



STATISTICS

Quarterly General Insurance Performance Statistics

December 2018 (issued 28 February 2019)

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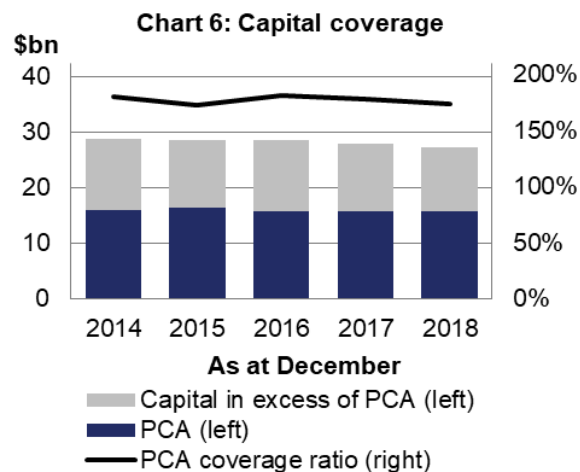
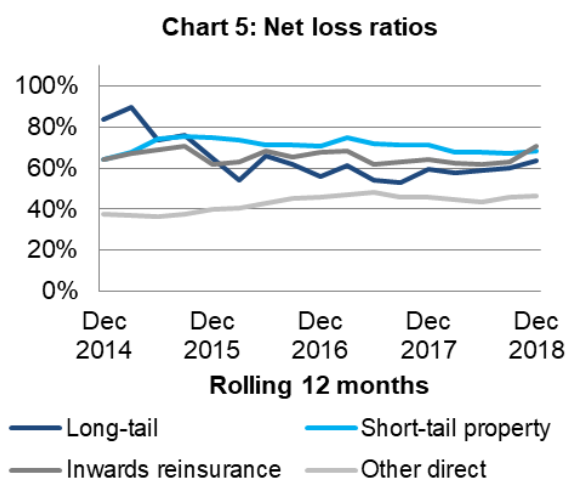
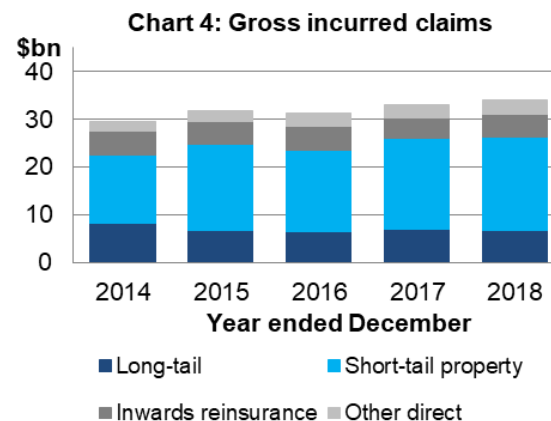
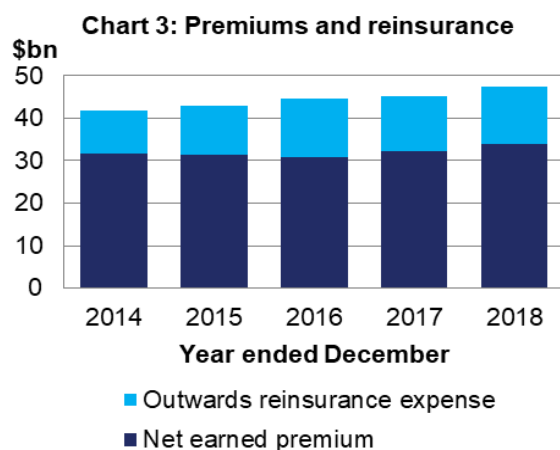
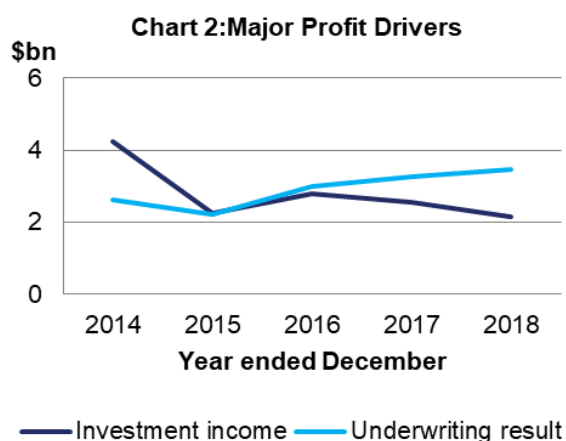
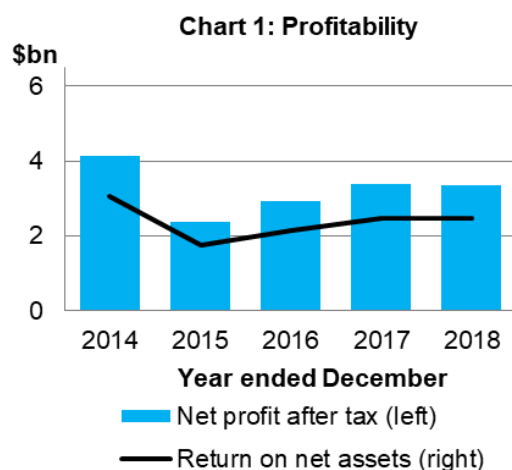
Highlights for the year ended 31 December 2018

- Industry underwriting profit for the year to 31 December 2018 was \$3.5 billion (2017: \$3.3 billion), driven by premium increases across almost all classes of business.
- Investment income decreased during the year, mainly due to unrealised losses in both equity and indirect investments in the December quarter.
- Claims from the Sydney hail storm in December resulted in quarterly underwriting losses in most of the short tail property classes. However the underwriting results in these classes improved during the year due to premium increases.
- The net loss ratio for the long tail classes increased by 5 per cent compared to the prior year, predominantly driven by lower reserve releases in CTP motor vehicle, and reserve strengthening in Public and product liability and Professional indemnity.
- Industry net profit after tax at \$3.3 billion and return on net assets at 12.2 per cent were relatively stable when compared to the prior year.
- Industry PCA coverage ratio decreased slightly from 1.78x to 1.74x.
- **Key performance data/ metrics at a glance¹**

	Year to 31 December 2017	Year to 31 December 2018	Change
Number of insurers	96	96	Unchanged
Net profit after tax	\$3.4bn	\$3.3bn	-1%
Return on net assets	12.1%	12.2%	+10bps
Underwriting result	\$3.3bn	\$3.5bn	+6%
Investment income	\$2.6bn	\$2.2bn	-15.8%
Gross earned premium	\$45.2bn	\$47.3bn	+4.5%
Net earned premium	\$32.2bn	\$34.0bn	+5.3%
Gross incurred claims	\$33.1bn	\$34.0bn	+2.7%
Gross loss ratio	73%	72%	-1pp
Net loss ratio	65%	65%	Unchanged
<i>short-tail property</i>	71%	69%	-2pp
<i>long-tail classes</i>	59%	64%	+5pp
Underwriting exp ratio	25%	25%	Unchanged
PCA coverage ratio	1.78x	1.74x	-0.04x

¹ Data on industry segments and classes of business is available in the publication

Historical performance trends 2014 - 2018





 **APRA**