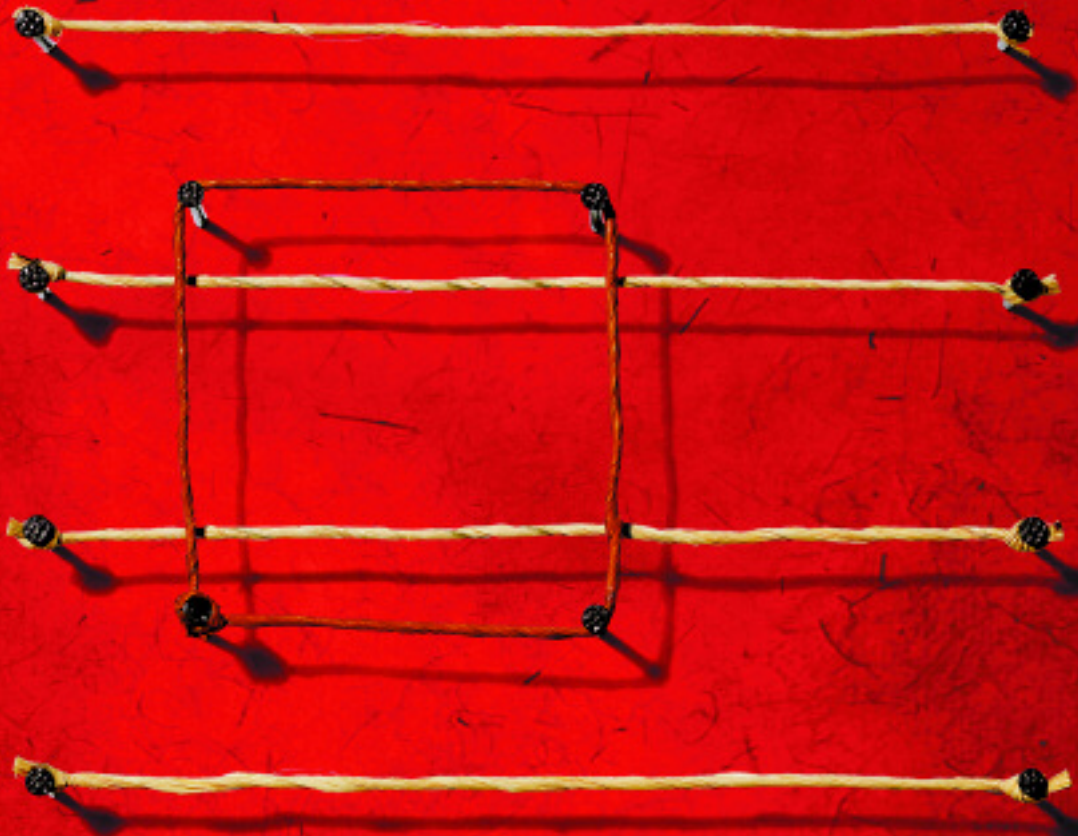




Statistics

Half Yearly General Insurance Bulletin

June 2007 (Revised 25 February 2008)



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Forthcoming issues

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

Revisions

This publication has been revised to include annual return details for Western Lenders Mortgage Insurance Company Limited. This company was revoked on 30 June 2007 but had lodged an annual return for 31 December 2006. The annual return data was previously included in the aggregate data tables but was excluded from the individual company details in tables 12, 13 and 14.

Notation

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

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

Glossary and explanatory notes

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data. In particular, these notes help explain differences between the data presented and information publicly released by insurers in their financial statements. 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 public insurers (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 June 2007 year end.

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

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 July 2006 and 30 June 2007.

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.

- General insurance business (i.e. insurance other than life and health insurance) was accepted by 132 private sector insurers, licensed over the twelve months to 30 June 2007. Of these there were 111 direct insurers and 21 reinsurers. These companies are prudentially supervised under the Insurance Act 1973 (Insurance Act).
- In their financial years ending between July 2006 and June 2007, private insurers reported gross premium revenue of \$29.4 billion. Direct insurers reported gross premium revenue of \$28.0 billion, making up 95.2 per cent of the total. Reinsurers accounted for the remaining 4.8 per cent of the total, or \$1.4 billion. At 21.8 per cent, the domestic motor vehicle class of business accounted for the largest percentage of total direct gross premium revenue. Gross premium revenue for inwards reinsurance was \$5.5 billion.
- Gross premium revenue for professional indemnity insurance remained steady from the previous year at \$1.3 billion. Public and product liability gross premium revenue grew 4.9 per cent from the previous year to \$2.0 billion.
- In financial years ending between July 2006 and June 2007, private insurers reported 98 per cent of gross premium revenue being accepted inside Australia. Private insurers' total assets inside Australia for the same period were reported as \$81.5 billion, or 93 per cent of all total assets.
- Direct insurers in New South Wales and the Australian Capital Territory (NSW/ACT) account for 42.3 per cent of total gross premium revenue in Australia for financial years ending between July 2006 and June 2007. This state/territory dominates in all non-statutory classes. 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 \$1,461 million and \$836 million respectively in financial years ending between July 2006 and June 2007.
- Gross incurred claims reported in financial years ending between July 2006 and June 2007 were \$20.0 billion, with \$19.5 billion (97.4 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. Private direct insurers reported \$32.1 billion in OCP and \$13.5 billion in PL in their financial years ending between July 2006 and June 2007. Reinsurers reported \$4.6 billion in OCP and \$1.0 billion in PL in their financial years ending between July 2006 and June 2007.
- In their financial years ending between July 2006 and June 2007 private insurers reported underwriting results of \$3.6 billion, up 16.5 per cent on the previous twelve months, and 38.2 per cent higher than the twelve months to 30 June 2005.

Highlights (continued)

- The capital position for private sector insurers remains strong. In terms of risk-based capital measures, the industry's capital coverage is currently 2.06 times the minimum capital requirement. There is evidence of a strengthening capital position over a sustained period with a 55.2 per cent increase in shareholders' equity over the past five years, from \$16.4 billion to \$25.4 billion.
- In financial year ends between July 2006 and June 2007 private insurers reported total assets of \$88.0 billion, an increase of \$5.9 billion (7.1 per cent) on the previous year. Some \$78.8 billion of assets (89.5 per cent) are held by direct insurers. Industry assets were offset by total liabilities of \$62.6 billion.

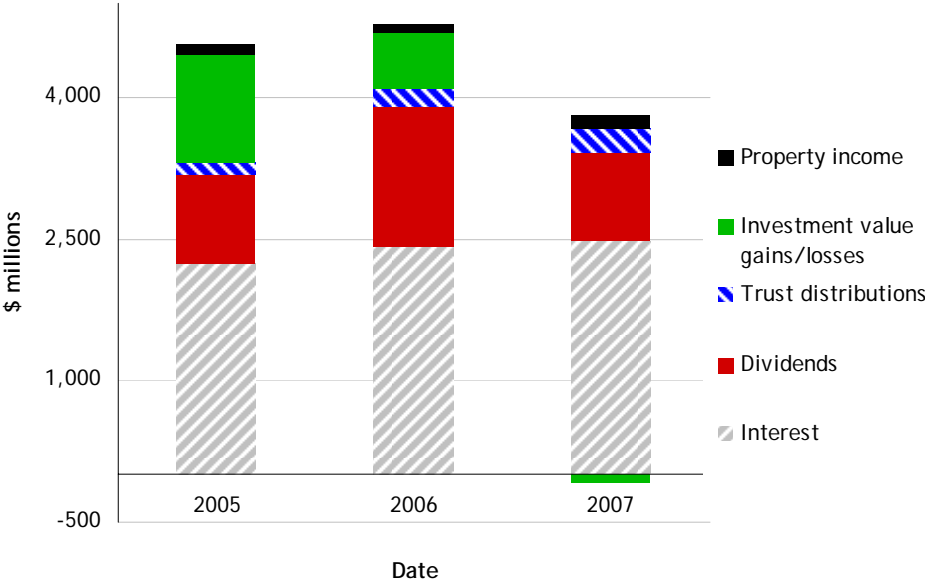
Public insurers

- General insurance was also written by 14 public sector insurers for the year ended 30 June 2007. These insurers are not subject to the provisions of the Insurance Act and are not regulated by APRA.
- For the year ended 30 June 2007, total public sector premium revenue was \$8.9 billion. Public insurer premium revenue is deferred and amortised in accordance with AASB 1023 and consequently cannot be directly compared to premiums written by private insurance companies.

Selected feature - Investment income

General insurers reported investment income of \$3.8 billion in their financial years ended in the twelve months to June 2007. This figure was \$1.1 billion (22.1 per cent) lower than in the previous twelve month period. As a percentage of net profit after tax, investment income was 75.2 per cent in June 2007, down from 86.1 per cent in June 2006 and 95.5 per cent in June 2005.

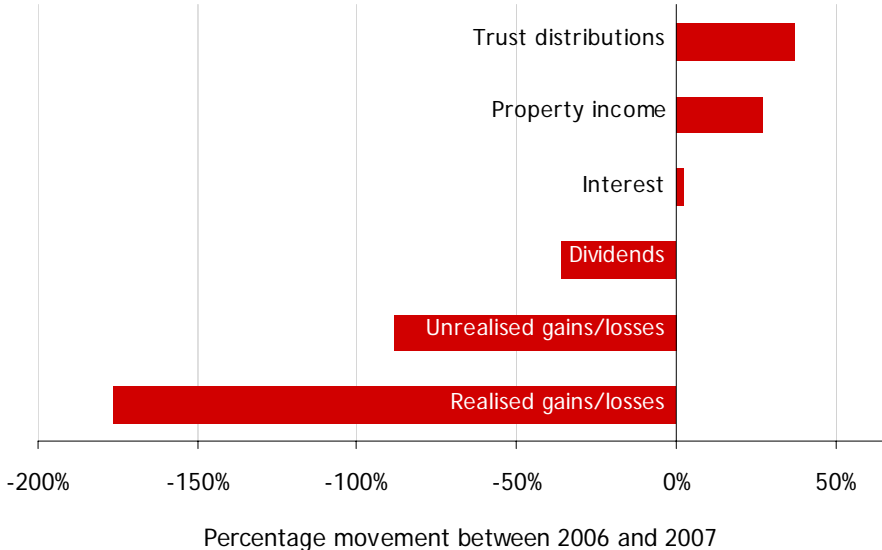
General insurers' investment income
For financial years ended in the twelve months to June



Changes in the value of insurers' investments accounted for 63.9 per cent of the drop in investment income between the June 2006 and June 2007 reference periods. Unrealised gains/losses were lower by \$374 million (88.3 per cent), and realised gains/losses were lower by \$306 million (176.6 per cent). Dividend income also fell (35.9 per cent) over this period, while trust distributions increased (37.5 per cent) and interest related income remained steady (2.2 per cent).

Movement in investment income

for financial years ended in the twelve months to June 2006 and 2007



Selected feature - Capital and solvency

The prudential capital requirements for general insurers are set out in GPS 110 *Capital Adequacy*. Insurers' capital requirements are determined in the main from their level of insurance risk, investment risk and concentration risk.

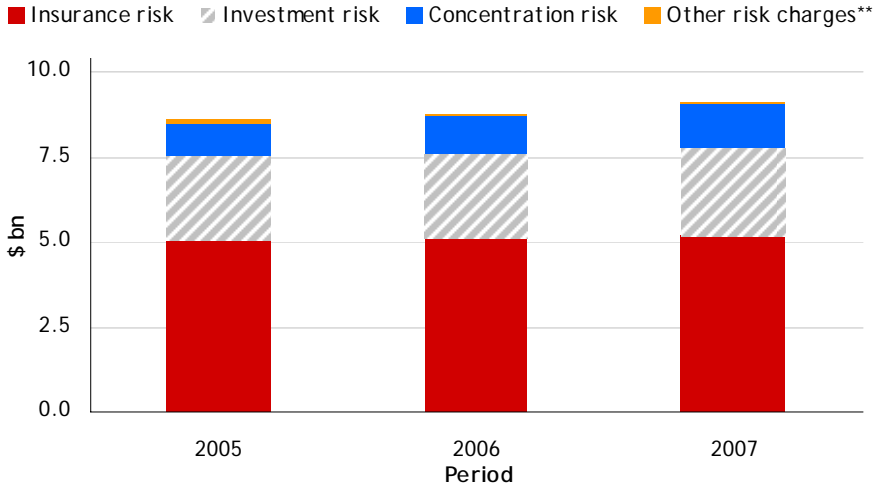
The general insurance industry's Minimum Capital Requirement (MCR) was \$11.5 billion for financial years ending in the twelve months to June 2007, \$1.8 billion (18.8 per cent) higher than in the previous twelve month period.

The figures in the following paragraphs exclude Lenders Mortgage Insurers to remove the effects of new capital requirements in place from January 2006.

Excluding LMLs, general insurers reported an MCR of \$9.1 billion in their financial years ending in the twelve months to June 2007, \$0.3 billion (3.7 per cent) higher than in the previous twelve month period.

General insurance MCR components*

As at financial years ended in the twelve months to June



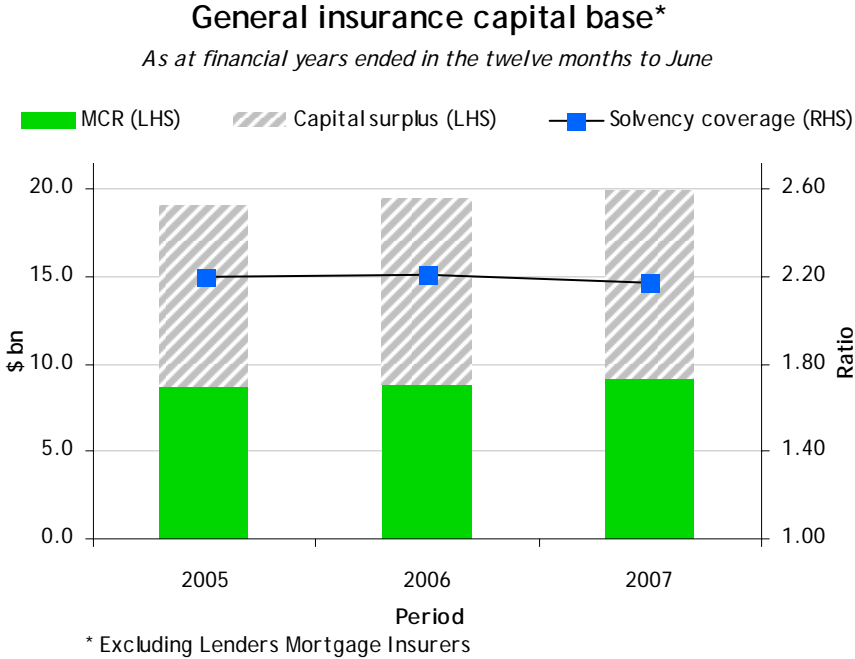
* Excluding Lenders Mortgage Insurers

** For asset concentrations, derivatives and off-balance sheet exposures

The highest proportion of risk charges relates to insurance risk, which accounted for 56.9 per cent of total MCR in June 2007. Investment risk charges and concentration risk charges accounted for 28.3 per cent and 14.0 per cent respectively.

The total capital base for the general insurance industry in June 2007 was \$23.7 billion, representing a total capital surplus of \$12.2 billion.

Excluding LMIs, the total capital base in June 2007 was \$19.9 billion, representing a total capital surplus of \$10.7 billion. This figure increased by 0.9 per cent over the year (June 2006) and 2.7 per cent over the previous two years (June 2005). The solvency coverage of general insurers excluding LMIs has also remained steady at 2.17 times in June 2007, compared with 2.21 times in June 2006 and 2.20 times in June 2005.



Selected feature - Personal business gross premium by state

The general insurance industry reported \$23.9 billion in gross premium revenue for direct business in financial years ended in the twelve months to June 2007. This figure has grown by \$1.7 billion (7.7 per cent) since June 2004.

Personal business, defined here as including homeowners/householders and domestic motor vehicle classes of business, accounted for \$9.0 billion or 37.5 per cent of total direct premium revenue. CTP motor vehicle has not been included as a personal line of business as it is only underwritten by APRA regulated insurers in NSW, ACT and QLD.

New South Wales (NSW) and the Australian Capital Territory (ACT) had the highest gross premium revenue from personal business, at \$3.5 billion in June 2007. NSW and ACT also reported the highest level of gross premium revenue per household, at \$1,241. Victoria (VIC) and Queensland (QLD) reported gross premium revenue per household in these classes of \$1,117 and \$1,050 respectively. This does not represent a measure of average gross premiums as the number of households is an estimate of all households and is not restricted to those which are insured.

Personal business gross premium revenue by State^a

For financial year ended in the 12 months to June

State	Jun 2007			Jun 2006		
	Gross premium (\$ million)	No of households ^b (\$ thousand)	Gross premium per household (\$)	Gross premium (\$ million)	No of households ^b (\$ thousand)	Gross premium per household (\$)
NSW/ACT	3,489	2,812	1,241	3,201	2,773	1,154
VIC	2,238	2,004	1,117	2,097	1,976	1,061
QLD	1,701	1,620	1,050	1,551	1,583	980
SA	605	655	924	566	649	872
WA	824	822	1,001	772	805	959
TAS	146	205	713	135	203	666

Note:

The Northern Territory has been excluded, as public insurers' data not included in the table account for a large share of business in this Territory.

^aGross premium revenue is based on homeowners/householders and domestic motor vehicle classes of business only.

Houseowners/householders does not include the premium for the personal liability of domestic workers compensation cover.

^bHousehold data is taken from ABS publication 3101.0: *Australian Demographic Statistics, June 2007*.

The market concentration in premium revenue from personal classes of business has grown sharply over the year ended June 2007. The top three general insurance groups accounted for 83 per cent of gross premium revenue from personal business, 5 per cent higher than in the previous twelve month period. The top five groups accounted for 91 per cent of gross premium revenue from personal business, 2 per cent higher than in the previous twelve month period.

By State, NSW/ACT had the highest level of market concentration in personal business with the top five groups accounting for 94 per cent of total gross premium revenue.

Market concentration in personal business by State^a

For financial years ended in the 12 months to June

State	Top 5 groups			
	2007	2006	2005	2004
All States	91%	89%	90%	88%
NSW/ACT	94%	92%	92%	91%
VIC	90%	88%	89%	87%
QLD	92%	91%	91%	90%
SA	89%	88%	90%	88%
WA	84%	80%	80%	79%
TAS	90%	88%	88%	86%
NT	87%	78%	88%	85%

Notes:

1. Market shares are based on total gross premium revenue by State.
2. The top five groups in the table are according to the State/Territory, and are not the same in each State/Territory.

^aGross premium revenue is based on homeowners/householders and domestic motor vehicle classes of business only. Homeowners/householders does not include the premium for the personal liability of domestic workers compensation cover.

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Key statistics

Financial years ended in the 12 months to June

Industry at a glance							
	Jun 2007	Jun 2006	Jun 2005	Jun 2004	Jun 2003 ^a	Jun 2002 ^b	Jun 2001 ^b
Net premium revenue (\$m)	21,841	21,046	20,488	20,401	19,412	14,946	13,031
Net incurred claims (\$m)	12,321	12,372	12,736	11,868	12,868	11,463	10,820
Underwriting result (\$m)	3,649	3,132	2,641	3,615	1,848	-630	-1,218
Investment income (\$m)	3,754	4,820	4,292	2,951	2,859	2,106	3,047
Net profit / loss (\$m)	4,989	5,600	4,706	4,311	2,832	740	1,275
Net loss ratio	56%	59%	62%	58%	66%	77%	83%
Total assets (\$m)	88,012	82,155	77,801	76,138	73,761	65,059	57,482
Shareholders' equity (\$m)	25,406	24,950	23,195	21,356	19,696	16,369	14,751
Return on assets	5.9%	7.0%	6.1%	5.8%	4.1%	1.2%	2.2%
Return on equity	19.8%	23.3%	21.1%	21.0%	15.7%	4.8%	8.8%
Solvency coverage	2.06	2.36	2.34	2.21	2.00	2.34	2.90

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

	Jun 2007	Jun 2006	Jun 2005	Jun 2004	Jun 2003 ^c	Jun 2002 ^{bd}	Jun 2001 ^{bd}
Direct business	23,949	22,820	22,617	22,243		15,542	12,948
<i>of which:</i>							
Houseowners/householders	3,773	3,407	3,250	3,230		2,461	2,201
Commercial motor vehicle	1,390	1,348	1,326	1,306		1,121	959
Domestic motor vehicle	5,209	4,944	4,776	4,720		3,710	3,276
Fire and ISR	2,770	2,737	2,770	2,780		1,655	1,213
CTP motor vehicle	2,330	2,385	2,429	2,448		1,976	1,635
Public and product liability	2,029	1,935	2,121	2,142		1,001	761
Professional indemnity	1,266	1,276	1,351	1,408		556	363
Employers' liability	1,141	1,157	1,143	999		873	760
Other direct classes	4,041	3,631	3,451	3,211		2,190	1,779
Inwards reinsurance	5,500	5,401	4,717	6,289		2,457	2,240

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

	June 2007						Total
	NSW/ACT	VIC	QLD	SA	WA	Other	
Gross premium revenue	9,890	4,845	4,229	1,326	2,561	536	23,387
Gross incurred claims	6,728	2,975	2,721	887	1,363	271	14,942

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

^b Figures reported up to June 2002 are not directly comparable to current periods. Please see the 'Important notice'.

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

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

Table 1 Industry financial performance

Financial years ended in the 12 months to June 2007

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Gross premium revenue	28,036	1,413	29,449
<i>of which:</i>			
Direct business	23,952	-3	23,949
Inwards reinsurance ^a	4,083	1,417	5,500
Outwards reinsurance expense	7,380	228	7,609
Net premium revenue	20,656	1,185	21,841
Gross incurred claims	19,510	522	20,033
<i>of which:</i>			
Direct business	15,442	-93	15,350
Inwards reinsurance ^a	4,068	615	4,683
Non-reinsurance recoveries revenue	1,962	-3	1,958
Reinsurance recoveries revenue	5,716	37	5,753
Net incurred claims	11,832	489	12,321
Acquisition costs	3,046	283	3,329
Other underwriting expenses	2,026	30	2,056
Levies and charges	858	1	859
Commission revenue	372	2	374
Total underwriting expenses	5,558	312	5,870
Underwriting result	3,265	384	3,649
Investment income	3,444	310	3,754
Other operating expenses	1,794	105	1,900
Other items	-341	-174	-515
Net profit / loss after tax	4,573	416	4,989
Number of entities	111	21	132

Notes:

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the '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 June 2007

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Investment income	3,443	310	3,754
<i>arising from:</i>			
Interest	2,051	427	2,478
Dividend	933	16	949
Rent	134	0	134
Change in net market value of investments	25	-108	-83
<i>of which:</i>			
Unrealised gains/losses	178	-129	49
Realised gains/losses	-153	20	-133
Other investment income	301	-24	277
Other operating income	1,099	4	1,103
Operating expenses	1,794	105	1,900
<i>of which:</i>			
Interest	138	2	140
Wages and salaries	491	44	534
Other employee related	114	12	126
Occupancy and equipment	150	7	157
Fees	578	21	598
<i>of which:</i>			
Management	487	12	499
Audit firm	15	2	17
Consulting	57	2	59
Actuarial	11	3	14
Directors	8	1	9
Bad and doubtful debts	2	0	1
Other operating expenses	322	21	343
Number of entities	111	21	132

Table 3 Industry financial position

Financial years ended in the 12 months to June 2007

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated	of which: inside Australia ^a
Cash and liquid assets	1,405	109	1,514	1,365
Investments	51,373	7,221	58,594	53,932
<i>of which:</i>				
Interest	35,403	6,423	41,826	
Equity	4,405	254	4,659	
Indirect investments	4,003	118	4,121	
Property	576	0	576	
Loans and advances	1,394	426	1,820	
Other investments	5,592	0	5,592	
Reinsurance recoverables	10,750	448	11,198	10,409
Non-reinsurance recoverables	3,155	4	3,159	3,155
Premium receivables	6,088	1,042	7,130	7,008
Intangible assets	914	1	915	899
Other assets	5,087	416	5,503	4,758
Total assets	78,772	9,240	88,012	81,526
Outstanding claims provision	32,128	4,568	36,696	36,221
Premium liabilities	13,509	1,015	14,524	14,277
Tax provisions	1,001	265	1,266	1,251
Payables on reinsurance contracts	1,373	173	1,545	1,377
Borrowings and loan capital	2,207	0	2,207	2,192
Other liabilities	6,173	190	6,363	5,098
Total liabilities	56,395	6,211	62,606	60,421
Share capital	11,976	1,979	13,954	
Reserves	566	235	801	
Retained profits	9,835	815	10,651	
Shareholders' equity	22,377	3,029	25,406	
Number of entities	111	21	132	

NOTES:

Figures in this publication will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the '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 June 2007

(\$ million)

	Direct insurers		Reinsurers		Total APRA regulated	
	Australia	Offshore	Australia	Offshore	Australia	Offshore
Financial performance						
Gross premium revenue	27,409	627	1,387	26	28,795	654
<i>of which:</i>						
Direct business					23,366	583
Inwards reinsurance					5,429	71
Outwards reinsurance expense	7,002	378	199	29	7,200	409
Net premium revenue	20,406	250	1,189	-4	21,596	245
Gross incurred claims	19,352	158	564	-42	19,916	117
<i>of which:</i>						
Direct business					15,180	170
Inwards reinsurance					4,736	-53
Reinsurance recoveries revenue	5,671	45	38	-1	5,711	42
Investment income	3,304	140	307	3	3,611	143
Financial position						
Investments	47,267	4,106	6,665	556	53,932	4,662
Reinsurance recoverables	9,985	765	424	24	10,409	789
Other assets	15,639	1,010	1,545	26	17,184	1,037
Total assets	72,891	5,881	8,635	605	81,526	6,486
Outstanding claims provision	31,719	409	4,503	65	36,221	475
Premium liabilities	13,275	234	1,002	13	14,277	247
Borrowings and loan capital	2,192	15	0	0	2,192	15
Other liabilities	7,071	1,480	659	-31	7,730	1,449
Total liabilities	54,257	2,138	6,164	47	60,421	2,185

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 June 2007

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Minimum capital requirement risk charges arising from:			
Off balance sheet business	38	7	45
Investments	1,308	108	1,416
<i>of which:</i>			
Interest	544	76	620
Equity	359	23	382
Indirect investments	283	4	288
Property	58	0	58
Loans and advances	65	4	69
Investment risk rebate	1	0	1
Counterparty default	1,202	61	1,263
Asset concentration	7	8	15
Derivative activity	7	0	7
Maximum event retention	3,281	127	3,408
Outstanding claims provision	2,956	636	3,593
Premium liabilities	1,600	166	1,766
Minimum capital requirement^a	10,391	1,130	11,522
Capital base	20,713	2,979	23,692
<i>of which:</i>			
Branch insurers ^b	1,214	1,986	3,201
Non-branch insurers	19,499	992	20,492
<i>of which:</i>			
Tier 1 capital (net of deductions)	18,305	992	19,297
Tier 2 capital	1,265	0	1,265
<i>of which:</i>			
Upper tier 2 capital	98	0	98
Lower tier 2 capital	1,166	0	1,166
Tier 1 ratio	94%	100%	94%
Lower tier 2 ratio	6%	0%	6%
Capital surplus	10,322	1,849	12,171
Solvency coverage	1.99	2.64	2.06
Number of entities	111	21	132

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

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

Table 6 Reconciliation to AASB 1023 accounts (non-branch insurers)

Financial years ended in the 12 months to June 2007

(\$ million)

	Non-branch direct insurers	Non-branch reinsurers	Total non-branch insurers
Financial performance			
APRA reporting: Net profit / loss after tax	4,387	83	4,470
<i>Include items specific to APRA reporting:</i>			
Gross premium revenue	26,711	96	26,807
Outwards reinsurance expense	6,776	46	6,823
Gross incurred claims	18,731	-57	18,674
Reinsurance recoveries revenue	5,278	-9	5,270
Acquisition costs	2,972	9	2,982
Other adjustments	-1,392	8	-1,384
<i>Exclude items specific to AASB 1023 reporting:</i>			
Earned premium	25,591	106	25,697
Reinsurance expense	6,387	62	6,449
Claims expense	17,581	-63	17,518
Reinsurance recoveries revenue	5,236	-4	5,231
Underwriting costs	3,806	9	3,815
Other adjustments	1,293	22	1,315
<i>Total adjustments</i>	358	25	383
AASB 1023 reporting: Net profit / loss after tax	4,029	58	4,087
Financial position			
APRA reporting: Net assets	21,151	1,079	22,230
<i>Include items specific to APRA reporting:</i>			
Reinsurance recoverables	9,471	295	9,765
Outstanding claims provision	30,096	1,318	31,414
Premium liabilities	12,889	68	12,957
Other adjustments	2,396	111	2,505
<i>Exclude items specific to AASB 1023 reporting:</i>			
Deferred acquisition costs	2,005	4	2,009
Deferred reinsurance expense	3,194	18	3,212
Reinsurance recoverables	7,694	283	7,976
Outstanding claims provision	30,408	1,323	31,731
Unearned premium provision	15,248	39	15,288
Other adjustments	-236	-81	-317
<i>Total adjustments</i>	1,409	-4	1,404
AASB 1023 reporting: Net assets	19,742	1,083	20,826
Number of entities	90	6	96

Table 7 Industry premiums and claims by class of business

Financial years ended in the 12 months to June 2007

(\$ million)

Class of business	Gross premium revenue	Reinsurance expense	Net premium revenue	Gross incurred claims ^a	Reinsurance recoveries revenue ^a
Direct business					
Houseowners/householders	3,773	1,348	2,424	2,627	1,136
Commercial motor vehicle	1,390	110	1,280	1,196	80
Domestic motor vehicle	5,209	2,185	3,024	4,687	1,854
Travel	467	140	328	181	51
Fire and ISR	2,770	1,263	1,507	1,471	543
Marine and aviation	615	114	501	323	55
Mortgage	861	145	716	211	7
Consumer credit	262	27	235	39	2
Other accident	1,040	305	735	410	59
Other	796	195	601	328	112
CTP motor vehicle	2,330	417	1,914	1,721	389
Public and product liability	2,029	384	1,646	437	54
Professional indemnity	1,266	331	935	610	242
Employers' liability	1,141	49	1,092	585	5
Total direct business	23,949	7,013	16,936	14,826	4,590
Total inwards reinsurance	5,500	596	4,904	4,076	495
Total	29,449	7,609	21,841	18,902	5,085

Notes:

It is not possible to show the breakdown of 'net incurred claims' at class of business level as 'non-reinsurance recoveries' are not fully reported to APRA at this level. This breakdown will be available in the December issue of the Half Yearly General Insurance Bulletin.

^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 June 2007

(\$ million)

Class of business	Outstanding Claims Provision	Reinsurance recoverables	Non-reinsurance recoverables	Net outstanding claims provision
Direct business				
Houseowners/householders	1,559	665	140	753
Commercial motor vehicle	577	94	117	367
Domestic motor vehicle	1,045	358	271	415
Travel	103	35	1	67
Fire and ISR	1,497	832	48	617
Marine and aviation	348	74	16	257
Mortgage	215	8	8	200
Consumer credit	47	2	2	43
Other accident	406	133	11	262
Other	365	195	13	156
CTP motor vehicle	9,128	1,449	1,025	6,653
Public and product liability	5,207	1,086	186	3,935
Professional indemnity	3,455	1,010	189	2,256
Employers' liability	3,228	256	86	2,885
Total direct business	27,179	6,198	2,115	18,867
Total inwards reinsurance	7,894	1,363	370	6,161
Total	35,074	7,560	2,485	25,028

Notes:

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

Table 9 Industry premium liabilities by class of business

Financial years ended in the 12 months to June 2007

(\$ million)

Class of business	Premium Liabilities	Reinsurance recoverables	Non-reinsurance recoverables	Net premium liabilities
Direct business				
Houseowners/householders	1,459	393	84	982
Commercial motor vehicle	761	38	132	591
Domestic motor vehicle	2,872	980	535	1,357
Travel	91	13	1	76
Fire and ISR	1,021	326	31	664
Marine and aviation	211	20	8	183
Mortgage	789	57	18	715
Consumer credit	183	10	11	162
Other accident	358	77	8	273
Other	388	69	9	310
CTP motor vehicle	1,074	177	81	816
Public and product liability	759	88	26	645
Professional indemnity	528	136	14	378
Employers' liability	642	4	14	623
Total direct business	11,135	2,389	972	7,775
Total inwards reinsurance	3,338	511	298	2,529
Total	14,473	2,900	1,269	10,303

Notes:

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

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

Financial years ended in the 12 months to June 2007

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	1,446	904	745	284	360	71	12	3,821
Commercial motor vehicle	471	358	239	119	165	27	10	1,390
Domestic motor vehicle	2,043	1,334	956	321	464	75	12	5,205
Travel	354	*	*	10	18	1	0	460
Fire and ISR	1,096	686	359	165	227	37	14	2,584
Marine and aviation	250	90	95	32	56	10	10	543
Mortgage	304	203	210	51	109	13	6	897
Consumer credit	78	63	62	18	30	8	2	261
Other accident	366	221	156	82	104	15	4	948
Other	352	166	108	43	59	7	3	739
CTP motor vehicle	1,461	0	836	0	0	0	0	2,297
Public and product liability	844	457	295	121	164	26	7	1,915
Professional indemnity	595	261	148	64	102	11	4	1,186
Employers' liability	229	*	*	15	702	99	51	1,141
Total direct business	9,890	4,845	4,229	1,326	2,561	400	136	23,387

Notes:

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

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

Financial years ended in the 12 months to June 2007

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	1,100	479	648	189	176	51	5	2,650
Commercial motor vehicle	429	316	202	115	138	21	29	1,251
Domestic motor vehicle	1,821	1,259	885	288	422	66	9	4,749
Travel	143	*	*	4	7	1	0	180
Fire and ISR	603	387	296	94	57	14	5	1,457
Marine and aviation	143	51	55	18	26	5	1	298
Mortgage	142	41	26	5	8	0	0	223
Consumer credit	13	7	6	2	3	1	0	32
Other accident	158	83	72	31	45	4	1	394
Other	177	95	46	19	26	2	1	367
CTP motor vehicle	1,129	-1	520	0	0	0	0	1,647
Public and product liability	327	84	-68	30	31	6	3	413
Professional indemnity	409	122	10	79	65	4	2	692
Employers' liability	133	*	*	3	355	9	28	590
Total direct business	6,728	2,975	2,721	887	1,363	185	86	14,942

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 June 2007

(\$ 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	30 Jun	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	25,155	4,142	21,013	15,887	3,413	-1,190
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	30 Jun	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	95,618	22,174	73,444	79,877	6,203	14,494
AUS MED	30 Jun	123,337	9,230	114,107	48,862	8,116	10,453
AUS UNITY	30 Jun	113,313	32,083	81,230	59,413	2,226	17,296
AUTO GEN	30 Jun	112,403	1,646	110,757	92,343	23,594	1,136
AXA _b	31 Dec	0	0	0	5,423	224	1,782
BARRISTERS	30 Jun	1,009	154	855	1,252	0	0
BHP MARINE	30 Jun	149,625	71,728	77,897	34,379	0	19,467
BORAL _b	30 Jun	0	0	0	96	0	24
BUDGET _b	30 Jun	104	3	101	94	585	36
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	143,557	43,932	99,625	91,666	0	32,759
CAVELL _b	31 Dec	0	0	0	-830	0	0
CGU	30 Jun	2,011,898	234,441	1,777,457	1,484,926	216,894	189,524
CGU VACC	30 Jun	12	-6	18	-3,059	-431	5,727
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
COLOGNE RE	31 Dec	11	0	11	-2,379	0	0
COM INSUR	30 Jun	204,105	23,981	180,124	103,425	2,411	-5,805

^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 June 2007

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
1,218,628	507,374	192,416	229,297	-93,923	327,790	31 Dec	AAIL
0	184,515	-145,770	2,337	144,872	1,439	30 Jun	AAMI
32,182	57,853	73,244	21,955	-23,450	71,749	31 Dec	ACE
						30 Sep	AFG _{ab}
13,664	2,258	5,091	1,953	-5,051	1,993	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	ATRAIUS
0	15,050	0	266	-875	-609	30 Jun	AUS ALLNCE
-159	-1	160	-24	-169	-33	31 Dec	AUS FAMILY _b
59,180	8,306	5,958	12,308	-11,413	6,853	30 Jun	AUS INT
30,293	47,790	36,024	51,903	-50,185	37,742	30 Jun	AUS MED
39,891	19,866	21,473	5,783	-17,373	9,883	30 Jun	AUS UNITY
67,613	31,296	11,848	1,394	-10,555	2,687	30 Jun	AUTO GEN
3,417	0	-3,417	2,572	-326	-1,171	31 Dec	AXA _b
1,252	0	-397	2,066	-646	1,023	30 Jun	BARRISTERS
14,912	6,133	56,852	25,003	-26,175	55,680	30 Jun	BHP MARINE
72	0	-72	1,170	-449	649	30 Jun	BORAL _b
-527	-54	682	300	-173	809	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
58,907	31,172	9,546	80,846	-6,520	83,872	30 Jun	CATHOLIC
-830	0	830	597	-679	748	31 Dec	CAVELL _b
1,078,508	647,549	51,400	181,897	-62,446	170,852	30 Jun	CGU
-8,355	-90	8,463	8,929	-5,043	12,349	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
-2,379	54	2,336	9,593	-166	11,763	31 Dec	COLOGNE RE
106,819	73,810	-505	8,001	-2,692	4,804	30 Jun	COM INSUR

^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 June 2007

(\$ 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 STEAM _b	30 Jun	0	0	0	-71	-71	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	14	0	0
CREDICORP	30 Jun	3,808	0	3,808	733	42	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	322,657	136,874	185,783	240,836	23,030	101,511
EMPLOY MUT	30 Jun	2,197	759	1,438	3,452	286	579
EMPLOY RE	31 Dec	50,437	11,309	39,128	-31,200	0	-8,717
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	19,986	344	19,642	7,707	1,179	-6
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	1,522,303	69,226	1,453,077	1,013,478	190,122	49,182
GORDIAN _b	31 Dec	-1,160	323	-1,483	-71,282	-3,397	509
GUILD INS	30 Jun	131,094	18,281	112,813	58,364	0	1,114
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	76,296	10,175	66,121	51,564	8,991	5,440
HOLLARD	30 Jun	89,128	33,090	56,038	43,260	1,228	21,727
HPIA	30 Jun	36,502	5,000	31,502	15,622	0	-720
HSB	31 Dec	14,844	2,277	12,567	9,161	0	-23
IAG RE	30 Jun	0	0	0	0	0	0
IAG RE AUS	30 Jun	275,350	129,931	145,419	535,445	8,575	461,875
IAL	30 Jun	2,648,435	1,460,976	1,187,459	2,207,119	325,777	1,106,350
IMA	30 Jun	2,009,615	106,236	1,903,379	1,816,822	195,419	323,448
ING	31 Dec	51,882	744	51,138	26,054	0	0
KEMPER INS _b	31 Dec	0	0	0	-23	0	0
LAWCOVER	30 Jun	74,329	32,100	42,229	54,866	0	30,140

^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 June 2007

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
0	0	0	140	-127	13	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
14	0	-14	990	-13	963	30 Jun	CORRVAS _b
691	1,295	1,822	648	-701	1,769	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
116,295	41,274	28,214	10,733	-25,055	13,892	30 Jun	ELDERS
2,587	586	-1,735	7,917	14,029	20,211	30 Jun	EMPLOY MUT
-22,483	7,128	54,483	51,533	-47,919	58,097	31 Dec	EMPLOY RE
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
6,534	10,894	2,214	1,674	-2,556	1,332	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
774,174	437,887	241,016	190,894	-118,428	313,482	30 Jun	GIO GEN
-68,394	-325	67,236	41,930	-34,693	74,473	31 Dec	GORDIAN _b
57,250	17,502	38,061	17,477	-33,802	21,736	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
37,133	3,831	25,157	5,431	-20,281	10,307	30 Jun	HBF INS
20,305	36,265	-532	6,993	-13,241	-6,780	30 Jun	HOLLARD
16,342	2,699	12,461	9,408	-11,796	10,073	30 Jun	HPIA
9,184	5,928	-2,545	1,084	-5,820	-7,281	31 Dec	HSB
0	0	0	416	-125	291	30 Jun	IAG RE
64,995	1,181	79,243	13,663	-28,416	64,490	30 Jun	IAG RE AUS
774,992	286,245	126,222	693,126	-310,304	509,044	30 Jun	IAL
1,297,955	375,458	229,966	150,872	-124,034	256,805	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
24,726	0	17,503	6,155	-12,286	11,372	30 Jun	LAWCOVER

^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 June 2007

(\$ 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
LIBERTY	31 Dec	166,016	87,551	78,465	81,181	0	28,836
LIONHEART _b	30 Jun						
LUMLEY GEN	30 Jun	646,519	185,139	461,380	509,086	61,550	143,204
MASTER BUT _{ab}	01 Dec						
MDA	30 Jun	58,939	6,157	52,782	35,249	4,066	1,309
MDU _b	30 Jun	0	0	0	-29	0	20
METLIFE _b	31 Dec	0	0	0	0	0	0
MGIC	31 Dec						
MIA	30 Jun	36,250	7,560	28,690	23,051	3,668	4,791
MITSUI	31 Mar	23,663	5,416	18,247	9,690	0	1,966
MMIA _b	31 Dec	475	412	63	-22,842	-5,852	-53
MRMPL	30 Jun	4,185	829	3,356	1,352	10	0
MTA	30 Jun	20,624	0	20,624	1,604	0	0
MUNICH RE	31 Dec	557,926	36,697	521,229	353,902	0	40,112
MUNICIPAL _b	30 Jun	0	0	0	213	0	0
MUT COMM	30 Jun	37,262	2,649	34,613	26,020	3,388	-378
NEW INDIA	31 Mar	6,388	2,249	4,139	9,429	0	6,773
NIPPONKOA	31 Mar	6,670	2,321	4,349	707	5	-128
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
OPTUS	31 Mar	39,547	0	39,547	34,244	6,646	0
PIA _b	30 Jun	0	0	0	-364	0	1,446
PIICA	30 Jun	63,168	3,039	60,129	30,584	2,100	-1,523
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	-4	-4	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	76,549	3,735	72,814	71,870	10,799	8,899
RAC	30 Jun	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	47,529	2,531	44,998	38,899	4,986	902
RURAL _b	30 Jun	0	0	0	0	0	0
SCOR	31 Dec	18,995	5,725	13,270	16,651	0	455

^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 June 2007

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
52,345	-2,819	28,939	14,187	-24,119	19,007	31 Dec	LIBERTY
						30 Jun	LIONHEART _b
304,332	126,271	30,777	20,806	-26,920	24,663	30 Jun	LUMLEY GEN
						01 Dec	MASTER BUT _{ab}
29,874	2,272	20,636	15,658	-20,713	15,581	30 Jun	MDA
-49	0	49	298	-104	243	30 Jun	MDU _b
0	0	0	503	-151	352	31 Dec	METLIFE _b
						31 Dec	MGIC
14,592	794	13,304	7,096	-11,533	8,867	30 Jun	MIA
7,724	1,932	8,591	6,149	-7,246	7,494	31 Mar	MITSUI
-16,937	-288	17,288	29,822	-16,584	30,526	31 Dec	MMIA _b
1,342	147	1,867	1,542	-1,295	2,114	30 Jun	MRMPL
1,604	10,372	8,648	6,613	-8,230	7,031	30 Jun	MTA
313,790	111,168	96,271	77,137	-64,215	109,193	31 Dec	MUNICH RE
213	15	-228	16	0	-212	30 Jun	MUNICIPAL _b
23,010	11,557	46	1,353	-558	841	30 Jun	MUT COMM
2,656	1,083	400	1,305	-898	807	31 Mar	NEW INDIA
830	2,112	1,407	1,463	-746	2,124	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
27,598	3,160	8,789	1,287	-3,596	6,480	31 Mar	OPTUS
-1,810	0	1,810	3,102	-2,250	2,662	30 Jun	PIA _b
30,007	3,090	27,032	10,123	-25,551	11,604	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	82	-131	-49	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
52,172	14,697	5,945	5,581	-4,507	7,019	30 Jun	RAA
123,830	25,829	48,328	11,605	-39,114	20,819	30 Jun	RAC
225,648	59,676	113,460	48,149	-67,963	93,646	31 Dec	RACQ
33,011	8,940	3,047	2,906	-1,757	4,196	30 Jun	RACT
0	0	0	70	-31	39	30 Jun	RURAL _b
16,196	2,666	-5,592	3,024	-494	-3,062	31 Dec	SCOR

^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 June 2007

(\$ 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
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	39,516	2,648	36,868	35,436	486	-663
STEWART	31 Dec	1,986	144	1,842	2,235	1,377	55
SUNCORP	30 Jun	1,198,600	88,571	1,110,029	825,550	106,140	64,209
SUNDERLAND	31 Dec	20,897	6,171	14,726	13,817	0	6,307
SUNSTATE	30 Jun	5,537	2,610	2,927	1,899	3	424
SWANN	30 Jun	209,069	11,648	197,421	86,023	14,895	8,773
SWISS RE	31 Dec	517,104	88,639	428,465	149,257	0	7,363
TAXI ^b	30 Jun	922	0	922	1,233	0	612
TGI AUS ^b	31 Dec	1,623	880	743	21,557	1,359	22,762
TMIC	30 Jun	14,368	2,379	11,989	7,581	402	909
TOKIO	31 Mar	33,741	10,280	23,461	16,798	3,067	1,642
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	30 Jun	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	297,272	51,844	245,428	177,983	15,564	27,353
WESTERN ^{bc}	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)		29,449	7,609	21,841	20,033	1,958	5,753

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c Authorisation revoked on 30/06/2007.

Table 12 Company level financial performance (continued)

Financial years ended in the 12 months to June 2007

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
						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
35,613	9,081	-7,826	8,846	-2,592	-1,572	30 Jun	STATECOVER
803	1,101	-62	476	-890	-476	31 Dec	STEWART
655,201	295,055	159,773	576,911	-162,434	574,250	30 Jun	SUNCORP
7,510	7,215	1	1,139	-1,250	-110	31 Dec	SUNDERLAND
1,472	174	1,282	1,177	-537	1,922	30 Jun	SUNSTATE
62,355	95,070	39,996	33,666	-22,008	51,654	30 Jun	SWANN
141,894	136,720	149,851	66,365	-93,709	122,507	31 Dec	SWISS RE
621	0	301	292	-437	156	30 Jun	TAXI ^b
-2,564	-393	3,700	6,386	-4,756	5,330	31 Dec	TGI AUS ^b
6,270	432	5,287	1,473	-5,809	951	30 Jun	TMIC
12,089	6,065	5,307	5,886	-7,352	3,841	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	30 Jun	VERO
4,185	10,077	3,268	1,408	-1,096	3,580	31 Dec	VIRGINIA
135,066	67,474	42,888	14,501	-29,257	28,132	30 Jun	WESFARMERS
549	-2,708	15,432	1,993	-6,174	11,251	31 Dec	WESTERN ^{bc}
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
12,321	5,870	3,649	3,754	-2,415	4,989		Total (\$ million)

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c Authorisation revoked on 30/06/2007.

Table 13 Company level financial position

Financial years ended in the 12 months to June 2007

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
AAIL	31 Dec	6,207,028	8,636,611	4,133,864	1,048,792	6,993,875	1,642,737
AAMI	30 Jun	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	35,152	58,234	8,431	26,478	37,638	20,596
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	30 Jun	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	161,014	244,232	88,646	83,518	181,292	62,940
AUS MED	30 Jun	521,469	792,470	313,025	36,045	473,263	319,207
AUS UNITY	30 Jun	79,711	150,785	57,204	38,071	110,873	39,915
AUTO GEN	30 Jun	49,944	105,009	21,073	56,849	90,090	14,919
AXA _b	31 Dec	45,233	51,886	18,569	0	19,451	32,435
BARRISTERS	30 Jun	15,986	16,249	519	758	2,704	13,545
BHP MARINE	30 Jun	485,879	699,154	114,800	105,617	295,589	403,565
BORAL _b	30 Jun	16,285	29,431	14,585	0	17,688	11,743
BUDGET _b	30 Jun	6,346	11,454	93	0	428	11,026
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	615,521	803,425	369,454	83,621	531,391	272,034
CAVELL _b	31 Dec	4,915	14,543	3,096	0	3,601	10,942
CGU	30 Jun	2,941,481	5,007,201	2,241,794	900,245	3,739,031	1,268,170
CGU VACC	30 Jun	86,873	105,418	41,817	49	89,950	15,468
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
COLOGNE RE	31 Dec	205,791	210,162	71,230	0	76,936	133,226
COM INSUR	30 Jun	45,408	258,622	93,914	75,753	206,801	51,821

^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 June 2007

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
COM STEAM ^b	30 Jun	3,937	6,191	1,885	0	2,006	4,185
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	15,169	15,180	1,711	0	2,006	13,174
CREDICORP	30 Jun	10,721	11,766	473	4,751	5,434	6,332
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	165,521	438,995	184,356	129,017	376,595	62,400
EMPLOY MUT	30 Jun	61,444	104,473	17,031	499	31,757	72,716
EMPLOY RE	31 Dec	842,159	907,179	506,157	62,383	609,202	297,977
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	12,651	21,959	2,907	6,006	13,228	8,731
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	2,813,420	3,891,392	1,806,190	817,654	3,136,288	755,104
GORDIAN ^b	31 Dec	1,307,863	1,427,166	697,204	0	731,474	695,692
GUILD INS	30 Jun	163,207	283,124	131,968	50,968	212,490	70,634
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	58,701	98,423	15,474	31,659	55,192	43,231
HOLLARD	30 Jun	49,177	136,694	34,543	33,382	106,704	29,990
HPIA	30 Jun	107,924	132,450	49,552	8,136	74,214	58,236
HSB	31 Dec	19,727	31,566	5,730	15,954	24,221	7,345
IAG RE	30 Jun	6,893	6,928	0	0	464	6,464
IAG RE AUS	30 Jun	724,830	2,256,014	1,183,479	492,902	1,822,487	433,527
IAL	30 Jun	7,355,483	10,530,093	4,335,986	1,197,546	7,289,651	3,240,442
IMA	30 Jun	1,383,913	2,486,784	718,765	867,083	1,881,413	605,371
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
LAWCOVER	30 Jun	168,863	276,010	119,693	60,910	236,480	39,530

^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 June 2007

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
LIBERTY	31 Dec	356,755	686,850	430,452	84,736	572,067	114,783
LIONHEART _b	30 Jun						
LUMLEY GEN MASTER BUT _{ab}	30 Jun 01 Dec	378,578	874,927	393,233	248,876	763,472	111,455
MDA	30 Jun	161,570	244,911	136,961	17,163	182,705	62,206
MDU _b	30 Jun	0	5,963	415	0	415	5,548
METLIFE _b	31 Dec	0	9,771	2,911	0	3,037	6,734
MGIC	31 Dec						
MIA	30 Jun	85,993	174,792	92,267	23,422	134,746	40,046
MITSUI	31 Mar	108,451	125,122	16,576	11,058	32,840	92,282
MMIA _b	31 Dec	586,313	689,655	301,545	375	505,942	183,713
MRMPL	30 Jun	18,877	22,710	857	5,502	7,796	14,914
MTA	30 Jun	35,028	37,802	1,354	9,227	15,534	22,268
MUNICH RE	31 Dec	1,618,062	2,241,913	1,028,486	426,779	1,766,899	475,014
MUNICIPAL _b	30 Jun	11,902	11,910	2,525	0	2,534	9,376
MUT COMM	30 Jun	23,411	51,093	13,124	18,108	37,535	13,558
NEW INDIA	31 Mar	23,988	37,435	4,460	12,143	17,882	19,553
NIPPONKOA	31 Mar	0	40,273	14,464	3,724	20,353	19,920
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
OPTUS	31 Mar	22,739	28,439	2,534	1,367	14,044	14,395
PIA _b	30 Jun	37,287	51,489	29,852	0	31,251	20,238
PIICA	30 Jun	158,028	229,705	113,400	21,100	174,614	55,091
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	2,346	3,075	184	0	245	2,830
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	57,239	97,307	24,606	37,986	77,769	19,538
RAC	30 Jun	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	31,022	57,913	12,584	25,286	44,072	13,843
RURAL _b	30 Jun	2,864	3,955	2,912	0	3,085	870
SCOR	31 Dec	60,008	85,264	28,081	20,015	49,008	36,256

^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 June 2007

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
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	122,242	176,473	83,971	35,668	132,893	43,580
STEWART	31 Dec	7,500	10,401	2,414	0	2,989	7,412
SUNCORP	30 Jun	5,701,128	6,389,031	2,273,619	608,735	4,291,060	2,097,971
SUNDERLAND	31 Dec	12,282	34,269	15,698	6,238	25,729	8,540
SUNSTATE	30 Jun	19,782	22,077	433	6,884	9,075	13,002
SWANN	30 Jun	339,509	406,740	44,354	158,507	257,005	149,735
SWISS RE	31 Dec	1,479,011	1,992,799	1,104,604	294,635	1,442,191	550,608
TAXI ^b	30 Jun	2,416	2,729	162	0	653	2,076
TGI AUS ^b	31 Dec	144,122	200,843	106,683	750	109,061	91,782
TMIC	30 Jun	6,029	33,704	2,231	8,877	13,493	20,211
TOKIO	31 Mar	101,367	157,920	60,868	16,745	84,535	73,385
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	30 Jun	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	257,080	368,442	131,851	113,920	290,381	78,061
WESTERN ^{bc}	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)		58,594	88,012	36,696	14,524	62,606	25,406

^a Not required to submit data for the relevant period.^b Insurer authorised to conduct run-off business only.^c Authorisation revoked on 30/06/2007.

Table 14 Company level capital adequacy

Financial years ended in the 12 months to June 2007

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
AAIL	31 Dec	804,765	1,338,041	533,276	1.66
AAMI	30 Jun	7,676	10,843	3,167	1.41
ACE	31 Dec	74,532	200,547	126,015	2.69
AFG _{cd}	30 Sep				
AIOI _a	31 Mar	7,061	21,470	14,409	3.04
ALEA _a	31 Dec	5,000	20,850	15,850	4.17
AM HOME _a	31 Dec	131,624	259,844	128,220	1.97
AM INT _d	30 Nov	2,000	10,674	8,674	5.34
AME RE _{ad}	31 Dec	39,236	149,659	110,423	3.81
AMPG _d	31 Dec	5,000	7,018	2,018	1.40
ANZ LMI	30 Sep	209,714	151,216	-58,498	0.72
ANZCOVER	30 Sep	75,770	127,977	52,207	1.69
ASSET	31 Dec	33,018	75,834	42,816	2.30
ATRADIUS _a	31 Dec	15,623	22,449	6,826	1.44
AUS ALLNCE	30 Jun	5,926	18,088	12,162	3.05
AUS FAMILY _d	31 Dec	2,000	895	-1,105	0.45
AUS INT	30 Jun	31,725	60,800	29,075	1.92
AUS MED _b	30 Jun	100,566	322,749	222,183	3.21
AUS UNITY	30 Jun	18,208	37,923	19,715	2.08
AUTO GEN	30 Jun	12,134	16,076	3,942	1.32
AXA _d	31 Dec	5,000	32,435	27,435	6.49
BARRISTERS	30 Jun	5,000	13,545	8,545	2.71
BHP MARINE	30 Jun	154,395	403,565	249,170	2.61
BORAL _d	30 Jun	2,000	9,920	7,920	4.96
BUDGET _{ad}	30 Jun	5,000	6,526	1,526	1.31
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	106,730	272,034	165,304	2.55
CAVELL _{ad}	31 Dec	2,000	1,910	-90	0.96
CGU	30 Jun	544,924	1,040,689	495,765	1.91
CGU VACC	30 Jun	5,290	16,163	10,873	3.06
CHUBB	31 Dec	94,680	253,292	158,612	2.68
CIC	31 Dec	5,000	10,581	5,581	2.12
COLOGNE RE _a	31 Dec	13,749	133,226	119,477	9.69
COM INSUR	30 Jun	39,169	51,695	12,526	1.32

^a Capital base for branch insurers is derived from net assets inside Australia.^b Medical indemnity insurers are not required to meet minimum capital requirements 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 June 2007

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
COM STEAM _d	30 Jun	2,000	4,163	2,163	2.08
COMBINED _a	31 Dec	9,745	63,628	53,883	6.53
CONVER _a	31 Dec	20,090	101,463	81,373	5.05
COPENHAGEN _{ad}	31 Dec	5,000	51,496	46,496	10.30
CORRVAS _d	30 Jun	5,000	13,174	8,174	2.63
CREDICORP	30 Jun	5,000	6,274	1,274	1.25
CUMIS _a	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	33,926	65,075	31,149	1.92
EMPLOY MUT	30 Jun	10,487	72,716	62,229	6.93
EMPLOY RE _a	31 Dec	95,691	348,558	252,867	3.64
FIRST AM	31 Dec	5,000	7,953	2,953	1.59
FM INS _a	31 Dec	17,742	111,547	93,805	6.29
FORTRON	30 Jun	7,872	9,121	1,249	1.16
GEN LMI _d	31 Dec	72,767	102,387	29,620	1.41
GE MORT	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	553,115	889,581	336,466	1.61
GORDIAN _d	31 Dec	133,113	651,119	518,006	4.89
GUILD INS	30 Jun	36,318	74,651	38,333	2.06
HALLMARK	31 Dec	20,931	109,311	88,380	5.22
HANNOVER _a	31 Dec	113,533	174,635	61,102	1.54
HBF INS	30 Jun	15,689	45,791	30,102	2.92
HOLLARD	30 Jun	10,250	31,580	21,330	3.08
HPIA	30 Jun	19,561	62,057	42,496	3.17
HSB _a	31 Dec	5,000	7,345	2,345	1.47
IAG RE	30 Jun	5,000	6,464	1,464	1.29
IAG RE AUS	30 Jun	258,175	423,971	165,796	1.64
IAL	30 Jun	994,772	2,689,078	1,694,306	2.70
IMA	30 Jun	289,619	600,551	310,932	2.07
ING	31 Dec	30,100	41,723	11,623	1.39
KEMPER INS _d	31 Dec	2,000	3,581	1,581	1.79
LAWCOVER	30 Jun	21,490	39,530	18,040	1.84

^a Capital base for branch insurers is derived from net assets inside Australia.^b Medical indemnity insurers are not required to meet minimum capital requirements 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 June 2007

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
LIBERTY _a	31 Dec	53,296	153,788	100,492	2.89
LIONHEART _{cd}	30 Jun				
LUMLEY GEN	30 Jun	78,444	108,471	30,027	1.38
MASTER BUT _{cd}	01 Dec				
MDA _b	30 Jun	32,350	69,777	37,427	2.16
MDU _d	30 Jun	3,500	5,517	2,017	1.58
METLIFE _d	31 Dec	2,000	6,734	4,734	3.37
MGIC	31 Dec				
MIA _b	30 Jun	18,690	40,040	21,350	2.14
mitsui _a	31 Mar	35,765	85,059	49,294	2.38
MMIA _d	31 Dec	53,383	183,713	130,330	3.44
MRMPL	30 Jun	9,830	14,914	5,084	1.52
MTA	30 Jun	5,906	22,472	16,566	3.80
MUNICH RE _a	31 Dec	289,327	467,415	178,088	1.62
MUNICIPAL _{ad}	30 Jun	2,000	9,376	7,376	4.69
MUT COMM	30 Jun	5,000	13,010	8,010	2.60
NEW INDIA _a	31 Mar	5,000	20,356	15,356	4.07
NIPPONKOA _a	31 Mar	5,000	19,418	14,418	3.88
NORTH _d	31 Dec	5,000	10,724	5,724	2.14
NRG LONDON _{ad}	31 Dec	5,000	15,962	10,962	3.19
NRG VIC _d	31 Dec	5,000	25,322	20,322	5.06
OPTUS	31 Mar	5,000	14,346	9,346	2.87
PIA _d	30 Jun	5,000	23,538	18,538	4.71
PIICA _b	30 Jun	25,250	51,704	26,454	2.05
PLMI	31 Dec	10,863	12,270	1,407	1.13
PMI MORT	31 Dec	752,418	1,042,202	289,784	1.39
POSEIDON _d	30 Jun	2,000	2,830	830	1.42
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	10,444	22,534	12,090	2.16
RAC	30 Jun	25,627	102,121	76,494	3.98
RACQ	31 Dec	114,954	222,607	107,653	1.94
RACT	30 Jun	6,944	14,167	7,223	2.04
RURAL _d	30 Jun	2,000	870	-1,130	0.44
SCOR _a	31 Dec	14,083	36,054	21,971	2.56

^a Capital base for branch insurers is derived from net assets inside Australia.^b Medical indemnity insurers are not required to meet minimum capital requirements 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 June 2007

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base ^a	Capital surplus	Solvency coverage
SGIA _c	30 Sep				
SOMPO _a	31 Dec	5,000	17,375	12,375	3.48
SPHERE DRA _{ad}	31 Dec	2,000	4,219	2,219	2.11
ST ANDREW	31 Dec	5,000	10,602	5,602	2.12
ST PAUL _{ad}	30 Sep	12,589	29,932	17,343	2.38
STATECOVER	30 Jun	25,111	46,689	21,578	1.86
STEWART _a	31 Dec	5,000	7,412	2,412	1.48
SUNCORP	30 Jun	695,783	1,464,273	768,490	2.10
SUNDERLAND _a	31 Dec	5,000	6,513	1,513	1.30
SUNSTATE	30 Jun	10,739	12,975	2,236	1.21
SWANN	30 Jun	50,219	149,768	99,549	2.98
SWISS RE _a	31 Dec	271,462	550,608	279,146	2.03
TAXI _d	30 Jun	334	2,076	1,742	6.22
TGI AUS _d	31 Dec	19,769	86,099	66,330	4.36
TMIC	30 Jun	11,823	20,211	8,388	1.71
TOKIO _a	31 Mar	18,241	75,910	57,669	4.16
TOWER _{ad}	30 Sep	5,541	28,974	23,433	5.23
TRC _a	31 Dec	13,017	33,822	20,805	2.60
VERO	30 Jun	690,479	1,721,588	1,031,109	2.49
VIRGINIA _a	31 Dec	5,000	20,958	15,958	4.19
WESFARMERS	30 Jun	39,262	76,396	37,134	1.95
WESTERN _{de}	31 Dec	51,007	40,356	-10,651	0.79
WESTPAC	30 Sep	29,029	63,191	34,162	2.18
WPAC LMI	30 Sep	107,812	147,547	39,735	1.37
XL INS _a	31 Dec	23,201	70,114	46,913	3.02
XL RE _{ad}	31 Dec	5,838	25,924	20,086	4.44
ZURICH	31 Dec	342,182	799,831	457,649	2.19

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

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

^e Authorisation revoked on 30/06/2007.

Table 15 Public insurer financial performance

Year end June 2007

(\$ million)

	Total public sector
Earned premium	8,929
Reinsurance expense	120
Net premium revenue	8,809
Claims expense	8,181
Reinsurance and other recoveries revenue	271
Net claims expense	7,910
Underwriting costs	439
Underwriting result	460
Investment income	5,887
General and administration expenses	2,364
Other items	-885
Net profit / loss after tax	3,097
Number of entities	14

Notes:

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

Table 16 Public insurer operating income and expense

Year end June 2007

(\$ million)

	Total public sector
Investment income	5,887
<i>arising from:</i>	
Interest	1,278
Dividend	2,148
Rent	24
Change in net market value of investments	2,437
	147
Other operating income	
Operating expenses	1,311
<i>of which:</i>	
Interest	83
Wages and salaries	271
Other employee related	78
Occupancy and equipment	50
Fees	418
Bad and doubtful debts	12
Other operating expenses	399
Number of entities	14

Notes:

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

Table 17 Public insurer financial position

Year end June 2007

(\$ million)

	Total public sector	of which: inside Australia
Unpaid premiums	545	545
Reinsurance assets	320	320
Investments	44,668	42,237
Other assets	3,888	3,888
Total assets	49,421	46,989
Underwriting provisions	36,395	36,395
Other provisions	91	91
Taxation	1,028	1,028
Total creditors and borrowings	1,663	1,663
Other liabilities	1,062	1,062
Total liabilities	40,239	40,239
Shareholders' equity	9,182	
Number of entities	14	

Notes:

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

Table 18 Public insurer premiums and claims by class of business

Year end June 2007

(\$ million)

Class of business	Total premiums (in accordance with <i>AASB 1023 / AAS 26</i>)	Premium revenue ^a	Reinsurance expense	Claims expense	Reinsurance and other recoveries revenue
Houseowners/householders	41	40	16	26	8
Commercial motor vehicle	12	12	8	12	9
Domestic motor vehicle	13	13	2	8	0
Travel	0	0	0	0	0
Fire and ISR	43	41	25	40	3
Marine and aviation	1	1	1	0	0
Mortgage	0	0	0	0	0
Consumer credit	0	0	0	0	0
Other accident	2	2	0	0	0
Other	113	113	4	73	0
CTP motor vehicle	2,005	1,982	24	1,929	31
Public and product liability	20	20	6	-15	1
Professional indemnity	3	3	1	0	0
Employers' liability	6,550	6,711	32	6,113	220
Total direct business	8,801	8,937	120	8,187	272

Notes:

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

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

Company classification

Year end June 2007

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	
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Australian Alliance Insurance Company Limited	AUS ALLNCE	30 Jun	Direct		
Australian Associated Motor Insurers Limited	AAMI	30 Jun	Direct		
Australian Family Assurance Limited	AUS FAMILY	31 Dec	Direct		Run-off
Australian International Insurance Limited	AUS INT	30 Jun	Direct		
Auto & General Insurance Company Limited	AUTO GEN	30 Jun	Direct		
<hr/>					
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
Budget Insurance Company Limited	BUDGET	30 Jun	Direct	Branch	Run-off
<hr/>					
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
Calliden Insurance Limited	AUS UNITY	30 Jun	Direct		
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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 June 2007

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
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
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	
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
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		
HDI-Gerling Australia Insurance Company Pty Limited	GERLING	31 Dec	Direct		
HSB Engineering Insurance Limited	HSB	31 Dec	Direct	Branch	
Hallmark General Insurance Company Ltd	HALLMARK	31 Dec	Direct		
Hannover Rueckversicherung AG	HANNOVER	31 Dec	Reinsurer	Branch	
IAG Re Australia Limited	IAG RE AUS	30 Jun	Direct		
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
Lumley General Insurance Ltd	LUMLEY GEN	30 Jun	Direct		
MDA National Insurance Pty Ltd	MDA	30 Jun	Direct		

Company classification (continued)

Year end June 2007

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
MDU Australia Insurance Co Pty Limited	MDU	30 Jun	Direct		Run-off
MGIC Australia Pty Limited	MGIC	31 Dec	Direct		LMI
MIPS Insurance Pty Ltd	HPIA	30 Jun	Direct		
MMIA Pty Limited	MMIA	31 Dec	Direct		Run-off
MTA Insurance Limited	MTA	30 Jun	Direct		
<hr/>					
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
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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	
<hr/>					
NRG London Reinsurance Company Ltd	NRG LONDON	31 Dec	Reinsurer	Branch	Run-off
NRG Victory Australia Limited	NRG VIC	31 Dec	Reinsurer		Run-off
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
<hr/>					
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		
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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		
<hr/>					
SCOR Reinsurance Asia-Pacific Pte Ltd	SCOR	31 Dec	Reinsurer	Branch	
Scor Switzerland Ltd	CONVER	31 Dec	Reinsurer	Branch	
Sompo Japan Insurance Inc	SOMPO	31 Dec	Direct	Branch	
Sphere Drake Insurance Limited	SPHERE DRA	31 Dec	Reinsurer	Branch	Run-off
St Andrew's Insurance (Australia) Pty Ltd	ST ANDREW	31 Dec	Direct		

Company classification (continued)

Year end June 2007

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
St. Paul Travelers Insurance Company Limited	ST PAUL	30 Sep	Direct	Branch	Run-off
St. George Insurance Australia Pty Limited	SGIA	30 Sep	Direct		LMI
Statecover Mutual Limited	STATECOVER	30 Jun	Direct		
Stewart Title Limited	STEWART	31 Dec	Direct	Branch	
Suncorp Metway Insurance Limited	SUNCORP	30 Jun	Direct		
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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	
TGI Australia Limited	TGI AUS	31 Dec	Direct		Run-off
<hr/>					
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
The New India Assurance Co Ltd	NEW INDIA	31 Mar	Reinsurer	Branch	
<hr/>					
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	30 Jun	Direct		
Virginia Surety Company, Inc	VIRGINIA	31 Dec	Direct	Branch	
<hr/>					
Wesfarmers Federation Insurance Limited	WESFARMERS	30 Jun	Direct		
Western Lenders Mortgage Insurance Co Ltd ^a	WESTERN	31 Dec	Direct		Run-off
Westpac General Insurance Limited	WESTPAC	30 Sep	Direct		
Westpac Lenders Mortgage Insurance Ltd	WPAC LMI	30 Sep	Direct		LMI
XL Insurance Company Limited	XL INS	31 Dec	Direct	Branch	
<hr/>					
XL Re Ltd	XL RE	31 Dec	Reinsurer	Branch	Run-off
Zurich Australian Insurance Limited	ZURICH	31 Dec	Direct		

^a Authorisation revoked on 30/06/2007.

List of public sector insurers

Year end June 2007

Insurer Name

Coal Mines Insurance Pty Limited

Comcare Australia

Defence Homes

Insurance Commission of Western Australia

Motor Accident Insurance Board of Tasmania

New South Wales Insurance Ministerial Corporation

Territory Insurance Office

The Motor Accident Commission

Transport Accident Commission (Victoria)

Victorian Managed Insurance Authority

Victorian Workcover Authority

Workcover Authority New South Wales

Workcover Corporation South Australia

WorkCover Queensland

Explanatory notes

Source of data

Data in this publication are sourced from audited regulatory returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* by authorised general 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) 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 prudential standard GPS 110 Att C.

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

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

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

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

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

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

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

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

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

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

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

Reinsurance recoverables comprise amounts recoverable under reinsurance contracts.

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

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

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

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

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

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

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

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

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

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

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

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



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