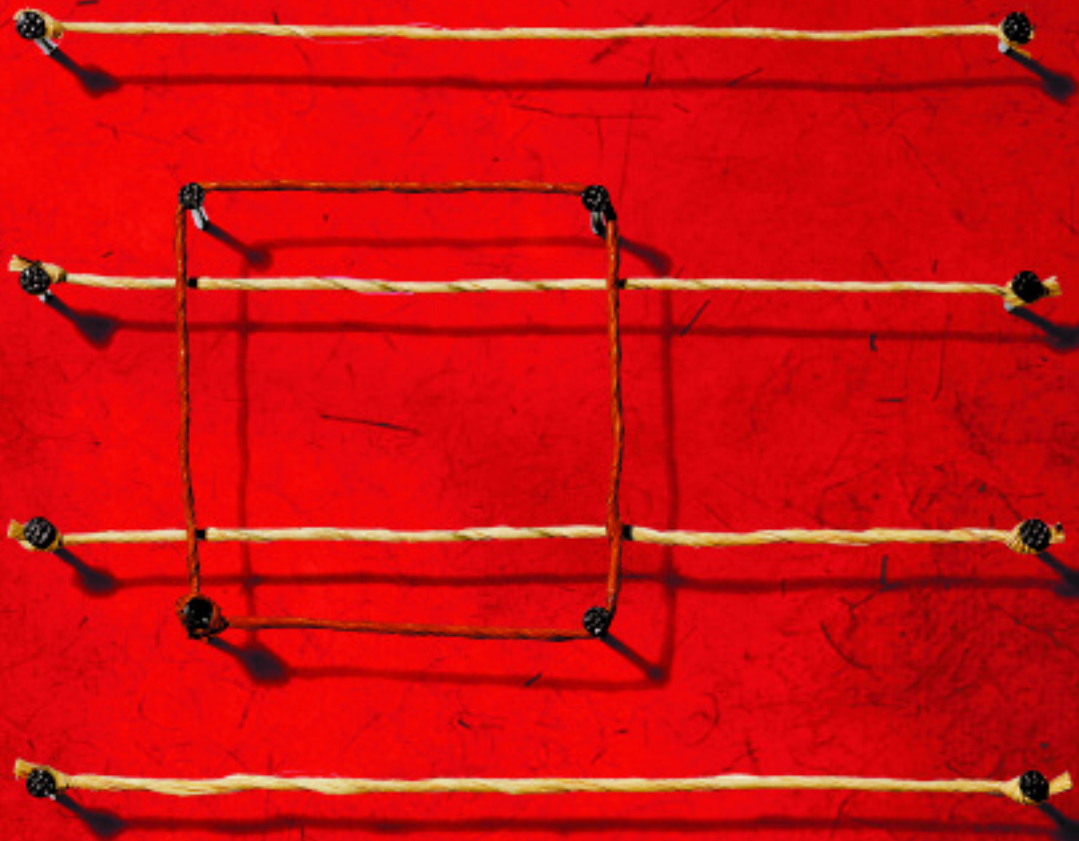




Statistics

Half Yearly General Insurance Bulletin

December 2006 (issued 2 August 2007)



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Forthcoming issues

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

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. The notice following the contents page also provides details in relation to the change in the general insurance reporting framework that took effect on 1 July 2002.

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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 insurance companies' prudential reporting requirements.

Prior to the reforms to the prudential regime for general insurance companies in 2002, APRA and its predecessor released a semi-annual publication entitled *Selected Statistics on the General Insurance Industry*. The significant reforms to the prudential regime for general insurance companies implemented in 2002 resulted in the availability of enhanced data.

In developing the content of this publication, APRA has closely considered the detail contained in the previous publication and has consulted with both industry participants and other interested parties on the data to be published. We also took into consideration the recommendations of the HIH Royal Commission.

The *Half Yearly General Insurance Bulletin* will publish relevant information 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.

APRA is committed to working to provide equivalent data for the period between June 2002 and June 2005. APRA will also examine if there are additional data items that serve the considerations outlined above and that should be added in future issues and also whether some of the currently published data should be presented in a different fashion or discontinued.

We welcome your feedback and suggestions for improvement.

Important notice

Change in the reporting framework

The information contained in the private insurer tables (Key statistics through to Table 14) is not directly comparable to information reported for Lloyd's (Table 15 through to Table 18). Key statistics through to Table 14 are also not directly comparable to APRA's previous publication *Selected Statistics on the General Insurance Industry*. The differences are due to:

- the change in prudential reporting framework for private insurers that took effect on 1 July 2002, described in the Explanatory notes; and
- changes in the definition of certain ratios to better align with industry standards. Details on ratios are included in the glossary.

Lloyd's Australia and public insurer data are not affected by these changes.

Reconciliation with 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 Half Yearly General Insurance Bulletin uses annual accounts that correspond to insurers own financial years. Most insurers balance in June or December, therefore not all data in this publication relate to the December 2006 year end.

Changes in the population of insurers - the QGIPS includes some insurers that have recently obtained a license, 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.

Highlights

Private insurers

These highlights relate to data used in the tables for private insurers. These data are submitted by licensed general insurers for their respective financial years ended between 1 January 2006 and 31 December 2006. Specifically, highlights discussed in this section will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the Important notice for further details.

- There were 133 private sector insurers accepting general insurance business (i.e. insurance other than life and health insurance) as at 31 December 2006. Of these, 111 were direct insurers and 21 were reinsurers. These companies are prudentially supervised under the *Insurance Act 1973* (Insurance Act).
- In their financial years ending between January 2006 and December 2006, private insurers reported gross premium revenue of \$28.9 billion. Direct insurers reported gross premium revenue of \$27.4 billion, making up 95.1 per cent of the total. Reinsurers accounted for the remaining 4.9 per cent of the total, or \$1.4 billion. At 21.7 per cent, the Domestic motor vehicle class of business accounted for the largest percentage of total direct gross premium revenue.
- Gross premium revenue for Professional indemnity insurance fell 1.3 per cent from the previous year to \$1.26 billion. Houseowners/householders gross premium revenue increased 8.8 per cent from the previous year to \$3.6 billion.
- In financial years ending between January 2006 and December 2006, private insurers reported 98 per cent of gross premium revenue covering risks inside Australia. Private insurers Total assets inside Australia for the same period were reported as \$77.1 billion, or 92 per cent of all Total assets.
- Direct insurers in New South Wales and the Australian Capital Territory (NSW/ACT) account for 43.0 per cent of total gross premium revenue in Australia for financial years ending between January 2006 and December 2006. NSW/ACT dominates in all classes other than Employers liability, for which Western Australia (WA) accounts for 58.7 per cent of the total in Australia.
- CTP motor vehicle is underwritten by public insurers in all states and territories of Australia apart from NSW and QLD. CTP motor vehicle gross premium revenue for NSW/ACT and QLD was \$1,529 million and \$835 million respectively in financial years ending between January 2006 and December 2006 (2005 - \$1,553 million and \$840 million respectively).
- Gross incurred claims reported in financial years ending between January 2006 and December 2006 were \$18.4 billion, with \$17.9 billion (97.2 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.
- 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). Private direct insurers reported \$30.4 billion in OCP and \$12.8 billion in PL in their financial years ending between January 2006 and December 2006. Reinsurers reported \$4.6 billion in OCP and \$1.0 billion in PL in their financial years ending between January 2006 and December 2006.

Highlights (continued)

- In their financial years ending between January 2006 and December 2006 private insurers reported underwriting results of \$3.5 billion, up 19.9 per cent on the previous twelve months, and up 10.4 per cent on the twelve months to 31 December 2004. Direct insurers reported an underwriting result of \$3.1 billion, making up 89 per cent of the total. Reinsurers accounted for the remaining 11 per cent, or \$0.4 billion
- The capital position for private sector insurers remains strong. In terms of risk-based capital measures, the industry's capital coverage is currently 2.08 times the minimum capital requirement, a sharp decline on the 2005 capital coverage of 2.44. This fall is primarily due to a change in the prudential capital requirements for Lenders Mortgage Insurers (LMIs), and is not indicative of a weakening capital position in the general insurance industry.
- Although direct comparisons cannot be made with periods prior to December 2003 due to changes in prudential regimes, evidence of a strengthening capital position is reflected over a longer period with a 64.5 per cent increase in shareholders' equity over the past five years, from \$15.1 billion to \$24.8 billion.
- In financial year ends between January 2006 and December 2006 private insurers reported total assets of \$83.6 billion, an increase of \$2.1 billion (2.5 per cent) on the previous year. Of these assets, \$74.4 billion (89.0 per cent) are held by direct insurers. Industry total liabilities were \$58.8 billion, of which \$52.6 billion (89.5 per cent) are held by direct insurers.

Lloyd's Underwriters

- Underwriting members of Lloyd's of London are allowed to write business in Australia under the Insurance Act 1973. Lloyd's underwriting members, whether as individuals or companies, conduct their business in groups known as "syndicates". Syndicates issue authorities to certain underwriting agents (known as coverholders) and brokers in Australia to accept business within specified classes on their behalf.
- Premium income for Lloyd's in Australia for the year ended 31 December 2006 was \$1.6 billion relating to the three open years of accounts covering 2004 to 2006. This compares to \$1.5 billion reported for the year ended 31 December 2005 relating to the three open years of accounts covering 2003 to 2005.

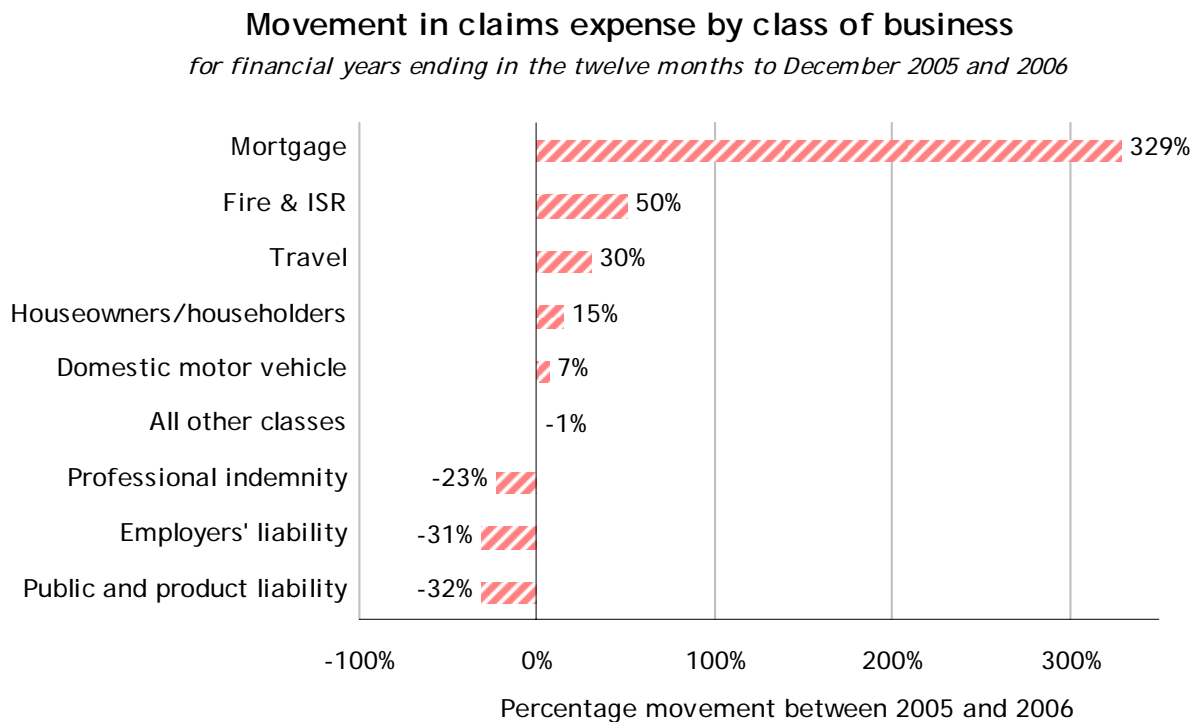
Annual movements in solvency coverage and gross claims expense of general insurers have been reviewed in more detail in the pages that follow. These features were chosen because of unusual movements in the gross claims expense figures for some classes of business and/or States and to explain the effect of changing capital requirements for lenders mortgage insurers.

Gross claims expense

Claims are the major expense for an insurer, and represent paid claims plus any movement in claims reserves. Private insurers incurred \$14.9 billion in gross claims expenses on direct business in their financial years ending between January 2006 and December 2006. This figure does not match the \$14.6 billion total direct gross claims expense from Table 7, as class of business figures only relate to current and prior years and do not include movements in premium liability reserves.

The figure below highlights the movement in private insurers' gross claims expense by class of business between their financial years ending between January 2006 and December 2006. Insurers writing lenders mortgage business reported an increase in gross claims expense of 329 per cent, by far the highest of any class, from \$49 million to \$210 million. This increase reflects both the low level of claims in recent years up to 2005 and the much higher level of claims emerging in 2006. The higher level of claims is consistent with housing stress reported in some areas of western Sydney and elsewhere in Australia.

Fire & ISR and Travel classes of business also reported large increases in gross claims expense, of 50 per cent and 30 per cent respectively. Conversely gross claims expense for public and product liability, employers' liability and professional indemnity classes of business declined by 32 per cent, 31 per cent and 23 per cent respectively.

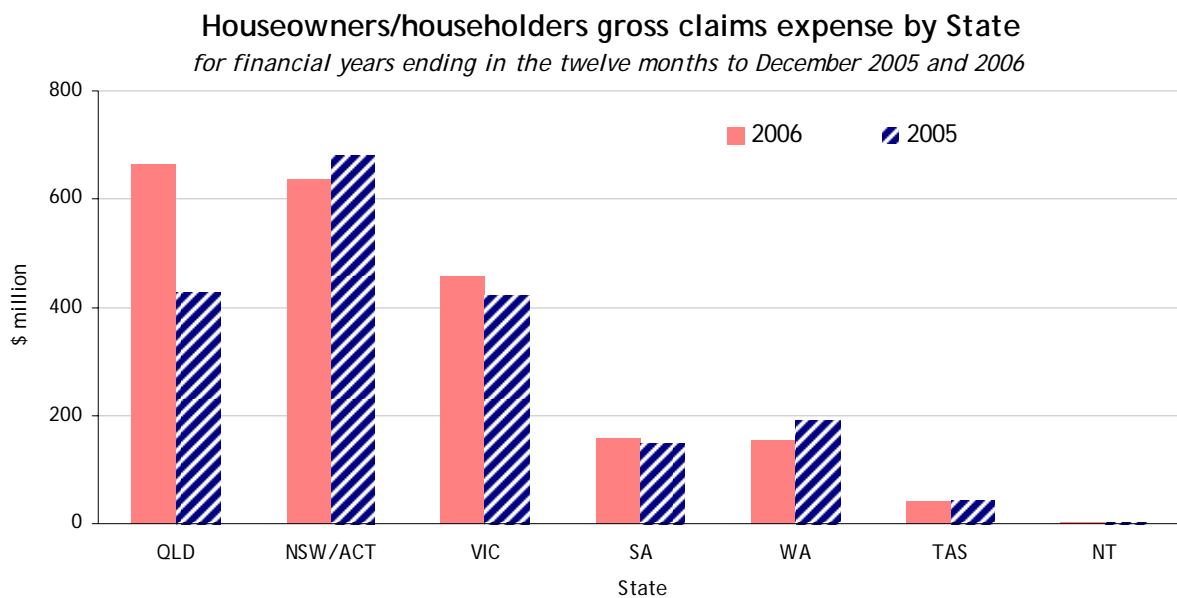


APRA has not examined the cause(s) of movement in the claims figures for individual classes of business and is simply providing an aggregation of the data reported by general insurers in their annual returns.

Houseowners/householders

Gross claims cost for 2006 for houseowners/householders, will have been impacted by Tropical Cyclone Larry. APRA's current data collection cannot separate claims arising from a single catastrophic event such as Tropical Cyclone Larry, however some indication of its impact can be gained by looking at the change in gross claims expense for impacted classes of business. In their financial years ending between January 2006 and December 2006, direct insurers reported gross claims expense of \$2.1 billion in the houseowners/householders class of business, representing an increase of \$0.2 billion (10.4 per cent) on the previous twelve months. The vast majority of this increase was in relation to risks located in Queensland. Gross claims expense for this class of business in Queensland increased 55.7 per cent, and is most likely a result of cyclones and floods experienced in this State in 2006, including Tropical Cyclone Larry.

The figure below highlights movements in houseowners/householders gross expense by State.



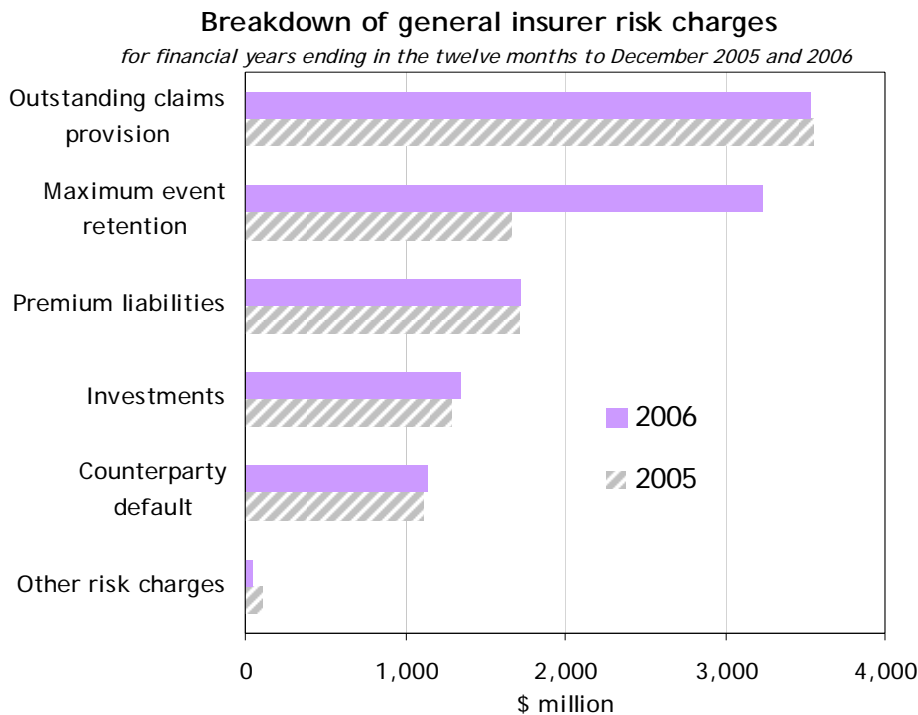
Source: Table 11 gross claims expense split by State. Data are from direct insurers only and will not match gross claims expense in Table 7.

Industry capital

Capital is the cornerstone of insurers' ability to absorb unexpected losses and continue operating in times of financial distress. An insurer's ability to pay claims in particular hinges on its capital strength. An insurer's Minimum Capital Requirement (MCR) is equal to the sum of its insurance risk, investment risk and concentration risk charges.

Private insurers' MCR was \$11.1 billion in their financial years ending between January 2006 and December 2006, \$1.6 billion (17 per cent) up on the previous twelve month figure. The capital surplus (i.e. regulatory capital above MCR) fell 12 per cent to \$12.0 billion over the same period as a result. This reduction was primarily due to reforms to the capital framework for LMIs, the impact of which is outlined below.

The figure below gives a breakdown of MCR charges for general insurers in their financial years ending in the twelve months to December 2005 and 2006.



Industry capital (continued)

Private insurers' Maximum Event Retention (MER) capital charge increased 95 per cent to \$3.2 billion between their financial years ending in the twelve months to December 2005 and December 2006. This was due to reforms to the capital framework for Lender Mortgage Insurers (LMIs) in January 2006, which increased their concentration risk charge. The table below shows the impact of these reforms on the capital base, MCR and solvency coverage of general insurers.

| Insurers' capital position^a | | | | |
|---|------|--------------------------------|--------------|----------------------|
| <i>for financial years ended in the 12 months to December</i> | | | | |
| (\$ million) | | | | |
| | | Minimum capital requirement | Capital base | Solvency coverage |
| All insurers | 2006 | 11,124 | 23,138 | 2.08 |
| | 2005 | 9,521 | 23,219 | 2.44 |
| <i>non</i> -LMI | 2006 | 8,815 | 20,401 | 2.31 |
| | 2005 | 8,629 | 20,764 | 2.41 |
| LMI ^b | 2006 | 2,309 | 2,737 | 1.19 |
| | 2005 | 891 | 2,455 | 2.75 |

^a Data sourced from general insurers statutory statistical returns submitted to APRA

^b In 2006, some LMI's were subject to capital transitional arrangements under GGN 110.6 *Concentration Risk Charge for LMIs*.

Key statistics

Financial years ended in the 12 months to December

| Industry at a glance | | | | | | | |
|---------------------------|----------|----------|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Dec 2006 | Dec 2005 | Dec 2004 | Dec 2003 ^a | Dec 2002 ^b | Dec 2001 ^c | Dec 2000 ^c |
| Net premium revenue (\$m) | 21,300 | 21,316 | 20,358 | 19,987 | | 14,111 | 14,278 |
| Net incurred claims (\$m) | 12,181 | 12,991 | 12,334 | 11,977 | | 11,087 | 12,009 |
| Underwriting result (\$m) | 3,469 | 2,894 | 3,141 | 3,069 | | -885 | -1,495 |
| Investment income (\$m) | 4,272 | 4,431 | 4,028 | 2,248 | | 2,433 | 3,564 |
| Net profit / loss (\$m) | 5,364 | 5,093 | 4,774 | 3,397 | | 856 | 1,485 |
| Net loss ratio | 57% | 61% | 61% | 60% | | 79% | 84% |
| Total assets (\$m) | 83,605 | 81,536 | 78,736 | 77,091 | | 60,013 | 56,274 |
| Net assets (\$m) | 24,786 | 24,938 | 24,007 | 21,291 | | 15,066 | 15,990 |
| Return on assets | 6.5% | 6.4% | 6.1% | 4.6% | | 1.5% | 2.6% |
| Return on equity | 21.6% | 20.8% | 21.1% | 17.1% | | 5.5% | 10.1% |
| Solvency coverage | 2.08 | 2.44 | 2.19 | 2.14 | | 2.75 | 2.98 |

| Gross premium revenue by class of business (\$m) | | | | | | | |
|--|----------|----------|----------|-----------------------|-----------------------|------------------------|------------------------|
| | Dec 2006 | Dec 2005 | Dec 2004 | Dec 2003 ^a | Dec 2002 ^b | Dec 2001 ^{cd} | Dec 2000 ^{cd} |
| Direct business | 23,745 | 22,978 | 22,229 | 21,985 | | 14,377 | 14,399 |
| <i>of which:</i> | | | | | | | |
| Houseowners/householders | 3,620 | 3,326 | 3,165 | 3,214 | | 2,240 | 2,359 |
| Commercial motor vehicle | 1,351 | 1,356 | 1,326 | 1,305 | | 1,035 | 972 |
| Domestic motor vehicle | 5,150 | 4,985 | 4,705 | 4,572 | | 3,436 | 3,494 |
| Fire and ISR | 2,738 | 2,812 | 2,738 | 2,734 | | 1,499 | 1,272 |
| CTP motor vehicle | 2,398 | 2,427 | 2,478 | 2,400 | | 1,943 | 2,023 |
| Public and product liability | 2,009 | 1,969 | 2,057 | 2,067 | | 894 | 854 |
| Professional indemnity | 1,264 | 1,281 | 1,308 | 1,294 | | 521 | 591 |
| Employers' liability | 1,189 | 1,177 | 1,001 | 977 | | 726 | 813 |
| Other direct classes | 4,026 | 3,645 | 3,451 | 3,423 | | 2,083 | 2,021 |
| Inwards reinsurance | 5,117 | 5,416 | 5,726 | 6,232 | | 2,470 | 1,742 |

| Gross direct premiums and direct claims by state of Australia for direct insurers (\$m) | | | | | | | |
|---|---------|-------|-------|-------|-------|-------|--------|
| December 2006 | | | | | | | |
| | NSW/ACT | VIC | QLD | SA | WA | Other | Total |
| Gross premium revenue | 9,953 | 4,742 | 4,124 | 1,306 | 2,507 | 532 | 23,164 |
| Gross incurred claims | 6,297 | 3,023 | 2,867 | 799 | 1,115 | 302 | 14,403 |

^a Key Statistics and class of business data for December 2003 are drawn from quarterly returns submitted over the twelve months to 31 December 2003.

^b Key Statistics and class of business data for December 2002 are impacted by transitional reporting affects and have been excluded.

^c Figures reported up to December 2001 are not directly comparable to current periods. Please see the 'Important notice'.

^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 December 2006

(\$ million)

| | Direct insurers | Reinsurers | Total APRA regulated |
|------------------------------------|-----------------|--------------|----------------------|
| Gross premium revenue | 27,449 | 1,413 | 28,862 |
| <i>of which:</i> | | | |
| Direct business | 23,748 | -3 | 23,745 |
| Inwards reinsurance ^a | 3,701 | 1,416 | 5,117 |
| Outwards reinsurance expense | 7,333 | 228 | 7,561 |
| Net premium revenue | 20,116 | 1,185 | 21,300 |
| Gross incurred claims | 17,864 | 517 | 18,381 |
| <i>of which:</i> | | | |
| Direct business | 14,953 | -93 | 14,860 |
| Inwards reinsurance ^a | 2,911 | 610 | 3,521 |
| Non-reinsurance recoveries revenue | 1,713 | -3 | 1,709 |
| Reinsurance recoveries revenue | 4,461 | 30 | 4,491 |
| Net incurred claims | 11,690 | 491 | 12,181 |
| Acquisition costs | 2,909 | 283 | 3,192 |
| Other underwriting expenses | 1,955 | 30 | 1,985 |
| Levies and charges | 869 | 1 | 870 |
| Commission revenue | 394 | 2 | 396 |
| Total underwriting expenses | 5,339 | 311 | 5,651 |
| Underwriting result | 3,086 | 383 | 3,469 |
| Investment income | 3,962 | 310 | 4,272 |
| Other operating expenses | 1,641 | 105 | 1,747 |
| Other items | -458 | -173 | -631 |
| Net profit / loss after tax | 4,949 | 414 | 5,364 |
| Number of entities | 112 | 21 | 133 |

Notes:

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

^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 December 2006

(\$ million)

| | Direct insurers | Reinsurers | Total APRA regulated |
|---|-----------------|------------|----------------------|
| Investment income | 3,962 | 310 | 4,272 |
| <i>arising from:</i> | | | |
| Interest | 2,062 | 427 | 2,489 |
| Dividend | 1,340 | 16 | 1,356 |
| Rent | 115 | 0 | 115 |
| Change in net market value of investments | 209 | -108 | 100 |
| <i>of which:</i> | | | |
| Unrealised gains/losses | 199 | -129 | 70 |
| Realised gains/losses | 9 | 20 | 30 |
| Other investment income | 235 | -24 | 211 |
| Other operating income | 990 | 4 | 995 |
| Operating expenses | 1,641 | 105 | 1,747 |
| <i>of which:</i> | | | |
| Interest | 124 | 2 | 126 |
| Wages and salaries | 482 | 44 | 526 |
| Other employee related | 112 | 12 | 124 |
| Occupancy and equipment | 148 | 7 | 155 |
| Fees | 495 | 20 | 516 |
| <i>of which:</i> | | | |
| Management | 418 | 12 | 430 |
| Audit firm | 14 | 2 | 17 |
| Consulting | 46 | 2 | 49 |
| Actuarial | 10 | 3 | 12 |
| Directors | 7 | 1 | 8 |
| Bad and doubtful debts | 1 | 0 | 1 |
| Other operating expenses | 279 | 21 | 299 |
| Number of entities | 112 | 21 | 133 |

Table 3 Industry financial position

Financial years ended in the 12 months to December 2006

(\$ million)

| | Direct insurers | Reinsurers | Total APRA regulated | of which: inside Australia ^a |
|-----------------------------------|-----------------|--------------|----------------------|--|
| Cash and liquid assets | 1,529 | 109 | 1,637 | 1,494 |
| Investments | 49,733 | 7,217 | 56,950 | 51,966 |
| <i>of which:</i> | | | | |
| Interest | 34,240 | 6,420 | 40,660 | |
| Equity | 4,813 | 254 | 5,067 | |
| Indirect investments | 3,155 | 118 | 3,273 | |
| Property | 548 | 0 | 548 | |
| Loans and advances | 1,645 | 426 | 2,071 | |
| Other investments | 5,331 | 0 | 5,331 | |
| Reinsurance recoverables | 9,044 | 441 | 9,486 | 9,015 |
| Non-reinsurance recoverables | 2,256 | 4 | 2,260 | 2,256 |
| Premium receivables | 5,529 | 1,040 | 6,570 | 6,457 |
| Intangible assets | 925 | 1 | 926 | 910 |
| Other assets | 5,359 | 416 | 5,776 | 5,048 |
| Total assets | 74,376 | 9,229 | 83,605 | 77,146 |
| Outstanding claims provision | 30,394 | 4,567 | 34,961 | 34,482 |
| Premium liabilities | 12,798 | 1,008 | 13,806 | 13,643 |
| Tax provisions | 987 | 265 | 1,252 | 1,240 |
| Payables on reinsurance contracts | 1,237 | 173 | 1,410 | 1,303 |
| Borrowings and loan capital | 2,276 | 0 | 2,276 | 2,213 |
| Other liabilities | 4,924 | 190 | 5,113 | 3,846 |
| Total liabilities | 52,616 | 6,203 | 58,819 | 56,728 |
| Share capital | 11,695 | 1,979 | 13,673 | |
| Reserves | 517 | 235 | 751 | |
| Retained profits | 9,549 | 812 | 10,362 | |
| Net assets | 21,761 | 3,026 | 24,786 | |
| Number of entities | 112 | 21 | 133 | |

Notes:

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

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

Table 4 Industry offshore profile

Financial years ended in the 12 months to December 2006

(\$ million)

| | Direct insurers | | Reinsurers | | Total APRA regulated | |
|--------------------------------|-----------------|--------------|--------------|------------|----------------------|--------------|
| | Australia | Offshore | Australia | Offshore | Australia | Offshore |
| Financial performance | | | | | | |
| Gross premium revenue | 26,817 | 632 | 1,387 | 26 | 28,205 | 657 |
| <i>of which:</i> | | | | | | |
| Direct business | | | | | 23,163 | 582 |
| Inwards reinsurance | | | | | 5,042 | 75 |
| Outwards reinsurance expense | 7,023 | 310 | 199 | 29 | 7,221 | 340 |
| Net premium revenue | 19,795 | 321 | 1,188 | -3 | 20,982 | 318 |
| Gross incurred claims | 17,682 | 182 | 559 | -42 | 18,238 | 143 |
| <i>of which:</i> | | | | | | |
| Direct business | | | | | 14,687 | 173 |
| Inwards reinsurance | | | | | 3,551 | -30 |
| Reinsurance recoveries revenue | 4,404 | 57 | 32 | -2 | 4,435 | 56 |
| Investment income | 3,867 | 95 | 307 | 3 | 4,174 | 98 |
| Financial position | | | | | | |
| Investments | 45,304 | 4,429 | 6,662 | 555 | 51,966 | 4,984 |
| Reinsurance recoverables | 8,598 | 446 | 418 | 23 | 9,015 | 471 |
| Other assets | 14,621 | 978 | 1,544 | 26 | 16,165 | 1,005 |
| Total assets | 68,523 | 5,853 | 8,624 | 605 | 77,146 | 6,459 |
| Outstanding claims provision | 29,980 | 414 | 4,502 | 65 | 34,882 | 479 |
| Premium liabilities | 12,648 | 150 | 995 | 13 | 13,643 | 163 |
| Borrowings and loan capital | 2,213 | 63 | 0 | 0 | 2,213 | 63 |
| Other liabilities | 5,730 | 1,418 | 659 | -31 | 6,389 | 1,386 |
| Total liabilities | 50,571 | 2,045 | 6,156 | 47 | 56,728 | 2,091 |

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.

Table 5 Industry capital adequacy

Financial years ended in the 12 months to December 2006

(\$ million)

| | Direct insurers | Reinsurers | Total APRA regulated |
|--|-----------------|--------------|----------------------|
| Minimum capital requirement risk charges arising from: | | | |
| Off balance sheet business | 25 | 7 | 32 |
| Investments | 1,243 | 108 | 1,351 |
| <i>of which:</i> | | | |
| Interest | 514 | 76 | 589 |
| Equity | 391 | 23 | 414 |
| Indirect investments | 214 | 4 | 218 |
| Property | 55 | 0 | 55 |
| Loans and advances | 70 | 4 | 74 |
| Investment risk rebate | 1 | 0 | 1 |
| Counterparty default | 1,074 | 61 | 1,135 |
| Asset concentration | 10 | 8 | 17 |
| Derivative activity | 4 | 0 | 4 |
| Maximum event retention | 3,103 | 128 | 3,231 |
| Outstanding claims provision | 2,906 | 636 | 3,542 |
| Premium liabilities | 1,557 | 166 | 1,723 |
| Minimum capital requirement^a | 9,994 | 1,130 | 11,124 |
| Capital base | 20,163 | 2,975 | 23,138 |
| <i>of which:</i> | | | |
| Branch insurers ^b | 1,198 | 1,983 | 3,181 |
| Non-branch insurers | 18,965 | 992 | 19,957 |
| <i>of which:</i> | | | |
| Tier 1 capital (net of deductions) | 17,823 | 992 | 18,815 |
| Tier 2 capital | 1,219 | 0 | 1,219 |
| <i>of which:</i> | | | |
| Upper tier 2 capital | 297 | 0 | 297 |
| Lower tier 2 capital | 923 | 0 | 923 |
| Tier 1 ratio | 94% | 100% | 94% |
| Lower tier 2 ratio | 5% | 0% | 5% |
| Capital surplus | 10,169 | 1,845 | 12,014 |
| Solvency coverage | 2.02 | 2.63 | 2.08 |
| Number of entities | 112 | 21 | 133 |

^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 December 2006

(\$ million)

| | Non-branch direct insurers | Non-branch reinsurers | Total non-branch insurers |
|---|-------------------------------|--------------------------|------------------------------|
| Financial performance | | | |
| APRA reporting: Net profit / loss after tax | 4,766 | 83 | 4,849 |
| <i>Include items specific to APRA reporting:</i> | | | |
| Gross premium revenue | 26,072 | 96 | 26,167 |
| Outwards reinsurance expense | 6,695 | 46 | 6,742 |
| Gross incurred claims | 17,024 | -57 | 16,967 |
| Reinsurance recoveries revenue | 3,974 | -9 | 3,965 |
| Acquisition costs | 2,835 | 9 | 2,844 |
| Other adjustments | -1,676 | 8 | -1,667 |
| <i>Exclude items specific to AASB 1023 reporting:</i> | | | |
| Earned premium | 25,363 | 106 | 25,469 |
| Reinsurance expense | 6,324 | 62 | 6,386 |
| Claims expense | 16,784 | -63 | 16,721 |
| Reinsurance recoveries revenue | 4,431 | -4 | 4,427 |
| Underwriting costs | 3,726 | 9 | 3,735 |
| Other adjustments | 1,348 | 22 | 1,370 |
| <i>Total adjustments</i> | 204 | 25 | 228 |
| AASB 1023 reporting: Net profit / loss after tax | 4,562 | 58 | 4,621 |
| Financial position | | | |
| APRA reporting: Net assets | 20,545 | 1,079 | 21,624 |
| <i>Include items specific to APRA reporting:</i> | | | |
| Reinsurance recoverables | 7,737 | 295 | 8,031 |
| Outstanding claims provision | 28,334 | 1,318 | 29,652 |
| Premium liabilities | 12,158 | 68 | 12,226 |
| Other adjustments | 2,636 | 111 | 2,747 |
| <i>Exclude items specific to AASB 1023 reporting:</i> | | | |
| Deferred acquisition costs | 1,966 | 4 | 1,971 |
| Deferred reinsurance expense | 3,062 | 18 | 3,080 |
| Reinsurance recoverables | 6,412 | 283 | 6,694 |
| Outstanding claims provision | 28,637 | 1,323 | 29,960 |
| Unearned premium provision | 14,776 | 39 | 14,815 |
| Other adjustments | -234 | -81 | -314 |
| <i>Total adjustments</i> | 1,620 | -4 | 1,616 |
| AASB 1023 reporting: Net assets | 18,925 | 1,083 | 20,008 |
| Number of entities | 90 | 6 | 96 |

Table 7 Industry premiums and claims by class of business

Financial years ended in the 12 months to December 2006

(\$ million)

| Class of business | Gross premium revenue | Reinsurance expense | Net premium revenue | Gross incurred claims ^a | Reinsurance recoveries revenue ^a |
|----------------------------------|-----------------------|---------------------|---------------------|------------------------------------|---|
| Direct business | | | | | |
| Houseowners/householders | 3,620 | 1,365 | 2,255 | 2,203 | 721 |
| Commercial motor vehicle | 1,351 | 117 | 1,234 | 1,182 | 100 |
| Domestic motor vehicle | 5,150 | 2,181 | 2,969 | 4,624 | 1,814 |
| Travel | 464 | 140 | 324 | 177 | 51 |
| Fire and ISR | 2,738 | 1,242 | 1,496 | 1,561 | 617 |
| Marine and aviation | 621 | 116 | 505 | 332 | 52 |
| Mortgage | 849 | 145 | 704 | 210 | 7 |
| Consumer credit | 263 | 28 | 234 | 43 | 2 |
| Other accident | 1,040 | 301 | 739 | 398 | 44 |
| Other | 789 | 201 | 588 | 310 | 113 |
| CTP motor vehicle | 2,398 | 456 | 1,942 | 1,650 | 374 |
| Public and product liability | 2,009 | 400 | 1,609 | 664 | 101 |
| Professional indemnity | 1,264 | 302 | 962 | 577 | 225 |
| Employers' liability | 1,189 | 57 | 1,132 | 627 | 2 |
| Total direct business | 23,745 | 7,051 | 16,694 | 14,559 | 4,225 |
| Total inwards reinsurance | 5,117 | 511 | 4,606 | 3,561 | 116 |
| Total | 28,862 | 7,561 | 21,300 | 18,120 | 4,340 |

Notes:

It is not possible to show the breakdown of 'net incurred claims' at class of business level as 'non-reinsurance recoveries' are not reported to APRA.

^a Gross incurred claims and reinsurance recoveries revenue in this table relate only to current and prior years.

Table 8 Industry outstanding claims provision by class of business

Financial years ended in the 12 months to December 2006

(\$ million)

| Class of business | Outstanding Claims Provision | Reinsurance recoverables | Non-reinsurance recoverables | Net outstanding claims provision |
|----------------------------------|------------------------------|--------------------------|------------------------------|----------------------------------|
| Direct business | | | | |
| Houseowners/householders | 1,096 | 363 | 79 | 654 |
| Commercial motor vehicle | 553 | 84 | 117 | 352 |
| Domestic motor vehicle | 1,009 | 360 | 249 | 400 |
| Travel | 101 | 35 | 1 | 65 |
| Fire and ISR | 1,403 | 762 | 48 | 592 |
| Marine and aviation | 347 | 76 | 16 | 255 |
| Mortgage | 214 | 7 | 7 | 199 |
| Consumer credit | 48 | 2 | 2 | 45 |
| Other accident | 402 | 128 | 11 | 264 |
| Other | 367 | 198 | 13 | 156 |
| CTP motor vehicle | 9,139 | 1,467 | 965 | 6,707 |
| Public and product liability | 5,287 | 1,073 | 195 | 4,019 |
| Professional indemnity | 3,363 | 1,035 | 175 | 2,154 |
| Employers' liability | 3,252 | 263 | 93 | 2,895 |
| Total direct business | 26,580 | 5,852 | 1,973 | 18,755 |
| Total inwards reinsurance | 6,800 | 602 | 364 | 5,835 |
| Total | 33,380 | 6,454 | 2,336 | 24,590 |

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 9 Industry premium liabilities by class of business

Financial years ended in the 12 months to December 2006

(\$ million)

| Class of business | Premium Liabilities | Reinsurance recoverables | Non-reinsurance recoverables | Net premium liabilities |
|----------------------------------|---------------------|--------------------------|------------------------------|-------------------------|
| Direct business | | | | |
| Houseowners/householders | 1,436 | 369 | 83 | 984 |
| Commercial motor vehicle | 716 | 37 | 123 | 556 |
| Domestic motor vehicle | 2,804 | 976 | 501 | 1,327 |
| Travel | 90 | 13 | 1 | 76 |
| Fire and ISR | 1,010 | 313 | 33 | 664 |
| Marine and aviation | 208 | 20 | 8 | 179 |
| Mortgage | 781 | 55 | 17 | 708 |
| Consumer credit | 191 | 5 | 11 | 175 |
| Other accident | 358 | 75 | 9 | 274 |
| Other | 349 | 69 | 9 | 271 |
| CTP motor vehicle | 1,117 | 180 | 88 | 850 |
| Public and product liability | 782 | 87 | 27 | 668 |
| Professional indemnity | 519 | 132 | 13 | 374 |
| Employers' liability | 631 | 1 | 16 | 614 |
| Total direct business | 10,992 | 2,332 | 939 | 7,720 |
| Total inwards reinsurance | 2,762 | 102 | 301 | 2,360 |
| Total | 13,754 | 2,434 | 1,240 | 10,080 |

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 December 2006

(\$ million)

| Class of business | NSW/ACT | VIC | QLD | SA | WA | TAS | NT | Total Australia |
|------------------------------|--------------|--------------|--------------|--------------|--------------|------------|------------|-----------------|
| Houseowners/householders | 1,395 | 873 | 705 | 271 | 347 | 67 | 11 | 3,669 |
| Commercial motor vehicle | 468 | 345 | 232 | 114 | 155 | 27 | 11 | 1,352 |
| Domestic motor vehicle | 2,039 | 1,315 | 933 | 314 | 460 | 73 | 13 | 5,148 |
| Travel | 352 | 63 | 14 | 10 | 17 | 1 | 0 | 457 |
| Fire and ISR | 1,119 | 659 | 348 | 163 | 213 | 36 | 14 | 2,552 |
| Marine and aviation | 255 | 91 | 95 | 33 | 55 | 10 | 11 | 550 |
| Mortgage | 301 | * | * | 51 | 109 | 13 | 6 | 886 |
| Consumer credit | 81 | 62 | 55 | 18 | 30 | 7 | 2 | 254 |
| Other accident | 362 | 212 | 164 | 82 | 106 | 15 | 4 | 945 |
| Other | 354 | 161 | 92 | 44 | 57 | 6 | 2 | 716 |
| CTP motor vehicle | 1,529 | 0 | 835 | 0 | 0 | 0 | 0 | 2,364 |
| Public and product liability | 840 | 449 | 294 | 120 | 159 | 26 | 7 | 1,895 |
| Professional indemnity | 581 | 271 | 146 | 69 | 101 | 13 | 4 | 1,185 |
| Employers' liability | 276 | * | * | 18 | 699 | 99 | 52 | 1,190 |
| Total direct business | 9,953 | 4,742 | 4,124 | 1,306 | 2,507 | 394 | 138 | 23,164 |

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 December 2006

(\$ million)

| Class of business | NSW/ACT | VIC | QLD | SA | WA | TAS | NT | Total Australia |
|------------------------------|--------------|--------------|--------------|------------|--------------|------------|-----------|-----------------|
| Houseowners/householders | 635 | 457 | 665 | 158 | 154 | 42 | 4 | 2,115 |
| Commercial motor vehicle | 413 | 310 | 225 | 91 | 120 | 20 | 7 | 1,187 |
| Domestic motor vehicle | 1,707 | 1,314 | 883 | 262 | 381 | 65 | 9 | 4,622 |
| Travel | 140 | 17 | 5 | 4 | 7 | 1 | 0 | 175 |
| Fire and ISR | 590 | 394 | 294 | 81 | 86 | 13 | 9 | 1,468 |
| Marine and aviation | 132 | 63 | 56 | 18 | 25 | 5 | 7 | 306 |
| Mortgage | * | * | * | * | * | * | * | * |
| Consumer credit | 17 | 8 | 8 | 3 | 4 | 2 | 0 | 42 |
| Other accident | 156 | 86 | 62 | 32 | 40 | 5 | 1 | 382 |
| Other | 156 | 84 | 29 | 16 | 22 | 1 | 1 | 309 |
| CTP motor vehicle | 1,245 | 0 | 374 | 0 | 0 | 0 | 0 | 1,619 |
| Public and product liability | 373 | 98 | 139 | 33 | 37 | 10 | 3 | 691 |
| Professional indemnity | 373 | 101 | 16 | 85 | 70 | 4 | 2 | 650 |
| Employers' liability | * | * | * | * | * | * | * | * |
| Total direct business | 6,297 | 3,023 | 2,867 | 799 | 1,115 | 229 | 73 | 14,403 |

Notes:

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

Gross claims expense in this table relate only to current and prior years, and hence is not directly comparable to premium revenue by state.

Table 12 Company level financial performance

Financial years ended in the 12 months to December 2006

(\$ 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 | 2,309,146 | 390,728 | 1,918,418 | 1,474,730 | 69,683 | 186,419 |
| AAMI | 31 Dec | 1,491,863 | 1,453,118 | 38,745 | 1,466,492 | 0 | 1,466,492 |
| ACE | 31 Dec | 470,595 | 307,316 | 163,279 | 127,979 | 2,732 | 93,065 |
| AFG ^{ab} | 30 Sep | | | | | | |
| AIOI | 31 Mar | 16,028 | 3,640 | 12,388 | 14,968 | 2,469 | 1,692 |
| ALEA | 31 Dec | 125 | 0 | 125 | -2,200 | 0 | 0 |
| AM HOME | 31 Dec | 562,236 | 322,366 | 239,870 | 464,974 | 0 | 334,376 |
| AM INT _b | 30 Nov | 0 | 0 | 0 | 0 | 0 | 0 |
| AME RE _b | 31 Dec | 814 | 414 | 400 | -25,049 | 0 | -9,821 |
| AMPG _b | 31 Dec | 0 | 0 | 0 | -75 | -13 | -1 |
| ANZ LMI | 30 Sep | 82,359 | 36,213 | 46,146 | 31,628 | 0 | 12,191 |
| ANZCOVER | 30 Sep | 20,414 | 4,851 | 15,563 | 19,733 | -15,542 | 65 |
| ASSET | 31 Dec | 26,595 | 18,408 | 8,187 | 19,815 | 0 | 10,845 |
| ATRADIUS | 31 Dec | 29,169 | 23,552 | 5,617 | 15,201 | 1,540 | 10,513 |
| AUS ALLNCE | 31 Dec | 386,797 | 371,747 | 15,050 | 319,898 | 0 | 319,898 |
| AUS FAMILY _b | 31 Dec | 0 | 0 | 0 | -53 | 0 | 106 |
| AUS INT | 30 Jun | 129,872 | 39,077 | 90,795 | 90,752 | 2,888 | 38,421 |
| AUS MED | 30 Jun | 118,326 | -18,682 | 137,008 | 18,400 | 0 | -25,773 |
| AUS UNITY | 30 Jun | 67,900 | 27,976 | 39,924 | 34,182 | 1,891 | 11,316 |
| AUTO GEN | 30 Jun | 86,419 | 968 | 85,451 | 77,404 | 19,013 | 0 |
| AXA _b | 31 Dec | 0 | 0 | 0 | 5,423 | 224 | 1,782 |
| BARRISTERS | 30 Jun | 1,054 | 161 | 893 | 494 | 0 | 0 |
| BHP MARINE | 30 Jun | 110,951 | 42,574 | 68,377 | 97,913 | 0 | 26,356 |
| BORAL _b | 30 Jun | 0 | 0 | 0 | -2,595 | 0 | -2,417 |
| BUDGET _b | 30 Jun | 3,239 | 401 | 2,838 | -6,952 | -459 | -82 |
| CALLI | 31 Dec | 51,684 | 28,353 | 23,331 | 33,085 | 0 | 16,185 |
| CALLI GRP _b | 31 Dec | 113 | 462 | -349 | -2,627 | 0 | 507 |
| CATHOLIC | 30 Jun | 178,438 | 50,387 | 128,051 | 102,739 | 900 | 13,209 |
| CAVELL _b | 31 Dec | 0 | 0 | 0 | -830 | 0 | 0 |
| CGU | 30 Jun | 1,909,404 | 233,498 | 1,675,906 | 1,218,671 | 200,754 | 89,698 |
| CGU VACC | 30 Jun | -120 | -525 | 405 | -6,616 | -1,468 | 334 |
| CHUBB | 31 Dec | 275,060 | 34,942 | 240,118 | 176,764 | 0 | 42,389 |
| CIC | 31 Dec | 111,906 | 111,906 | 0 | 146,014 | 114 | 145,900 |
| COL PROT _b | 30 Jun | 0 | 0 | 0 | -1,178 | -101 | 0 |
| COLOGNE RE | 31 Dec | 11 | 0 | 11 | -2,379 | 0 | 0 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Net incurred claims | Under-writing expenses | Under-writing result | Investment income | Other items less operating expenses | Net profit / loss after tax | Balance date | Company short name |
|---------------------|------------------------|----------------------|-------------------|-------------------------------------|-----------------------------|--------------|-------------------------|
| 1,218,628 | 507,374 | 192,416 | 229,297 | -93,923 | 327,790 | 31 Dec | AAIL |
| 0 | 184,515 | -145,770 | 2,337 | 144,872 | 1,439 | 31 Dec | AAMI |
| 32,182 | 57,853 | 73,244 | 21,955 | -23,450 | 71,749 | 31 Dec | ACE |
| | | | | | | 30 Sep | AFG _{ab} |
| 10,807 | 1,761 | -180 | 1,197 | -2,335 | -1,318 | 31 Mar | AIOI |
| -2,200 | 12 | 2,313 | 1,099 | -1,251 | 2,161 | 31 Dec | ALEA |
| 130,598 | 45,156 | 64,116 | 48,811 | -50,190 | 62,737 | 31 Dec | AM HOME |
| 0 | 0 | 0 | 50 | 0 | 50 | 30 Nov | AM INT _b |
| -15,228 | -11,559 | 27,187 | 14,600 | -11,974 | 29,813 | 31 Dec | AME RE _b |
| -61 | 0 | 61 | 495 | -244 | 312 | 31 Dec | AMPG _b |
| 19,437 | -11,477 | 38,186 | 9,909 | -11,988 | 36,107 | 30 Sep | ANZ LMI |
| 35,210 | 464 | -20,111 | 10,815 | 2,688 | -6,608 | 30 Sep | ANZCOVER |
| 8,970 | 1,556 | -2,339 | 26,366 | -15,847 | 8,180 | 31 Dec | ASSET |
| 3,148 | -7,457 | 9,926 | 1,084 | -12,748 | -1,738 | 31 Dec | ATRADIUS |
| 0 | 15,050 | 0 | 266 | -875 | -609 | 31 Dec | AUS ALLNCE |
| -159 | -1 | 160 | -24 | -169 | -33 | 31 Dec | AUS FAMILY _b |
| 49,443 | 15,165 | 26,187 | 9,592 | -17,003 | 18,776 | 30 Jun | AUS INT |
| 44,173 | 14,890 | 77,945 | 41,130 | -42,085 | 76,990 | 30 Jun | AUS MED |
| 20,975 | 7,382 | 11,567 | 4,819 | -13,989 | 2,397 | 30 Jun | AUS UNITY |
| 58,391 | 23,892 | 3,168 | 2,271 | -3,593 | 1,846 | 30 Jun | AUTO GEN |
| 3,417 | 0 | -3,417 | 2,572 | -326 | -1,171 | 31 Dec | AXA _b |
| 494 | 0 | 399 | 1,799 | -773 | 1,425 | 30 Jun | BARRISTERS |
| 71,557 | 5,315 | -8,495 | 22,625 | -5,671 | 8,459 | 30 Jun | BHP MARINE |
| -178 | 0 | 178 | 1,179 | -479 | 878 | 30 Jun | BORAL _b |
| -6,411 | 520 | 8,729 | 1,708 | -10,060 | 377 | 30 Jun | BUDGET _b |
| 16,900 | 1,959 | 4,472 | 3,201 | -10,141 | -2,468 | 31 Dec | CALLI |
| -3,134 | 27 | 2,758 | 2,413 | -3,722 | 1,449 | 31 Dec | CALLI GRP _b |
| 88,630 | 26,237 | 13,184 | 85,783 | -6,057 | 92,910 | 30 Jun | CATHOLIC |
| -830 | 0 | 830 | 597 | -679 | 748 | 31 Dec | CAVELL _b |
| 928,219 | 679,060 | 68,627 | 278,763 | -84,235 | 263,155 | 30 Jun | CGU |
| -5,482 | -1,448 | 7,335 | 29,254 | -10,523 | 26,066 | 30 Jun | CGU VACC |
| 134,375 | 37,298 | 68,445 | 17,063 | -62,241 | 23,267 | 31 Dec | CHUBB |
| 0 | 0 | 0 | 593 | -157 | 436 | 31 Dec | CIC |
| -1,077 | 6 | 1,071 | 432 | -455 | 1,048 | 30 Jun | COL PROT _b |
| -2,379 | 54 | 2,336 | 9,593 | -166 | 11,763 | 31 Dec | COLOGNE RE |

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

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

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to December 2006

(\$ 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 |
|-------------------------|--------------|-----------------------|------------------------------|---------------------|-----------------------|------------------------------------|--------------------------------|
| COM INSUR | 30 Jun | 188,741 | 26,533 | 162,208 | 83,814 | -319 | 2,865 |
| COM STEAM _b | 30 Jun | 0 | 0 | 0 | 29 | 29 | 0 |
| COMBINED | 31 Dec | 88,126 | 0 | 88,126 | 36,076 | 0 | 0 |
| CONVER | 31 Dec | 3,327 | 3,112 | 215 | -7,399 | 0 | 947 |
| COPENHAGEN _b | 31 Dec | 16 | 0 | 16 | -2,375 | 0 | -11 |
| CORRVAS _b | 30 Jun | 0 | 0 | 0 | -650 | 0 | 0 |
| CREDICORP | 30 Jun | 2,680 | 0 | 2,680 | 442 | 0 | 0 |
| CUMIS | 31 Dec | 68,204 | 2,506 | 65,698 | 41,259 | 7,485 | 2,456 |
| CURASALUS | 30 Sep | 21,024 | 11,824 | 9,200 | 3,871 | 0 | 1,297 |
| EIG ANSVAR | 31 Dec | 110,243 | 37,590 | 72,653 | 65,162 | 6,381 | 19,599 |
| ELDERS | 30 Jun | 309,281 | 143,215 | 166,066 | 250,766 | 22,731 | 113,724 |
| EMPLOY MUT | 30 Jun | 2,504 | 1,047 | 1,457 | 5,333 | 188 | 1,079 |
| EMPLOY RE | 31 Dec | 50,437 | 11,309 | 39,128 | -31,200 | 0 | -8,717 |
| FARM MIL | 31 Mar | 51,418 | 23,445 | 27,973 | 35,107 | 1,402 | 16,495 |
| FIRST AM | 31 Dec | 5,182 | 111 | 5,071 | 2,596 | 0 | 1,955 |
| FM INS | 31 Dec | 184,142 | 105,194 | 78,948 | 102,820 | 0 | 87,676 |
| FORTRON | 30 Jun | 21,560 | 514 | 21,046 | 7,883 | 1,881 | -45 |
| GEN LMI _b | 31 Dec | 0 | 5,733 | -5,733 | -45,606 | 642 | -207 |
| GE MORT | 31 Dec | 490,196 | 48,513 | 441,683 | 254,487 | 15,374 | -921 |
| GEN RE | 31 Dec | 96,738 | 45,506 | 51,232 | 5,454 | 0 | -13,126 |
| GERLING | 31 Dec | 7,230 | 8,831 | -1,601 | -2,532 | 0 | 2,834 |
| GIO GEN | 30 Jun | 1,454,308 | 68,231 | 1,386,077 | 1,017,880 | 142,102 | 9,008 |
| GORDIAN _b | 31 Dec | -1,160 | 323 | -1,483 | -71,282 | -3,397 | 509 |
| GUILD INS | 30 Jun | 121,805 | 36,089 | 85,716 | 60,998 | 0 | 15,095 |
| HALLMARK | 31 Dec | 56,216 | 101 | 56,115 | 15,247 | 2,831 | -824 |
| HANNOVER | 31 Dec | 127,408 | 30,093 | 97,315 | 85,274 | 0 | 3,041 |
| HBF INS | 30 Jun | 87,702 | 13,667 | 74,035 | 55,727 | 9,607 | 6,181 |
| HOLLARD | 30 Jun | 79,065 | 29,854 | 49,211 | 45,242 | 821 | 17,023 |
| HPIA | 30 Jun | 57,930 | 5,100 | 52,830 | 11,538 | 0 | 60 |
| HSB | 31 Dec | 14,844 | 2,277 | 12,567 | 9,161 | 0 | -23 |
| IAG RE | 30 Jun | 0 | 0 | 0 | 0 | 0 | 0 |
| IAL | 30 Jun | 2,661,621 | 1,490,279 | 1,171,342 | 1,752,989 | 222,577 | 692,008 |
| IMA | 30 Jun | 1,991,234 | 148,985 | 1,842,249 | 1,303,372 | 166,451 | 3,900 |
| ING | 31 Dec | 51,882 | 744 | 51,138 | 26,054 | 0 | 0 |
| KEMPER INS _b | 31 Dec | 0 | 0 | 0 | -23 | 0 | 0 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Net incurred claims | Under-writing expenses | Under-writing result | Investment income | Other items less operating expenses | Net profit / loss after tax | Balance date | Company short name |
|---------------------|------------------------|----------------------|-------------------|-------------------------------------|-----------------------------|--------------|-------------------------|
| 81,268 | 48,420 | 32,520 | 6,873 | -12,500 | 26,893 | 30 Jun | COM INSUR |
| 0 | 0 | 0 | 120 | -104 | 16 | 30 Jun | COM STEAM _b |
| 36,076 | 22,305 | 29,745 | 4,878 | -28,830 | 5,793 | 31 Dec | COMBINED |
| -8,346 | 527 | 8,034 | 6,802 | -5,188 | 9,648 | 31 Dec | CONVER |
| -2,364 | 5 | 2,375 | 4,442 | -2,773 | 4,044 | 31 Dec | COPENHAGEN _b |
| -650 | -68 | 718 | 891 | -50 | 1,559 | 30 Jun | CORRVAS _b |
| 442 | 2,138 | 100 | 618 | -356 | 362 | 30 Jun | CREDICORP |
| 31,318 | 13,189 | 21,191 | 3,741 | -19,570 | 5,362 | 31 Dec | CUMIS |
| 2,574 | 4,494 | 2,132 | 8,269 | -2,128 | 8,273 | 30 Sep | CURASALUS |
| 39,182 | 16,748 | 16,723 | 7,422 | -11,106 | 13,039 | 31 Dec | EIG ANSVAR |
| 114,311 | 11,040 | 40,715 | 9,335 | -39,649 | 10,401 | 30 Jun | ELDERS |
| 4,066 | 312 | -2,921 | 7,682 | 2,718 | 7,479 | 30 Jun | EMPLOY MUT |
| -22,483 | 7,128 | 54,483 | 51,533 | -47,919 | 58,097 | 31 Dec | EMPLOY RE |
| 17,210 | 9,124 | 1,639 | 2,208 | -3,458 | 389 | 31 Mar | FARM MIL |
| 641 | 184 | 4,246 | 493 | -3,709 | 1,030 | 31 Dec | FIRST AM |
| 15,144 | 17,138 | 46,666 | 10,672 | -27,056 | 30,282 | 31 Dec | FM INS |
| 6,047 | 11,363 | 3,636 | 451 | -3,420 | 667 | 30 Jun | FORTRON |
| -46,041 | 975 | 39,333 | 3,140 | -4,544 | 37,929 | 31 Dec | GEN LMI _b |
| 240,034 | 33,323 | 168,326 | 76,880 | -83,735 | 161,471 | 31 Dec | GE MORT |
| 18,580 | 28,220 | 4,432 | 15,199 | -8,123 | 11,508 | 31 Dec | GEN RE |
| -5,366 | -567 | 4,332 | 2,772 | -3,351 | 3,753 | 31 Dec | GERLING |
| 866,770 | 302,931 | 216,376 | 203,378 | -120,807 | 298,947 | 30 Jun | GIO GEN |
| -68,394 | -325 | 67,236 | 41,930 | -34,693 | 74,473 | 31 Dec | GORDIAN _b |
| 45,903 | 9,433 | 30,380 | 16,558 | -29,490 | 17,448 | 30 Jun | GUILD INS |
| 13,240 | 6,833 | 36,042 | 10,849 | -20,172 | 26,719 | 31 Dec | HALLMARK |
| 82,233 | 22,956 | -7,874 | 20,493 | -7,174 | 5,445 | 31 Dec | HANNOVER |
| 39,939 | 3,638 | 30,458 | 5,203 | -20,505 | 15,156 | 30 Jun | HBF INS |
| 27,398 | 29,671 | -7,858 | 7,176 | -9,006 | -9,688 | 30 Jun | HOLLARD |
| 11,478 | 4,299 | 37,053 | 6,588 | -19,960 | 23,681 | 30 Jun | HPIA |
| 9,184 | 5,928 | -2,545 | 1,084 | -5,820 | -7,281 | 31 Dec | HSB |
| 0 | 0 | 0 | 482 | -144 | 338 | 30 Jun | IAG RE |
| 838,404 | 289,959 | 42,979 | 893,985 | -284,335 | 652,629 | 30 Jun | IAL |
| 1,133,020 | 369,132 | 340,096 | 178,613 | -166,063 | 352,646 | 30 Jun | IMA |
| 26,054 | 10,221 | 14,863 | 5,318 | -7,474 | 12,707 | 31 Dec | ING |
| -23 | 0 | 23 | 239 | -238 | 24 | 31 Dec | KEMPER INS _b |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to December 2006

(\$ 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 |
|--------------------------|--------------|-----------------------|------------------------------|---------------------|-----------------------|------------------------------------|--------------------------------|
| LAWCOVER | 30 Jun | 77,669 | 33,088 | 44,581 | 57,844 | 0 | 27,745 |
| LIBERTY | 31 Dec | 166,016 | 87,551 | 78,465 | 81,181 | 0 | 28,836 |
| LIONHEART _b | 30 Jun | 1,083 | 0 | 1,083 | 352 | 0 | 0 |
| LUMLEY GEN | 30 Jun | 530,391 | 157,467 | 372,924 | 392,065 | 45,342 | 145,729 |
| MASTER BUT _{ab} | 01 Dec | | | | | | |
| MDA | 30 Jun | 53,058 | 7,306 | 45,752 | 40,364 | 6,628 | 13,246 |
| MDU _b | 30 Jun | 0 | 0 | 0 | -584 | 0 | -388 |
| METLIFE _b | 31 Dec | 0 | 0 | 0 | 0 | 0 | 0 |
| MIA | 30 Jun | 41,840 | 9,130 | 32,710 | 30,766 | 6,136 | 9,267 |
| mitsui | 31 Mar | 22,237 | 6,732 | 15,505 | 9,398 | 0 | -80 |
| MMIA _b | 31 Dec | 475 | 412 | 63 | -22,842 | -5,852 | -53 |
| MRMPL | 30 Jun | 3,506 | 1,558 | 1,948 | 335 | 23 | 0 |
| MTA | 30 Jun | 19,035 | 0 | 19,035 | 2,986 | 0 | 0 |
| MUNICH RE | 31 Dec | 557,926 | 36,697 | 521,229 | 353,902 | 0 | 40,112 |
| MUNICIPAL _b | 30 Jun | 0 | 0 | 0 | 450 | 0 | 0 |
| MUT COMM | 30 Jun | 36,847 | 4,061 | 32,786 | 20,038 | 2,729 | 973 |
| NEW INDIA | 31 Mar | 5,801 | 1,756 | 4,045 | 4,548 | 0 | 214 |
| NIPPONKOA | 31 Mar | 6,643 | 2,167 | 4,476 | 11,766 | 115 | 10,496 |
| NORTH _b | 31 Dec | 0 | 0 | 0 | -15,042 | 0 | -14,829 |
| NRG LONDON _b | 31 Dec | 0 | 0 | 0 | -2,749 | 0 | 0 |
| NRG VIC _b | 31 Dec | 0 | 0 | 0 | 11,829 | 0 | 3,398 |
| NZI AUS | 30 Jun | 77 | 0 | 77 | -16,630 | 4,636 | 3,616 |
| OPTUS | 31 Mar | 42,357 | 0 | 42,357 | 38,176 | 6,917 | 0 |
| PIA _b | 30 Jun | 0 | 0 | 0 | -2,183 | 0 | -2,093 |
| PIICA | 30 Jun | 59,995 | 9,395 | 50,600 | 21,867 | 1,900 | -11,373 |
| PLMI | 31 Dec | 5,706 | 3,414 | 2,292 | 124 | 40 | 249 |
| PMI MORT | 31 Dec | 232,904 | 4,279 | 228,625 | 74,819 | 8,174 | 53 |
| POSEIDON _b | 30 Jun | 0 | 0 | 0 | 58 | 58 | 0 |
| QBE AUS | 31 Dec | 2,587,315 | 414,056 | 2,173,259 | 1,333,361 | 21,423 | 188,050 |
| QBE INT | 31 Dec | 370,961 | 138,625 | 232,336 | 127,042 | 0 | 20,553 |
| RAA | 30 Jun | 70,683 | 4,990 | 65,693 | 57,588 | 9,980 | -153 |
| RAC | 31 Dec | 208,846 | 10,859 | 197,987 | 150,282 | 22,920 | 3,532 |
| RACQ | 31 Dec | 421,838 | 23,054 | 398,784 | 301,187 | 41,614 | 33,925 |
| RACT | 30 Jun | 45,250 | 3,280 | 41,970 | 37,706 | 3,540 | 157 |
| RURAL _b | 30 Jun | 0 | 0 | 0 | -124 | 0 | 0 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Net incurred claims | Under-writing expenses | Under-writing result | Investment income | Other items less operating expenses | Net profit / loss after tax | Balance date | Company short name |
|---------------------|------------------------|----------------------|-------------------|-------------------------------------|-----------------------------|--------------|--------------------------|
| 30,099 | 0 | 14,482 | 4,315 | -9,451 | 9,346 | 30 Jun | LAWCOVER |
| 52,345 | -2,819 | 28,939 | 14,187 | -24,119 | 19,007 | 31 Dec | LIBERTY |
| 352 | 943 | -212 | 183 | -357 | -386 | 30 Jun | LIONHEART _b |
| 200,994 | 106,006 | 65,924 | 17,608 | -36,659 | 46,873 | 30 Jun | LUMLEY GEN |
| | | | | | | 01 Dec | MASTER BUT _{ab} |
| 20,490 | 1,400 | 23,862 | 9,936 | -18,796 | 15,002 | 30 Jun | MDA |
| -196 | 0 | 196 | 206 | -125 | 277 | 30 Jun | MDU _b |
| 0 | 0 | 0 | 503 | -151 | 352 | 31 Dec | METLIFE _b |
| 15,363 | 732 | 16,615 | 3,744 | -10,024 | 10,335 | 30 Jun | MIA |
| 9,478 | 1,685 | 4,342 | 5,136 | -4,140 | 5,338 | 31 Mar | MITSUMI |
| -16,937 | -288 | 17,288 | 29,822 | -16,584 | 30,526 | 31 Dec | MMIA _b |
| 312 | 114 | 1,522 | 1,336 | -1,071 | 1,787 | 30 Jun | MRMPL |
| 2,986 | 9,392 | 6,657 | 5,083 | -6,352 | 5,388 | 30 Jun | MTA |
| 313,790 | 111,168 | 96,271 | 77,137 | -64,215 | 109,193 | 31 Dec | MUNICH RE |
| 450 | 9 | -459 | 14 | 0 | -445 | 30 Jun | MUNICIPAL _b |
| 16,336 | 11,395 | 5,055 | 1,185 | -2,084 | 4,156 | 30 Jun | MUT COMM |
| 4,334 | 666 | -955 | 1,147 | -536 | -344 | 31 Mar | NEW INDIA |
| 1,155 | 1,925 | 1,396 | 1,231 | -689 | 1,938 | 31 Mar | NIPPONKOA |
| -213 | 0 | 213 | 1,023 | -465 | 771 | 31 Dec | NORTH _b |
| -2,749 | 0 | 2,749 | 740 | -1,490 | 1,999 | 31 Dec | NRG LONDON _b |
| 8,431 | 0 | -8,431 | 1,337 | 2,266 | -4,828 | 31 Dec | NRG VIC _b |
| -24,883 | -466 | 25,425 | 18,463 | -13,489 | 30,399 | 30 Jun | NZI AUS |
| 31,259 | 3,417 | 7,681 | 1,050 | -3,117 | 5,614 | 31 Mar | OPTUS |
| -90 | 0 | 90 | 3,031 | -1,495 | 1,626 | 30 Jun | PIA _b |
| 31,340 | 2,815 | 16,445 | 6,203 | -16,001 | 6,647 | 30 Jun | PIICA |
| -165 | -1,008 | 3,465 | 732 | -1,680 | 2,517 | 31 Dec | PLMI |
| 66,592 | 17,838 | 144,195 | 42,788 | -81,712 | 105,271 | 31 Dec | PMI MORT |
| 0 | 0 | 0 | 26 | -111 | -85 | 30 Jun | POSEIDON _b |
| 1,123,888 | 727,723 | 321,648 | 202,146 | -98,282 | 425,512 | 31 Dec | QBE AUS |
| 106,489 | 42,907 | 82,940 | 35,389 | -82,206 | 36,123 | 31 Dec | QBE INT |
| 47,761 | 14,088 | 3,844 | 5,183 | -3,838 | 5,189 | 30 Jun | RAA |
| 123,830 | 25,829 | 48,328 | 11,605 | -39,114 | 20,819 | 31 Dec | RAC |
| 225,648 | 59,676 | 113,460 | 48,149 | -67,963 | 93,646 | 31 Dec | RACQ |
| 34,009 | 8,530 | -569 | 2,382 | -512 | 1,301 | 30 Jun | RACT |
| -124 | 0 | 124 | 14 | -781 | -643 | 30 Jun | RURAL _b |

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

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

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to December 2006

(\$ 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 |
|---------------------------|--------------|-----------------------|------------------------------|---------------------|-----------------------|------------------------------------|--------------------------------|
| SCOR | 31 Dec | 18,995 | 5,725 | 13,270 | 16,651 | 0 | 455 |
| SGIA ^a | 30 Sep | | | | | | |
| SOMPO | 31 Dec | 11,931 | 4,855 | 7,076 | -3,639 | -854 | -3,187 |
| SPHERE DRA ^b | 31 Dec | 1 | 0 | 1 | 290 | 0 | -2 |
| ST ANDREW | 31 Dec | 15,153 | -164 | 15,317 | 992 | 0 | 0 |
| ST PAUL ^b | 30 Sep | 0 | -864 | 864 | -13,250 | 0 | -16,470 |
| STATECOVER | 30 Jun | 50,898 | 2,635 | 48,263 | 29,700 | 698 | -432 |
| STEWART | 31 Dec | 1,986 | 144 | 1,842 | 2,235 | 1,377 | 55 |
| SUNCORP | 30 Jun | 1,195,748 | 97,846 | 1,097,902 | 982,075 | 90,476 | 73,472 |
| SUNDERLAND | 31 Dec | 20,897 | 6,171 | 14,726 | 13,817 | 0 | 6,307 |
| SUNSTATE | 30 Jun | 3,904 | 1,844 | 2,060 | -228 | 0 | -145 |
| SWANN | 30 Jun | 215,120 | 14,747 | 200,373 | 104,207 | 14,970 | 5,071 |
| SWISS RE | 31 Dec | 517,104 | 88,639 | 428,465 | 149,257 | 0 | 7,363 |
| TAXI ^b | 30 Jun | 943 | 0 | 943 | 988 | 0 | 520 |
| TGI AUS ^b | 31 Dec | 1,623 | 880 | 743 | 21,557 | 1,359 | 22,762 |
| TMIC | 30 Jun | 5,006 | 2,121 | 2,885 | 2,874 | 22 | 10 |
| TOKIO | 31 Mar | 42,070 | 20,000 | 22,070 | 39,427 | 4,814 | 22,621 |
| TOWER ^b | 30 Sep | 0 | 0 | 0 | 182 | 0 | -18 |
| TRC | 31 Dec | 32,777 | 2,301 | 30,476 | 19,494 | 0 | -2,553 |
| VERO | 31 Dec | 2,797,935 | 299,151 | 2,498,784 | 2,167,616 | 489,617 | 34,871 |
| VIRGINIA | 31 Dec | 11,212 | -6,318 | 17,530 | 3,818 | 0 | -367 |
| WESFARMERS | 30 Jun | 289,211 | 44,162 | 245,049 | 216,469 | 13,906 | 64,489 |
| WESTERN | 31 Dec | 32,991 | 19,718 | 13,273 | 6,062 | 495 | 5,018 |
| WESTPAC | 30 Sep | 172,227 | 10,968 | 161,259 | 80,586 | 0 | 158 |
| WPAC LMI | 30 Sep | 81,094 | 22,377 | 58,717 | 24,250 | 1,295 | 4,413 |
| XL INS | 31 Dec | 75,876 | 33,789 | 42,087 | 6,962 | 1,079 | -4,803 |
| XL RE ^b | 31 Dec | 3,171 | 1,934 | 1,237 | -6,191 | 0 | -1,959 |
| ZURICH | 31 Dec | 850,987 | 144,013 | 706,974 | 390,709 | 32,308 | 14,479 |
| Total (\$ million) | | 28,862 | 7,561 | 21,300 | 18,381 | 1,709 | 4,491 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Net incurred claims | Under-writing expenses | Under-writing result | Investment income | Other items less operating expenses | Net profit / loss after tax | Balance date | Company short name |
|---------------------|------------------------|----------------------|-------------------|-------------------------------------|-----------------------------|--------------|---------------------------|
| 16,196 | 2,666 | -5,592 | 3,024 | -494 | -3,062 | 31 Dec | SCOR |
| | | | | | | 30 Sep | SGIA ^a |
| 402 | 1,136 | 5,538 | 1,351 | -2,548 | 4,341 | 31 Dec | SOMPO |
| 292 | 0 | -291 | 338 | -267 | -220 | 31 Dec | SPHERE DRA ^b |
| 992 | 4,319 | 10,006 | 1,851 | -5,222 | 6,635 | 31 Dec | ST ANDREW |
| 3,220 | -392 | -1,964 | 4,411 | 0 | 2,447 | 30 Sep | ST PAUL ^b |
| 29,434 | 9,193 | 9,636 | 6,766 | -7,182 | 9,220 | 30 Jun | STATECOVER |
| 803 | 1,101 | -62 | 476 | -890 | -476 | 31 Dec | STEWART |
| 818,127 | 327,463 | -47,688 | 755,718 | -94,727 | 613,303 | 30 Jun | SUNCORP |
| 7,510 | 7,215 | 1 | 1,139 | -1,250 | -110 | 31 Dec | SUNDERLAND |
| -83 | 112 | 2,031 | 898 | -1,117 | 1,812 | 30 Jun | SUNSTATE |
| 84,166 | 91,647 | 24,560 | 55,186 | -24,107 | 55,639 | 30 Jun | SWANN |
| 141,894 | 136,720 | 149,851 | 66,365 | -93,709 | 122,507 | 31 Dec | SWISS RE |
| 468 | 0 | 475 | 219 | -407 | 287 | 30 Jun | TAXI ^b |
| -2,564 | -393 | 3,700 | 6,386 | -4,756 | 5,330 | 31 Dec | TGI AUS ^b |
| 2,842 | 308 | -265 | 483 | -2,925 | -2,707 | 30 Jun | TMIC |
| 11,992 | 4,490 | 5,588 | 4,648 | -3,645 | 6,591 | 31 Mar | TOKIO |
| 200 | 0 | -200 | 1,931 | -728 | 1,003 | 30 Sep | TOWER ^b |
| 22,047 | 1,875 | 6,554 | 2,557 | -5,502 | 3,609 | 31 Dec | TRC |
| 1,643,128 | 667,798 | 187,858 | 159,939 | -6,848 | 340,949 | 31 Dec | VERO |
| 4,185 | 10,077 | 3,268 | 1,408 | -1,096 | 3,580 | 31 Dec | VIRGINIA |
| 138,074 | 63,495 | 43,480 | 12,335 | -27,396 | 28,419 | 30 Jun | WESFARMERS |
| 549 | -2,708 | 15,432 | 1,993 | -6,174 | 11,251 | 31 Dec | WESTERN |
| 80,428 | 45,671 | 35,160 | 7,512 | -11,140 | 31,532 | 30 Sep | WESTPAC |
| 18,542 | 4,598 | 35,577 | 9,329 | -13,471 | 31,435 | 30 Sep | WPAC LMI |
| 10,686 | 2,859 | 28,542 | 4,423 | -17,604 | 15,361 | 31 Dec | XL INS |
| -4,232 | -301 | 5,770 | 2,926 | -2,779 | 5,917 | 31 Dec | XL RE ^b |
| 343,922 | 253,700 | 109,352 | 105,572 | -55,849 | 159,075 | 31 Dec | ZURICH |
| 12,181 | 5,651 | 3,469 | 4,272 | -2,378 | 5,364 | | Total (\$ million) |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Investments | Total assets | Outstanding claims provision | Premium liabilities | Total liabilities | Net assets |
|-------------------------|--------------|-------------|--------------|------------------------------|---------------------|-------------------|------------|
| AAIL | 31 Dec | 6,207,028 | 8,636,611 | 4,133,864 | 1,048,792 | 6,993,875 | 1,642,737 |
| AAMI | 31 Dec | 3,603 | 2,030,665 | 1,119,411 | 783,474 | 2,010,941 | 19,724 |
| ACE | 31 Dec | 380,440 | 944,028 | 414,219 | 177,520 | 740,260 | 203,768 |
| AFG ^{ab} | 30 Sep | | | | | | |
| AIOI | 31 Mar | 20,071 | 43,453 | 11,886 | 19,400 | 34,850 | 8,603 |
| ALEA | 31 Dec | 22,150 | 25,648 | 3,759 | 0 | 4,552 | 21,096 |
| AM HOME | 31 Dec | 661,319 | 1,519,266 | 863,209 | 261,122 | 1,248,190 | 271,076 |
| AM INT _b | 30 Nov | 10,803 | 10,901 | 273 | 0 | 279 | 10,622 |
| AME RE _b | 31 Dec | 357,342 | 406,787 | 191,493 | 0 | 245,487 | 161,300 |
| AMPG _b | 31 Dec | 6,588 | 7,428 | 86 | 13 | 401 | 7,027 |
| ANZ LMI | 30 Sep | 199,676 | 245,252 | 5,292 | 65,258 | 94,036 | 151,216 |
| ANZCOVER | 30 Sep | 184,882 | 222,046 | 57,124 | 29,160 | 91,482 | 130,564 |
| ASSET | 31 Dec | 181,363 | 227,198 | 117,759 | 7,760 | 150,254 | 76,944 |
| ATRADIUS | 31 Dec | 27,848 | 59,560 | 17,791 | 5,111 | 33,773 | 25,787 |
| AUS ALLNCE | 31 Dec | 0 | 388,393 | 84,466 | 175,663 | 364,577 | 23,816 |
| AUS FAMILY _b | 31 Dec | 1,473 | 1,869 | 768 | 0 | 959 | 910 |
| AUS INT | 30 Jun | 138,117 | 250,764 | 93,099 | 69,506 | 191,945 | 58,819 |
| AUS MED | 30 Jun | 411,737 | 762,905 | 329,049 | 32,400 | 481,440 | 281,465 |
| AUS UNITY | 30 Jun | 48,774 | 99,000 | 39,731 | 25,967 | 74,968 | 24,034 |
| AUTO GEN | 30 Jun | 33,891 | 77,001 | 11,375 | 44,969 | 65,269 | 11,732 |
| AXA _b | 31 Dec | 45,233 | 51,886 | 18,569 | 0 | 19,451 | 32,435 |
| BARRISTERS | 30 Jun | 14,731 | 14,927 | 433 | 800 | 2,405 | 12,522 |
| BHP MARINE | 30 Jun | 426,156 | 595,161 | 126,300 | 89,778 | 247,276 | 347,885 |
| BORAL _b | 30 Jun | 22,110 | 35,984 | 16,275 | 0 | 24,890 | 11,094 |
| BUDGET _b | 30 Jun | 9,289 | 17,539 | 3,700 | 133 | 6,849 | 10,690 |
| CALLI | 31 Dec | 53,690 | 86,719 | 14,693 | 20,946 | 45,145 | 41,574 |
| CALLI GRP _b | 31 Dec | 95,025 | 99,259 | 5,747 | 0 | 10,777 | 88,482 |
| CATHOLIC | 30 Jun | 540,434 | 734,055 | 336,482 | 86,328 | 509,128 | 224,927 |
| CAVELL _b | 31 Dec | 4,915 | 14,543 | 3,096 | 0 | 3,601 | 10,942 |
| CGU | 30 Jun | 2,928,762 | 4,735,110 | 2,071,436 | 843,055 | 3,480,481 | 1,254,629 |
| CGU VACC | 30 Jun | 121,264 | 138,341 | 52,061 | 121 | 97,221 | 41,120 |
| CHUBB | 31 Dec | 590,868 | 863,216 | 421,167 | 101,956 | 600,118 | 263,098 |
| CIC | 31 Dec | 10,451 | 504,781 | 438,796 | 55,404 | 494,200 | 10,581 |
| COL PROT _b | 30 Jun | 7,324 | 7,511 | 0 | 0 | 693 | 6,818 |
| COLOGNE RE | 31 Dec | 205,791 | 210,162 | 71,230 | 0 | 76,936 | 133,226 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Investments | Total assets | Outstanding claims provision | Premium liabilities | Total liabilities | Net assets |
|-------------------------|--------------|-------------|--------------|------------------------------|---------------------|-------------------|------------|
| COM INSUR | 30 Jun | 42,556 | 261,443 | 85,526 | 74,245 | 199,925 | 61,518 |
| COM STEAM ^b | 30 Jun | 2,147 | 4,439 | 1,995 | 0 | 2,090 | 2,348 |
| COMBINED | 31 Dec | 94,824 | 124,261 | 20,395 | 14,938 | 51,750 | 72,511 |
| CONVER | 31 Dec | 159,590 | 186,620 | 67,605 | 5,672 | 81,448 | 105,172 |
| COPENHAGEN ^b | 31 Dec | 75,387 | 76,449 | 17,450 | 0 | 24,470 | 51,979 |
| CORRVAS ^b | 30 Jun | 16,076 | 16,110 | 1,744 | 0 | 2,099 | 14,011 |
| CREDICORP | 30 Jun | 10,686 | 11,960 | 520 | 4,293 | 4,860 | 7,100 |
| CUMIS | 31 Dec | 88,731 | 138,731 | 19,053 | 45,434 | 88,313 | 50,418 |
| CURASALUS | 30 Sep | 130,167 | 158,602 | 28,446 | 16,283 | 62,631 | 95,972 |
| EIG ANSVAR | 31 Dec | 162,097 | 263,113 | 120,321 | 47,155 | 193,750 | 69,363 |
| ELDERS | 30 Jun | 155,295 | 421,311 | 165,742 | 124,081 | 346,788 | 74,523 |
| EMPLOY MUT | 30 Jun | 50,944 | 77,135 | 14,606 | 1,050 | 24,630 | 52,505 |
| EMPLOY RE | 31 Dec | 842,159 | 907,179 | 506,157 | 62,383 | 609,202 | 297,977 |
| FARM MIL | 31 Mar | 32,421 | 78,328 | 21,844 | 23,584 | 62,932 | 15,396 |
| FIRST AM | 31 Dec | 7,630 | 17,061 | 7,116 | 0 | 9,107 | 7,953 |
| FM INS | 31 Dec | 165,663 | 354,374 | 132,823 | 68,039 | 242,356 | 112,018 |
| FORTRON | 30 Jun | 11,630 | 20,931 | 3,408 | 5,445 | 13,374 | 7,557 |
| GEN LMI ^b | 31 Dec | 132,226 | 140,400 | 1,987 | 11,620 | 37,358 | 103,042 |
| GE MORT | 31 Dec | 1,783,053 | 1,989,053 | 148,117 | 504,982 | 787,455 | 1,201,598 |
| GEN RE | 31 Dec | 659,870 | 1,063,080 | 597,256 | 68,053 | 803,936 | 259,144 |
| GERLING | 31 Dec | 72,145 | 208,233 | 159,273 | 2,047 | 174,862 | 33,371 |
| GIO GEN | 30 Jun | 2,675,904 | 3,605,238 | 1,825,514 | 754,937 | 2,893,616 | 711,622 |
| GORDIAN ^b | 31 Dec | 1,307,863 | 1,427,166 | 697,204 | 0 | 731,474 | 695,692 |
| GUILD INS | 30 Jun | 133,429 | 251,244 | 117,793 | 48,357 | 195,346 | 55,898 |
| HALLMARK | 31 Dec | 143,508 | 176,827 | 6,377 | 48,005 | 67,791 | 109,037 |
| HANNOVER | 31 Dec | 500,971 | 625,710 | 345,659 | 107,590 | 458,178 | 167,532 |
| HBF INS | 30 Jun | 51,191 | 88,527 | 13,103 | 29,686 | 55,603 | 32,924 |
| HOLLARD | 30 Jun | 26,228 | 112,121 | 29,835 | 26,880 | 88,291 | 23,830 |
| HPIA | 30 Jun | 80,592 | 121,247 | 35,274 | 13,436 | 73,084 | 48,163 |
| HSB | 31 Dec | 19,727 | 31,566 | 5,730 | 15,954 | 24,221 | 7,345 |
| IAG RE | 30 Jun | 6,481 | 6,511 | 0 | 0 | 338 | 6,173 |
| IAL | 30 Jun | 7,454,788 | 10,039,998 | 3,965,868 | 1,233,555 | 6,902,009 | 3,137,990 |
| IMA | 30 Jun | 1,418,821 | 2,129,502 | 390,871 | 856,660 | 1,496,215 | 633,288 |
| ING | 31 Dec | 66,722 | 101,342 | 8,266 | 33,056 | 59,619 | 41,723 |
| KEMPER INS ^b | 31 Dec | 3,964 | 4,341 | 669 | 0 | 760 | 3,581 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Investments | Total assets | Outstanding claims provision | Premium liabilities | Total liabilities | Net assets |
|--------------------------|--------------|-------------|--------------|------------------------------|---------------------|-------------------|------------|
| LAWCOVER | 30 Jun | 141,894 | 235,025 | 88,405 | 61,478 | 206,866 | 28,159 |
| LIBERTY | 31 Dec | 356,755 | 686,850 | 430,452 | 84,736 | 572,067 | 114,783 |
| LIONHEART _b | 30 Jun | 2,835 | 3,357 | 258 | 479 | 2,396 | 961 |
| LUMLEY GEN | 30 Jun | 290,686 | 726,330 | 351,328 | 165,880 | 609,625 | 116,705 |
| MASTER BUT _{ab} | 01 Dec | | | | | | |
| MDA | 30 Jun | 114,396 | 209,599 | 119,341 | 14,901 | 162,974 | 46,625 |
| MDU _b | 30 Jun | 0 | 5,761 | 455 | 0 | 456 | 5,305 |
| METLIFE _b | 31 Dec | 0 | 9,771 | 2,911 | 0 | 3,037 | 6,734 |
| MIA | 30 Jun | 50,698 | 143,087 | 76,222 | 21,883 | 111,908 | 31,179 |
| MITSUI | 31 Mar | 96,931 | 114,474 | 17,845 | 10,660 | 29,969 | 84,505 |
| MMIA _b | 31 Dec | 586,313 | 689,655 | 301,545 | 375 | 505,942 | 183,713 |
| MRMPL | 30 Jun | 20,699 | 23,119 | 1,132 | 5,149 | 8,319 | 14,800 |
| MTA | 30 Jun | 31,073 | 33,694 | 1,515 | 9,363 | 14,927 | 18,767 |
| MUNICH RE | 31 Dec | 1,618,062 | 2,241,913 | 1,028,486 | 426,779 | 1,766,899 | 475,014 |
| MUNICIPAL _b | 30 Jun | 12,238 | 12,246 | 2,582 | 0 | 2,591 | 9,655 |
| MUT COMM | 30 Jun | 25,553 | 53,470 | 12,807 | 17,092 | 40,753 | 12,717 |
| NEW INDIA | 31 Mar | 20,855 | 26,660 | 3,358 | 5,258 | 9,932 | 16,728 |
| NIPPONKOA | 31 Mar | 0 | 41,853 | 16,453 | 3,274 | 23,817 | 18,036 |
| NORTH _b | 31 Dec | 16,624 | 20,498 | 7,349 | 0 | 7,836 | 12,663 |
| NRG LONDON _b | 31 Dec | 16,573 | 18,913 | 1,909 | 0 | 2,757 | 16,156 |
| NRG VIC _b | 31 Dec | 34,191 | 49,003 | 17,873 | 0 | 19,467 | 29,536 |
| NZI AUS | 30 Jun | 261,291 | 465,126 | 346,154 | 0 | 379,782 | 85,344 |
| OPTUS | 31 Mar | 13,914 | 15,458 | 2,929 | 1,439 | 7,675 | 7,783 |
| PIA _b | 30 Jun | 34,447 | 51,397 | 31,037 | 0 | 33,821 | 17,576 |
| PIICA | 30 Jun | 145,188 | 211,566 | 97,200 | 20,700 | 168,079 | 43,487 |
| PLMI | 31 Dec | 12,875 | 17,655 | 293 | 904 | 5,385 | 12,270 |
| PMI MORT | 31 Dec | 1,280,609 | 1,436,548 | 58,048 | 158,883 | 394,346 | 1,042,202 |
| POSEIDON _b | 30 Jun | 2,426 | 3,144 | 225 | 0 | 265 | 2,879 |
| QBE AUS | 31 Dec | 3,200,306 | 5,158,183 | 2,500,069 | 846,339 | 3,777,590 | 1,380,593 |
| QBE INT | 31 Dec | 590,216 | 971,985 | 290,743 | 91,447 | 546,764 | 425,221 |
| RAA | 30 Jun | 49,307 | 77,034 | 13,644 | 34,853 | 59,015 | 18,019 |
| RAC | 31 Dec | 166,255 | 360,613 | 37,980 | 108,969 | 164,142 | 196,471 |
| RACQ | 31 Dec | 700,691 | 940,492 | 442,123 | 214,045 | 754,275 | 186,218 |
| RACT | 30 Jun | 21,710 | 49,685 | 10,592 | 24,302 | 40,038 | 9,647 |
| RURAL _b | 30 Jun | 3,028 | 4,140 | 3,136 | 0 | 3,309 | 831 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 13 Company level financial position (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Investments | Total assets | Outstanding claims provision | Premium liabilities | Total liabilities | Net assets |
|---------------------------|--------------|---------------|---------------|------------------------------|---------------------|-------------------|---------------|
| SCOR | 31 Dec | 60,008 | 85,264 | 28,081 | 20,015 | 49,008 | 36,256 |
| SGIA ^a | 30 Sep | | | | | | |
| SOMPO | 31 Dec | 25,013 | 38,067 | 12,561 | 4,777 | 20,239 | 17,828 |
| SPHERE DRA ^b | 31 Dec | 5,313 | 6,460 | 1,973 | 0 | 2,241 | 4,219 |
| ST ANDREW | 31 Dec | 19,025 | 21,163 | 549 | 6,906 | 10,561 | 10,602 |
| ST PAUL ^b | 30 Sep | 82,675 | 137,849 | 105,446 | 571 | 107,917 | 29,932 |
| STATECOVER | 30 Jun | 110,846 | 164,167 | 66,513 | 36,993 | 121,750 | 42,417 |
| STEWART | 31 Dec | 7,500 | 10,401 | 2,414 | 0 | 2,989 | 7,412 |
| SUNCORP | 30 Jun | 5,194,201 | 5,826,054 | 2,412,744 | 629,145 | 3,572,333 | 2,253,721 |
| SUNDERLAND | 31 Dec | 12,282 | 34,269 | 15,698 | 6,238 | 25,729 | 8,540 |
| SUNSTATE | 30 Jun | 17,123 | 18,281 | 226 | 5,338 | 7,202 | 11,079 |
| SWANN | 30 Jun | 333,332 | 414,158 | 43,582 | 172,869 | 299,077 | 115,081 |
| SWISS RE | 31 Dec | 1,479,011 | 1,992,799 | 1,104,604 | 294,635 | 1,442,191 | 550,608 |
| TAXI ^b | 30 Jun | 2,230 | 2,464 | 112 | 0 | 540 | 1,924 |
| TGI AUS ^b | 31 Dec | 144,122 | 200,843 | 106,683 | 750 | 109,061 | 91,782 |
| TMIC | 30 Jun | 12,715 | 16,972 | 592 | 3,004 | 4,712 | 12,260 |
| TOKIO | 31 Mar | 87,759 | 154,554 | 56,701 | 20,246 | 85,537 | 69,017 |
| TOWER ^b | 30 Sep | 38,922 | 40,531 | 10,922 | 0 | 11,557 | 28,974 |
| TRC | 31 Dec | 47,335 | 70,998 | 14,664 | 17,822 | 37,176 | 33,822 |
| VERO | 31 Dec | 4,134,050 | 6,131,452 | 2,417,843 | 1,416,768 | 4,626,310 | 1,505,142 |
| VIRGINIA | 31 Dec | 23,099 | 29,722 | 448 | 7,090 | 8,764 | 20,958 |
| WESFARMERS | 30 Jun | 238,664 | 366,221 | 151,462 | 100,636 | 289,437 | 76,784 |
| WESTERN | 31 Dec | 49,103 | 73,308 | 3,079 | 8,947 | 32,952 | 40,356 |
| WESTPAC | 30 Sep | 135,103 | 202,924 | 39,176 | 75,049 | 139,733 | 63,191 |
| WPAC LMI | 30 Sep | 202,919 | 243,736 | 4,874 | 57,525 | 96,189 | 147,547 |
| XL INS | 31 Dec | 128,870 | 235,427 | 100,230 | 48,248 | 164,672 | 70,755 |
| XL RE ^b | 31 Dec | 55,746 | 94,502 | 50,847 | 204 | 68,578 | 25,924 |
| ZURICH | 31 Dec | 1,825,819 | 2,576,105 | 1,254,257 | 351,219 | 1,728,708 | 847,397 |
| Total (\$ million) | | 56,950 | 83,605 | 34,961 | 13,806 | 58,819 | 24,786 |

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.

Table 14 Company level capital adequacy

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Minimum capital requirement | Capital base | Capital surplus | Solvency coverage |
|-------------------------|--------------|-----------------------------|--------------|-----------------|-------------------|
| AAIL | 31 Dec | 804,765 | 1,338,041 | 533,276 | 1.66 |
| AAMI | 31 Dec | 7,676 | 10,843 | 3,167 | 1.41 |
| ACE | 31 Dec | 74,532 | 200,547 | 126,015 | 2.69 |
| AFG _{cd} | 30 Sep | | | | |
| AIOI | 31 Mar | 6,041 | 10,146 | 4,105 | 1.68 |
| ALEA _a | 31 Dec | 5,000 | 20,850 | 15,850 | 4.17 |
| AM HOME | 31 Dec | 131,624 | 259,844 | 128,220 | 1.97 |
| AM INT _d | 30 Nov | 2,000 | 10,674 | 8,674 | 3.56 |
| AME RE _d | 31 Dec | 39,236 | 149,659 | 110,423 | 3.81 |
| AMPG _{ad} | 31 Dec | 5,000 | 7,018 | 2,018 | 1.40 |
| ANZ LMI _a | 30 Sep | 145,533 | 151,216 | 5,683 | 1.04 |
| ANZCOVER | 30 Sep | 75,770 | 127,977 | 52,207 | 1.69 |
| ASSET | 31 Dec | 33,018 | 75,834 | 42,816 | 2.30 |
| ATRADIUS | 31 Dec | 15,623 | 22,449 | 6,826 | 1.44 |
| AUS ALLNCE | 31 Dec | 5,926 | 18,088 | 12,162 | 3.05 |
| AUS FAMILY _d | 31 Dec | 2,000 | 895 | -1,105 | 0.45 |
| AUS INT | 30 Jun | 28,803 | 55,877 | 27,074 | 1.94 |
| AUS MED _b | 30 Jun | 93,945 | 285,527 | 191,582 | 3.04 |
| AUS UNITY | 30 Jun | 12,840 | 21,351 | 8,511 | 1.66 |
| AUTO GEN | 30 Jun | 8,320 | 12,795 | 4,475 | 1.54 |
| AXA _d | 31 Dec | 5,000 | 32,435 | 27,435 | 6.49 |
| BARRISTERS | 30 Jun | 5,000 | 12,522 | 7,522 | 2.50 |
| BHP MARINE | 30 Jun | 126,984 | 347,378 | 220,394 | 2.74 |
| BORAL _d | 30 Jun | 4,805 | 9,293 | 4,488 | 1.93 |
| BUDGET _d | 30 Jun | 5,000 | 6,740 | 1,740 | 1.35 |
| CALLI | 31 Dec | 6,240 | 41,574 | 35,334 | 6.66 |
| CALLI GRP _d | 31 Dec | 12,575 | 87,568 | 74,993 | 6.96 |
| CATHOLIC | 30 Jun | 104,034 | 224,927 | 120,893 | 2.16 |
| CAVELL _d | 31 Dec | 2,000 | 1,910 | -90 | 0.96 |
| CGU | 30 Jun | 536,837 | 1,031,175 | 494,338 | 1.92 |
| CGU VACC | 30 Jun | 12,181 | 44,221 | 32,040 | 3.63 |
| CHUBB | 31 Dec | 94,680 | 253,292 | 158,612 | 2.68 |
| CIC | 31 Dec | 5,000 | 10,581 | 5,581 | 2.12 |
| COL PROT _{ad} | 30 Jun | 5,000 | 6,818 | 1,818 | 1.36 |
| COLOGNE RE | 31 Dec | 13,749 | 133,226 | 119,477 | 9.69 |

^a May be subject to capital transitional arrangements under GGN 110.6 *Concentration Risk Charge for LMIs*.^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. 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.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Minimum capital requirement | Capital base | Capital surplus | Solvency coverage |
|-------------------------|--------------|-----------------------------|--------------|-----------------|-------------------|
| COM INSUR | 30 Jun | 37,461 | 61,518 | 24,057 | 1.64 |
| COM STEAM _d | 30 Jun | 2,000 | 2,333 | 333 | 1.17 |
| COMBINED | 31 Dec | 9,745 | 63,628 | 53,883 | 6.53 |
| CONVER | 31 Dec | 20,090 | 101,463 | 81,373 | 5.05 |
| COPENHAGEN _d | 31 Dec | 5,000 | 51,496 | 46,496 | 10.30 |
| CORRVAS _d | 30 Jun | 5,000 | 14,011 | 9,011 | 2.80 |
| CREDICORP | 30 Jun | 5,000 | 6,955 | 1,955 | 1.39 |
| CUMIS | 31 Dec | 23,389 | 46,880 | 23,491 | 2.00 |
| CURASALUS | 30 Sep | 58,288 | 95,972 | 37,684 | 1.65 |
| EIG ANSVAR | 31 Dec | 24,752 | 70,277 | 45,525 | 2.84 |
| ELDERS | 30 Jun | 34,041 | 77,003 | 42,962 | 2.26 |
| EMPLOY MUT | 30 Jun | 8,736 | 52,505 | 43,769 | 6.01 |
| EMPLOY RE | 31 Dec | 95,691 | 348,558 | 252,867 | 3.64 |
| FARM MIL | 31 Mar | 6,580 | 10,219 | 3,639 | 1.55 |
| FIRST AM | 31 Dec | 5,000 | 7,953 | 2,953 | 1.59 |
| FM INS | 31 Dec | 17,742 | 111,547 | 93,805 | 6.29 |
| FORTRON | 30 Jun | 7,472 | 8,396 | 924 | 1.12 |
| GEN LMI _{ad} | 31 Dec | 72,767 | 102,387 | 29,620 | 1.41 |
| GE MORT _a | 31 Dec | 1,130,740 | 1,189,145 | 58,405 | 1.05 |
| GEN RE | 31 Dec | 113,708 | 221,958 | 108,250 | 1.95 |
| GERLING | 31 Dec | 12,626 | 34,035 | 21,409 | 2.70 |
| GIO GEN | 30 Jun | 524,457 | 887,743 | 363,286 | 1.69 |
| GORDIAN _d | 31 Dec | 133,113 | 651,119 | 518,006 | 4.89 |
| GUILD INS | 30 Jun | 31,846 | 59,002 | 27,156 | 1.85 |
| HALLMARK | 31 Dec | 20,931 | 109,311 | 88,380 | 5.22 |
| HANNOVER | 31 Dec | 113,533 | 174,635 | 61,102 | 1.54 |
| HBF INS | 30 Jun | 11,430 | 36,649 | 25,219 | 3.21 |
| HOLLARD | 30 Jun | 9,666 | 23,830 | 14,164 | 2.47 |
| HPIA _b | 30 Jun | 18,703 | 51,663 | 32,960 | 2.76 |
| HSB | 31 Dec | 5,000 | 7,345 | 2,345 | 1.47 |
| IAG RE | 30 Jun | 5,000 | 6,173 | 1,173 | 1.23 |
| IAL | 30 Jun | 1,018,082 | 2,664,247 | 1,646,165 | 2.62 |
| IMA | 30 Jun | 276,149 | 636,979 | 360,830 | 2.31 |
| ING | 31 Dec | 30,100 | 41,723 | 11,623 | 1.39 |
| KEMPER INS _d | 31 Dec | 2,000 | 3,581 | 1,581 | 1.79 |

^a May be subject to capital transitional arrangements under GGN 110.6 *Concentration Risk Charge for LMIs*.

^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. 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.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Minimum capital requirement | Capital base | Capital surplus | Solvency coverage |
|--------------------------|--------------|-----------------------------|--------------|-----------------|-------------------|
| LAWCOVER | 30 Jun | 18,645 | 28,159 | 9,514 | 1.51 |
| LIBERTY | 31 Dec | 53,296 | 153,788 | 100,492 | 2.89 |
| LIONHEART _d | 30 Jun | 2,000 | 961 | -1,039 | 0.48 |
| LUMLEY GEN | 30 Jun | 63,435 | 114,232 | 50,797 | 1.80 |
| MASTER BUT _{cd} | 01 Dec | | | | |
| MDA _b | 30 Jun | 27,618 | 54,625 | 27,007 | 1.98 |
| MDU _d | 30 Jun | 3,500 | 5,170 | 1,670 | 1.48 |
| METLIFE _d | 31 Dec | 0 | 0 | 0 | 0.00 |
| MIA _b | 30 Jun | 15,654 | 30,719 | 15,065 | 1.96 |
| mitsui | 31 Mar | 35,444 | 76,467 | 41,023 | 2.16 |
| MMIA _d | 31 Dec | 53,383 | 183,713 | 130,330 | 3.44 |
| MRMPL _a | 30 Jun | 10,300 | 14,800 | 4,500 | 1.44 |
| MTA | 30 Jun | 5,547 | 19,047 | 13,500 | 3.43 |
| MUNICH RE | 31 Dec | 289,327 | 467,415 | 178,088 | 1.62 |
| MUNICIPAL _d | 30 Jun | 2,000 | 9,655 | 7,655 | 4.83 |
| MUT COMM | 30 Jun | 5,000 | 15,893 | 10,893 | 3.18 |
| NEW INDIA | 31 Mar | 5,000 | 16,965 | 11,965 | 3.39 |
| NIPPONKOA | 31 Mar | 5,000 | 17,612 | 12,612 | 3.52 |
| NORTH _d | 31 Dec | 5,000 | 10,724 | 5,724 | 2.14 |
| NRG LONDON _d | 31 Dec | 5,000 | 15,962 | 10,962 | 3.19 |
| NRG VIC _d | 31 Dec | 5,000 | 25,322 | 20,322 | 5.06 |
| NZI AUS | 30 Jun | 38,784 | 93,654 | 54,870 | 2.41 |
| OPTUS | 31 Mar | 5,000 | 7,747 | 2,747 | 1.55 |
| PIA _d | 30 Jun | 5,000 | 20,913 | 15,913 | 4.18 |
| PIICA _b | 30 Jun | 23,181 | 38,628 | 15,447 | 1.67 |
| PLMI _a | 31 Dec | 10,863 | 12,270 | 1,407 | 1.13 |
| PMI MORT _a | 31 Dec | 752,418 | 1,042,202 | 289,784 | 1.39 |
| POSEIDON _d | 30 Jun | 2,000 | 2,879 | 879 | 1.49 |
| QBE AUS | 31 Dec | 651,891 | 1,258,502 | 606,611 | 1.93 |
| QBE INT | 31 Dec | 84,450 | 408,687 | 324,237 | 4.84 |
| RAA | 30 Jun | 9,023 | 22,366 | 13,343 | 2.48 |
| RAC | 31 Dec | 25,627 | 102,121 | 76,494 | 3.98 |
| RACQ | 31 Dec | 114,954 | 222,607 | 107,653 | 1.94 |
| RACT | 30 Jun | 6,487 | 9,894 | 3,407 | 1.53 |
| RURAL _d | 30 Jun | 2,000 | 831 | -1,169 | 0.42 |

^a May be subject to capital transitional arrangements under GGN 110.6 *Concentration Risk Charge for LMIs*.

^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. 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.

Table 14 Company level capital adequacy (continued)

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Company short name | Balance date | Minimum capital requirement | Capital base | Capital surplus | Solvency coverage |
|---------------------------|--------------|-----------------------------|---------------|-----------------|-------------------|
| SCOR | 31 Dec | 14,083 | 36,054 | 21,971 | 2.56 |
| SGIA _{ac} | 30 Sep | | | | |
| SOMPO | 31 Dec | 5,000 | 17,375 | 12,375 | 3.48 |
| SPHERE DRA _d | 31 Dec | 2,000 | 4,219 | 2,219 | 2.11 |
| ST ANDREW | 31 Dec | 5,000 | 10,602 | 5,602 | 2.12 |
| ST PAUL _d | 30 Sep | 12,589 | 29,932 | 17,343 | 2.38 |
| STATECOVER | 30 Jun | 22,260 | 44,789 | 22,529 | 2.01 |
| STEWART | 31 Dec | 5,000 | 7,412 | 2,412 | 1.48 |
| SUNCORP | 30 Jun | 679,339 | 1,544,762 | 865,423 | 2.27 |
| SUNDERLAND | 31 Dec | 5,000 | 6,513 | 1,513 | 1.30 |
| SUNSTATE _a | 30 Jun | 8,628 | 11,079 | 2,451 | 1.28 |
| SWANN | 30 Jun | 59,106 | 115,888 | 56,782 | 1.96 |
| SWISS RE | 31 Dec | 271,462 | 550,608 | 279,146 | 2.03 |
| TAXI _d | 30 Jun | 306 | 1,924 | 1,618 | 6.29 |
| TGI AUS _d | 31 Dec | 19,769 | 86,099 | 66,330 | 4.36 |
| TMIC _a | 30 Jun | 8,476 | 12,260 | 3,784 | 1.45 |
| TOKIO | 31 Mar | 20,496 | 70,991 | 50,495 | 3.46 |
| TOWER _d | 30 Sep | 5,541 | 28,974 | 23,433 | 5.23 |
| TRC | 31 Dec | 13,017 | 33,822 | 20,805 | 2.60 |
| VERO | 31 Dec | 690,479 | 1,721,588 | 1,031,109 | 2.49 |
| VIRGINIA | 31 Dec | 5,000 | 20,958 | 15,958 | 4.19 |
| WESFARMERS | 30 Jun | 37,859 | 75,840 | 37,981 | 2.00 |
| WESTERN _a | 31 Dec | 51,007 | 40,356 | -10,651 | 0.79 |
| WESTPAC | 30 Sep | 29,029 | 63,191 | 34,162 | 2.18 |
| WPAC LMI _a | 30 Sep | 107,812 | 147,547 | 39,735 | 1.37 |
| XL INS | 31 Dec | 23,201 | 70,114 | 46,913 | 3.02 |
| XL RE _d | 31 Dec | 5,838 | 25,924 | 20,086 | 4.44 |
| ZURICH | 31 Dec | 342,182 | 799,331 | 457,149 | 2.34 |
| Total (\$ million) | | 11,124 | 23,138 | 12,014 | 2.08 |

^a May be subject to capital transitional arrangements under GGN 110.6 *Concentration Risk Charge for LMIs*.^b Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. 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.

Table 15 Lloyds underwriting account. Insurance business in Australia

Financial years ended in the 12 months to December 2006

(\$ thousand)

| | Year of Account | | |
|---|-----------------|----------------|----------------|
| | 2004 | 2005 | 2006 |
| Premium income (gross) in: | | | |
| First year | 32,990 | 363,904 | 530,220 |
| Second year | 348,079 | 516,858 | |
| Third year | 527,019 | | |
| Total | 908,088 | 880,762 | 530,220 |
| Claims paid in: | | | |
| First year | 51,532 | 80,676 | 14,647 |
| Second year | 64,405 | 21,895 | |
| Third year | 13,985 | | |
| Reserve at end of third year of account | 62,784 | 88,435 | 18,987 |
| Total | 192,706 | 191,006 | 33,634 |
| Commission, fire brigade charges and stamp duty | 13,148 | 97,388 | 101,283 |
| Other | 3,339 | 36,827 | 53,658 |
| Total expenses | 209,193 | 325,221 | 188,575 |
| Underwriting surplus | 698,895 | 555,541 | 341,645 |

Notes:

It is not possible to compare Lloyd's with authorised companies. Lloyd's operates a unique three year accounting system that differs substantially from normal practices. Different classes of business are also used.

Table 16 Lloyds underwriting analysis. Insurance business in Australia

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Class of business | Gross premiums less claims and expenses | | |
|----------------------------------|---|----------------|----------------|
| | 2004 | 2005 | 2006 |
| Accident & health | 334 | 7,192 | 5,388 |
| Motor vehicle damage & liability | -2,820 | -1,629 | 3,286 |
| Aircraft damage & liability | -441 | 1,123 | 5,580 |
| Ships damage & Liability | -1,574 | 4,326 | 21,244 |
| Goods in transit | 65 | 1,531 | 1,854 |
| Property damage | -24,627 | 8,032 | 115,680 |
| General liability | -5,276 | 113,788 | 189,194 |
| Pecuniary loss | -1,680 | 3,733 | 2,500 |
| Total | -36,019 | 138,096 | 344,726 |

Notes:

a. It is not possible to compare Lloyd's with authorised companies. Lloyd's operates a unique three year accounting system that differs substantially from normal practices. Different classes of business are also used.

b. The individual syndicates, which are members of the Lloyd's market, are independent entities which are supervised by the Financial Services Authority (FSA) in the UK not by APRA. However, for the protection of policy holders in Australia, Lloyd's is required to maintain trust funds in Australia (refer to Lloyd's Assets Table 18).

Table 17 Lloyds Gross Premium Income. Insurance business in Australia

Financial years ended in the 12 months to December 2006

(\$ thousand)

| Class of business | Direct premiums (gross) including inward facultative reinsurance | Inward treaty reinsurance premiums (gross) | Total premium income (gross) |
|--|---|--|---------------------------------|
| Current Year ended 31 December 2006 | | | |
| Accident & health | 8,792 | 2,528 | 11,320 |
| Motor vehicle damage & liability | 4,386 | 1,214 | 5,599 |
| Aircraft damage & liability | 4,274 | 3,566 | 7,841 |
| Ships damage & Liability | 27,917 | 2,630 | 30,547 |
| Goods in transit | 2,964 | 0 | 2,964 |
| Property damage | 133,263 | 62,256 | 195,520 |
| General liability | 262,934 | 9,575 | 272,508 |
| Pecuniary loss | 3,921 | 0 | 3,921 |
| Total | 448,451 | 81,769 | 530,220 |
| First Preceding year 2005 | | | |
| Accident & health | 23,930 | 56 | 23,986 |
| Motor vehicle damage & liability | 8,332 | -25 | 8,307 |
| Aircraft damage & liability | 1,743 | 163 | 1,906 |
| Ships damage & Liability | 10,828 | -55 | 10,773 |
| Goods in transit | 2,743 | 0 | 2,743 |
| Property damage | 104,930 | 9,135 | 114,065 |
| General liability | 194,537 | 72 | 194,609 |
| Pecuniary loss | 7,515 | 0 | 7,515 |
| Total | 354,558 | 9,346 | 363,904 |
| Second Preceding year 2004 | | | |
| Accident & health | 6,735 | 437 | 7,172 |
| Motor vehicle damage & liability | 198 | 0 | 198 |
| Aircraft damage & liability | 151 | 0 | 151 |
| Ships damage & Liability | 300 | 0 | 300 |
| Goods in transit | 223 | 0 | 223 |
| Property damage | 8,288 | 7,820 | 16,108 |
| General liability | 8,783 | 9 | 8,792 |
| Pecuniary loss | 47 | 0 | 47 |
| Total | 24,725 | 8,266 | 32,991 |

Notes:

It is not possible to compare Lloyd's with authorised companies. Lloyd's operates a unique three year accounting system that differs substantially from normal practices. Different classes of business are also used.

Table 18 Lloyds Assets. Insurance business in Australia

Financial years ended in the 12 months to December 2006

(\$ thousand)

| | Lloyds Australia trust fund | Lloyds Australia joint asset fund No.1 | Lloyds Australia joint asset fund No.2 |
|-----------------|--------------------------------|---|---|
| Cash | 9,236 | 17 | 106 |
| Debt securities | 1,029,019 | 1,896 | 57,161 |
| Equities | 0 | 0 | 0 |
| Units in trusts | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Total | 1,038,255 | 1,913 | 57,267 |

Notes:

It is not possible to compare Lloyd's with authorised companies. Lloyd's operates a unique three year accounting system that differs substantially from normal practices. Different classes of business are also used.

Company classification

Year end December 2006

| 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 | |
| AMPG (1992) Limited | AMPG | 31 Dec | Direct | | Run-off |
| <hr/> | | | | | |
| ANZ Lenders Mortgage Insurance Pty Limited | ANZ LMI | 30 Sep | Direct | | LMI |
| ANZCover Insurance Pty Ltd | ANZCOVER | 30 Sep | Direct | | Captive |
| AXA Insurance Australia Limited | AXA | 31 Dec | Direct | | Run-off |
| Alea London Limited | ALEA | 31 Dec | Reinsurer | Branch | |
| Allianz Australia Insurance Limited | AAIL | 31 Dec | Direct | | |
| <hr/> | | | | | |
| American Home Assurance Company | AM HOME | 31 Dec | Direct | Branch | |
| American International Assurance Co (Aus) | AM INT | 30 Nov | Direct | | Run-off |
| Ansvar Insurance Limited | EIG ANSVAR | 31 Dec | Direct | | |
| AssetInsure Pty Limited | ASSET | 31 Dec | Direct | | |
| Atradius Credit Insurance N.V. | ATRADIUS | 31 Dec | Direct | Branch | |
| <hr/> | | | | | |
| Australian Alliance Insurance Company Limited | AUS ALLNCE | 31 Dec | Direct | | |
| Australian Associated Motor Insurers Limited | AAMI | 31 Dec | Direct | | |
| Australian Family Assurance Limited | AUS FAMILY | 31 Dec | Direct | | Run-off |
| Australian International Insurance Limited | AUS INT | 30 Jun | Direct | | |
| Australian Unity General Insurance Limited | AUS UNITY | 30 Jun | Direct | | |
| <hr/> | | | | | |
| Auto & General Insurance Company Limited | AUTO GEN | 30 Jun | Direct | | |
| Avant Insurance Limited | AUS MED | 30 Jun | Direct | | |
| BHP Billiton Marine & General Insurances PL | BHP MARINE | 30 Jun | Direct | | Captive |
| Barristers' Sickness & Accident Fund Pty Ltd | BARRISTERS | 30 Jun | Direct | | |
| Boral Insurance Pty Limited | BORAL | 30 Jun | Direct | | Run-off |
| <hr/> | | | | | |
| Budget Insurance Company Limited | BUDGET | 30 Jun | Direct | Branch | Run-off |
| CGU Insurance Limited | CGU | 30 Jun | Direct | | |
| CGU-VACC Insurance Limited | CGU VACC | 30 Jun | Direct | | |
| CIC Allianz Insurance Limited | CIC | 31 Dec | Direct | | |
| Calliden Group Limited | CALLI GRP | 31 Dec | Reinsurer | | Run-off |
| <hr/> | | | | | |
| 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 |
| Chubb Insurance Company of Australia Limited | CHUBB | 31 Dec | Direct | | |
| Cologne Reinsurance Co | COLOGNE RE | 31 Dec | Reinsurer | Branch | |

Company classification (continued)

Year end December 2006

| Company name | Company short name | Balance date | Classification | Branch insurer | Restriction on authorisation |
|--|--------------------|--------------|----------------|----------------|------------------------------|
| Colonial Protection Insurance Pty Limited ^a | COL PROT | 30 Jun | Direct | | Run-off |
| Combined Insurance Company of Australia | COMBINED | 31 Dec | Direct | Branch | |
| Commonwealth Insurance Limited | COM INSUR | 30 Jun | Direct | | |
| Commonwealth Steamship Insurance Company | COM STEAM | 30 Jun | Direct | | Run-off |
| Converium Limited | CONVER | 31 Dec | Reinsurer | Branch | |
| 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 |
| Elders Insurance Ltd | ELDERS | 30 Jun | Direct | | |
| Employers Mutual Limited | EMPLOY MUT | 30 Jun | Direct | | |
| Employers Reinsurance Corporation | EMPLOY RE | 31 Dec | Reinsurer | Branch | |
| FM Insurance Company Limited | FM INS | 31 Dec | Direct | Branch | |
| Farmers' Mutual Insurance Limited | FARM MIL | 31 Mar | Direct | Branch | |
| First American Title Insurance Company of Aust PL | FIRST AM | 31 Dec | Direct | | |
| Fortron Insurance Group Limited | FORTRON | 30 Jun | Direct | | |
| GIO General Limited | GIO GEN | 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 |
| Gerling Australia Insurance Company PL | GERLING | 31 Dec | Direct | | |
| Gordian Runoff Limited | GORDIAN | 31 Dec | Reinsurer | | Run-off |
| Guild Insurance Limited | GUILD INS | 30 Jun | Direct | | |
| HBF Insurance Pty Ltd | HBF INS | 30 Jun | Direct | | |
| HSB Engineering Insurance Limited | HSB | 31 Dec | Direct | Branch | |
| Hallmark General Insurance Company Ltd | HALLMARK | 31 Dec | Direct | | |
| Hannover Reuckversicherung AG | HANNOVER | 31 Dec | Reinsurer | Branch | |
| IAG Re Limited | IAG RE | 30 Jun | Reinsurer | | |
| 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 |
| 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 |

^a Colonial Protection Insurance Pty Limited were revoked on 31 October 2006.

Company classification (continued)

Year end December 2006

| Company name | Company short name | Balance date | Classification | Branch insurer | Restriction on authorisation |
|--|--------------------|--------------|----------------|----------------|------------------------------|
| Lumley General Insurance Ltd | LUMLEY GEN | 30 Jun | Direct | | |
| MDA National Insurance Pty Ltd | MDA | 30 Jun | Direct | | |
| MDU Australia Insurance Co Pty Limited | MDU | 30 Jun | Direct | | Run-off |
| MIPS Insurance Pty Ltd | HPIA | 30 Jun | Direct | | |
| MMIA Pty Limited | MMIA | 31 Dec | Direct | | Run-off |
| | | | | | |
| MTA Insurance Limited | MTA | 30 Jun | Direct | | |
| Master Butchers Co-operative Limited | MASTER BUT | 01 Dec | Direct | | Run-off |
| Medical Insurance Australia Pty Limited | MIA | 30 Jun | Direct | | |
| MetLife General Insurance Limited | METLIFE | 31 Dec | Direct | | Run-off |
| Mitsui Sumitomo Insurance Company, Limited | MITSUMI | 31 Mar | Direct | Branch | |
| | | | | | |
| Mortgage Risk Management Pty Ltd | MRMPL | 30 Jun | Direct | | LMI |
| 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 | |
| NRG London Reinsurance Company Ltd | NRG LONDON | 31 Dec | Reinsurer | Branch | Run-off |
| NRG Victory Australia Limited | NRG VIC | 31 Dec | Reinsurer | | Run-off |
| NZI Insurance Australia Ltd | NZI AUS | 30 Jun | Direct | | |
| North Insurances Pty Ltd | NORTH | 31 Dec | Direct | | Run-off |
| | | | | | |
| Optus Insurance Services Pty Limited | OPTUS | 31 Mar | Direct | | |
| PMI Mortgage Insurance Ltd | PMI MORT | 31 Dec | Direct | | LMI |
| Permanent LMI Pty Limited | PLMI | 31 Dec | Direct | | LMI |
| Poseidon Insurance Co Pty Ltd | POSEIDON | 30 Jun | Direct | | Run-off |
| Professional Indemnity Insurance Co Aus PL | PIICA | 30 Jun | Direct | | |
| | | | | | |
| 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 | 31 Dec | 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 | |
| Sompo Japan Insurance Inc | SOMPO | 31 Dec | Direct | Branch | |
| Sphere Drake Insurance Limited | SPHERE DRA | 31 Dec | Reinsurer | Branch | Run-off |

Company classification (continued)

Year end December 2006

| Company name | Company short name | Balance date | Classification | Branch insurer | Restriction on authorisation |
|--|--------------------|--------------|----------------|----------------|------------------------------|
| St Andrew's Insurance (Australia) Pty Ltd | ST ANDREW | 31 Dec | Direct | | |
| St. George Insurance Australia Pty Limited | SGIA | 30 Sep | Direct | | LMI |
| St. Paul Travelers Insurance Company Limited | ST PAUL | 30 Sep | Direct | Branch | Run-off |
| Statecover Mutual Limited | STATECOVER | 30 Jun | Direct | | |
| Stewart Title Limited | STEWART | 31 Dec | Direct | Branch | |
| <hr/> | | | | | |
| Suncorp Metway Insurance Limited | SUNCORP | 30 Jun | Direct | | |
| 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 | SWISS RE | 31 Dec | Reinsurer | Branch | |
| <hr/> | | | | | |
| TGI Australia Limited | TGI AUS | 31 Dec | Direct | | Run-off |
| Taxi Insurance Co-Operative Limited | TAXI | 30 Jun | 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 |
| <hr/> | | | | | |
| The New India Assurance Co Ltd | NEW INDIA | 31 Mar | Reinsurer | Branch | |
| Tokio Marine & Nichido Fire Insurance Co | TOKIO | 31 Mar | Direct | Branch | |
| Tower Insurance Limited | TOWER | 30 Sep | Direct | Branch | Run-off |
| Transatlantic Reinsurance Company | TRC | 31 Dec | Reinsurer | Branch | |
| Vero Insurance Limited | VERO | 31 Dec | Direct | | |
| <hr/> | | | | | |
| Virginia Surety Company, Inc | VIRGINIA | 31 Dec | Direct | Branch | |
| Wesfarmers Federation Insurance Limited | WESFARMERS | 30 Jun | Direct | | |
| Western Lenders Mortgage Insurance Co Ltd | WESTERN | 31 Dec | Direct | | LMI |
| Westpac General Insurance Limited | WESTPAC | 30 Sep | Direct | | |
| Westpac Lenders Mortgage Insurance Ltd | WPAC LMI | 30 Sep | Direct | | LMI |
| <hr/> | | | | | |
| XL Insurance Company Limited | XL INS | 31 Dec | Direct | Branch | |
| XL Re Ltd | XL RE | 31 Dec | Reinsurer | Branch | Run-off |
| Zurich Australian Insurance Limited | ZURICH | 31 Dec | Direct | | |

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 insurance companies. June issues of this bulletin also include data submitted by Australian public insurers. Private insurer returns relate to the financial year end of each individual 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 private insurer requirements resulted in differences in the basis of accounting recognition and measurement to those required by *AASB 1023 General Insurance Contracts* (AASB 1023). Previous insurer returns 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* (GPS210).

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 authorised 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 authorised 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

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 guidance note GGN 110.3.

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).

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. Mortgage insurers are substantially different to other insurers and are subject to special condition of authority.

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 general insurers 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-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 refers to where the items of income/expense are on risk, assets are invested, and liabilities 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 recoveries*.

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*.



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