAVELERS ^b	30 Sep	77,874	107,035	59,349	88	60,236	46,799
TRC	31 Dec	53,285	81,673	18,371	14,856	37,982	43,691
VERO	30 Jun	4,679,715	6,881,572	2,585,798	1,503,785	5,913,152	968,420
VIRGINIA	31 Dec	27,969	33,327	1,142	8,992	11,354	21,973
WESFARMERS	30 Jun	293,564	402,982	132,884	119,984	302,518	100,464
WESTPAC	30 Sep	159,413	234,040	45,266	81,267	157,266	76,774
WESTPORT	31 Dec	663,461	739,550	362,941	18,234	435,321	304,229
WPAC LMI	30 Sep	248,694	300,293	10,142	79,626	122,029	178,264
WRBERKLEY	31 Dec	0	25,561	0	81	711	24,850
XL INS	31 Dec	114,324	255,426	125,231	40,106	187,744	67,682
XL RE ^b	31 Dec	0	86,908	40,206	0	52,504	34,404
YUI	30 Jun	19,687	21,802	0	0	647	21,155
ZURICH	31 Dec	1,731,535	2,592,918	1,370,953	428,208	1,924,559	668,359
Total (\$ million)		59,000	91,081	38,114	15,757	65,573	25,508

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

Table 14 Company level capital adequacy
 Financial years ended in the 12 months to June 2008
 (\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
AAIL	31 Dec	843,765	1,115,797	272,032	1.32
AAMI	30 Jun	11,495	17,042	5,547	1.48
ACE	31 Dec	77,295	191,401	114,106	2.48
AFG _{cd}	30 Sep				
AIOI _a	31 Mar	9,642	19,499	9,857	2.02
ALEA _a	31 Dec	5,000	14,707	9,707	2.94
AM HOME _a	31 Dec	141,136	263,072	121,936	1.86
AME RE _{ad}	31 Dec	33,416	138,199	104,783	4.14
ANZ LMI _f	30 Sep	236,455	277,285	40,830	1.17
ANZCOVER	30 Sep	71,297	172,902	101,605	2.43
ASSET	31 Dec	29,939	77,523	47,584	2.59
ATRADIUS _a	31 Dec	16,998	28,351	11,353	1.67
AUS ALLNCE	30 Jun	7,075	18,511	11,436	2.62
AUS FAMILY _d	31 Dec	2,000	933	-1,067	0.47
AUTO GEN	30 Jun	14,836	22,389	7,553	1.51
AVANT	30 Jun	119,962	398,085	278,123	3.32
AXA _d	31 Dec	5,000	32,582	27,582	6.52
AXIS	31 Dec				
BARRISTERS	30 Jun	5,000	13,357	8,357	2.67
BERKLEY	31 Dec	11,499	47,657	36,158	4.14
BHP MARINE	30 Jun	327,307	408,366	81,059	1.25
BORAL _d	30 Jun	2,000	10,682	8,682	5.34
CALLI	31 Dec	9,129	40,870	31,741	4.48
CATHOLIC	30 Jun	105,742	283,860	178,118	2.68
CAVELL _{ad}	31 Dec	2,000	10,745	8,745	5.37
CGU	30 Jun	496,465	954,394	457,929	1.92
CGU VACC	30 Jun	5,000	13,938	8,938	2.79
CHUBB	31 Dec	101,730	265,983	164,253	2.61
CHURCH _d	31 Dec	5,000	7,252	2,252	1.45
CIC	31 Dec	5,000	11,272	6,272	2.25
CIL _e	31 Dec	17,100	30,725	13,625	1.80
COLOGNE RE _a	31 Dec	15,033	54,218	39,185	3.61
COM INSUR	30 Jun	51,718	73,082	21,364	1.41
COM STEAM _d	30 Jun	2,000	4,187	2,187	2.09
COMBINED _a	31 Dec	8,931	41,111	32,180	4.60

^a Capital base for branch insurers is derived from net assets inside Australia.

^b Medical indemnity insurers are not required to meet minimum capital requirements. Data represent solvency position based on wider industry requirements.

^c Not required to submit data for the relevant period.

^d Insurer authorised to conduct run-off business only.

^e In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

^f May be subject to capital transitional arrangements under *GPS 110* Attachment F.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
COPENHAGEN _{ad}	31 Dec	5,000	22,466	17,466	4.49
CORRVAS _d	30 Jun	5,000	13,113	8,113	2.62
CREDICORP	30 Jun	5,000	6,524	1,524	1.30
CUMIS _a	31 Dec	28,282	56,357	28,075	1.99
CURASALUS	30 Sep	77,482	107,281	29,799	1.38
DOMESTIC	31 Mar	5,000	7,745	2,745	1.55
EIG ANSVAR	31 Dec	28,646	69,808	41,162	2.44
ELDERS	30 Jun	39,634	73,427	33,793	1.85
EMPLOY MUT	30 Jun	10,134	66,355	56,221	6.55
FIRST AM	31 Dec	5,000	9,684	4,684	1.94
FM INS _a	31 Dec	17,342	113,728	96,386	6.56
FORTRON	30 Jun	7,003	10,169	3,166	1.45
GEN LMI _d	31 Dec	45,447	67,945	22,498	1.50
GEN MORT _f	31 Dec	1,158,200	1,525,663	367,463	1.32
GEN RE	31 Dec	107,908	204,045	96,137	1.89
GERLING	31 Dec	11,616	32,785	21,169	2.82
GIO GEN	30 Jun	601,552	826,503	224,951	1.37
GORDIAN _d	31 Dec	91,652	564,992	473,340	6.16
GRT LAKES	31 Dec				
GUILD INS	30 Jun	36,606	71,098	34,492	1.94
HALLMARK	31 Dec	19,541	137,760	118,219	7.05
HANNOVER _a	31 Dec	125,739	182,041	56,302	1.45
HBF INS	30 Jun	17,704	45,639	27,935	2.58
HOLLARD	30 Jun	12,652	26,500	13,848	2.09
HOTEL	30 Jun	5,000	20,460	15,460	4.09
HSB _a	31 Dec	5,000	12,160	7,160	2.43
IAG RE AUS	30 Jun	160,787	457,827	297,040	2.85
IAL	30 Jun	972,420	2,192,969	1,220,549	2.26
IMA	30 Jun	280,962	507,890	226,928	1.81
ING	31 Dec	34,752	58,120	23,368	1.67
KEMPER INS _d	31 Dec	2,000	3,731	1,731	1.87
LAWCOVER	30 Jun	23,591	47,970	24,379	2.03
LIBERTY _a	31 Dec	51,655	181,905	130,250	3.52
LIONHEART _d	30 Jun	2,000	4,366	2,366	2.18
LUMLEY GEN	30 Jun	116,573	189,649	73,076	1.63

^a Capital base for branch insurers is derived from net assets inside Australia.

^b Medical indemnity insurers are not required to meet minimum capital requirements. Data represent solvency position based on wider industry requirements.

^c Not required to submit data for the relevant period.

^d Insurer authorised to conduct run-off business only.

^e In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

^f May be subject to capital transitional arrangements under *GPS 110* Attachment F.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
MASTER BUT ^{cd}	01 Dec				
MDA ^b	30 Jun	36,768	70,615	33,847	1.92
MDU	30 Jun				
METLIFE ^d	31 Dec	2,000	7,147	5,147	3.57
MGIC ^f	31 Dec	42,750	130,956	88,206	3.06
MIA ^b	30 Jun	22,297	49,113	26,816	2.20
MIPSI	30 Jun	21,347	70,611	49,264	3.31
MITSUI ^a	31 Mar	37,964	69,294	31,330	1.83
MMIA ^d	31 Dec	43,784	213,018	169,234	4.87
MRMPL ^f	30 Jun	10,473	15,291	4,818	1.46
MTA	30 Jun	6,451	18,921	12,470	2.93
MUNICH RE ^a	31 Dec	311,276	476,021	164,745	1.53
MUNICIPAL ^d	30 Jun	2,000	9,500	7,500	4.75
MUT COMM	30 Jun	5,000	14,703	9,703	2.94
NEW INDIA ^a	31 Mar	5,000	24,806	19,806	4.96
NIPPONKOA ^a	31 Mar	5,000	20,778	15,778	4.16
NORTH ^d	31 Dec	6,375	12,177	5,802	1.91
OPTUS	31 Mar	5,000	18,385	13,385	3.68
PIA ^d	30 Jun	5,000	22,716	17,716	4.54
PLMI ^f	31 Dec	12,389	15,762	3,373	1.27
PMI MORT ^f	31 Dec	873,394	1,132,545	259,151	1.30
POSEIDON ^d	30 Jun	2,000	2,853	853	1.43
QBE AUS	31 Dec	685,867	1,383,575	697,708	2.02
QBE INT	31 Dec	77,799	461,453	383,654	5.93
RAA	30 Jun	11,006	23,234	12,228	2.11
RAC	30 Jun	30,864	88,690	57,826	2.87
RACQ	31 Dec	121,325	236,832	115,507	1.95
RACT	30 Jun	7,395	11,789	4,394	1.59
RURAL ^d	30 Jun	2,000	868	-1,132	0.43
SCOR ^a	31 Dec	14,787	39,212	24,425	2.65
SGIA ^f	30 Sep	190,959	280,544	89,585	1.47
SOMPO ^a	31 Dec	5,000	19,332	14,332	3.87
SPHERE DRA ^{ad}	31 Dec	2,000	4,337	2,337	2.17
SSL ^a	31 Dec	24,078	105,996	81,918	4.40
ST ANDREW	30 Jun	5,000	15,610	10,610	3.12

^a Capital base for branch insurers is derived from net assets inside Australia.

^b Medical indemnity insurers are not required to meet minimum capital requirements. Data represent solvency position based on wider industry requirements.

^c Not required to submit data for the relevant period.

^d Insurer authorised to conduct run-off business only.

^e In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

^f May be subject to capital transitional arrangements under *GPS 110* Attachment F.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to June 2008

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
STATECOVER	30 Jun	28,525	43,945	15,420	1.54
STEWART _a	31 Dec	5,000	7,033	2,033	1.41
SUNCORP	30 Jun	588,379	1,387,587	799,208	2.36
SUNDERLAND _a	31 Dec	5,000	9,426	4,426	1.89
SUNSTATE _f	30 Jun	13,232	17,240	4,008	1.30
SWANN	30 Jun	41,063	132,526	91,463	3.23
SWISS RE _a	31 Dec	283,666	455,800	172,134	1.61
TAXI _d	30 Jun	389	2,404	2,015	6.18
TGI AUS _d	31 Dec	15,880	99,856	83,976	6.29
TMIC _f	30 Jun	14,637	22,267	7,630	1.52
TOKIO _a	31 Mar	19,373	76,731	57,358	3.96
TOWER _{ad}	30 Sep	5,578	30,169	24,591	5.41
TRAVELERS _{ad}	30 Sep	8,094	46,799	38,705	5.78
TRC _a	31 Dec	13,569	43,691	30,122	3.22
VERO	30 Jun	678,326	883,326	205,000	1.30
VIRGINIA _a	31 Dec	5,000	21,973	16,973	4.39
WESFARMERS	30 Jun	42,241	98,899	56,658	2.34
WESTPAC	30 Sep	32,860	76,774	43,914	2.34
WESTPORT _a	31 Dec	76,166	251,041	174,875	3.30
WPAC LMI _f	30 Sep	131,659	178,264	46,605	1.35
WRBERKLEY	31 Dec	8,282	24,785	16,503	2.99
XL INS _a	31 Dec	21,568	66,620	45,052	3.09
XL RE _{ad}	31 Dec	5,000	34,404	29,404	6.88
YOUI	30 Jun	5,000	20,922	15,922	4.18
ZURICH	31 Dec	311,439	666,564	355,125	2.14

^a Capital base for branch insurers is derived from net assets inside Australia.

^b Medical indemnity insurers are not required to meet minimum capital requirements. Data represent solvency position based on wider industry requirements.

^c Not required to submit data for the relevant period.

^d Insurer authorised to conduct run-off business only.

^e In this publication, figures are for the 12 months to June 2008. During 2007 this insurer changed balance dates from 30 June to 31 December.

^f May be subject to capital transitional arrangements under *GPS 110* Attachment F.

Table 15 Public insurer financial performanceYear end June 2008
(\$ million)

	Total public sector
Premium revenue	9,012
Outwards reinsurance expense	117
Net premium revenue	8,895
Claims expense	8,305
Reinsurance and other recoveries revenue	407
Net claims expense	7,898
Underwriting expenses	1,009
Underwriting result	-11
Investment income	-2,463
General and administration expenses	1,275
Other items	1,294
Net profit / loss after tax	-2,455
Number of entities	14

Notes:

It is not possible to compare public insurer data with private insurers. Private insurers report under a prudential reporting framework. Public insurers report as required by AASB 1023.

Table 16 Public insurer operating income and

Year end June 2008

(\$ million)

	Total public sector
Investment income	-2,463
<i>arising from:</i>	
Interest	851
Dividend	918
Rent	22
Change in net market value of investments	-4,254
Other operating income	598
Operating expenses	1,316
<i>of which:</i>	
Interest	16
Wages and salaries	298
Other employee related	94
Occupancy and equipment	51
Fees	410
Bad and doubtful debts	5
Other operating expenses	441
Number of entities	14

Notes:

It is not possible to compare public insurer data with private insurers. Private insurers report under a prudential reporting framework. Public insurers report as required by *AASB 1023*.

Table 17 Public insurer financial position

Year end June 2008

(\$ million)

	Total public sector	of which: Inside Australia
Unpaid premiums	727	727
Reinsurance assets	358	358
Investments	45,731	44,472
Other assets	4,732	4,732
Total assets	51,547	50,288
Underwriting provisions	40,905	40,905
Other provisions	104	104
Taxation	326	326
Total creditors and borrowings	3,408	3,408
Other liabilities	775	775
Total liabilities	45,517	45,517
Shareholders' equity	6,030	4,771
Number of entities	14	

Notes:

It is not possible to compare public insurer data with private insurers. Private insurers report under a prudential reporting framework. Public insurers report as required by AASB 1023.

Table 18 Public insurer premiums and claims by class of business

Year end June 2008

(\$ million)

Class of business	Total premiums (in accordance with <i>AASB</i> <i>1023 / AAS 26</i>)	Premium revenue ^a	Reinsurance expense	Claims expense	Reinsurance and other recoveries revenue
Houseowners/householders	43	42	17	30	4
Commercial motor vehicle	7	7	3	6	2
Domestic motor vehicle	14	14	2	10	0
Travel	0	0	0	0	0
Fire and ISR	43	43	25	22	1
Marine and aviation	1	1	1	0	0
Mortgage	0	0	0	0	0
Consumer credit	0	0	0	0	0
Other accident	2	2	1	1	0
Other	91	89	4	103	0
CTP motor vehicle	2,109	2,069	22	2,227	27
Public and product liability	22	21	9	-2	5
Professional indemnity	3	3	0	4	0
Employers' liability	6,690	6,721	33	5,908	369
Total direct business	9,025	9,012	117	8,308	408
Total inwards reinsurance	0	0	0	-3	0
Total	9,025	9,012	117	8,305	408

Notes:

It is not possible to compare public insurer data with private insurers. Private insurers report under a prudential reporting framework. Public insurers report as required by *AASB 1023*.

^a Premium revenue equals total premiums plus unearned premiums at beginning of financial year minus unearned premiums at end of financial year.

Company classification

Year end June 2008

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
A.C.N. 000 007 492 Limited	RURAL	30 Jun	Direct		Run-off
A.F.G. Insurances Limited	AFG	30 Sep	Reinsurer		Run-off
ACE Insurance Limited	ACE	31 Dec	Direct		
AIOI Insurance Co., Ltd	AIOI	31 Mar	Direct	Branch	
Alea London Limited	ALEA	31 Dec	Reinsurer	Branch	
Allianz Australia Insurance Limited	AAIL	31 Dec	Direct		
American Home Assurance Company	AM HOME	31 Dec	Direct	Branch	
Ansvar Insurance Limited	EIG ANSVAR	31 Dec	Direct		
ANZ Lenders Mortgage Insurance Pty. Limited	ANZ LMI	30 Sep	Direct		LMI
ANZCover Insurance Pty Ltd	ANZCOVER	30 Sep	Direct		Captive
AssetInsure Pty Limited	ASSET	31 Dec	Direct		
Atradius Credit Insurance N.V.	ATRADIUS	31 Dec	Direct	Branch	
Australian Alliance Insurance Company Limited	AUS ALLNCE	30 Jun	Direct		
Australian Associated Motor Insurers Limited	AAMI	30 Jun	Direct		
Australian Family Assurance Limited	AUS FAMILY	31 Dec	Direct		Run-off
Auto & General Insurance Company Limited	AUTO GEN	30 Jun	Direct		
Avant Insurance Limited	AVANT	30 Jun	Direct		
AXA Insurance Australia Limited	AXA	31 Dec	Direct		Run-off
AXIS Specialty Europe Limited	AXIS	31 Dec	Direct	Branch	
Barristers' Sickness & Accident Fund Pty Ltd	BARRISTERS	30 Jun	Direct		
Berkley Insurance Company	BERKLEY	31 Dec	Reinsurer	Branch	
BHP Billiton Marine & General Insurances PL	BHP MARINE	30 Jun	Direct		Captive
Boral Insurance Pty Limited	BORAL	30 Jun	Direct		Run-off
Calliden Insurance Limited	CIL	31 Dec	Direct		
Calliden Limited	CALLI	31 Dec	Direct		
Catholic Church Insurances Ltd	CATHOLIC	30 Jun	Direct		
Cavell Insurance Company Limited	CAVELL	31 Dec	Reinsurer	Branch	Run-off
CGU Insurance Limited	CGU	30 Jun	Direct		
CGU-VACC Insurance Limited	CGU VACC	30 Jun	Direct		
Chubb Insurance Company of Australia Limited	CHUBB	31 Dec	Direct		
Church Bay Limited	CHURCH	31 Dec	Direct		Run-off
CIC Allianz Insurance Limited	CIC	31 Dec	Direct		
Combined Insurance Company of America	COMBINED	31 Dec	Direct	Branch	
Commonwealth Insurance Limited	COM INSUR	30 Jun	Direct		
Commonwealth Steamship Insurance Company	COM STEAM	30 Jun	Direct		Run-off

Company classification (continued)

Year end June 2008

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
Corrvas Insurance Pty Ltd	CORRVAS	30 Jun	Direct		Run-off
Credicorp Insurance Pty. Ltd.	CREDICORP	30 Jun	Direct		
Cumis Insurance Society Inc.	CUMIS	31 Dec	Direct	Branch	
Curasalus Insurance Pty Ltd	CURASALUS	30 Sep	Direct		Captive
Domestic & General Insurance PLC	DOMESTIC	31 Mar	Direct	Branch	
Elders Insurance Ltd	ELDERS	30 Jun	Direct		
Employers Mutual Limited	EMPLOY MUT	30 Jun	Direct		
First American Title Insurance Company of Aust PL	FIRST AM	31 Dec	Direct		
FM Insurance Company Limited	FM INS	31 Dec	Direct	Branch	
Fortron Insurance Group Limited	FORTRON	30 Jun	Direct		
General Reinsurance Australia Ltd	GEN RE	31 Dec	Reinsurer		
Genworth Financial Mortgage Indemnity Limited	GEN LMI	31 Dec	Direct		Run-off
Genworth Financial Mortgage Insurance PL	GEN MORT	31 Dec	Direct		LMI
GIO General Limited	GIO GEN	30 Jun	Direct		
Gordian Runoff Limited	GORDIAN	31 Dec	Reinsurer		Run-off
Great Lakes Reinsurance (UK) PLC	GRT LAKES	31 Dec	Direct	Branch	
Guild Insurance Limited	GUILD INS	30 Jun	Direct		
Hallmark General Insurance Company Ltd.	HALLMARK	31 Dec	Direct		
Hannover Rueckversicherung AG	HANNOVER	31 Dec	Reinsurer	Branch	
HBF Insurance Pty Ltd	HBF INS	30 Jun	Direct		
HDI-Gerling Australia Insurance Company Pty Limited	GERLING	31 Dec	Direct		
Hotel Employers Mutual Limited	HOTEL	30 Jun	Direct		
HSB Engineering Insurance Limited	HSB	31 Dec	Direct	Branch	
IAG Re Australia Limited	IAG RE AUS	30 Jun	Direct		
ING General Insurance Pty Limited	ING	31 Dec	Direct		
Insurance Australia Limited	IAL	30 Jun	Direct		
Insurance Manufacturers of Australia PL	IMA	30 Jun	Direct		
Kemper Insurance Co Ltd	KEMPER INS	31 Dec	Direct		Run-off
Kolnische Ruckversicherungs-Gesellschaft Aktiengesellschaft	COLOGNE RE	31 Dec	Reinsurer	Branch	
LawCover Insurance Pty Limited	LAWCOVER	30 Jun	Direct		
Liberty Mutual Insurance Company	LIBERTY	31 Dec	Direct	Branch	
Lionheart Insurance Pty Ltd	LIONHEART	30 Jun	Direct		Run-off
Lumley General Insurance Ltd	LUMLEY GEN	30 Jun	Direct		
Master Butchers Limited	MASTER BUT	01 Dec	Direct		Run-off
MDA National Insurance Pty Ltd	MDA	30 Jun	Direct		

Company classification (continued)

Year end June 2008

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
MDU Australia Insurance Co Pty Limited	MDU	30 Jun	Direct		
Medical Insurance Australia Pty Limited	MIA	30 Jun	Direct		
MetLife General Insurance Limited	METLIFE	31 Dec	Direct		Run-off
MGIC Australia Pty Limited	MGIC	31 Dec	Direct		LMI
MIPS Insurance Pty Ltd	MIPSI	30 Jun	Direct		
Mitsui Sumitomo Insurance Company, Limited	MITSUI	31 Mar	Direct	Branch	
MMIA Pty Limited	MMIA	31 Dec	Direct		
Mortgage Risk Management Pty Ltd.	MRMPL	30 Jun	Direct		LMI
MTA Insurance Limited	MTA	30 Jun	Direct		
Munich Reinsurance America, Inc.	AME RE	31 Dec	Direct	Branch	Run-off
Munich Reinsurance Company Aus Branch	MUNICH RE	31 Dec	Reinsurer	Branch	
Municipal Mutual Insurance Limited	MUNICIPAL	30 Jun	Direct	Branch	Run-off
Mutual Community General Insurance PL	MUT COMM	30 Jun	Direct		
NIPPONKOA Insurance Company Limited	NIPPONKOA	31 Mar	Direct	Branch	
North Insurances Pty. Ltd.	NORTH	31 Dec	Direct		Run-off
Optus Insurance Services Pty Limited	OPTUS	31 Mar	Direct		
Permanent LMI Pty. Limited	PLMI	31 Dec	Direct		LMI
PMI Mortgage Insurance Ltd	PMI MORT	31 Dec	Direct		LMI
Poseidon Insurance Co Pty Ltd	POSEIDON	30 Jun	Direct		Run-off
Professional Insurance Australia Pty Ltd	PIA	30 Jun	Direct		Run-off
QBE Insurance (Australia) Limited	QBE AUS	31 Dec	Direct		
QBE Insurance (International) Ltd	QBE INT	31 Dec	Direct		
RAA Insurance Limited	RAA	30 Jun	Direct		
RAC Insurance Pty Limited	RAC	30 Jun	Direct		
RACQ Insurance Limited	RACQ	31 Dec	Direct		
RACT Insurance Pty. Ltd.	RACT	30 Jun	Direct		
SCOR Reinsurance Asia-Pacific Pte. Ltd.	SCOR	31 Dec	Reinsurer	Branch	
Scor Switzerland Ltd.	SSL	31 Dec	Reinsurer	Branch	
Sompo Japan Insurance Inc.	SOMPO	31 Dec	Direct	Branch	
Sphere Drake Insurance Limited	SPHERE DRA	31 Dec	Reinsurer	Branch	Run-off
St Andrew's Insurance (Australia) Pty Ltd	ST ANDREW	30 Jun	Direct		
St. George Insurance Australia Pty Limited	SGIA	30 Sep	Direct		LMI
Statecover Mutual Limited	STATECOVER	30 Jun	Direct		
Stewart Title Limited	STEWART	31 Dec	Direct	Branch	
Suncorp Metway Insurance Limited	SUNCORP	30 Jun	Direct		

Company classification (continued)

Year end June 2008

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
Sunderland Marine Mutual Insurance Co Ltd	SUNDERLAND	31 Dec	Direct	Branch	
Sunstate Lenders Mortgage Insurance Pty Ltd.	SUNSTATE	30 Jun	Direct		LMI
Swann Insurance (Aust) Pty Ltd	SWANN	30 Jun	Direct		
Swiss Reinsurance Company Ltd	SWISS RE	31 Dec	Reinsurer	Branch	
Taxi Insurance Co-Operative Limited	TAXI	30 Jun	Direct		Run-off
TGI Australia Limited	TGI AUS	31 Dec	Direct		Run-off
The Copenhagen Reinsurance Company Limited	COPENHAGEN	31 Dec	Reinsurer	Branch	Run-off
The Hollard Insurance Company Pty Ltd	HOLLARD	30 Jun	Direct		
The Mortgage Insurance Company Pty. Limited	TMIC	30 Jun	Direct		LMI
The New India Assurance Co Ltd	NEW INDIA	31 Mar	Reinsurer	Branch	
Tokio Marine & Nichido Fire Insurance Co., Ltd.	TOKIO	31 Mar	Direct	Branch	
Tower Insurance Limited	TOWER	30 Sep	Direct	Branch	Run-off
Transatlantic Reinsurance Company	TRC	31 Dec	Reinsurer	Branch	
Travelers Insurance Company Limited	TRAVELERS	30 Sep	Direct	Branch	Run-off
Vero Insurance Limited	VERO	30 Jun	Direct		
Virginia Surety Company, Inc.	VIRGINIA	31 Dec	Direct	Branch	
W.R. Berkley Insurance (Europe), Limited	WRBERKLEY	31 Dec	Direct	Branch	
Wesfarmers Federation Insurance Limited	WESFARMERS	30 Jun	Direct		
Westpac General Insurance Limited	WESTPAC	30 Sep	Direct		
Westpac Lenders Mortgage Insurance Ltd	WPAC LMI	30 Sep	Direct		LMI
Westport Insurance Corporation	WESTPORT	31 Dec	Reinsurer	Branch	
XL Insurance Company Limited	XL INS	31 Dec	Direct	Branch	
XL Re Ltd	XL RE	31 Dec	Reinsurer	Branch	Run-off
Youi Pty Ltd	YOUI	30 Jun	Direct		
Zurich Australian Insurance Limited	ZURICH	31 Dec	Direct		

List of public sector insurers
Year end June 2008

Insurer Name

Coal Mines Insurance Pty Limited
Comcare Australia
Defence Homes
Insurance Commission of Western Australia
Motor Accident Insurance Board of Tasmania

New South Wales Insurance Ministerial Corporation
Territory Insurance Office
The Motor Accident Commission
Transport Accident Commission (Victoria)
Victorian Managed Insurance Authority

Victorian Workcover Authority
Workcover Authority New South Wales
Workcover Corporation South Australia
WorkCover Queensland

Explanatory notes

Source of data

Data in this publication are sourced from audited regulatory returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* by authorised general insurers. June issues of this bulletin also include data submitted by Australian public insurers. Private insurer returns relate to the financial year end of each insurer, which can occur on any date within the 12 months up to and including the reference date of the publication. Details of each insurer's balance date can be found in the company classification table.

Blank copies of the returns and associated instructions are available on the APRA website.

Change in the reporting framework

The introduction of revised insurer requirements resulted in differences in the basis of accounting recognition and measurement to those required by *AASB 1023 General Insurance Contracts* (AASB 1023). Insurer returns up to June 2002 were completed in accordance with that standard. The changes primarily stem from the prospective liability valuation requirements prescribed by APRA in *Prudential Standard GPS 210 - Liability Valuation for General Insurers* (GPS 210).

The accounting changes for private insurers are summarised below:

Insurance revenue: For regulatory reporting, premium income is recognised fully from the date of acceptance of risk. Reinsurance premiums are generally recognised as a fully paid reinsurance expense and deferred acquisition costs are recognised fully as an acquisition cost. They are not deferred and amortised in accordance with AASB 1023 and consequently there is no unearned premium, deferred reinsurance expense or deferred acquisition cost provisions. APRA has only changed the recognition and not the measurement of these revenue and expense items.

Outstanding claims provision (OCP): This has the same basis for recognition, but must be measured in accordance with GPS 210 rather than in accordance with AASB 1023.

Premium liabilities: The concept of premium liabilities is not recognised by AASB 1023 and represents a forward-looking provision for claims yet to be incurred on the current written premiums.

GPS 210 requires a prospective basis for the recognition and measurement of insurance liability likely to arise from business written. AASB 1023 does not have a similar requirement. As a result expected future profit or loss on this written business is recognised earlier than would be the case under AASB 1023.

For APRA reporting, Premium Liabilities are recognised as a liability in *GRF 300.0 Statement of Financial Position* (balance sheet) and the movement in Premium Liabilities is recognised as a component of claims expense in *GRF 310.0 Statement of Financial Performance* (profit and loss). Under this approach, claims expense has two separately identifiable components. The first relates to the Outstanding Claims Provision (i.e. current year and prior year claims) and the other relates to the Premium Liabilities (i.e. future years claims).

Basis of preparation

Figures in this publication are prepared from the individual insurer accounts, not consolidated insurance group accounts. Transactions between related entities within the same insurance group have not been eliminated. Examples of such transactions include intra-group reinsurance arrangements (premiums, claims, reinsurance recoveries, provisions), dividends and loans between parents and subsidiaries.

Due to the nature of the insurance and reinsurance industry, double counting of claims and premiums will occur in gross measures. Inwards reinsurance essentially reflects a restatement of premium that has already been included in the direct business figures (where the business is ceded by Australian authorised insurers).

Unless otherwise indicated, figures represent the total operations of Australian insurers, not only business undertaken within Australia.

Provisioning data

In tables 8 and 9, *outstanding claims provision* (OCP) and *premium liabilities* are measured at a 75 per cent level of sufficiency in accordance with APRA's prudential standard on liability valuation, *GPS 210*, rather than in accordance with *AASB 1023*.

OCP and *premium liabilities* data used in all other tables (including insurer specific tables 12 to 14) may however be reported by insurers as greater than, but not be less than, the 75 per cent level of sufficiency as required by *GPS 210*.

Glossary

Definitions

Branch insurer is the Australian branch of a foreign insurer/reinsurer. It is not locally incorporated.

Capital base is the amount of eligible capital held by an insurer to provide a buffer against losses that have not been anticipated and, in the event of problems, enable the insurer to continue operating while those problems are addressed or resolved. For locally incorporated insurers it is the sum of *tier 1 capital (net of deductions)* and *tier 2 capital*. Capital base for branch insurers is derived from net assets inside Australia.

Captive insurer is a company within a group of related companies performing the function of insurer to that group.

Classes of business in tables 7-11 are shown in order of risk capital factors as described in Attachment C of *Prudential standard GPS 110 Capital Adequacy*.

Direct insurers are those insurers who, excluding intra-group arrangements, predominantly undertake liability by way of direct insurance business.

Earned premium (as defined in *AASB 1023*) is the amount of premium earned during the financial year and includes movements in the unearned premium provision.

Gross claims expense (as per table 11) relates to: claims that are paid during a financial period; and recognised claims liabilities (i.e. movement in outstanding claims provision and premium liabilities).

Gross incurred claims comprises claims paid during the period, movements in the *outstanding claims provision* and movements in *premium liabilities*.

Gross premium revenue is recognised fully when the business is written. The accounting concepts of earned and unearned premium are no longer recognised under the APRA prudential framework, hence this item is not consistent with *AASB 1023* requirements. Instead, the potential claims liabilities arising from the uncovered term of written insurance business are recognised through the creation of *premium liabilities*.

LMI (Lenders mortgage insurers) provide cover to protect lenders from default by borrowers on loans secured by mortgage. LMI insurers are substantially different to other insurers and are subject to special conditions of authority.

Lower tier 2 capital comprises components of capital that are not permanent i.e. dated or limited life instruments

Lower tier 2 ratio is lower *tier 2 capital* divided by *tier 1 capital (net of deductions)*. The regulatory maximum for this ratio is 50 percent.

Lloyd's is a London based insurance market in which business is underwritten by both individuals and corporate members who form syndicates to accept risk.

Minimum capital requirement is the amount of risk-based capital APRA requires an insurer to hold to meet its insurance obligations under a wide range of circumstances.

Net incurred claims is *gross incurred claims* net of *reinsurance recoveries revenue and non-reinsurance recoveries revenue*.

Net loss ratio is *net incurred claims* divided by *net premium revenue*.

Net premium revenue is *gross premium revenue* net of *outwards reinsurance expense*.

Net profit/loss refers to profit or loss from ordinary activities after income tax, before extraordinary items.

Non Branch insurer is an Australian incorporated insurer/reinsurer.

Non-reinsurance recoverables comprise recoverables from subrogation, salvage, sharing arrangements etc, net of provision for doubtful debts.

Non-reinsurance recoveries revenue comprises amounts the insurer has recovered or is entitled to recover from subrogation, salvage and other non-reinsurance recoveries.

Offshore business relates to insurers' income/expenses that are on risk, assets that are invested and liabilities that are located outside of Australia.

Other assets comprises investment income receivable, other reinsurance assets receivable from reinsurers (i.e. other than reinsurance recoveries), GST receivable, other receivables, tax assets, plant and equipment (net of depreciation) and other assets.

Other investments are strategic investments/acquisitions and other investments that do not constitute investments integral to insurance operations.

Other items comprises other operating income, goodwill amortisation and income tax expense or benefit.

Other liabilities comprises creditors and accruals, other provisions and other liabilities.

Other operating expenses are all operating expenses not related to underwriting.

Outstanding claims provision is the insurer's liability for outstanding claims. It recognises the potential cost to the insurer of settling claims which it has incurred at the reporting date (including estimates of claims that have not yet been notified to the insurer), but which have not been paid. The amount reported is after taking account of inflation and discounting, without deducting *reinsurance and non-reinsurance recoverables*.

Outwards reinsurance expense is premium ceded to reinsurers, recognised as an expense fully when incurred or contracted.

Payables on reinsurance contracts comprise amounts payable to reinsurers. This includes premiums payable but not yet due for payment, deposits withheld from reinsurers, commissions due to reinsurers and the reinsurers' portion of recoveries and salvage.

Premium liabilities relate to the future claims arising from future events insured under existing policies accepted. This fully prospective determination is a more effective means of recognising potential risk than the accounting concept of unearned premium. The amount reported is after taking account of inflation and discounting, without deducting *reinsurance and non-reinsurance recoverables*.

Premium receivables are premiums due, net of provision for doubtful debts, including unclosed business written close to the reporting date.

Reinsurance recoverables comprise amounts recoverable under reinsurance contracts.

Reinsurance and other recoverables is the aggregate of *reinsurance recoverables* and *non-reinsurance recoverables*.

Reinsurance recoveries revenue comprises amounts the insurer has recovered or is entitled to recover from reinsurers on incurred claims during the reporting period.

Reinsurers are those insurers who, excluding intra-group arrangements, predominantly undertake liability by way of reinsurance business.

Return on assets is *net profit/loss* divided by the average on-balance sheet total assets for the period.

Return on equity is net profit/loss divided by the average shareholders' equity for the period.

Run-off insurers are restricted by APRA from writing new or renewal insurance business. However, the company may still be acting as an insurance agent, broker or underwriting agent for other general insurers.

Solvency coverage is *capital base* divided by *minimum capital requirement*.

Tier 1 capital (net of deductions) comprises the highest quality capital elements, including: paid-up ordinary shares, general reserves, retained earnings, current year earnings net of expected dividends and tax expenses, technical provisions in excess of those required by *GPS 210*, non-cumulative irredeemable preference shares and other "innovative" capital instruments. This amount is net of goodwill, other intangible assets and future income tax benefits.

Tier 1 ratio is *tier 1 capital (net of deductions)* divided by *capital base*. The regulatory minimum for this ratio is 50 percent.

Tier 2 capital comprises capital instruments that fall short of the quality of tier 1 capital, including: cumulative irredeemable preference shares, mandatory convertible notes and similar capital instruments, perpetual subordinated debt and any other hybrid capital instruments of a permanent nature.

Underwriting expenses are expenses incurred as a result of underwriting activities: i.e. acquisition costs plus levies and charges plus other underwriting expenses not including *outwards reinsurance expense* less commission revenue.

Underwriting result is *net premium revenue* less *net incurred claims* and *underwriting expenses*.

Upper tier 2 capital comprises elements that are essentially permanent in nature, including some forms of hybrid capital instruments.



Telephone
1300 13 10 60

Email
contactapra@apra.gov.au

Website
www.apra.gov.au

Mail
GPO Box 9836
In all capital cities
(except Hobart and Darwin)