



**Selected
Statistics
on the
General
Insurance
Industry**

For the year ended December 1997

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Private Sector, Insurance Business Inside Australia
For 11 months ending November 1997

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Key Statistics

| | <i>December 1996</i> | <i>Direct Underwriters</i> <i>December 1997</i> | + | <i>Reinsurers</i> <i>December 1996</i> | + | <i>Reinsurers</i> <i>December 1997</i> | = | <i>December 1996</i> | <i>Total Private Sector</i> <i>December 1997</i> |
|-----------------------------------|----------------------|--|---|---|---|---|---|----------------------|---|
| | <i>-\$millions-</i> | | | | | | | | |
| Premium Revenue | 12,720 | 13,925 | | 1,538 | | 1,530 | | 14,257 | 15,455 |
| <i>less</i> Reinsurance Expense | 2,948 | 3,010 | | 428 | | 476 | | 3,376 | 3,486 |
| <i>less</i> Net Claims | 7,885 | 8,944 | | 777 | | 770 | | 8,662 | 9,714 |
| <i>less</i> Underwriting Expenses | 2,685 | 2,844 | | 341 | | 305 | | 3,026 | 3,148 |
| Underwriting Result | -799 | -873 | | -8 | | -20 | | -807 | -893 |
| <i>plus</i> Investment Revenue | 1,877 | 2,773 | | 425 | | 675 | | 2,312 | 3,448 |
| <i>plus/(minus)</i> other adjt. | (475) | (184) | | (220) | | (319) | | (694) | (504) |
| Net Profit After Tax | 613 | 1,716 | | 198 | | 336 | | 811 | 2,051 |
| Loss Ratio | 81% | 82% | | 70% | | 73% | | 80% | 81% |
| Expense Ratio | 27% | 26% | | 31% | | 29% | | 28% | 26% |
| Total Assets | 32,176 | 38,438 | | 6,217 | | 7,209 | | 38,393 | 45,646 |
| <i>less</i> Total Liabilities | 24,426 | 28,880 | | 3,808 | | 4,193 | | 28,234 | 33,073 |
| Net Assets | 7,750 | 9,558 | | 2,409 | | 3,016 | | 10,159 | 12,573 |
| Return on Total Assets | 2% | 4% | | 3% | | 5% | | 2% | 4% |
| Return on Net Assets | 8% | 18% | | 8% | | 11% | | 8% | 16% |

Market Overview

General insurance business (i.e. insurance other than life and health insurance) was written in Australia by 172 private sector insurers as at 30 June 1998. These companies are prudentially supervised under the *Insurance Act 1973*. General insurance business is also written by public sector insurers, who are not subject to the Insurance Act.

The industry structure has changed as follows:

| <i>Type of Insurer</i> | <i>as at 30 June 1996</i> | <i>as at 30 June 1997</i> | <i>as at 30 June 1998</i> |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Direct Underwriters | 110 | 110 | 108 |
| Mortgage Insurers | 9 | 13 | 15 |
| Captive Insurers | 4 | 4 | 5 |
| Reinsurers | 25 | 27 | 28 |
| Victorian Workcover | 14 | 12 | 12 |
| s37 exempt insurers* | 4 | 4 | 4 |
| Total Private Sector | 166 | 170 | 172 |
| Total Public Sector | 17 | 16 | 16 |

* insurers with a restricted authority to write certain property or personal business for a limited class of people

A number of these authorised insurers form part of larger groups of related insurers e.g. an insurer may have a Victorian Workcover and a mortgage insurance subsidiary. On a consolidated basis, *using a test of 25% ownership or control*, there are 24 groups (accounting for 85 companies) and 87 individual companies.

Of the 172 authorised insurers, 17 are running off their insurance liabilities and are no longer writing new business. The decline in the number of public sector insurers reflects a continuing trend towards the privatisation of such entities.

A list of all insurers who were authorised under the Insurance Act at 30 June 1998 appears at Section 6.1 Companies who were authorised or revoked during the year are also listed.

Lloyd's is also deemed authorised under the Insurance Act.

Industry Activity

A key indicator of general insurance activity is the rate of growth of total premiums. Total premium is the amount paid by business and consumers for their insurance cover. It includes inward reinsurance but excludes stamp duties and other Government charges.

Table 1 compares the growth of total premium with gross domestic product (GDP) for the five years to 1997.

Table 1. Total Premium Trends by Sector & GDP

| <i>Sector</i> | <i>1993</i> | <i>1994</i> | <i>1995</i> | <i>1996</i> | <i>1997</i> | <i>Average</i> |
|----------------|-------------|-------------|-------------|-------------|-------------|----------------|
| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> |
| Private Sector | 9,784 | 11,684 | 12,066 | 13,098 | 14,309 | 12,188 |
| Public Sector | 4,922 | 4,857 | 5,000 | 5,757 | 4,655 | 5,038 |
| Total | 14,706 | 16,541 | 17,066 | 18,855 | 18,964 | 17,226 |
| GDP* | 415,710 | 442,505 | 476,157 | 504,547 | 529,885 | 473,761 |

| <i>Direct Premiums Indexed</i> | | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|-----|
| | 100 | 100 | 100 | 100 | 100 | 100 |
| Private Sector | 100 | 119 | 123 | 134 | 146 | 125 |
| Public Sector | 100 | 99 | 102 | 117 | 95 | 102 |
| Total | 100 | 112 | 116 | 128 | 129 | 117 |
| GDP Index | 100 | 106 | 115 | 121 | 127 | 114 |

- Note GDP data from Australian Bureau of Statistics publication 5206.0: *Australian National Accounts: National Income, Expenditure and Product* (March quarter 1998).

Figure 1 highlights that the rate of growth of total direct premiums over the past 5 years has exceeded the growth in GDP by an average annual factor of 1.68%. It also shows the continuous effect of the movement of business from the public sector to the private sector.

Figure 1. Relative Premium Growth

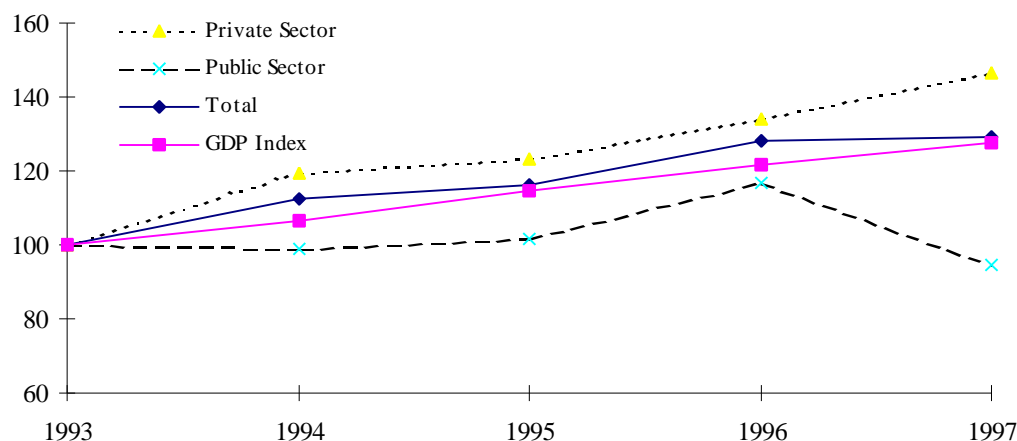


Table 2 shows, for the private sector, direct premium by class of business for calendar year 1997. This demonstrates the continued dominance of the motor vehicle and domestic home insurance classes, which together account for almost 37% of private sector direct premium.

Table 2. Total Premium Trends

| <i>Class of Business</i> | <i>1993</i> | <i>1994</i> | <i>1995</i> | <i>1996</i> | <i>1997</i> | <i>Average</i> |
|---------------------------------|--------------|---------------|---------------|---------------|---------------|----------------|
| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> |
| Domestic motor vehicle | 2,422 | 2,628 | 2,817 | 3,058 | 3,182 | 2,821 |
| Houseowners/householders | 1,595 | 1,756 | 1,869 | 1,991 | 2,183 | 1,879 |
| CTP motor vehicle | 847 | 949 | 1,156 | 1,644 | 1,899 | 1,299 |
| Employers' liability | 618 | 1,382 | 1,224 | 1,441 | 1,500 | 1,233 |
| Fire & industrial special risks | 1,213 | 1,372 | 1,284 | 1,329 | 1,205 | 1,281 |
| Commercial motor vehicle | 674 | 782 | 828 | 894 | 902 | 816 |
| Public & product liability | 629 | 728 | 764 | 762 | 749 | 726 |
| Inward treaty | 33 | 45 | 26 | 42 | 588 | 147 |
| Other | 516 | 585 | 595 | 419 | 548 | 533 |
| Marine & aviation | 324 | 416 | 506 | 419 | 412 | 416 |
| Other accident | 259 | 289 | 307 | 332 | 397 | 317 |
| Professional indemnity | 290 | 366 | 392 | 409 | 381 | 368 |
| Travel | 116 | 154 | 155 | 157 | 159 | 148 |
| Consumer credit | 121 | 150 | 128 | 122 | 135 | 131 |
| Mortgage | 126 | 82 | 67 | 77 | 67 | 84 |
| Total | 9,784 | 11,684 | 12,118 | 13,098 | 14,309 | 12,199 |

During 1997, total private sector total premiums increased by \$1,211 million or 9% compared to 8% in the previous year. Growth in CTP motor vehicle accounted for 21% of the total increase.

Compulsory third party motor vehicle premiums continued to rise in 1997 by 16% to \$1,899 million. This compares with premiums of \$1,156 million in 1995 and \$1,644 million in 1996. The increase in premium reflects rate increases necessary to address the significant underwriting losses in the CTP class of business shown at Table 3.

Premiums for Employers' liability cover increased by \$59 million or 4% compared to an increase of \$217 million or 18% in 1996.

Figure 2. Total Premiums by Group of Business Class

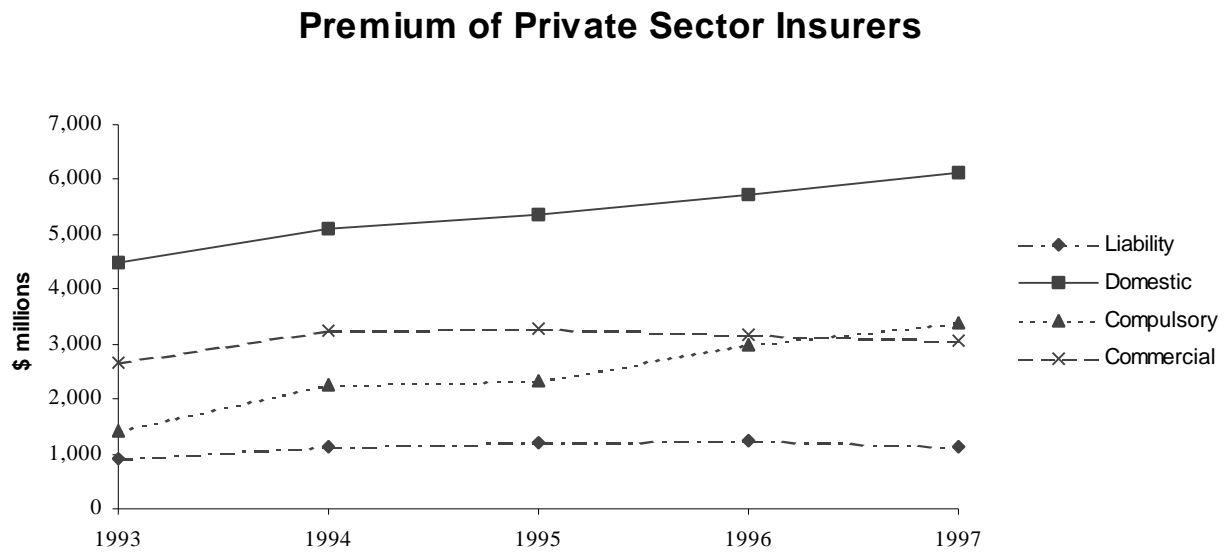


Figure 2 highlights the increase in total premium for the compulsory classes, this is a reaction to the level of underwriting losses in recent years. The trends also show that the rate of growth of domestic classes is greater than for commercial classes. This may reflect the trend towards increasing use of non-insurance risk management strategies and the degree of price competition in the commercial area.

Underwriting Performance

General insurance industry performance is measured by the underwriting result as well as by overall profitability. The underwriting result (premiums less reinsurance, claims and other underwriting expenses) excludes investment and other earnings which the insurer may have. It is determined in accordance with the general insurance accounting standard which uses premium revenue as its main measure (i.e. premiums earned rather than total premiums written).

The private sector insurers continue to make a loss on the underwriting account. This amounted to \$893 million in 1997 compared with \$807 million in 1996. In the case of direct underwriters (insurers who deal with the public at large), the underwriting deficit *increased* to \$873 million from a deficit of \$799 million in 1996. This deterioration in performance can be attributed to the increase of claims expense of 1.8 billion. In particular, the Employers' Liability class of business underwriting deficit increased from \$1.7 billion in 1996 to \$2.1 billion in 1997.

Table 3 analyses the underwriting results of all direct underwriters, showing the loss ratio, expense ratio and underwriting result for each class. The loss and expense ratios are calculated net of

reinsurance, consistent with statutory solvency tests and historic and international reporting conventions.

The loss ratio and expense ratio show, for the 1997 calendar year, 82 cents in every premium dollar was spent on claims and additional 26 cents on underwriting expenses.

Table 3. Underwriting Ratios - Direct Underwriters

| Class of Business | Loss Ratio % | | | Expense Ratio % | | | Underwriting Result \$m | | |
|---------------------------------|-----------------|-----------|-----------|--------------------|-----------|-----------|----------------------------|-------------|-------------|
| | 1995 | 1996 | 1997 | 1995 | 1996 | 1997 | 1995 | 1996 | 1997 |
| Domestic motor vehicle | 87 | 89 | 86 | 21 | 21 | 20 | -199 | -254 | -139 |
| Houseowners/householders | 62 | 63 | 54 | 39 | 39 | 35 | -8 | -37 | 202 |
| CTP motor vehicle | 173 | 120 | 112 | 18 | 17 | 14 | -813 | -468 | -408 |
| Employers' liability | 115 | 113 | 136 | 11 | 15 | 15 | -120 | -128 | -237 |
| Fire & industrial special risks | 45 | 51 | 51 | 44 | 43 | 43 | 80 | 48 | 52 |
| Commercial motor vehicle | 81 | 79 | 82 | 21 | 21 | 24 | -16 | 0 | -46 |
| Public & product liability | 78 | 71 | 100 | 29 | 28 | 31 | -41 | 3 | -190 |
| Other | 42 | 53 | 75 | 31 | 38 | 40 | 120 | -23 | -114 |
| Marine & aviation | 61 | 62 | 64 | 31 | 28 | 30 | 24 | 31 | 20 |
| Other accident | 60 | 64 | 61 | 37 | 42 | 38 | 7 | -15 | 5 |
| Professional indemnity | 94 | 64 | 86 | 23 | 20 | 22 | -41 | 41 | -22 |
| Travel | 62 | 61 | 69 | 39 | 36 | 34 | -1 | 4 | -5 |
| Consumer credit | 40 | 45 | 50 | 54 | 52 | 47 | 8 | 4 | 3 |
| Mortgage | 29 | 71 | 30 | 43 | 39 | 48 | 14 | -6 | 6 |
| Total | 84 | 80 | 82 | 28 | 28 | 26 | -987 | -799 | -873 |

The overall loss ratio for direct underwriters increased by around 2% to 82%. The loss ratios for *Professional indemnity*, *Public & product liability* and *Employers' liability* all increased by over 21 percentage points. The usually high loss ratio in the *CTP motor vehicle* class fell by 7 percent as a result of the increase in premium revenue in that class. The loss ratios for *Mortgage* and *Houseowners/householders* fell by 58 and 15 percentage points respectively.

Net claims expense for the *Mortgage* market decreased by 79% in 1997 and net premiums decreased by 51%. Consequently the loss ratio for this market improved from 71% in 1996 to 30% in 1997.

The expense ratio for all classes decreased by 2% to 26% in 1997. The *Mortgage* class of business is the most expensive paying 48 cents in every premium dollar for selling and administration. *CTP motor vehicle* is the cheapest class to write and administer with a ratio of only 14%.

Profitability

Private sector general insurers reported a \$1,240 million or 153% increase in aggregate after-tax profits in 1997. After-tax profit increased from \$811 million in 1996 to \$2,051 million in 1997. This large increase is consistent with the growth in the capital markets throughout 1997.

Table 4 shows the actual overall results of the private sector insurers over the last five years in the conventional form. Investment income has been notionally apportioned between policyholders' and shareholders' funds (Italics).

This notional allocation of investment income to policyholders' funds converts an underwriting loss in 1997 of \$893 million to a profit of \$1,479 million. Similarly for 1996, an underwriting loss of \$807 million converts to a profit of \$1,015 million. These results relate to premium revenue of \$15.5 billion in 1997 and \$14.3 billion in 1996.

The notional return on shareholders' funds on the other hand, represents a return of \$2.0 billion in 1997 and \$1.3 billion in 1996 on net assets (derived from Table 5) of \$12.6 billion and \$10.2 billion respectively.

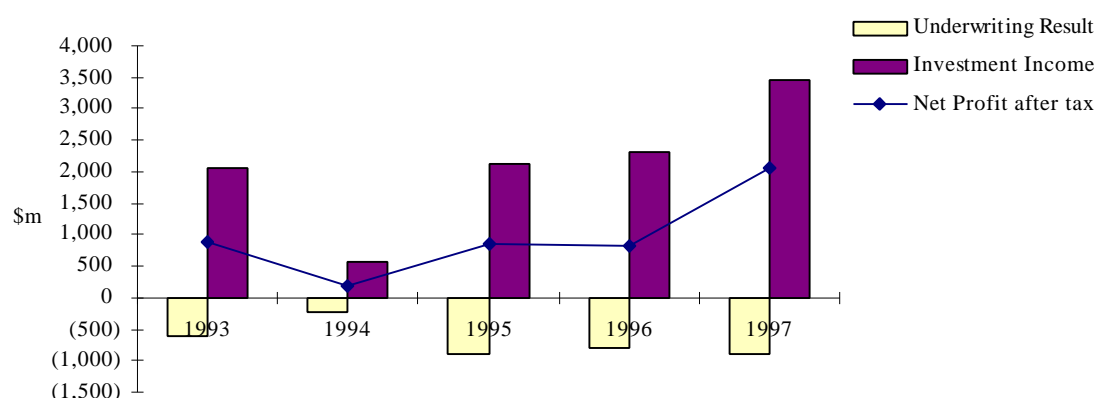
Table 4. Profitability 1993-97

| Actual | 1993 | 1994 | 1995 | 1996 | 1997 |
|--|-------------|-------------|-------------|-------------|-------------|
| | \$m | \$m | \$m | \$m | \$m |
| Underwriting Result | (616) | (216) | (890) | (807) | (893) |
| Investment Income | 2,047 | 558 | 2,116 | 2,312 | 3,448 |
| Net Profit from Insurance Business | 1,183 | (32) | 852 | 1,095 | 2,088 |
| Net Profit before tax | 1,204 | 51 | 595 | 1,204 | 2,342 |
| Net Profit after tax | 870 | 175 | 795 | 811 | 2,051 |
| Notional | | | | | |
| <i>Insurance Investment Income</i> | 790 | 240 | 939 | 1,015 | 1,479 |
| <i>Shareholders' Investment Income</i> | 1,257 | 318 | 1,177 | 1,297 | 1,969 |
| <i>Investment Income</i> | 2,047 | 558 | 2,116 | 2,312 | 3,448 |

Note: the 'actual' results do not add through because certain items (e.g. administrative expenses) are not shown.

Figure 3 shows the sensitivity of overall profits to investment income and how reliant the industry has been over the last 5 years on investment returns for profitability. The allocation of investment revenue to each class of business or other cost centre is necessary to determine the true outcome for management and other decision-making purposes.

Figure 3. Trends in Profitability



Assets & Liabilities

The table below shows the changing structure of assets and liabilities for the general insurance industry over the last five years.

Table 5. Trends in Assets & Liabilities

| <i>Assets at market value</i> | <i>1993</i> | <i>1994</i> | <i>1995</i> | <i>1996</i> | <i>1997</i> | <i>Average</i> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> |
| Land & Buildings | 1,082 | 1,086 | 1,103 | 1,086 | 1,075 | 1,086 |
| Debt Securities | 10,277 | 10,107 | 11,402 | 12,549 | 14,523 | 11,772 |
| Shares | 5,082 | 5,411 | 5,665 | 6,416 | 8,364 | 6,187 |
| Deposits and Loans | 3,084 | 3,317 | 3,749 | 3,993 | 4,917 | 3,812 |
| Other Assets | 9,716 | 11,601 | 12,191 | 14,349 | 16,767 | 12,925 |
| Total Assets | 29,241 | 31,522 | 34,110 | 38,393 | 45,646 | 35,782 |
| <i>Liabilities</i> | | | | | | |
| Unearned Premium Provision | 5,321 | 5,852 | 6,295 | 6,836 | 7,426 | 6,346 |
| Outstanding Claims Provision | 11,729 | 13,486 | 14,804 | 17,364 | 20,749 | 15,626 |
| Other Provisions | 195 | 182 | 82 | 106 | 118 | 137 |
| Other Liabilities | 3,371 | 3,502 | 3,616 | 3,928 | 4,780 | 3,839 |
| Total Liabilities | 20,616 | 23,021 | 24,797 | 28,234 | 33,073 | 25,948 |

Net assets for the year increased by 24% to \$12.6 billion up from \$10.2 billion at December 1996.

Industry liabilities increased 17% primarily due to growth in the outstanding claims provision of 19%.

In comparison the industry's total assets increased to \$45.6 billion from \$38.4 billion, or by 19% with notable increases in all classes of assets with the exception of *land & buildings*.

The assets of private sector insurers continue to be well spread over the different categories of investments. Figure 4 shows the proportion of assets invested in each class.

Figure 4. Industry Assets

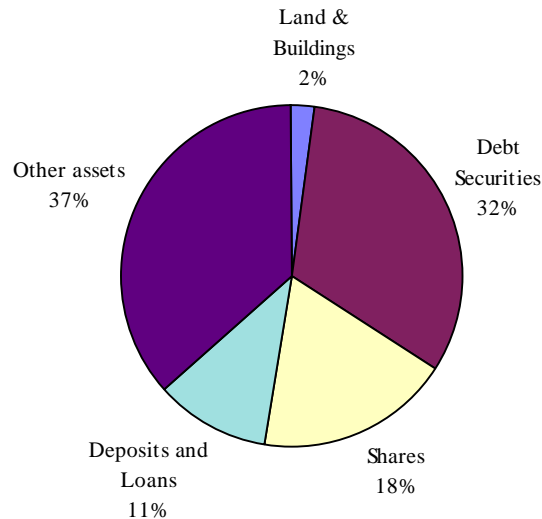


Table 6 shows the proportion of private sector insurers' assets invested with related bodies in calendar year 1997. Related body corporate assets (based on a 25% ownership or control test) are not accepted as assets for solvency purposes unless they are deposits in related Approved Deposit Taking Institutions or there is approval by APRA. The proportion of related body assets to total assets has remained constant at about 23% over the past 4 years.

Table 6. Assets Invested in Related Bodies

| Assets | Direct Underwriters | | Reinsurers | | Total | |
|---------------------|---------------------|------------|----------------|------------|----------------|------------|
| | Related Bodies | Other | Related Bodies | Other | Related Bodies | Other |
| Land & Buildings | 0% | 100% | 0% | 100% | 0% | 100% |
| Debt Securities | 0% | 100% | 0% | 100% | 0% | 100% |
| Shares | 69% | 31% | 51% | 49% | 65% | 35% |
| Deposits and Loans | 37% | 63% | 8% | 92% | 34% | 66% |
| Other Assets | 17% | 83% | 55% | 45% | 21% | 79% |
| Total Assets | 22% | 78% | 28% | 72% | 23% | 77% |

Market Concentration

Table 7 shows the level of concentration of the business of private sector direct underwriters. The table shows that, notwithstanding the number of direct underwriters (120 at 30 June 1998), the industry continues to be highly concentrated. In total, 72% of direct premium is written by the 20 largest insurers, compared to 75% in 1996 and 77% in 1995.

Table 7. Concentration of Total Premiums

| <i>Class of Business</i> | <i>Top 5</i> | <i>Top 10</i> | <i>Top 15</i> | <i>Top 20</i> |
|---------------------------------|--------------|---------------|---------------|---------------|
| | % | % | % | % |
| Inwards treaty | 94 | 100 | - | - |
| Consumer credit | 92 | 98 | 100 | - |
| Mortgage | 73 | 98 | 100 | - |
| CTP motor vehicle | 65 | 89 | 100 | - |
| Travel | 76 | 93 | 99 | 100 |
| Professional indemnity | 65 | 86 | 95 | 98 |
| Other accident | 47 | 77 | 89 | 95 |
| Commercial motor vehicle | 42 | 68 | 84 | 93 |
| Marine & aviation | 56 | 76 | 87 | 92 |
| Domestic motor vehicle | 60 | 76 | 86 | 92 |
| Employers' liability | 49 | 71 | 84 | 92 |
| Public & product liability | 43 | 69 | 84 | 92 |
| Fire & industrial special risks | 41 | 66 | 79 | 88 |
| Houseowners/householders | 41 | 64 | 79 | 88 |
| Other | 40 | 63 | 76 | 86 |
| All Classes | 30 | 47 | 61 | 72 |

SOLVENCY

The Insurance Act requires authorised general insurers to maintain an excess of assets over liabilities of not less than \$2 million, 20% of premium income or 15% of the outstanding claims provision, whichever is the greatest. For most insurers, the required solvency margin is based on 20% of premium income. In aggregate, the industry comfortably meets the statutory requirement.

Table 8. Industry Solvency Report

| | \$m | Inside Australia \$m |
|--|--------------|-------------------------------------|
| Total Assets | | 45,646 |
| <i>less</i> Total Liabilities | | 33,073 |
| Net Assets | | <u>12,573</u> |
| Adjustments: s30 Assets | 6,280 | |
| s30 approved | <u>4,972</u> | |
| <i>less</i> Net s30 adjustments | | <u>2,614</u> |
| Excess of Assets (Adj NTA) | | 9,960 |
| <i>less</i> Required Solvency Margin # | | |
| 20% of Premium Income | 2,205 | |
| 15% of OCP | 1,829 | |
| \$2 Million | 208 | 4,242 |
| Solvency Surplus | | <u><u>5,718</u></u> |

based on 20% of premium income, 15% of OCP, or \$2 million (whichever is the greatest)

Reinsurance

Table 9 shows reinsurance premiums as a proportion of total premiums. For all classes of business, the percentage of premiums ceded was 21% in 1997 compared to 23% in 1996 and 1995. Note that the proportion ceded for the Employers' Liability class is distorted by the Victorian Workcover arrangements whereby 100% of premiums are ceded to the Victorian Workcover Authority.

Table 9. Direct Premiums Ceded as Reinsurance

| <i>Class of Business</i> | <i>Direct Premiums \$m</i> | <i>Reinsurance Premiums \$m</i> | <i>Proportion Ceded</i> |
|---------------------------------|------------------------------------|---|-----------------------------|
| Employers' liability | 1,500 | 1,006 | 67% |
| Fire & industrial special risks | 1,205 | 436 | 36% |
| Professional indemnity | 381 | 118 | 31% |
| Mortgage | 67 | 19 | 29% |
| Marine & aviation | 412 | 90 | 22% |
| Other | 548 | 101 | 18% |
| Travel | 159 | 26 | 16% |
| Public & product liability | 749 | 122 | 16% |
| Houseowners/householders | 2,183 | 330 | 15% |
| Other accident | 397 | 57 | 14% |
| CTP motor vehicle | 1,899 | 211 | 11% |
| Commercial motor vehicle | 902 | 93 | 10% |
| Domestic motor vehicle | 3,182 | 326 | 10% |
| Inward treaty | 588 | 23 | 4% |
| Consumer credit | 135 | 1 | 1% |
| TOTAL | 14,309 | 2,958 | 21% |

Consumer Credit Insurance

The CCI class of business has been subject to extensive review over recent years and the APRA has been asked to publish information in relation to this class. CCI protects a consumer's ability to meet loan repayments and credit card finance obligations in the event of death or loss of income due to injury, illness or unemployment.

For the year ending 31 December 1997 CCI consumers paid \$135 million in premiums and received \$39 million back in claims.

Table 10. CCI Trends*

| | Year Ending 31 Dec 1996 \$'000 | Year Ending 31 Dec 1997 \$'000 |
|--------------------------|--------------------------------------|--------------------------------------|
| Premium Revenue | 121,426 | 110,308 |
| Less Reinsurance Expense | 1,207 | 744 |
| | <u>120,219</u> | <u>109,564</u> |
| Less: Claims | 53,918 | 55,284 |
| Selling & Admin. | 62,691 | 51,440 |
| Underwriting Surplus | <u>3,610</u> | <u>2,840</u> |
| Loss Ratio | <u>45%</u> | <u>50%</u> |
| Expense Ratio | 52% | 47% |

*The trend data (presented on an accruals basis) is not directly comparable with the unadjusted data analysing consumer payments and claims during the year.

Distribution System

General insurance business in Australia is written 'over the counter' without the use of intermediaries and also through intermediaries acting as agent of the insurer, or of the insured.

Australian insurers may accept overseas risks and Australian insureds are free to buy cover overseas, either direct or through Australian brokers or foreign insurance agents. These intermediaries must formally notify the client that the business is being placed outside of Australian legal jurisdiction.

Brokers

Insurance brokers (who act as agent of the insured) are required to be registered under the *Insurance (Agents and Brokers) Act 1984*. Agents of Australian private and public sector insurers are not required to be registered. There were, at 30 June 1998 1,027 General insurance and 134 life insurance brokers registered under that Act

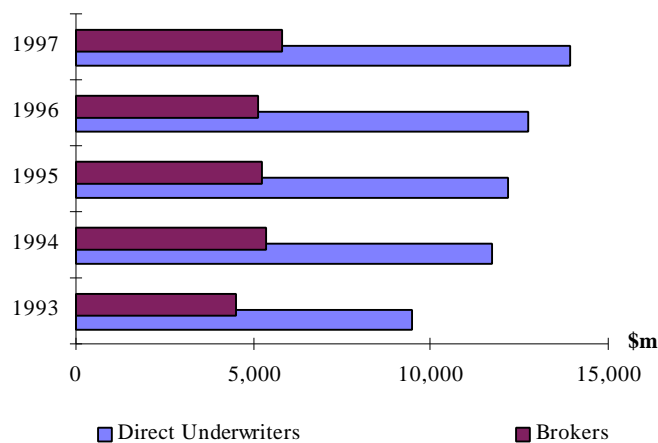
Table 11 is derived from returns provided by registered brokers balancing in the years shown.

Table 11. Brokers Accounts

| | 1993 | 1994 | 1995 | 1996 | 1997 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | \$m | \$m | \$m | \$m | \$m |
| Premium | 4,523 | 5,349 | 5,225 | 5,159 | 5,799 |
| Net Profit | 71 | 82 | 82 | 74 | 132 |
| Total Assets | 1,703 | 1,965 | 2,135 | 4,300 | 5,288 |
| Net Assets | 201 | 296 | 532 | 622 | 731 |
| Insurance Broking Account Balance | 471 | 548 | 539 | 600 | 656 |
| IBA Balance as a % of Premiums | 10.41% | 10.25% | 10.32% | 11.62% | 11.32% |

The insurance broking account (IBA) is a statutory bank account (in the nature of a trust account). Brokers are required to hold all premiums received in this account until they are paid to insurers. The IBA balance as a proportion of premium has decreased to about 11% compared with 12% last year.

Figure 5 shows premiums transacted by brokers as a proportion of private sector direct premium. This oversimplifies the reality by ignoring the effect of overseas transactions. However, it does highlight the significance of brokers who accounted for between 43% and 48% of direct premiums over the last five years.

Figure 5. Premiums Transacted by Brokers

Foreign Insurance Agents

Agents placing business with overseas insurers who are not authorised under the Insurance Act are required to be registered under the Insurance (Agents and Brokers) Act. There were, at 30 June 1998, twelve registered foreign insurance agents. A list of all registered life and general insurance brokers, and registered foreign insurance agents may be obtained from ASIC. Returns to the APRA show brokers and foreign insurance agents placed \$338.3 million in premiums with foreign insurers in the year to 30 June 1998. This compares with \$439.8 million in 1996.

Note

The statistical information in this Bulletin is derived from:

- supervisory returns provided under the Insurance Act by private sector insurers for balance dates falling within the 1997 calendar year; and
- supervisory returns provided under the Insurance (Agents and Brokers) Act by registered insurance brokers and foreign insurance agents for returns received during the year ending 30 June 1998.

**TABLE 1.1 UNDERWRITING ACCOUNT BY CLASS OF BUSINESS - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Classes of Business | Premium Revenue | Outwards Reinsurance Expense | Premium Revenue less R/I Expense (1) - (2) | Claims Expense | R/I and other Recoveries Revenue | Claims Expense less Recoveries Revenue (4) - (5) | Underwriting Expenses | Underwriting Result (3)-[(6)+(7)] |
|--------------------------|--------------------|------------------------------------|---|-------------------|--|---|--------------------------|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Industrial Special Risks | 243,323 | 119,042 | 124,281 | 136,341 | 72,293 | 64,048 | 53,029 | 7,204 |
| Fire | 277,853 | 72,007 | 205,846 | 150,050 | 32,129 | 117,921 | 92,464 | -4,539 |
| Houseowners/Householders | 1,333,888 | 213,550 | 1,120,338 | 683,223 | 66,219 | 617,004 | 353,769 | 149,565 |
| CTP Motor Vehicle | 1,248,671 | 33,628 | 1,215,043 | 1,407,301 | 93,002 | 1,314,299 | 142,346 | -241,602 |
| Commercial Motor Vehicle | 485,035 | 73,375 | 411,660 | 439,102 | 114,723 | 324,379 | 84,980 | 2,301 |
| Domestic Motor Vehicle | 2,128,047 | 40,145 | 2,087,902 | 2,181,997 | 335,317 | 1,846,680 | 375,436 | -134,214 |
| Construction | 37,795 | 19,139 | 18,656 | 31,198 | 15,080 | 16,118 | 9,538 | -7,000 |
| Marine Hull | 83,310 | 17,645 | 65,665 | 54,840 | 13,356 | 41,484 | 19,691 | 4,490 |
| Marine Cargo | 70,815 | 19,188 | 51,627 | 43,292 | 11,070 | 32,222 | 15,352 | 4,053 |
| Aviation | 23,934 | 10,740 | 13,194 | 8,349 | 2,597 | 5,752 | 1,084 | 6,358 |
| Professional Indemnity | 125,390 | 32,100 | 93,290 | 113,098 | 30,267 | 82,831 | 21,904 | -11,445 |
| Product Liability | 26,836 | 4,318 | 22,518 | 17,160 | 786 | 16,374 | 5,720 | 424 |
| Public Liability | 255,787 | 37,645 | 218,142 | 257,475 | 35,296 | 222,179 | 68,037 | -72,074 |
| Employers' Liability | 996,910 | 647,046 | 349,864 | 1,412,382 | 919,017 | 493,365 | 51,199 | -194,700 |
| Loan, Mortgage & Lease | 4,802 | 1,722 | 3,080 | 1,563 | 881 | 682 | 688 | 1,710 |
| Trade Credit | 31,045 | 19,062 | 11,983 | 17,431 | 10,645 | 6,786 | 5,502 | -305 |
| Consumer Credit | 35,392 | 163 | 35,229 | 18,063 | 50 | 18,013 | 12,399 | 4,817 |
| Extended Warranty | 5,089 | 21 | 5,068 | 4,323 | 20 | 4,303 | 1,608 | -843 |
| Sickness and Accident | 73,155 | 3,876 | 69,279 | 54,723 | 1,327 | 53,396 | 20,925 | -5,042 |
| Travel | 50,464 | 8,431 | 42,033 | 26,110 | 3,951 | 22,159 | 19,725 | 149 |
| Other | 201,174 | 40,945 | 160,229 | 227,657 | 84,065 | 143,592 | 85,512 | -68,875 |
| Inward Reinsurance | 22,819 | 526 | 22,293 | 18,440 | 219 | 18,221 | 8,478 | -4,406 |
| TOTAL | 7,761,534 | 1,414,314 | 6,347,220 | 7,304,118 | 1,842,310 | 5,461,808 | 1,449,386 | -563,974 |

**TABLE 1.2 PROFIT AND LOSS ACCOUNT - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| | | \$'000 |
|---|----------------|-------------------------|
| UNDERWRITING RESULT | | -563,974 |
| <i>Plus</i> Investment Revenue arising from: | | |
| Dividends, Interest and Rent | 910,716 | |
| Changes in Net Market Value on Investments: | | |
| Held at end of year | 834,625 | |
| Realised during the year | <u>215,962</u> | 1,961,303 |
| <i>Less</i> General and Administration Expenses | | <u>261,490</u> |
| PROFIT/LOSS FROM GENERAL INSURANCE | | 1,135,839 |
| <i>Plus</i> Profit/Loss from Business other than General Insurance | | <u>83,415</u> |
| OPERATING PROFIT/LOSS BEFORE ABNORMAL ITEMS AND INCOME TAX | | 1,219,254 |
| <i>Plus</i> Profit/Loss from Abnormal Items | | <u>168,200</u> |
| OPERATING PROFIT/LOSS BEFORE INCOME TAX | | 1,387,454 |
| <i>Less</i> Income Tax Expense attributable to Operating Profit | | <u>7,250</u> |
| OPERATING PROFIT/LOSS AFTER INCOME TAX | | 1,380,204 |
| <i>Plus</i> Profit/Loss on Extraordinary Items | | 0 |
| <i>Less</i> Income Tax Expense attributable to Extraordinary Items | | <u>-29</u> |
| OPERATING PROFIT/LOSS AND EXTRAORDINARY ITEMS AFTER INCOME TAX | | <u>1,380,233</u> |
| RETAINED PROFITS (ACCUMULATED LOSSES) AT BEGINNING OF FINANCIAL YEAR | | 1,687,380 |
| <i>Less</i> Amounts Transferred From Reserves | | <u>7,312</u> |
| TOTAL AVAILABLE FOR APPROPRIATION | | 3,074,925 |
| <i>Less</i> Dividends Provided for or Paid | 701,950 | |
| Amounts Transferred to Reserves | 442,100 | |
| Other Appropriations | <u>4,655</u> | 1,148,705 |
| RETAINED PROFITS (ACCUMULATED LOSSES) AT END OF FINANCIAL YEAR | | <u><u>1,926,220</u></u> |

| |
|--|
| TABLE 1.3 NET ASSETS - INSIDE AUSTRALIA PRIVATE SECTOR - DIRECT UNDERWRITERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| ASSETS AND LIABILITIES | \$'000 |
|---|--------------------------|
| CURRENT ASSETS | |
| Cash | 706,073 |
| Unpaid Premiums | 843,149 |
| Reinsurance and Other Recoverables | 1,240,394 |
| Investments | 6,586,780 |
| Deferred Acquisition Costs | 411,363 |
| Other | 1,349,928 |
| Total | <u>11,137,687</u> |
| NON-CURRENT ASSETS | |
| Reinsurance and Other Recoverables | 2,168,911 |
| Investments | 8,768,421 |
| Deferred Acquisition Costs | 7,814 |
| Operating Assets | 202,311 |
| Intangibles | 160 |
| Other | 488,518 |
| Total | <u>11,636,135</u> |
| Life Insurance Statutory Fund Assets | 50,768 |
| TOTAL ASSETS | <u><u>22,824,590</u></u> |
| CURRENT LIABILITIES | |
| Outstanding Claims Provision | 3,340,390 |
| Unearned Premium Provision | 3,514,022 |
| Provision for Income Tax | 44,548 |
| Other Provisions | 195,593 |
| Trade Creditors | 640,474 |
| Borrowings | 575,180 |
| Other | 566,906 |
| Total | <u>8,877,113</u> |
| NON-CURRENT LIABILITIES | |
| Outstanding Claims Provision | 7,173,678 |
| Unearned Premium Provision | 57,723 |
| Deferred Income Tax | 273,279 |
| Other Provisions | 19,731 |
| Trade Creditors | 18,616 |
| Borrowings | 51,842 |
| Other | 50,892 |
| Total | <u>7,645,761</u> |
| Life Insurance Statutory Fund Liabilities | 35,566 |
| TOTAL LIABILITIES | <u><u>16,558,440</u></u> |
| NET ASSETS | <u><u>6,266,150</u></u> |

| |
|--|
| TABLE 1.4 ASSETS AND LIABILITIES AT MARKET VALUE - INSIDE AUSTRALIA PRIVATE SECTOR - DIRECT UNDERWRITERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| | Related Bodies | Other | Total |
|--|----------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| Assets | | | |
| 1. CASH | 0 | 22,385 | 22,385 |
| 2. UNPAID PREMIUMS | | | |
| Where premium became due 3 months, or less than 3 months, previously, | | | |
| - from Brokers | 427 | 453,716 | 454,143 |
| - from others | 13,521 | 280,947 | 294,468 |
| Where premium became due more than 3 mths previously | | | |
| - from Brokers | 0 | 32,190 | 32,190 |
| - other | 275 | 13,402 | 13,677 |
| Accrued premiums on 'claims experience' policies | 817 | 42,000 | 42,817 |
| Sub-Total | 15,040 | 822,255 | 837,295 |
| 3. REINSURANCE ASSETS | | | |
| A) AMOUNTS RECOVERABLE | | | |
| Under reinsurance contracts | 773 | 93,841 | 94,614 |
| Being Reinsurance Recoverables on Outstanding Claims | 44,766 | 2,735,272 | 2,780,038 |
| B) DEFERRED REINSURANCE EXPENSE | 23,037 | 238,042 | 261,079 |
| C) OTHER | 0 | 16,141 | 16,141 |
| Sub-Total | 68,576 | 3,083,296 | 3,151,872 |
| 4. RECOVERIES OTHER THAN REINSURANCE | | | |
| subrogation: | | | |
| where court order/written agreement obtained | 0 | 189,769 | 189,769 |
| where no court order/written agreement obtained | 6 | 110,042 | 110,048 |
| other | 0 | 167,505 | 167,505 |
| Sub-Total | 6 | 467,316 | 467,322 |
| 5. DEFERRED ACQUISITION COSTS | | | |
| Commissions and Brokerage | 401 | 211,714 | 212,115 |
| Other | 0 | 207,063 | 207,063 |
| Sub-Total | 401 | 418,777 | 419,178 |
| 6. MISCELLANEOUS RECEIVABLES | | | |
| Investment Income due but not received | 1,373 | 143,890 | 145,263 |
| Proceeds from Sale of Assets | 0 | 9,441 | 9,441 |
| Other | 56,332 | 286,826 | 343,158 |
| Sub-Total | 57,705 | 440,157 | 497,862 |
| 7. PREPAYMENTS AND ADVANCES | | | |
| Prepaid levies and statutory charges | 0 | 104,988 | 104,988 |
| Other prepayments and advances | 2,795 | 29,355 | 32,150 |
| Sub-Total | 2,795 | 134,343 | 137,138 |
| 8. INVENTORIES | 0 | 2,481 | 2,481 |

TABLE 1.4 CONTINUED

| | Related Bodies | Other | Total |
|---|------------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| 9. OPERATING ASSETS | | | |
| Computer Software | 0 | 32,790 | 32,790 |
| Plant, Equipment, Furnishings and Fixtures | 0 | 127,940 | 127,940 |
| Motor Vehicles | 0 | 44,101 | 44,101 |
| Other | 0 | 8,404 | 8,404 |
| Sub-Total | 0 | 213,235 | 213,235 |
| 10. FUTURE INCOME TAX BENEFIT | | | |
| Timing Differences | 1,864 | 241,157 | 243,021 |
| Tax Losses | 524 | 115,314 | 115,838 |
| Sub-Total | 2,388 | 356,471 | 358,859 |
| 11. INTANGIBLES | 0 | 160 | 160 |
| 12. INVESTMENTS | | | |
| A) LAND AND BUILDINGS | | | |
| For, or under, development | 0 | 30,142 | 30,142 |
| Other | 0 | 670,187 | 670,187 |
| Sub-Total | 0 | 700,329 | 700,329 |
| B) DEBT SECURITIES | | | |
| Bills of exchange | 5,124 | 423,275 | 428,399 |
| Promissory notes (commercial paper) issued by: | | | |
| Commonwealth-owned trading companies | 0 | 54,311 | 54,311 |
| State & Local government owned trading companies | 0 | 0 | 0 |
| Private trading companies | 0 | 580,146 | 580,146 |
| Non-bank financial intermediaries | 0 | 26,792 | 26,792 |
| State government central borrowing authorities | 0 | 30,686 | 30,686 |
| Securitizers | 0 | 10,817 | 10,817 |
| Negotiable certificates of deposit (NCDs) | 0 | 196,813 | 196,813 |
| Bonds, inscribed stock, debentures, medium-term notes and transferrable certificates of deposit (TCDs) issued by: | | | |
| Commonwealth Government | 13,765 | 2,815,760 | 2,829,525 |
| Commonwealth-owned trading companies | 0 | 93,722 | 93,722 |
| State and local government owned trading companies | 0 | 1,069,828 | 1,069,828 |
| Private trading companies | 0 | 156,418 | 156,418 |
| Banks | 0 | 589,869 | 589,869 |
| Non-bank financial intermediaries | 2,000 | 62,609 | 64,609 |
| State government central borrowing authorities | 8,810 | 784,455 | 793,265 |
| Securitizers | 0 | 958 | 958 |
| Sub-Total - Short Term Debt Securities | 0 | 1,848,032 | 1,848,032 |
| Sub-Total - Long Term Debt Securities | 29,699 | 5,048,427 | 5,078,126 |
| C) SHARES | | | |
| Private trading companies | 852,662 | 816,357 | 1,669,019 |
| Banks | 446 | 272,988 | 273,434 |
| Non-bank financial intermediaries | 1,825,649 | 13,481 | 1,839,130 |
| Others | 450,440 | 444,763 | 895,203 |
| Sub-Total - Listed Shares | 35,853 | 1,503,841 | 1,539,694 |
| Sub-Total - Unlisted Shares | 3,093,344 | 43,748 | 3,137,092 |
| D) OPTIONS | | | |
| Listed | 0 | 729 | 729 |
| Unlisted | 0 | 132 | 132 |
| Sub-Total | 0 | 861 | 861 |

TABLE 1.4 CONTINUED

| | Related Bodies \$'000 | Other \$'000 | Total \$'000 |
|---|--------------------------|-------------------|-------------------|
| E) UNITS IN TRUSTS | | | |
| Equity | 3,223 | 113,790 | 117,013 |
| Financial | 76,135 | 67,019 | 143,154 |
| Property | 279,707 | 112,630 | 392,337 |
| Other | 0 | 21,145 | 21,145 |
| Sub-Total - Listed Units in Trusts | 0 | 188,562 | 188,562 |
| Sub-Total - Unlisted Units in Trusts | 359,065 | 126,022 | 485,087 |
| F) OTHER RIGHTS AND INTERESTS IN BUSINESS UNDERTAKINGS | 0 | 46,070 | 46,070 |
| G) DEPOSITS | | | |
| Banks | 105,284 | 1,138,804 | 1,244,088 |
| Non-bank financial intermediaries | 6,612 | 81,498 | 88,110 |
| Fund managers | 1,313 | 16,868 | 18,181 |
| Others | 0 | 469 | 469 |
| Sub-Total | 113,209 | 1,237,639 | 1,350,848 |
| H) LOANS | | | |
| to directors, trustees or their spouses as defined in para. 30(1)(a) | 33 | 8,992 | 9,025 |
| unsecured loans to employees exceeding \$1000 as defined in para. 30(1)(b) | 0 | 337 | 337 |
| Sub-Total - Sub-section 30 (1) loans | 33 | 9,329 | 9,362 |
| Private trading companies | 695,214 | 256,183 | 951,397 |
| Financial enterprises | 253,514 | 44,246 | 297,760 |
| Fund managers | 0 | 9,970 | 9,970 |
| Others | 392,956 | 228,433 | 621,389 |
| Sub-Total - Loans Secured by Mortgage on Real Property | 349,947 | 255,463 | 605,410 |
| Sub-Total - Loans Otherwise Secured | 313,441 | 94,544 | 407,985 |
| Sub-Total - Unsecured Loans | 678,296 | 188,825 | 867,121 |
| I) OTHER FINANCIAL INSTRUMENTS | 0 | 27,232 | 27,232 |
| J) OTHER INVESTMENTS | 69,727 | 144,162 | 213,889 |
| Total Investments | 5,042,614 | 11,463,086 | 16,505,700 |
| 13. OTHER ASSETS | 252,691 | 11,258 | 263,949 |
| 14. TOTAL ASSETS | 5,442,216 | 17,435,220 | 22,877,436 |

TABLE 1.4 CONTINUED

| | Related Bodies | Other | Total |
|--|----------------|-------------------|-------------------|
| | \$'000 | \$'000 | \$'000 |
| Liabilities | | | |
| 15. UNDERWRITING PROVISIONS | | | |
| Unearned Premium | 32,105 | 3,539,640 | 3,571,745 |
| Outstanding claims | 222,912 | 10,291,156 | 10,514,068 |
| Sub-Total | 255,017 | 13,830,796 | 14,085,813 |
| 16. OTHER UNDERWRITING PROVISIONS | | | |
| | 32 | 21,830 | 21,862 |
| 17. OTHER PROVISIONS | | | |
| Statutory Charges | 0 | 114,084 | 114,084 |
| Dividends | 50,313 | 89,007 | 139,320 |
| Redemption of Capital | 0 | 0 | 0 |
| Cost of Realization of Assets | 0 | 5,628 | 5,628 |
| Sub-Total | 50,313 | 208,719 | 259,032 |
| 18. TAXATION | | | |
| Current | 1,488 | 44,654 | 46,142 |
| Deferred | 0 | 287,858 | 287,858 |
| Sub-Total | 1,488 | 332,512 | 334,000 |
| 19. CREDITORS AND BORROWINGS | | | |
| A) BANK BALANCES | | | |
| Overdraft | 0 | 25,759 | 25,759 |
| Cash Book | 3,015 | 113,994 | 117,009 |
| Sub-Total | 3,015 | 139,753 | 142,768 |
| B) LOANS | | | |
| Banks | 1,343 | 28 | 1,371 |
| Non-bank financial intermediaries | 20,031 | 1,598 | 21,629 |
| Other insurance and reinsurance companies | 65,308 | 0 | 65,308 |
| Others | 87,935 | 5,343 | 93,278 |
| Sub-Total | 174,617 | 6,969 | 181,586 |
| C) DEBT SECURITIES ISSUED | | | |
| Bills of Exchange | 0 | 0 | 0 |
| Promissory Notes | 0 | 0 | 0 |
| Bonds, Debentures and Long-term Notes | 0 | 0 | 0 |
| Sub-Total | 0 | 0 | 0 |
| D) OPTIONS | | | |
| | 0 | 2,728 | 2,728 |
| E) LIABILITIES ARISING FROM FINANCIAL INSTRUMENTS | | | |
| | 0 | 435,014 | 435,014 |
| F) AMOUNTS DUE TO INSURANCE COMPANIES ON REINSURANCE CONTRACTS | | | |
| | 26,868 | 182,428 | 209,296 |
| G) OTHER CREDITORS | | | |
| | 165,630 | 733,459 | 899,089 |
| Total Creditors and Borrowings | 370,130 | 1,500,351 | 1,870,481 |
| 19. OTHER LIABILITIES | | | |
| | 24,102 | 42,442 | 66,544 |
| 20. TOTAL LIABILITIES | 701,082 | 15,936,650 | 16,637,732 |

**TABLE 1.5 PREMIUM REVENUE - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Premiums | | Third Party Collections | Total | Unearned Premium Provision at Beginning of Financial Year | Unearned Premium Provision at End of Financial Year | Premium Revenue | | Direct Policies issued/renewed less lapsed, cancelled or terminated |
|--------------------------|------------------|-----------------------|----------------------------|----------------------------|--|--|-------------------------|-------------------------------|---|
| | Direct | Inward Reinsurance | | | | | [(4)+(5)-(6)]=[(7)+(8)] | | |
| | (1) | (2) | (3) | (1)+(2) less (3) (4) | (5) | (6) | Direct (7) | Inwards Reinsurance (8) | (9) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Industrial Special Risks | 255,337 | 6,439 | 20,267 | 241,509 | 91,822 | 90,008 | 236,713 | 6,610 | 43,129 |
| Fire | 255,659 | 52,096 | 20,441 | 287,314 | 129,380 | 138,841 | 231,989 | 45,864 | 267,575 |
| Houseowners/Householders | 1,370,795 | 300 | 119,759 | 1,251,336 | 727,361 | 644,809 | 1,333,597 | 291 | 4,928,406 |
| CTP Motor Vehicle | 1,346,171 | 0 | 59 | 1,346,112 | 595,617 | 693,058 | 1,248,671 | 0 | 4,323,648 |
| Commercial Motor Vehicle | 520,679 | 394 | 25,990 | 495,083 | 215,683 | 225,731 | 484,576 | 459 | 305,951 |
| Domestic Motor Vehicle | 2,307,036 | 573 | 112,945 | 2,194,664 | 993,650 | 1,060,267 | 2,127,488 | 559 | 5,568,940 |
| Construction | 44,559 | 524 | 3,256 | 41,827 | 16,010 | 20,042 | 37,178 | 617 | 14,681 |
| Marine Hull | 77,783 | 2,938 | 2,247 | 78,474 | 33,960 | 29,124 | 79,719 | 3,591 | 181,728 |
| Marine Cargo | 70,167 | 2,589 | 480 | 72,276 | 23,580 | 25,041 | 68,662 | 2,153 | 26,443 |
| Aviation | 23,173 | 855 | 617 | 23,411 | 8,109 | 7,586 | 21,914 | 2,020 | 1,216 |
| Professional Indemnity | 132,445 | 2,281 | 6,322 | 128,404 | 43,163 | 46,177 | 122,191 | 3,199 | 24,588 |
| Product Liability | 30,707 | 5 | 1,659 | 29,053 | 10,586 | 12,803 | 26,831 | 5 | 31,451 |
| Public Liability | 291,095 | 1,040 | 23,469 | 268,666 | 116,350 | 129,229 | 254,956 | 831 | 299,729 |
| Employers' Liability | 1,013,512 | 0 | 8,507 | 1,005,005 | 134,252 | 142,347 | 996,910 | 0 | 7,764,406 |
| Loan, Mortgage & Lease | 21,444 | 0 | 1,642 | 19,802 | 13,426 | 28,426 | 4,802 | 0 | 17,830 |
| Trade Credit | 19,846 | 141 | 1,688 | 18,299 | 28,400 | 15,654 | 30,940 | 105 | 639 |
| Consumer Credit | 37,230 | 0 | 2,633 | 34,597 | 56,246 | 55,451 | 34,029 | 1,363 | 36,595 |
| Extended Warranty | 4,252 | 0 | 138 | 4,114 | 12,331 | 11,356 | 5,089 | 0 | 85,671 |
| Sickness and Accident | 84,498 | 284 | 4,913 | 79,869 | 24,978 | 31,692 | 72,871 | 284 | 95,032 |
| Travel | 49,351 | 3 | 1,816 | 47,538 | 13,102 | 10,176 | 50,461 | 3 | 496,290 |
| Other | 233,725 | 27,177 | 16,832 | 244,070 | 101,964 | 144,860 | 175,561 | 25,613 | 294,217 |
| Inwards Reinsurance | 0 | 27,558 | 0 | 27,558 | 4,328 | 9,067 | 0 | 22,819 | 0 |
| TOTAL | 8,189,464 | 125,197 | 375,680 | 7,938,981 | 3,394,298 | 3,571,745 | 7,645,148 | 116,386 | 24,808,165 |

**TABLE 1.6 REINSURANCE EXPENSE - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Reinsurance Premium Paid or Payable | Deferred Reinsurance Expense at Beginning of Year | Deferred Reinsurance Expense at End of Year | Reinsurance Expense (1)+(2) less (3) | Premium Revenue less Reinsurance Expense |
|--------------------------|---|---|---|---|---|
| | (1) \$'000 | (2) \$'000 | (3) \$'000 | (4) \$'000 | (5) \$'000 |
| Industrial Special Risks | 103,861 | 47,302 | 32,121 | 119,042 | 124,281 |
| Fire | 74,949 | 20,171 | 23,113 | 72,007 | 205,846 |
| Houseowners/Householders | 185,355 | 74,923 | 46,728 | 213,550 | 1,120,338 |
| CTP Motor Vehicle | 33,628 | 6,077 | 6,077 | 33,628 | 1,215,043 |
| Commercial Motor Vehicle | 75,043 | 27,319 | 28,987 | 73,375 | 411,660 |
| Domestic Motor Vehicle | 40,617 | 6,430 | 6,902 | 40,145 | 2,087,902 |
| Construction | 21,951 | 7,747 | 10,559 | 19,139 | 18,656 |
| Marine Hull | 15,613 | 5,226 | 3,194 | 17,645 | 65,665 |
| Marine Cargo | 20,583 | 3,415 | 4,810 | 19,188 | 51,627 |
| Aviation | 10,352 | 1,743 | 1,355 | 10,740 | 13,194 |
| Professional Indemnity | 30,043 | 10,471 | 8,414 | 32,100 | 93,290 |
| Product Liability | 4,704 | 1,037 | 1,423 | 4,318 | 22,518 |
| Public Liability | 36,968 | 10,352 | 9,675 | 37,645 | 218,142 |
| Employers' Liability | 637,657 | 44,591 | 35,202 | 647,046 | 349,864 |
| Loan, Mortgage and Lease | 12,275 | 5,419 | 15,972 | 1,722 | 3,080 |
| Trade Credit | 10,146 | 17,727 | 8,811 | 19,062 | 11,983 |
| Consumer Credit | 154 | 42 | 33 | 163 | 35,229 |
| Extended Warranty | 18 | 6 | 3 | 21 | 5,068 |
| Sickness & Accident | 3,589 | 982 | 695 | 3,876 | 69,279 |
| Travel | 8,632 | 1,951 | 2,152 | 8,431 | 42,033 |
| Other | 35,243 | 20,547 | 14,845 | 40,945 | 160,230 |
| Inwards Reinsurance | 534 | 0 | 8 | 526 | 22,292 |
| TOTAL | 1,361,915 | 313,478 | 261,079 | 1,414,314 | 6,347,220 |

| | |
|------------------|--|
| TABLE 1.7 | PREMIUM INCOME - INSIDE AUSTRALIA PRIVATE SECTOR - DIRECT UNDERWRITERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|------------------|--|

| ITEM | \$'000 |
|--|-------------------------|
| Direct Premiums plus Inward Reinsurance Premiums | <u>8,314,661</u> |
| Less: | |
| Outward Reinsurance, or Retrocession Premiums less Return Premiums and Rebates | 1,361,915 |
| Amounts paid under a law of a State or Territory relating to fire brigades | 211,700 |
| Amount of stamp duty paid under a law, or a provision of a law, of a State or Territory imposing stamp duty in respect of insurance business | 375,105 |
| Amount paid under a prescribed law of the Commonwealth or of a State or Territory | 20,445 |
| Total Deductions: | <u>1,969,165</u> |
| PREMIUM INCOME | <u>6,345,496</u> |

**TABLE 1.8 OUTSTANDING CLAIMS PROVISIONS - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Undiscounted Expected Future Claims Payments | | | | | | | | |
|--------------------------|--|---------------------------------|--|---|-------------------|---|--|--|---|
| | Reported Claims | | Payments on Additional Payments on Outstanding Claims | Indirect Claims Settlement Costs | Total | Amount of Discount applied to column (5) | Provision for Outstanding Claims at End of Year | Direct Claims Reported during Year | Direct Claims Reported that are Outstanding |
| | Direct Claims | Inward Reinsurance Claims | | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | | |
| Industrial Special Risks | 119,842 | -1,607 | 9,254 | 2,356 | 129,845 | 5,875 | 123,970 | 21,690 | 5,007 |
| Fire | 56,623 | 26,681 | 6,788 | 16,215 | 106,307 | 7,029 | 99,278 | 34,803 | 6,019 |
| Houseowners/Householders | 190,231 | 19 | 90,561 | 33,010 | 313,821 | 30,698 | 283,123 | 574,849 | 59,735 |
| CTP Motor Vehicle | 2,719,977 | 3 | 2,757,168 | 267,808 | 5,744,956 | 1,127,252 | 4,617,704 | 16,918 | 38,768 |
| Commercial Motor Vehicle | 104,487 | 172 | 17,930 | 5,700 | 128,289 | 2,995 | 125,294 | 124,961 | 41,181 |
| Domestic Motor Vehicle | 264,923 | 1,111 | 104,304 | 18,864 | 389,202 | 3,220 | 385,982 | 718,143 | 227,063 |
| Construction | 53,756 | 3,277 | 10,635 | 1,078 | 68,746 | 6,452 | 62,294 | 2,839 | 1,200 |
| Marine Hull | 49,930 | 5,526 | 8,846 | 2,515 | 66,817 | 3,612 | 63,205 | 8,081 | 2,958 |
| Marine Cargo | 28,277 | 4,643 | 6,380 | 932 | 40,232 | 3,334 | 36,898 | 12,171 | 3,151 |
| Aviation | 10,171 | 3,615 | 2,042 | 1,975 | 17,803 | 1,422 | 16,381 | 179 | 236 |
| Professional Indemnity | 280,932 | 4,060 | 161,129 | 9,783 | 455,904 | 99,146 | 356,758 | 3,774 | 6,230 |
| Product Liability | 22,402 | 668 | 50,143 | 904 | 74,117 | 12,291 | 61,826 | 597 | 630 |
| Public Liability | 452,990 | 2,240 | 289,856 | 30,638 | 775,724 | 143,758 | 631,966 | 18,949 | 15,395 |
| Employers' Liability | 3,194,219 | 720 | 879,858 | 307,170 | 4,381,967 | 1,109,612 | 3,272,355 | 81,499 | 51,308 |
| Loan, Mortgage and Lease | 2,376 | 0 | -44 | 1 | 2,333 | 89 | 2,244 | 150 | 149 |
| Trade Credit | 8,835 | 463 | 13,329 | 159 | 22,786 | 76 | 22,710 | 188 | 119 |
| Consumer Credit | 7,910 | 0 | 4,686 | 687 | 13,283 | 612 | 12,671 | 13,406 | 3,611 |
| Extended Warranty | 544 | 0 | -38 | 0 | 506 | 0 | 506 | 17,469 | 21 |
| Sickness and Accident | 20,455 | 89 | 11,087 | 721 | 32,352 | 1,013 | 31,339 | 19,850 | 6,342 |
| Travel | 6,142 | 0 | 2,507 | 398 | 9,047 | 1,386 | 7,661 | 37,513 | 2,566 |
| Other | 217,155 | 11,297 | 20,354 | 2,330 | 251,136 | 8,995 | 242,141 | 96,365 | 8,600 |
| Inward Reinsurance | 0 | 39,528 | 8,764 | 13,942 | 62,234 | 4,472 | 57,762 | 0 | 0 |
| TOTAL | 7,812,177 | 102,505 | 4,455,539 | 717,186 | 13,087,407 | 2,573,339 | 10,514,068 | 1,804,394 | 480,289 |

**TABLE 1.9 OUTSTANDING CLAIMS PROVISIONS NET OF REINSURANCE RECOVERIES - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Undiscounted Expected Reinsurance Recoveries | | | Amount of Discount applied to column (3) | Discounted Expected Recoveries on Outstanding Claims | | Net Outstanding Claims Provision |
|--------------------------|--|--|-----------------------------|--|--|----------------|----------------------------------|
| | On Outstanding Reported Claims | Additional Recoveries on Outstanding Claim | Total on Outstanding Claims | | Reinsurance | Other | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Industrial Special Risks | 76,110 | 3,389 | 79,499 | 2,376 | 77,123 | 1,230 | 46,847 |
| Fire | 17,799 | 371 | 18,170 | 488 | 17,682 | 844 | 81,596 |
| Houseowners/Householders | 26,567 | 4,120 | 30,687 | 1,734 | 28,953 | 2,400 | 254,170 |
| CTP Motor Vehicle | 97,410 | 30,442 | 127,852 | 28,131 | 99,721 | 218,091 | 4,517,983 |
| Commercial Motor Vehicle | 18,524 | 2,946 | 21,470 | 574 | 20,896 | 24,412 | 104,398 |
| Domestic Motor Vehicle | 2,077 | 206 | 2,283 | 15 | 2,268 | 59,517 | 383,714 |
| Construction | 35,216 | 2,834 | 38,050 | 3,552 | 34,498 | 254 | 27,796 |
| Marine Hull | 15,312 | 1,748 | 17,060 | 1,251 | 15,809 | 1,201 | 47,396 |
| Marine Cargo | 8,483 | 1,568 | 10,051 | 1,241 | 8,810 | 581 | 28,088 |
| Aviation | 5,777 | 999 | 6,776 | 1,151 | 5,625 | 0 | 10,756 |
| Professional Indemnity | 66,890 | 42,339 | 109,229 | 28,812 | 80,417 | 567 | 276,341 |
| Product Liability | 6,138 | 5,780 | 11,918 | 2,437 | 9,481 | 2 | 52,345 |
| Public Liability | 76,661 | 28,107 | 104,768 | 18,073 | 86,695 | 3,703 | 545,271 |
| Employers' Liability | 2,647,684 | 548,982 | 3,196,666 | 935,863 | 2,260,803 | 29,797 | 1,011,552 |
| Loan, Mortgage and Lease | 734 | -106 | 628 | 25 | 603 | 0 | 1,641 |
| Trade Credit | 5,496 | 8,456 | 13,952 | 0 | 13,952 | 0 | 8,758 |
| Consumer Credit | 6 | -1 | 5 | 0 | 5 | 4 | 12,666 |
| Extended Warranty | 58 | 0 | 58 | 0 | 58 | 0 | 448 |
| Sickness and Accident | 1,023 | 112 | 1,135 | 154 | 981 | 79 | 30,358 |
| Travel | 438 | 566 | 1,004 | 542 | 462 | 52 | 7,199 |
| Other | 46,530 | 2,614 | 49,144 | 34,032 | 15,112 | 1,036 | 227,029 |
| Inwards Reinsurance | 91 | 2 | 93 | 9 | 84 | 543 | 57,678 |
| TOTAL | 3,155,024 | 685,474 | 3,840,498 | 1,060,460 | 2,780,038 | 344,313 | 7,734,030 |

**TABLE 1.10 CLAIMS EXPENSE - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Cost of Claims | | | Total (1)+(2)+(3) | Provision for Outstanding Claims at Beginning of Year | Provision for Outstanding Claims at End of Year | Claims Expense [(4)+(6)-(5)=(7)+(8)] | |
|--------------------------|----------------------|--|--|----------------------|---|--|---|-------------------------------|
| | Direct Claims (1) | Inward Reinsurance Claims (2) | Indirect Claims Settlement Costs (3) | | | | Direct (7) | Inwards Reinsurance (8) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Industrial Special Risks | 124,836 | 4,929 | 3,849 | 133,614 | 122,414 | 125,141 | 134,013 | 2,328 |
| Fire | 119,892 | 23,491 | 5,987 | 149,370 | 98,156 | 98,836 | 121,336 | 28,714 |
| Houseowners/Householders | 626,383 | 262 | 48,170 | 674,815 | 274,713 | 283,121 | 683,066 | 157 |
| CTP Motor Vehicle | 1,001,535 | 7 | 44,030 | 1,045,572 | 4,255,975 | 4,617,704 | 1,407,301 | 0 |
| Commercial Motor Vehicle | 420,932 | 366 | 14,974 | 436,272 | 122,466 | 125,296 | 438,507 | 595 |
| Domestic Motor Vehicle | 2,089,584 | 350 | 108,050 | 2,197,984 | 401,971 | 385,984 | 2,181,336 | 661 |
| Construction | 23,978 | 438 | 989 | 25,405 | 56,502 | 62,295 | 28,399 | 2,799 |
| Marine Hull | 61,385 | 2,971 | 1,520 | 65,876 | 74,261 | 63,225 | 51,716 | 3,124 |
| Marine Cargo | 33,490 | 1,139 | 1,848 | 36,477 | 30,054 | 36,869 | 40,960 | 2,332 |
| Aviation | 7,879 | 1,131 | 183 | 9,193 | 17,205 | 16,361 | 7,715 | 634 |
| Professional Indemnity | 96,839 | 1,916 | 6,475 | 105,230 | 348,889 | 356,757 | 109,903 | 3,195 |
| Product Liability | 7,374 | 117 | 309 | 7,800 | 52,466 | 61,826 | 16,777 | 383 |
| Public Liability | 164,846 | 429 | 8,340 | 173,615 | 549,436 | 633,296 | 256,100 | 1,375 |
| Employers' Liability | 996,218 | 122 | 15,250 | 1,011,590 | 2,871,561 | 3,272,353 | 1,412,200 | 182 |
| Loan, Mortgage & Lease | 1,422 | 0 | 27 | 1,449 | 2,130 | 2,244 | 1,563 | 0 |
| Trade Credit | 7,871 | 71 | 39 | 7,981 | 13,260 | 22,710 | 17,350 | 81 |
| Consumer Credit | 15,231 | 0 | 1,306 | 16,537 | 11,145 | 12,671 | 18,063 | 0 |
| Extended Warranty | 4,655 | 0 | 84 | 4,739 | 922 | 506 | 4,323 | 0 |
| Sickness and Accident | 46,826 | 250 | 2,458 | 49,534 | 26,151 | 31,340 | 54,443 | 280 |
| Travel | 26,266 | 0 | 2,375 | 28,641 | 10,191 | 7,660 | 26,110 | 0 |
| Other | 119,143 | 4,829 | 6,326 | 130,298 | 161,652 | 259,011 | 215,679 | 11,978 |
| Inward Reinsurance | 0 | 14,384 | 18 | 14,402 | 34,824 | 38,862 | 0 | 18,440 |
| TOTAL | 5,996,585 | 57,202 | 272,607 | 6,326,394 | 9,536,344 | 10,514,068 | 7,226,860 | 77,258 |

**TABLE 1.11 CLAIMS EXPENSE NET OF REINSURANCE AND RECOVERIES - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Reinsurances Recovered or Recoverable on Claims Payments made this Year | Reinsurance Recoverables on Outstanding Claims at Beginning of Year Financial Year | Reinsurance Recoverables on Outstanding Claims at End of Year | Revenue from Reinsurance Recoveries [(1)+(3)-(2)] | Revenue from Other Recoveries in respect of Claims (net of reinsurer's portion) | Net Claims Expense [Table 1.10 Col 7&8 less Table 1.11 Col 4&5] |
|--------------------------|---|--|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Industrial Special Risks | 56,678 | 64,652 | 77,066 | 69,092 | 3,201 | 64,048 |
| Fire | 34,735 | 24,573 | 17,678 | 27,840 | 4,289 | 117,921 |
| Houseowners/Householders | 52,032 | 22,081 | 28,952 | 58,903 | 7,316 | 617,004 |
| CTP Motor Vehicle | 30,412 | 132,281 | 99,721 | -2,148 | 95,150 | 1,314,299 |
| Commercial Motor Vehicle | 46,615 | 19,918 | 20,894 | 47,591 | 67,132 | 324,379 |
| Domestic Motor Vehicle | 11,614 | 2,872 | 2,268 | 11,010 | 324,307 | 1,846,680 |
| Construction | 13,281 | 33,134 | 34,496 | 14,643 | 437 | 16,118 |
| Marine Hull | 12,625 | 16,365 | 15,804 | 12,064 | 1,292 | 41,484 |
| Marine Cargo | 8,739 | 8,452 | 8,811 | 9,098 | 1,972 | 32,222 |
| Aviation | 2,968 | 6,145 | 5,624 | 2,447 | 150 | 5,752 |
| Professional Indemnity | 22,786 | 71,041 | 77,607 | 29,352 | 915 | 82,831 |
| Product Liability | 276 | 9,463 | 9,481 | 294 | 492 | 16,374 |
| Public Liability | 20,955 | 75,070 | 85,645 | 31,530 | 3,766 | 222,179 |
| Employers' Liability | 589,394 | 1,910,824 | 2,232,046 | 910,616 | 8,401 | 493,365 |
| Loan, Mortgage & Lease | 224 | 113 | 603 | 714 | 167 | 682 |
| Trade Credit | 4,504 | 7,810 | 13,952 | 10,646 | -1 | 6,786 |
| Consumer Credit | 30 | 5 | 5 | 30 | 20 | 18,013 |
| Extended Warranty | 50 | 60 | 58 | 48 | -28 | 4,303 |
| Sickness & Accident | 1,161 | 1,090 | 981 | 1,052 | 275 | 53,396 |
| Travel | 3,848 | 477 | 462 | 3,833 | 118 | 22,159 |
| Other | 65,288 | 31,292 | 47,800 | 81,796 | 2,269 | 143,592 |
| Inwards Reinsurance | 172 | 37 | 84 | 219 | 0 | 18,221 |
| TOTAL | 978,387 | 2,437,755 | 2,780,038 | 1,320,670 | 521,640 | 5,461,808 |

**TABLE 1.12 COMMISSIONS AND OTHER COSTS - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Commission, Brokerage and Similar Charges | | | | | Other Costs | | | |
|--------------------------|---|-----------------------|---|--|---|--|---|--|---|
| | To Agents and Brokers | To Ceding Insurers | Deferred Costs at Beginning of Financial Year | Deferred Costs (after any write-down) at end of Financial Year | Expense for the Financial Year | Costs with respect to current financial year | Deferred Costs at Beginning of Financial Year | Deferred Costs (after any write-down) at end of Financial Year | Expense for the Financial Year |
| | (1) | (2) | (3) | (4) | (1)+(2)+(3) less (4) (5) | (6) | (7) | (8) | (6)+(7) less (8) (9) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Industrial Special Risks | 19,289 | 281 | 2,913 | 5,409 | 17,074 | 14,587 | 6,104 | 7,152 | 13,539 |
| Fire | 35,008 | 3,277 | 11,785 | 12,895 | 37,175 | 20,752 | 10,526 | 11,645 | 19,633 |
| Houseowners/Householders | 82,732 | 74 | 35,266 | 43,504 | 74,568 | 121,030 | 33,429 | 37,732 | 116,727 |
| CTP Motor Vehicle | 38,249 | 0 | 14,195 | 13,500 | 38,944 | 65,383 | 14,989 | 21,243 | 59,129 |
| Commercial Motor Vehicle | 41,251 | 59 | 18,878 | 18,951 | 41,237 | 31,655 | 17,018 | 15,403 | 33,270 |
| Domestic Motor Vehicle | 67,603 | 139 | 27,699 | 32,742 | 62,699 | 210,762 | 52,882 | 56,522 | 207,122 |
| Construction | 3,958 | 35 | 212 | 608 | 3,597 | 3,424 | 1,511 | 2,085 | 2,850 |
| Marine Hull | 13,250 | 70 | 4,995 | 5,565 | 12,750 | 6,139 | 2,183 | 1,824 | 6,498 |
| Marine Cargo | 12,676 | 76 | 3,979 | 4,314 | 12,417 | 5,438 | 1,971 | 2,798 | 4,611 |
| Aviation | 575 | 15 | 286 | 217 | 659 | 451 | 300 | 286 | 465 |
| Professional Indemnity | 11,462 | 203 | 3,681 | 5,257 | 10,089 | 8,752 | 4,223 | 4,050 | 8,925 |
| Product Liability | 4,209 | 0 | 1,293 | 1,808 | 3,694 | 1,757 | 597 | 664 | 1,690 |
| Public Liability | 37,320 | 35 | 16,287 | 18,294 | 35,348 | 25,158 | 10,346 | 12,040 | 23,464 |
| Employers' Liability | 17,607 | 0 | 6,740 | 7,310 | 17,037 | 21,707 | 8,795 | 10,134 | 20,368 |
| Loan, Mortgage & Lease | 37 | 0 | 676 | 438 | 275 | 447 | 30 | 429 | 48 |
| Trade Credit | 2,710 | 0 | 3,345 | 1,686 | 4,369 | 2,375 | 3,389 | 2,155 | 3,609 |
| Consumer Credit | 8,627 | 0 | 13,471 | 13,200 | 8,898 | 2,855 | 2,550 | 2,897 | 2,508 |
| Extended Warranty | 1,087 | 0 | 3,585 | 3,278 | 1,394 | 20 | 198 | 8 | 210 |
| Sickness and Accident | 12,516 | 9 | 3,288 | 4,878 | 10,935 | 8,000 | 3,041 | 3,484 | 7,557 |
| Travel | 14,406 | 0 | 3,678 | 2,957 | 15,127 | 5,325 | 1,787 | 908 | 6,204 |
| Other | 48,015 | 6,177 | 11,248 | 14,653 | 50,787 | 31,943 | 8,831 | 13,602 | 27,172 |
| Inwards Reinsurance | 851 | 5,536 | 604 | 651 | 6,340 | 31 | 2 | 2 | 31 |
| TOTAL | 473,438 | 15,986 | 188,104 | 212,115 | 465,413 | 587,991 | 184,702 | 207,063 | 565,630 |

**TABLE 1.13 UNDERWRITING EXPENSES - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | Commissions, Brokerage and similar charges | Other Costs | Fire Brigade, Hospital and similar Statutory Charges Expense | Other Underwriting Expenses | Revenue from Commission and Similar Charges | Total Underwriting Expenses | Amount by which Deferred Acquisition Costs were written down in this Financial year |
|--------------------------|--|----------------|---|-----------------------------------|--|---|---|
| | (1) \$'000 | (2) \$'000 | (3) \$'000 | (4) \$'000 | (5) \$'000 | (1) + (2) + (3) + (4) - (5) (6) \$'000 | (7) \$'000 |
| Industrial Special Risks | 17,074 | 13,539 | 30,660 | 7,448 | 15,692 | 53,029 | 312 |
| Fire | 37,175 | 19,633 | 38,680 | 11,878 | 14,902 | 92,464 | 2,134 |
| Houseowners/Householders | 74,568 | 116,727 | 115,347 | 70,746 | 23,619 | 353,769 | 19,316 |
| CTP Motor Vehicle | 38,944 | 59,129 | 9,721 | 34,354 | -198 | 142,346 | 11,618 |
| Commercial Motor Vehicle | 41,237 | 33,270 | 2,183 | 20,160 | 11,870 | 84,980 | 471 |
| Domestic Motor Vehicle | 62,699 | 207,122 | 9,615 | 99,337 | 3,337 | 375,436 | 45,599 |
| Construction | 3,597 | 2,850 | 4,877 | 1,226 | 3,012 | 9,538 | 0 |
| Marine Hull | 12,750 | 6,498 | 189 | 3,378 | 3,124 | 19,691 | 647 |
| Marine Cargo | 12,417 | 4,611 | 271 | 2,082 | 4,029 | 15,352 | 17 |
| Aviation | 659 | 465 | 6 | 519 | 565 | 1,084 | 21 |
| Professional Indemnity | 10,089 | 8,925 | 1 | 4,596 | 1,707 | 21,904 | 0 |
| Product Liability | 3,694 | 1,690 | 30 | 605 | 299 | 5,720 | 0 |
| Public Liability | 35,348 | 23,464 | 467 | 12,761 | 4,003 | 68,037 | 8 |
| Employers' Liability | 17,037 | 20,368 | 3,525 | 13,247 | 2,978 | 51,199 | 200 |
| Loan, Mortgage & Lease | 275 | 48 | 29 | 357 | 21 | 688 | 0 |
| Trade Credit | 4,369 | 3,609 | 0 | 2,261 | 4,737 | 5,502 | 0 |
| Consumer Credit | 8,898 | 2,508 | 0 | 994 | 1 | 12,399 | 0 |
| Extended Warranty | 1,394 | 210 | 0 | 7 | 3 | 1,608 | 0 |
| Sickness and Accident | 10,935 | 7,557 | 326 | 2,756 | 649 | 20,925 | 0 |
| Travel | 15,127 | 6,204 | 209 | 2,317 | 4,132 | 19,725 | 892 |
| Other | 50,787 | 27,172 | 2,282 | 11,685 | 6,414 | 85,512 | 3,816 |
| Inwards Reinsurance | 6,340 | 31 | 6 | 2,110 | 9 | 8,478 | 0 |
| TOTAL | 465,413 | 565,630 | 218,424 | 304,824 | 104,905 | 1,449,386 | 85,051 |

| | |
|-------------------|---|
| TABLE 1.14 | GENERAL AND ADMINISTRATION EXPENSES - INSIDE AUSTRALIA PRIVATE SECTOR - DIRECT UNDERWRITERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|-------------------|---|

| EXPENSE ITEM | \$'000 |
|--|------------------|
| Wages and Salaries to employees | 311,041 |
| Other Employee Costs | 46,514 |
| Audit Fees | 4,884 |
| Directors' Fees | 1,686 |
| Management Fees | 484,857 |
| Interest expense | 10,006 |
| Depreciation on Operating assets | 63,161 |
| Other expenses | 557,840 |
| TOTAL | 1,479,989 |
| | |
| Life Insurance Business expenses | 4,973 |
| | |
| The portion of Total Expense in respect of: | |
| <i>Related Bodies being Authorised Insurers</i> | -6,950 |
| <i>Other Related Bodies</i> | 477,106 |
| | |
| Amount of Total Expenses incurred in respect of, or allocated to: | |
| | |
| General Insurance Activities | |
| Acquisition Costs | 587,991 |
| Indirect Claims Settlement | 272,607 |
| Other Underwriting | 304,824 |
| General & Administration Expenses | |
| <i>Investment Management</i> | 100,942 |
| <i>Other Management</i> | 160,548 |
| Non general insurance activities | 53,077 |
| TOTAL | 1,479,989 |

**TABLE 1.15 INVESTMENT REVENUE - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Item | Revenue arising from Investments in Related Bodies and Trusts | | | Revenue arising from Other Investments | | |
|--|--|--|--|---|--|--|
| | From Dividends Interest and Rent | From changes in Net Market Value | | From Dividends Interest and Rent | From changes in Net Market Value | |
| | | On Investments held at end of financial year | On Investments realised during the financial year | | On Investments held at end of financial year | On Investments realised during the financial year |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land and Buildings | 22,662 | 0 | 0 | 47,787 | -15,728 | 8,775 |
| Debt Securities | 70 | 0 | 0 | 496,497 | 105,553 | 114,643 |
| Shares | 54,198 | 503,771 | 0 | 98,729 | 249,986 | 52,638 |
| Options | 0 | 0 | 0 | 116 | 1,418 | 13,272 |
| Units in Trusts | 26,555 | -34,226 | -50 | 3,072 | 20,738 | 5,834 |
| Other Rights and Interests in Business Undertakings | 0 | 0 | 0 | 261 | 2,523 | 0 |
| Deposits | 14,342 | 0 | 0 | 54,244 | -3,070 | 18,832 |
| Loans | | | | | | |
| To Directors/Trustees & spouses | 0 | 0 | 0 | 69 | 0 | 0 |
| Secured | 20,816 | 1,277 | 0 | 21,585 | 662 | 914 |
| Unsecured | 24,117 | 0 | 0 | 388 | 0 | 0 |
| Other Financial Instruments | 0 | 0 | 0 | 914 | 567 | 1,135 |
| Other Investments | 2,114 | 162 | -12 | 22,180 | 992 | -19 |
| TOTAL | 164,874 | 470,984 | -62 | 745,842 | 363,641 | 216,024 |

**TABLE 1.16 PREMIUM REVENUE BY STATE AND TERRITORY - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | New South Wales | Victoria | Queensland | South Australia | Western Australia | Tasmania | Australian Capital Territory | Northern Territory | Australia |
|--------------------------|--------------------|------------------|------------------|--------------------|----------------------|----------------|------------------------------------|-----------------------|------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Industrial Special Risks | 93,111 | 66,415 | 31,280 | 24,077 | 19,612 | 3,652 | 1,328 | 3,848 | 243,323 |
| Fire | 139,795 | 50,045 | 34,171 | 19,044 | 26,839 | 5,006 | 1,632 | 1,321 | 277,853 |
| Houseowners/Householders | 659,435 | 234,406 | 191,799 | 79,322 | 131,911 | 15,674 | 17,849 | 3,492 | 1,333,888 |
| CTP Motor Vehicle | 805,579 | 0 | 393,044 | 0 | 0 | 0 | 50,048 | 0 | 1,248,671 |
| Commercial Motor Vehicle | 156,205 | 109,286 | 97,541 | 39,803 | 54,072 | 11,361 | 12,348 | 4,419 | 485,035 |
| Domestic Motor Vehicle | 1,034,398 | 465,783 | 210,466 | 107,395 | 248,151 | 18,768 | 40,931 | 2,155 | 2,128,047 |
| Contractors All Risks | 15,460 | 9,615 | 6,893 | 1,266 | 3,572 | 331 | 314 | 344 | 37,795 |
| Marine Hull | 50,507 | 11,297 | 9,652 | 4,739 | 5,893 | 806 | 262 | 154 | 83,310 |
| Marine Cargo | 38,453 | 16,540 | 6,743 | 4,274 | 4,237 | 186 | 183 | 199 | 70,815 |
| Aviation | 13,485 | 9,779 | 537 | 22 | 45 | 44 | 0 | 22 | 23,934 |
| Professional Indemnity | 69,499 | 22,138 | 24,008 | 3,116 | 6,555 | 63 | 3 | 8 | 125,390 |
| Product Liability | 11,324 | 6,645 | 4,323 | 1,912 | 1,810 | 364 | 242 | 216 | 26,836 |
| Public Liability | 110,267 | 53,635 | 41,806 | 19,182 | 22,545 | 4,354 | 2,156 | 1,842 | 255,787 |
| Employers' Liability | 49,179 | 643,454 | 1 | 3,641 | 211,698 | 50,257 | 27,722 | 10,958 | 996,910 |
| Loan, Mortgage and Lease | 753 | 554 | 611 | 328 | 2,454 | 88 | 14 | 0 | 4,802 |
| Trade Credit | 18,991 | 6,815 | 2,634 | 1,231 | 1,112 | 215 | 47 | 0 | 31,045 |
| Consumer Credit | 9,146 | 5,196 | 13,113 | 2,851 | 4,226 | 331 | 162 | 367 | 35,392 |
| Extended Warranty | 3,625 | 50 | 0 | 9 | 1,402 | 3 | 0 | 0 | 5,089 |
| Sickness and Accident | 30,423 | 16,003 | 5,997 | 12,008 | 6,455 | 1,295 | 503 | 471 | 73,155 |
| Travel | 15,062 | 26,792 | 1,738 | 1,318 | 4,121 | 375 | 977 | 81 | 50,464 |
| Other | 62,259 | 48,007 | 41,820 | 20,502 | 21,520 | 3,587 | 1,384 | 2,095 | 201,174 |
| Inwards Reinsurance | 17,792 | 0 | 3,386 | 37 | -8 | 1,612 | 0 | 0 | 22,819 |
| TOTAL | 3,404,748 | 1,802,455 | 1,121,563 | 346,077 | 778,222 | 118,372 | 158,105 | 31,992 | 7,761,534 |

**TABLE 1.17 CLAIMS EXPENSE BY STATE AND TERRITORY - INSIDE AUSTRALIA
PRIVATE SECTOR - DIRECT UNDERWRITERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Class of Business | New South Wales | Victoria | Queensland | South Australia | Western Australia | Tasmania | Australian Capital Territory | Northern Territory | Australia |
|--------------------------|--------------------|------------------|----------------|--------------------|----------------------|---------------|------------------------------------|-----------------------|------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Industrial Special Risks | 72,027 | 16,472 | 18,484 | 6,062 | 19,788 | 641 | 220 | 2,647 | 136,341 |
| Fire | 99,750 | 11,661 | 20,801 | 5,357 | 8,553 | 2,553 | 565 | 810 | 150,050 |
| Homeowners/Householders | 347,689 | 118,807 | 92,997 | 33,316 | 72,774 | 10,798 | 4,477 | 2,365 | 683,223 |
| CTP Motor Vehicle | 872,972 | 0 | 439,814 | -8 | 0 | 0 | 94,523 | 0 | 1,407,301 |
| Commercial Motor Vehicle | 159,249 | 91,712 | 91,535 | 32,271 | 40,836 | 8,360 | 12,575 | 2,564 | 439,102 |
| Domestic Motor Vehicle | 1,093,427 | 538,739 | 196,032 | 93,723 | 208,219 | 13,540 | 36,080 | 2,237 | 2,181,997 |
| Contractors All Risks | 10,615 | 11,696 | 6,570 | 719 | 1,226 | 83 | 69 | 220 | 31,198 |
| Marine Hull | 36,489 | 8,299 | 5,687 | 881 | 2,517 | 485 | 357 | 125 | 54,840 |
| Marine Cargo | 23,268 | 9,636 | 4,778 | 2,623 | 2,713 | 31 | 55 | 188 | 43,292 |
| Aviation | 5,996 | 1,548 | 536 | 25 | 163 | 32 | 0 | 49 | 8,349 |
| Professional Indemnity | 64,057 | 20,775 | 26,959 | -5,229 | 6,600 | -76 | -4 | 16 | 113,098 |
| Product Liability | 7,436 | 3,347 | 366 | 6,028 | -284 | 2 | 265 | 0 | 17,160 |
| Public Liability | 147,723 | 36,357 | 43,641 | 10,084 | 17,380 | 2,216 | -927 | 1,001 | 257,475 |
| Employers' Liability | 76,012 | 954,829 | 3 | 3,553 | 281,400 | 42,033 | 42,249 | 12,303 | 1,412,382 |
| Loan, Mortgage and Lease | 198 | 113 | 253 | 8 | 978 | 13 | 0 | 0 | 1,563 |
| Trade Credit | 8,719 | 6,025 | 1,259 | 137 | 1,191 | 100 | 0 | 0 | 17,431 |
| Consumer Credit | 5,767 | 2,200 | 6,549 | 1,202 | 1,824 | 220 | 114 | 187 | 18,063 |
| Extended Warranty | 3,249 | -207 | 2 | 1 | 1,277 | 1 | 0 | 0 | 4,323 |
| Sickness and Accident | 25,897 | 10,961 | 2,982 | 9,674 | 3,929 | 674 | 303 | 303 | 54,723 |
| Travel | 10,673 | 12,291 | 535 | 1,778 | 1,488 | 112 | -779 | 12 | 26,110 |
| Other | 147,078 | 24,596 | 28,127 | 13,929 | 9,826 | 2,114 | 719 | 1,268 | 227,657 |
| Inwards Reinsurance | 15,119 | 0 | 2,280 | 1 | -56 | 1,096 | 0 | 0 | 18,440 |
| TOTAL | 3,233,410 | 1,879,857 | 990,190 | 216,135 | 682,342 | 85,028 | 190,861 | 26,295 | 7,304,118 |

| | |
|-----------------|---|
| FORM 101 | UNDERWRITING AND PROFIT & LOSS ACCOUNT |
| | Direct Underwriters |
| | FOR 12 MONTHS ENDING |
| | 31/12/97 |

| | Inside Australia \$'000 | Outside Australia \$'000 |
|--|--|---|
| Premium revenue | 6,162,985 | 305,083 |
| <i>Less</i> Outwards reinsurance expense | 1,595,659 | 81,162 |
| NET PREMIUM REVENUE | <u>4,567,326</u> | <u>223,921</u> |
| Claims expense | 5,199,836 | 184,438 |
| <i>Less</i> Reinsurance and other recoveries revenue | 1,717,687 | 31,267 |
| NET CLAIMS EXPENSE | <u>3,482,149</u> | <u>153,171</u> |
| Underwriting expenses | 1,394,192 | 60,334 |
| UNDERWRITING RESULT | <u>-309,015</u> | <u>10,416</u> |
| <i>Plus</i> Investment revenue arising from: | | |
| <i>Interest</i> | 408,543 | 9,459 |
| <i>Dividends</i> | 65,961 | 246 |
| <i>Rent</i> | 32,254 | 0 |
| <i>Plus</i> Other revenue | 18,220 | 69 |
| <i>Plus</i> Changes in net market value on investments | 286,668 | 6,449 |
| <i>Less</i> General and administration expenses | <u>128,655</u> | <u>8,549</u> |
| PROFIT/LOSS FROM GENERAL INSURANCE | 373,976 | 18,090 |
| <i>Plus</i> Profit/loss from business other than general insurance | <u>3,959</u> | <u>0</u> |
| OPERATING PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND INCOME TAX | 377,935 | 18,090 |
| <i>Less</i> Income tax expense attributable to operating profit | <u>42,373</u> | <u>2,325</u> |
| OPERATING PROFIT/LOSS AFTER INCOME TAX | 335,562 | 15,765 |
| <i>Plus</i> Profit/loss on extraordinary items net of tax | <u>0</u> | <u>0</u> |
| OPERATING PROFIT/LOSS AFTER EXTRAORDINARY ITEMS AND INCOME TAX | <u>335,562</u> | <u>15,765</u> |
| Retained profits/losses at beginning of financial year | <u>790,796</u> | <u>24,665</u> |
| Total available for appropriation incl transfers from reserves | 1,126,358 | 40,430 |
| Appropriations: | | |
| <i>Dividends</i> | 136,866 | |
| <i>Other</i> | 75,061 | 1,522 |
| Total appropriations incl transfer from reserves | <u>211,927</u> | <u>1,522</u> |
| RETAINED PROFITS (LOSSES) AT END OF FINANCIAL YEAR | <u>914,431</u> | <u>38,908</u> |

FORM 102 ASSETS AND LIABILITIES
Direct Underwriters
FOR COMPANIES BALANCING ON 31 DECEMBER 1997

| | Inside Australia | | | Outside Australia | | |
|--|--|-------------------|-------------------|--|----------------|----------------|
| | Related trusts & Bodies corporate (1) | Other (2) | Total (3) | Related trusts & Bodies corporate (4) | Other (5) | Total (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | | |
| 1. CASH | 0 | 4,139 | 4,139 | 0 | 87 | 87 |
| 2. UNPAID PREMIUMS | | | | | | |
| Due 3 mths, or less than 3 mths previously (excl unclosed business): | | | | | | |
| - from brokers, agents and others | 24,667 | 669,878 | 694,545 | 182 | 31,571 | 31,753 |
| Due more than 3 mths previously (excl unclosed business): | | | | | | |
| - from brokers, agents and others | 30 | 71,541 | 71,571 | 41 | 3,549 | 3,590 |
| Unclosed business | 0 | 391,020 | 391,020 | 0 | 113,728 | 113,728 |
| Sub-total | 24,697 | 1,132,439 | 1,157,136 | 223 | 148,848 | 149,071 |
| 3. REINSURANCE ASSETS | | | | | | |
| A) AMOUNTS RECOVERABLE | | | | | | |
| Under reinsurance contracts | 109 | 141,958 | 142,067 | 29,301 | 17,678 | 46,979 |
| Being reinsurance recoverables on outstanding claims | 291,542 | 2,386,005 | 2,677,547 | 153,246 | 113,624 | 266,870 |
| B) DEFERRED REINSURANCE EXPENSE | 221,005 | 492,303 | 713,308 | 4,750 | 29,178 | 33,928 |
| C) OTHER | 0 | 6,405 | 6,405 | 916 | 0 | 916 |
| Sub-total | 512,656 | 3,026,671 | 3,539,327 | 188,213 | 160,480 | 348,693 |
| 4. RECOVERIES OTHER THAN REINSURANCE | 0 | 76,636 | 76,636 | 0 | 48 | 48 |
| 5. DEFERRED ACQUISITION COSTS | 5,752 | 564,738 | 570,490 | 0 | 29,256 | 29,256 |
| 6. MISCELLANEOUS RECEIVABLES (eg invest rev due not rec'd) | 614,743 | 161,258 | 776,001 | 12,735 | 8,673 | 21,408 |
| 7. PREPAYMENTS AND ADVANCES | 3,792 | 131,402 | 135,194 | 1,707 | 738 | 2,445 |
| 8. INVENTORIES | 0 | 306 | 306 | 0 | 0 | 0 |
| 9. OPERATING ASSETS | 0 | 176,579 | 176,579 | 0 | 1,133 | 1,133 |
| 10. FUTURE INCOME TAX BENEFIT | | | | | | |
| Timing differences | 0 | 131,175 | 131,175 | 0 | 325 | 325 |
| Tax losses | 0 | 18,052 | 18,052 | 0 | 3,985 | 3,985 |
| Sub-total | 0 | 149,227 | 149,227 | 0 | 4,310 | 4,310 |
| 11. INTANGIBLES | 0 | 4,951 | 4,951 | 0 | 0 | 0 |
| 12. INVESTMENTS | 2,018,128 | 6,951,679 | 8,969,807 | 10,253 | 302,577 | 312,830 |
| 13. OTHER ASSETS | 0 | 426 | 426 | 0 | 0 | 0 |
| 14. TOTAL ASSETS | 3,179,768 | 12,380,451 | 15,560,219 | 213,131 | 656,155 | 869,286 |

| | Inside Australia | | | Outside Australia | | |
|--|--|-------------------|-------------------|--|----------------|----------------|
| | Related trusts & Bodies corporate (1) | Other (2) | Total (3) | Related trusts & Bodies corporate (4) | Other (5) | Total (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Liabilities | | | | | | |
| 15. UNDERWRITING PROVISIONS | | | | | | |
| Unearned premium | 0 | 3,273,607 | 3,273,607 | 0 | 159,884 | 159,884 |
| Outstanding claims | 324,551 | 7,229,732 | 7,554,283 | 60 | 221,863 | 221,923 |
| Other provisions | 0 | 33,870 | 33,870 | 0 | 280 | 280 |
| Sub-total | 324,551 | 10,537,209 | 10,861,760 | 60 | 382,027 | 382,087 |
| 16. OTHER PROVISIONS | | | | | | |
| Employee (LSL, sick, redundancy, superannuation & other) | 0 | 96,763 | 96,763 | 0 | 924 | 924 |
| Dividends | 75,000 | 7,500 | 82,500 | 0 | 0 | 0 |
| Redemption of capital | 0 | 2,150 | 2,150 | 0 | 0 | 0 |
| Cost of realisation of assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 98,457 | 98,457 | 0 | 1,304 | 1,304 |
| Sub-total | 75,000 | 204,870 | 279,870 | 0 | 2,228 | 2,228 |
| 17. TAXATION | | | | | | |
| Current | 0 | 54,763 | 54,763 | 0 | 3,826 | 3,826 |
| Deferred | 0 | 58,484 | 58,484 | 0 | 2,561 | 2,561 |
| Sub-total | 0 | 113,903 | 113,247 | 0 | 6,387 | 6,387 |
| 18. CREDITORS AND BORROWINGS | | | | | | |
| A) BANK BALANCES | | | | | | |
| Overdraft | 0 | 97,549 | 97,549 | 0 | 80,042 | 80,042 |
| Cash Book | 0 | 64,590 | 64,590 | 0 | 57 | 57 |
| Sub-total | 0 | 162,139 | 162,139 | 0 | 80,099 | 80,099 |
| B) LOANS | | | | | | |
| Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-bank financial intermediaries | 0 | 0 | 0 | 0 | 0 | 0 |
| Other insurance and reinsurance companies | 422 | 0 | 422 | 0 | 0 | 0 |
| Other | 4,188 | 16 | 4,204 | 3,335 | 0 | 3,335 |
| Sub-total | 4,610 | 16 | 4,626 | 3,335 | 0 | 3,335 |
| C) DEBT SECURITIES ISSUED | | | | | | |
| Bills of exchange | 0 | 0 | 0 | 0 | 0 | 0 |
| Promissory notes | 0 | 0 | 0 | 0 | 0 | 0 |
| Bonds, debentures and long-term notes | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 0 | 0 | 0 | 0 | 0 | 0 |
| D) OPTIONS | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| E) LIABILITIES ARISING FROM FINANCIAL INSTRUMENT | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| F) AMOUNTS DUE ON REINSURANCE CONTRACTS | | | | | | |
| | 30,954 | 324,585 | 355,539 | 7,431 | 41,665 | 49,096 |
| G) OTHER CREDITORS | | | | | | |
| | 173,373 | 224,701 | 398,074 | 16,500 | 4,534 | 21,034 |
| Total creditors and borrowings | 208,937 | 711,441 | 920,378 | 27,266 | 126,298 | 153,564 |
| 19. OTHER LIABILITIES | | | | | | |
| | 9,534 | 57,559 | 67,093 | 27 | 822 | 849 |
| 20. TOTAL LIABILITIES | | | | | | |
| | 618,022 | 11,624,982 | 12,242,348 | 27,353 | 517,762 | 545,115 |

FORM 104**PREMIUMS AND REINSURANCE EXPENSE - INSIDE AUSTRALIA****Direct Underwriters****COMPANIES BALANCING ON 31 DECEMBER 1997**

| Class of business | Total premiums (in accordance with AASB 1023/ AAS 26) | Unearned premium provision at beginning of financial year | Unearned premium provision at end of financial year | Premium revenue | Reinsurance expense | Premium revenue less reinsurance expense |
|----------------------------|---|--|--|--------------------|------------------------|--|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fire and ISR | 676,622 | 373,318 | 336,867 | 713,073 | 256,730 | 456,343 |
| Houseowners/householders | 931,695 | 447,584 | 448,984 | 930,295 | 144,341 | 785,954 |
| CTP motor vehicle | 552,986 | 299,655 | 276,094 | 576,547 | 176,954 | 399,593 |
| Commercial motor vehicle | 407,185 | 185,244 | 203,402 | 389,027 | 18,055 | 370,972 |
| Domestic motor vehicle | 987,579 | 419,685 | 493,755 | 913,509 | 285,240 | 628,269 |
| Marine & aviation | 238,143 | 90,295 | 101,569 | 226,869 | 43,510 | 183,359 |
| Professional indemnity | 252,271 | 126,825 | 129,921 | 249,175 | 87,889 | 161,286 |
| Public & product liability | 451,615 | 227,140 | 237,488 | 441,267 | 79,946 | 361,321 |
| Employers' liability | 495,266 | 209,151 | 226,103 | 478,314 | 368,138 | 110,176 |
| Mortgage | 47,003 | 89,872 | 104,909 | 31,966 | 6,840 | 25,126 |
| Consumer credit | 100,633 | 122,359 | 148,076 | 74,916 | 581 | 74,335 |
| Travel | 111,729 | 17,019 | 19,208 | 109,540 | 17,563 | 91,977 |
| Other accident | 275,496 | 93,609 | 114,430 | 254,675 | 31,948 | 222,727 |
| Other | 281,311 | 133,646 | 144,085 | 270,872 | 55,420 | 215,452 |
| Inward treaty | 560,098 | 231,558 | 288,716 | 502,940 | 22,504 | 480,436 |
| TOTAL | 6,369,632 | 3,066,960 | 3,273,607 | 6,162,985 | 1,595,659 | 4,567,326 |

| | |
|-----------------|---|
| FORM 105 | PROVISION MADE FOR CLAIMS AND CLAIMS RECOVERIES - INSIDE AUSTRALIA |
| | Direct Underwriters |
| | COMPANIES BALANCING ON 31 DECEMBER 1997 |

| Class of business | Case estimates of undiscounted expected future payments on reported claims (excluding indirect claims settlements costs) | Undiscounted expected additional future payments on outstanding claims (including indirect claims settlement costs) | Amount of discount applied to claims | Provision for outstanding claims at end of financial year | Discounted expected reinsurance and other recoveries | Discounted provision for outstanding claims net of reinsurance and other recoveries |
|----------------------------|--|---|---|---|--|--|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fire and ISR | 234,073 | 42,884 | 5,086 | 271,871 | 122,100 | 149,771 |
| Houseowners/householders | 156,159 | 62,366 | 8,301 | 210,224 | 16,230 | 193,994 |
| CTP motor vehicle | 1,001,638 | 1,438,300 | 396,724 | 2,043,214 | 611,509 | 1,431,705 |
| Commercial motor vehicle | 87,907 | 31,996 | 727 | 119,176 | 18,496 | 100,680 |
| Domestic motor vehicle | 129,679 | 43,253 | 340 | 172,592 | 66,555 | 106,037 |
| Marine & aviation | 118,359 | 40,312 | 11,158 | 147,513 | 50,262 | 97,251 |
| Professional indemnity | 432,945 | 286,294 | 126,879 | 592,360 | 232,836 | 359,524 |
| Public & product liability | 933,200 | 644,857 | 291,012 | 1,287,045 | 256,076 | 1,030,969 |
| Employers' liability | 1,785,751 | 532,614 | 504,327 | 1,814,038 | 1,172,533 | 641,505 |
| Mortgage | 19,760 | 2,551 | 665 | 21,646 | 7,798 | 13,848 |
| Consumer credit | 32,378 | 11,832 | 2,371 | 41,839 | 96 | 41,743 |
| Travel | 23,647 | 6,905 | 199 | 30,353 | 3,828 | 26,525 |
| Other accident | 91,667 | 81,894 | 11,763 | 161,798 | 25,873 | 135,925 |
| Other | 43,550 | 32,706 | 2,400 | 73,856 | 27,911 | 45,945 |
| Inward treaty | 340,711 | 340,457 | 114,410 | 566,758 | 57,985 | 508,773 |
| TOTAL | 5,431,424 | 3,599,221 | 1,476,362 | 7,554,283 | 2,670,088 | 4,884,195 |

FORM 106 CLAIMS EXPENSE AND REINSURANCE & OTHER RECOVERIES REVENUE - INSIDE AUSTRALIA
Direct Underwriters
COMPANIES BALANCING ON 31 DECEMBER 1997

| Class of business | Payments on claims other than indirect claims settlement costs | Payments on indirect claims settlement costs | Provision for outstanding claims at beginning of financial year | Provision for outstanding claims at end of financial year | Claims expense | Reinsurance and other recoveries revenue | Claims expense less all recoveries revenue |
|----------------------------|--|--|---|---|------------------|--|--|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fire and ISR | 314,107 | 13,549 | 258,279 | 271,871 | 341,248 | 123,477 | 217,771 |
| Houseowners/householders | 451,381 | 28,628 | 250,382 | 210,224 | 439,851 | 27,922 | 411,929 |
| CTP motor vehicle | 352,801 | 16,044 | 1,678,293 | 2,043,214 | 733,766 | 244,427 | 489,339 |
| Commercial motor vehicle | 337,070 | 13,401 | 111,117 | 119,176 | 358,530 | 38,755 | 319,775 |
| Domestic motor vehicle | 745,955 | 38,194 | 169,605 | 172,592 | 787,136 | 309,411 | 477,725 |
| Marine & aviation | 116,067 | 6,258 | 113,781 | 147,513 | 156,057 | 34,834 | 121,223 |
| Professional indemnity | 216,300 | 8,584 | 581,636 | 592,360 | 235,608 | 98,618 | 136,990 |
| Public & product liability | 283,867 | 12,710 | 1,108,506 | 1,287,045 | 475,116 | 111,282 | 363,834 |
| Employers' liability | 485,438 | 6,303 | 1,571,582 | 1,814,038 | 734,197 | 600,197 | 134,000 |
| Mortgage | 18,666 | 1,768 | 30,025 | 21,646 | 12,055 | 4,398 | 7,657 |
| Consumer credit | 30,791 | 1,743 | 36,800 | 41,839 | 37,573 | 302 | 37,271 |
| Travel | 70,525 | 4,191 | 28,465 | 30,353 | 76,604 | 6,143 | 70,461 |
| Other accident | 139,289 | 5,944 | 158,987 | 161,798 | 148,044 | 28,624 | 119,420 |
| Other | 125,675 | 6,406 | 12,361 | 73,856 | 193,576 | 52,655 | 140,921 |
| Inward treaty | 296,704 | 1,680 | 394,667 | 566,758 | 470,475 | 36,642 | 433,833 |
| TOTAL | 3,984,636 | 165,403 | 6,504,486 | 7,554,283 | 5,199,836 | 1,717,687 | 3,482,149 |

FORM 107 UNDERWRITING EXPENSES - INSIDE AUSTRALIA
Direct Underwriters
COMPANIES BALANCING ON 31 DECEMBER 1997

| Class of business | Commission expense | Commission revenue | Acquisition expense other than commission | Other expenses (net of revenue) | Total expense incurred (net of revenue) |
|----------------------------|-----------------------|-----------------------|--|---------------------------------------|--|
| | (1) | (2) | (3) | (4) | (5) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fire and ISR | 68,627 | 43,307 | 54,685 | 109,003 | 189,008 |
| Houseowners/householders | 119,150 | 16,421 | 105,819 | 113,251 | 321,799 |
| CTP motor vehicle | 23,470 | 16,596 | 35,842 | 33,999 | 76,715 |
| Commercial motor vehicle | 38,282 | 2,004 | 32,469 | 31,059 | 99,806 |
| Domestic motor vehicle | 51,408 | 55,662 | 84,546 | 75,500 | 155,792 |
| Marine & aviation | 35,753 | 3,616 | 12,627 | 12,136 | 56,900 |
| Professional indemnity | 28,003 | 15,857 | 14,512 | 8,494 | 35,152 |
| Public & product liability | 60,831 | 7,224 | 32,652 | 29,577 | 115,836 |
| Employers' liability | 5,817 | 4,207 | 10,241 | 6,950 | 18,801 |
| Mortgage | 5,041 | 828 | 6,962 | 1,701 | 12,876 |
| Consumer credit | 24,262 | 5,364 | 8,147 | 11,996 | 39,041 |
| Travel | 16,617 | 599 | 8,009 | 2,292 | 26,319 |
| Other accident | 44,142 | 9,430 | 27,549 | 24,000 | 86,261 |
| Other | 31,701 | 9,784 | 19,157 | 24,026 | 65,100 |
| Inward treaty | 76,551 | 736 | 15,033 | 3,938 | 94,786 |
| TOTAL | 629,655 | 191,635 | 468,250 | 487,922 | 1,394,192 |

FORM 211 INVESTMENTS
Direct Underwriters
COMPANIES BALANCING ON 31 DECEMBER 1997

| | Inside Australia | | | Outside Australia | | |
|--|---|-----------|-----------|---|---------|---------|
| | Related trusts & bodies corporate | Other | Total | Related trusts & bodies corporate | Other | Total |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| A) LAND AND BUILDINGS | 0 | 345,178 | 345,178 | 0 | 0 | 0 |
| B) DEBT SECURITIES | | | | | | |
| Bills of exchange | 0 | 140,079 | 140,079 | 0 | 4,223 | 4,223 |
| Promissory notes (commercial paper) issued by: | | | | | | |
| - Commonwealth-owned trading companies | 0 | 24,452 | 24,452 | 0 | 102 | 102 |
| - State & local government owned trading companie | 0 | 22,840 | 22,840 | 0 | 0 | 0 |
| - Private trading companies | 0 | 23,792 | 23,792 | 0 | 0 | 0 |
| - Non-bank financial intermediaries | 0 | 0 | 0 | 0 | 0 | 0 |
| - State government central borrowing authorities | 0 | 0 | 0 | 0 | 0 | 0 |
| - Securitizers | 0 | 0 | 0 | 0 | 0 | 0 |
| Negotiable certificates of deposit (NCDs) | 0 | 337,540 | 337,540 | 0 | 0 | 0 |
| Bonds, inscribed stock, debentures, medium-term notes and transferable certificates of deposit (TCDs) issued by: | | | | | | |
| - Commonwealth government | 0 | 1,882,363 | 1,882,363 | 0 | 73,888 | 73,888 |
| - Commonwealth-owned trading companies | 0 | 47,437 | 47,437 | 0 | 0 | 0 |
| - State and local government owned trading compani | 0 | 744,107 | 744,107 | 0 | 5,449 | 5,449 |
| - Private trading companies | 0 | 192,729 | 192,729 | 0 | 955 | 955 |
| - Banks | 0 | 463,574 | 463,574 | 0 | 18,803 | 18,803 |
| - Non-bank financial intermediaries | 166 | 156,026 | 156,192 | 0 | 9,685 | 9,685 |
| - State government central borrowing authorities | 0 | 538,472 | 538,472 | 0 | 0 | 0 |
| - Securitizers | 0 | 137,082 | 137,082 | 0 | 0 | 0 |
| Foreign debt securities inside Australia | 0 | 467 | 467 | | | |
| Australian debt securities outside Australia | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 166 | 4,710,960 | 4,711,126 | 0 | 113,105 | 113,105 |
| C) SHARES | | | | | | |
| LISTED | | | | | | |
| Private trading companies | 291,747 | 219,715 | 511,462 | 1,731 | 0 | 1,731 |
| Banks | 0 | 102,346 | 102,346 | 0 | 0 | 0 |
| Non-bank financial intermediaries | 0 | 15,680 | 15,680 | 0 | 0 | 0 |
| Other | 44,666 | 115,426 | 160,092 | 0 | 0 | 0 |
| Foreign shares inside Australia | 0 | 286 | 286 | | | |
| Australian shares outside Australia | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 336,413 | 453,453 | 789,866 | 1,731 | 0 | 1,731 |
| UNLISTED | | | | | | |
| Private trading companies | 546,529 | 2,582 | 549,111 | 2,459 | 0 | 2,459 |
| Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Life insurance companies | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 493,784 | 1,341 | 495,125 | 0 | 0 | 0 |
| Foreign shares inside Australia | 0 | 0 | 0 | | | |
| Australian shares outside Australia | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 1,040,313 | 3,923 | 1,044,236 | 2,459 | 0 | 2,459 |

| | Inside Australia | | | Outside Australia | | |
|---|---|------------------|------------------|---|----------------|----------------|
| | Related trusts & bodies corporate | Other | Total | Related trusts & bodies corporate | Other | Total |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| D) OPTIONS | | | | | | |
| Listed | 0 | -57 | -57 | 0 | 0 | 0 |
| Unlisted | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 0 | -57 | -57 | 0 | 0 | 0 |
| E) UNITS IN TRUSTS - LISTED | | | | | | |
| Property | 0 | 30,926 | 30,926 | 0 | 0 | 0 |
| Trading public unit trusts | 0 | 309,193 | 309,193 | 0 | 39,356 | 39,356 |
| Other listed public units trusts | 0 | 13 | 13 | 0 | 0 | 0 |
| Foreign units inside Australia | 0 | 0 | 0 | | | |
| Australian units outside Australia | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 0 | 340,132 | 340,132 | 0 | 39,356 | 39,356 |
| UNITS IN TRUSTS - UNLISTED | | | | | | |
| Cash management | 0 | 1,302 | 1,302 | 0 | 0 | 0 |
| Wholesale | 35,568 | 53,271 | 88,839 | 0 | 0 | 0 |
| Property | 0 | 0 | 0 | 0 | 0 | 0 |
| Trading public unit trusts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 433,283 | 0 | 433,283 | 0 | 39,579 | 39,579 |
| Foreign units inside Australia | 0 | 0 | 0 | | | |
| Australian units outside Australia | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 468,851 | 54,573 | 523,424 | 0 | 39,579 | 39,579 |
| F) OTHER RIGHTS AND INTERESTS IN BUSINESS UNDERTAKINGS | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| G) DEPOSITS | | | | | | |
| Banks | 2,087 | 527,156 | 529,243 | 0 | 107,664 | 107,664 |
| Non-bank financial intermediaries | 0 | 27,843 | 27,843 | 0 | 0 | 0 |
| Fund managers | 0 | 298,321 | 298,321 | 0 | 2,660 | 2,660 |
| Other | 0 | 1,000 | 1,000 | 0 | 0 | 0 |
| Sub-total | 2,087 | 854,320 | 856,407 | 0 | 110,324 | 110,324 |
| H) LOANS/AMOUNTS OWING | | | | | | |
| Section 30 of Insurance Act | | | | | | |
| To directors, trustees or their spouses per para 30(1) | 0 | 481 | 481 | 0 | 0 | 0 |
| To employees exceeding \$1000 per para 30(1)(b) | 0 | 632 | 632 | 0 | 0 | 0 |
| Sub-total - sub-section 30 (1) loans | 0 | 1,113 | 1,113 | 0 | 0 | 0 |
| Other | | | | | | |
| Private trading companies | 104,260 | 96,259 | 200,519 | 6,063 | 0 | 6,063 |
| Financial enterprises | 107 | 2,514 | 2,621 | 0 | 0 | 0 |
| Fund managers | 0 | 40,449 | 40,449 | 0 | 0 | 0 |
| Other | 65,931 | 19,986 | 85,917 | 0 | 0 | 0 |
| Sub-total - loans/amounts owing/other | 170,298 | 159,208 | 329,506 | 6,063 | 0 | 6,063 |
| I) OTHER FINANCIAL INSTRUMENTS | | | | | | |
| | 0 | -1,949 | -1,949 | 0 | 0 | 0 |
| J) OTHER INVESTMENTS | | | | | | |
| | 0 | 30,825 | 30,825 | 0 | 213 | 213 |
| TOTAL INVESTMENTS | 2,018,128 | 6,951,679 | 8,969,807 | 10,253 | 302,577 | 312,830 |

FORM 212**PREMIUM REVENUE BY STATE AND TERRITORY - INSIDE AUSTRALIA****Direct Underwriters****COMPANIES BALANCING ON 31 DECEMBER 1997**

| Class of Business | New South Wales | Victoria | Queensland | South Australia | Western Australia | Tasmania | Australian Capital Territory | Northern Territory | TOTAL |
|----------------------------|--------------------|------------------|----------------|--------------------|----------------------|----------------|------------------------------------|-----------------------|------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fire and ISR | 256,407 | 235,231 | 84,496 | 51,269 | 61,817 | 12,796 | 7,758 | 3,299 | 713,073 |
| Houseowners/householders | 237,612 | 273,597 | 193,193 | 107,713 | 78,152 | 27,502 | 6,782 | 5,744 | 930,295 |
| CTP motor vehicle | 511,203 | 0 | 65,344 | 0 | 0 | 0 | 0 | 0 | 576,547 |
| Commercial motor vehicle | 139,285 | 114,499 | 51,846 | 30,892 | 38,608 | 7,981 | 2,433 | 3,483 | 389,027 |
| Domestic motor vehicle | 225,481 | 273,345 | 226,775 | 107,094 | 40,208 | 30,656 | 4,770 | 5,180 | 913,509 |
| Marine & aviation | 109,650 | 66,509 | 19,512 | 11,768 | 14,965 | 3,836 | 362 | 267 | 226,869 |
| Professional indemnity | 152,159 | 71,226 | 10,401 | 5,599 | 6,656 | 1,726 | 1,112 | 296 | 249,175 |
| Public & product liability | 178,270 | 134,440 | 58,686 | 25,894 | 30,976 | 6,000 | 4,805 | 2,196 | 441,267 |
| Employers' liability | 3,661 | 336,669 | 18 | 355 | 91,975 | 25,209 | 12,307 | 8,120 | 478,314 |
| Mortgage | 12,134 | 7,368 | 6,645 | 2,184 | 2,571 | 936 | 119 | 9 | 31,966 |
| Consumer credit | 27,805 | 10,866 | 13,449 | 5,578 | 13,753 | 2,740 | 545 | 180 | 74,916 |
| Travel | 37,713 | 56,620 | 6,217 | 3,324 | 5,007 | 315 | 275 | 69 | 109,540 |
| Other accident | 96,923 | 61,654 | 41,979 | 20,101 | 24,579 | 5,132 | 2,593 | 1,714 | 254,675 |
| Other | 133,375 | 62,134 | 28,291 | 20,902 | 19,016 | 4,450 | 2,020 | 684 | 270,872 |
| Inward treaty | 464,243 | 37,502 | 385 | 111 | 632 | 50 | 13 | 4 | 502,940 |
| TOTAL | 2,585,921 | 1,741,660 | 807,237 | 392,784 | 428,915 | 129,329 | 45,894 | 31,245 | 6,162,985 |

FORM 213

CLAIMS EXPENSE BY STATE AND TERRITORY - INSIDE AUSTRALIA

Direct Underwriters

COMPANIES BALANCING ON 31 DECEMBER 1997

| Class of Business | New South Wales | Victoria | Queensland | South Australia | Western Australia | Tasmania | Australian Capital Territory | Northern Territory | TOTAL |
|----------------------------|--------------------|------------------|----------------|--------------------|----------------------|---------------|------------------------------------|-----------------------|------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fire and ISR | 148,666 | 92,127 | 36,825 | 17,145 | 35,666 | 6,130 | 2,674 | 2,015 | 341,248 |
| Houseowners/householders | 122,918 | 121,544 | 87,915 | 47,182 | 36,446 | 17,369 | 2,802 | 3,675 | 439,851 |
| CTP motor vehicle | 670,353 | 94 | 63,314 | 5 | 0 | 0 | 0 | 0 | 733,766 |
| Commercial motor vehicle | 140,118 | 105,849 | 43,701 | 28,705 | 29,943 | 5,558 | 2,000 | 2,656 | 358,530 |
| Domestic motor vehicle | 205,198 | 256,332 | 188,508 | 77,788 | 30,006 | 21,135 | 3,874 | 4,295 | 787,136 |
| Marine & aviation | 87,825 | 37,230 | 10,055 | 8,520 | 9,500 | 2,771 | 116 | 40 | 156,057 |
| Professional indemnity | 193,995 | 31,063 | 4,637 | 1,989 | 2,208 | 14 | 1,042 | 660 | 235,608 |
| Public & product liability | 168,002 | 217,481 | 43,987 | 20,151 | 18,734 | 1,928 | 3,781 | 1,052 | 475,116 |
| Employers' liability | 4,420 | 567,509 | 0 | 509 | 107,206 | 27,049 | 13,403 | 14,101 | 734,197 |
| Mortgage | 1,940 | 2,514 | 4,704 | 1,400 | 496 | 561 | 440 | 0 | 12,055 |
| Consumer credit | 17,323 | 3,940 | 6,301 | 3,356 | 4,903 | 1,389 | 338 | 23 | 37,573 |
| Travel | 23,335 | 43,874 | 2,825 | 1,362 | 3,946 | 367 | 356 | 539 | 76,604 |
| Other accident | 60,122 | 37,722 | 22,750 | 10,835 | 12,037 | 2,635 | 1,032 | 911 | 148,044 |
| Other | 116,859 | 34,605 | 14,671 | 11,672 | 11,378 | 2,241 | 1,746 | 404 | 193,576 |
| Inward treaty | 427,633 | 37,905 | 1,077 | 785 | 722 | 2,353 | 0 | 0 | 470,475 |
| TOTAL | 2,388,707 | 1,589,789 | 531,270 | 231,404 | 303,191 | 91,500 | 33,604 | 30,371 | 5,199,836 |

FORM 214

BUSINESS WRITTEN BY AUTHORISED GENERAL INSURERS OUTSIDE AUSTRALIA

Direct Underwriters

COMPANIES BALANCING ON 31 DECEMBER 1997

| | TOTAL (all countries) | USA | UK | JAPAN | NEW ZEALAND | S'PORE | G'MANY | FRANCE | CARIBBEAN | OTHER |
|--------------------------------|--------------------------|-----|-----|-------|----------------|--------|--------|--------|-----------|-------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M |
| Premium revenue | | | | | | | | | | |
| Direct | 141 | 0 | 46 | 0 | 91 | 0 | 0 | 0 | 0 | 3 |
| Inward treaty | 166 | 8 | 156 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Reinsurance expense | | | | | | | | | | |
| Direct | 32 | 0 | 10 | 0 | 21 | 0 | 0 | 0 | 0 | 1 |
| Inward treaty | 48 | 0 | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Claims expense | | | | | | | | | | |
| Direct | 70 | 0 | 28 | 0 | 40 | 0 | 0 | 0 | 0 | 2 |
| Inward treaty | 114 | 0 | 113 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Reinsurance recoveries | | | | | | | | | | |
| Direct | 14 | 0 | 11 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| Inward treaty | 17 | 0 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commission | | | | | | | | | | |
| Expense | 50 | 0 | 27 | 0 | 22 | 0 | 0 | 0 | 0 | 1 |
| Revenue | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | | | | | | | | | | |
| Interest/dividend/rent | 10 | 0 | 6 | 0 | 4 | 0 | 0 | 0 | 0 | 0 |
| Underwriting provisions | | | | | | | | | | |
| Unearned premium | 168 | 0 | 104 | 0 | 63 | 0 | 0 | 0 | 0 | 1 |
| Outstanding claims | 217 | 24 | 181 | 0 | 11 | 0 | 0 | 0 | 0 | 1 |
| Assets | | | | | | | | | | |
| Deferred reinsurance expense | 30 | 0 | 27 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |

| | |
|-----------------|---|
| FORM 215 | GENERAL EXPENSES AND CAPITAL EXPENDITURE |
| | Direct Underwriters |
| | COMPANIES BALANCING ON 31 DECEMBER 1997 |

| Item | Inside Australia |
|---|-----------------------------|
| EXPENSES | |
| Number of employees at balance date | <u>7,578</u> |
| | \$'000 |
| Wages & salaries | 126,776 |
| Other employee costs (direct & indirect) | 30,845 |
| Management fees | 54,894 |
| Interest | -2,048 |
| Rent | 15,503 |
| Depreciation | 12,700 |
| Insurance | 439 |
| Bad/doubtful debts | 1,828 |
| Other expenses | -67,435 |
| | 0 |
| TOTAL EXPENSES | <u>173,502</u> |
| CAPITAL EXPENDITURE | |
| Land & buildings | |
| Purchases | 9,561 |
| Sales | 4,421 |
| Revaluations/writedowns | 1,245 |
| Computer equipment | |
| Purchases | 37,366 |
| Sales | -290 |
| Revaluations/writedowns | -2,637 |
| Furniture, fittings, plant & equipment | |
| Purchases | 172,373 |
| Sales | -136,344 |
| Revaluation/writedowns | -8,873 |
| Other | |
| Purchases | 6,824 |
| Sales | 321 |
| Revaluation/writedowns | 1,064 |
| TOTAL CAPITAL EXPENDITURE | <u>85,031</u> |

**TABLE 2.1 UNDERWRITING ACCOUNT BY CLASS OF BUSINESS - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Classes of Business | Premium Revenue | Outwards Reinsurance Expense | Premium Revenue less R/I Expense (1) - (2) | Claims Expense | R/I and other Recoveries Revenue | Claims Expense less Recoveries Revenue (4) - (5) | Underwriting Expenses | Underwriting Result (3)-[(6)+(7)] |
|---------------------------------|--------------------|------------------------------------|---|-------------------|--|---|--------------------------|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | | | | |
| Fire | 27,375 | 5,165 | 22,210 | 7,054 | 4,018 | 3,036 | 1,398 | 17,776 |
| Accident | 6,669 | 0 | 6,669 | 1,699 | 0 | 1,699 | 718 | 4,252 |
| Other | 5,426 | 0 | 5,426 | -1,422 | 5,007 | -6,429 | 942 | 10,913 |
| 2. PROPORTIONAL TREATY | | | | | | | | |
| Fire | 150,350 | 15,503 | 134,847 | 96,765 | 12,027 | 84,738 | 53,907 | -3,798 |
| Accident | 76,841 | 0 | 76,841 | 164,840 | 0 | 164,840 | 13,652 | -101,651 |
| Other | 36,406 | 0 | 36,406 | 16,470 | 8,145 | 8,325 | 10,631 | 17,450 |
| 3. EXCESS OF LOSS TREATY | | | | | | | | |
| Fire | 35,095 | 12,531 | 22,564 | 692 | 15,957 | -15,265 | 6,259 | 31,570 |
| Accident | 28,827 | 4,525 | 24,302 | 15,873 | 0 | 15,873 | 2,578 | 5,851 |
| Other | 26,207 | 9,360 | 16,847 | 1,244 | 10,014 | -8,770 | 1,346 | 24,271 |
| TOTAL | 393,196 | 47,084 | 346,112 | 303,215 | 55,168 | 248,047 | 93,174 | 4,891 |

| |
|--|
| TABLE 2.2 PROFIT AND LOSS ACCOUNT - INSIDE AUSTRALIA PRIVATE SECTOR - REINSURERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| | \$'000 |
|---|-----------------------|
| UNDERWRITING RESULT | 4,891 |
| <i>Plus</i> Investment Revenue arising from: | |
| Dividends, Interest and Rent | 70,410 |
| Changes in Net Market Value on Investments: | |
| Held at end of year | 112,235 |
| Realised during the year | <u>24,022</u> |
| | 206,667 |
| <i>Less</i> General and Administration Expenses | <u>17,251</u> |
| PROFIT/LOSS FROM GENERAL INSURANCE | 194,307 |
| <i>Plus</i> Profit/Loss from Business other than General Insurance | <u>96</u> |
| OPERATING PROFIT/LOSS BEFORE ABNORMAL ITEMS AND INCOME TAX | 194,403 |
| <i>Plus</i> Profit/Loss from Abnormal Items | <u>0</u> |
| OPERATING PROFIT/LOSS BEFORE INCOME TAX | 194,403 |
| <i>Less</i> Income Tax Expense attributable to Operating Profit | <u>85,313</u> |
| OPERATING PROFIT/LOSS AFTER INCOME TAX | 109,090 |
| <i>Plus</i> Profit/Loss on Extraordinary Items | 0 |
| <i>Less</i> Income Tax Expense attributable to Extraordinary Items | <u>0</u> |
| OPERATING PROFIT/LOSS AND EXTRAORDINARY ITEMS AFTER INCOME TAX | <u>109,090</u> |
| RETAINED PROFITS (ACCUMULATED LOSSES) AT BEGINNING OF FINANCIAL YEAR | 214,334 |
| <i>Less</i> Amounts Transferred From Reserves | <u>-19,549</u> |
| TOTAL AVAILABLE FOR APPROPRIATION | 303,875 |
| <i>Less</i> Dividends Provided for or Paid | 61,241 |
| Amounts Transferred to Reserves | 16,000 |
| Other Appropriations | <u>0</u> |
| RETAINED PROFITS (ACCUMULATED LOSSES) AT END OF FINANCIAL YEAR | <u><u>226,634</u></u> |

| |
|---|
| TABLE 2.3 NET ASSETS - INSIDE AUSTRALIA PRIVATE SECTOR - REINSURERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|---|

| | |
|---|-------------------------|
| ASSETS AND LIABILITIES | \$'000 |
| CURRENT ASSETS | |
| Cash | 4,622 |
| Unpaid Premiums | 84,322 |
| Reinsurance and Other Recoverables | 70,986 |
| Investments | 638,797 |
| Deferred Acquisition Costs | 26,581 |
| Other | 187,031 |
| Total | <u>1,012,339</u> |
| NON-CURRENT ASSETS | |
| Reinsurance and Other Recoverables | 273,564 |
| Investments | 486,348 |
| Deferred Acquisition Costs | 0 |
| Operating Assets | 121 |
| Intangibles | 0 |
| Other | 55,605 |
| Total | <u>815,638</u> |
| Life Insurance Statutory Fund Assets | 0 |
| TOTAL ASSETS | <u><u>1,827,977</u></u> |
| CURRENT LIABILITIES | |
| Outstanding Claims Provision | 233,577 |
| Unearned Premium Provision | 151,868 |
| Provision for Income Tax | 24,333 |
| Other Provisions | 5,189 |
| Trade Creditors | 67,346 |
| Borrowings | 4,432 |
| Other | 18,465 |
| Total | <u>505,210</u> |
| NON-CURRENT LIABILITIES | |
| Outstanding Claims Provision | 478,936 |
| Unearned Premium Provision | 1,033 |
| Deferred Income Tax | 49,035 |
| Other Provisions | 0 |
| Trade Creditors | 570 |
| Borrowings | 0 |
| Other | 0 |
| Total | <u>529,574</u> |
| Life Insurance Statutory Fund Liabilities | 0 |
| TOTAL LIABILITIES | <u><u>1,034,784</u></u> |
| NET ASSETS | <u><u>793,193</u></u> |

**TABLE 2.4 ASSETS AND LIABILITIES AT MARKET VALUE - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| | Related Bodies \$'000 | Other \$'000 | Total \$'000 |
|--|--------------------------|-----------------|-----------------|
| Assets | | | |
| 1. CASH | 0 | 869 | 869 |
| 2. UNPAID PREMIUMS | | | |
| Where premium became due 3 months, or less than 3 months, previously, | | | |
| - from Brokers | 0 | 64,943 | 64,943 |
| - from others | 0 | 381 | 381 |
| Where premium became due more than 3 mths previously | | | |
| - from Brokers | 0 | 4,628 | 4,628 |
| - other | 0 | 0 | 0 |
| Accrued premiums on 'claims experience' policies | 0 | 0 | 0 |
| Sub-Total | 0 | 69,952 | 69,952 |
| 3. REINSURANCE ASSETS | | | |
| A) AMOUNTS RECOVERABLE | | | |
| Under reinsurance contracts | 0 | 40,222 | 40,222 |
| Being Reinsurance Recoverables on Outstanding Claims | 401 | 51,561 | 51,962 |
| B) DEFERRED REINSURANCE EXPENSE | 2,004 | 15,932 | 17,936 |
| C) OTHER | 231,710 | 16,976 | 248,686 |
| Sub-Total | 234,115 | 124,691 | 358,806 |
| 4. RECOVERIES OTHER THAN REINSURANCE | | | |
| subrogation: | | | |
| where court order/written agreement obtained | 0 | 885 | 885 |
| where no court order/written agreement obtained | 0 | 0 | 0 |
| other | 0 | 1,395 | 1,395 |
| Sub-Total | 0 | 2,280 | 2,280 |
| 5. DEFERRED ACQUISITION COSTS | | | |
| Commissions and Brokerage | 8,773 | 13,308 | 22,081 |
| Other | 0 | 4,500 | 4,500 |
| Sub-Total | 8,773 | 17,808 | 26,581 |
| 6. MISCELLANEOUS RECEIVABLES | | | |
| Investment Income due but not received | 0 | 14,166 | 14,166 |
| Proceeds from Sale of Assets | 0 | 3,449 | 3,449 |
| Other | 1,015 | 1,820 | 2,835 |
| Sub-Total | 1,015 | 19,435 | 20,450 |
| 7. PREPAYMENTS AND ADVANCES | | | |
| Prepaid levies and statutory charges | 0 | 4,389 | 4,389 |
| Other prepayments and advances | 190,496 | 153 | 190,649 |
| Sub-Total | 190,496 | 4,542 | 195,038 |
| 8. INVENTORIES | 0 | 0 | 0 |

TABLE 2.4 CONTINUED

| | Related Bodies | Other | Total |
|---|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 |
| 9. OPERATING ASSETS | | | |
| Computer Software | 0 | 70 | 70 |
| Plant, Equipment, Furnishings and Fixtures | 0 | 33 | 33 |
| Motor Vehicles | 0 | 18 | 18 |
| Other | 0 | 0 | 0 |
| Sub-Total | 0 | 121 | 121 |
| 10. FUTURE INCOME TAX BENEFIT | | | |
| Timing Differences | 0 | 24,601 | 24,601 |
| Tax Losses | 0 | 0 | 0 |
| Sub-Total | 0 | 24,601 | 24,601 |
| 11. INTANGIBLES | | | |
| | 0 | 0 | 0 |
| 12. INVESTMENTS | | | |
| A) LAND AND BUILDINGS | | | |
| For, or under, development | 0 | 0 | 0 |
| Other | 0 | 16,660 | 16,660 |
| Sub-Total | 0 | 16,660 | 16,660 |
| B) DEBT SECURITIES | | | |
| Bills of exchange | 0 | 0 | 0 |
| Promissory notes (commercial paper) issued by: | | | |
| Commonwealth-owned trading companies | 0 | 0 | 0 |
| State & Local government owned trading companies | 0 | 0 | 0 |
| Private trading companies | 0 | 2,553 | 2,553 |
| Non-bank financial intermediaries | 0 | 0 | 0 |
| State government central borrowing authorities | 0 | 0 | 0 |
| Securitizers | 0 | 0 | 0 |
| Negotiable certificates of deposit (NCDs) | 0 | 0 | 0 |
| Bonds, inscribed stock, debentures, medium-term notes and transferrable certificates of deposit (TCDs) issued by: | | | |
| Commonwealth Government | 0 | 96,879 | 96,879 |
| Commonwealth-owned trading companies | 0 | 200 | 200 |
| State and local government owned trading companies | 0 | 154,554 | 154,554 |
| Private trading companies | 0 | 20,850 | 20,850 |
| Banks | 0 | 24,171 | 24,171 |
| Non-bank financial intermediaries | 0 | 6,094 | 6,094 |
| State government central borrowing authorities | 0 | 45,061 | 45,061 |
| Securitizers | 0 | 9,535 | 9,535 |
| Sub-Total - Short Term Debt Securities | 0 | 23,354 | 23,354 |
| Sub-Total - Long Term Debt Securities | 0 | 336,543 | 336,543 |
| C) SHARES | | | |
| Private trading companies | 216,754 | 201,173 | 417,927 |
| Banks | 0 | 35,495 | 35,495 |
| Non-bank financial intermediaries | 0 | 0 | 0 |
| Others | 0 | 102,958 | 102,958 |
| Sub-Total - Listed Shares | 0 | 325,401 | 325,401 |
| Sub-Total - Unlisted Shares | 216,754 | 14,225 | 230,979 |
| D) OPTIONS | | | |
| Listed | 0 | 0 | 0 |
| Unlisted | 0 | 0 | 0 |
| Sub-Total | 0 | 0 | 0 |

TABLE 2.4 CONTINUED

| | Related Bodies \$'000 | Other \$'000 | Total \$'000 |
|---|--------------------------|------------------|------------------|
| E) UNITS IN TRUSTS | | | |
| Equity | 0 | 0 | 0 |
| Financial | 0 | 36,347 | 36,347 |
| Property | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Sub-Total - Listed Units in Trusts | 0 | 0 | 0 |
| Sub-Total - Unlisted Units in Trusts | 0 | 36,347 | 36,347 |
| F) OTHER RIGHTS AND INTERESTS IN BUSINESS UNDERTAKINGS | 0 | 0 | 0 |
| G) DEPOSITS | | | |
| Banks | 0 | 58,036 | 58,036 |
| Non-bank financial intermediaries | 0 | 75,727 | 75,727 |
| Fund managers | 0 | 0 | 0 |
| Others | 0 | 0 | 0 |
| Sub-Total | 0 | 133,763 | 133,763 |
| H) LOANS | | | |
| to directors, trustees or their spouses as defined in para. 30(1)(a) | 0 | 0 | 0 |
| unsecured loans to employees exceeding \$1000 as defined in para. 30(1)(b) | 0 | 0 | 0 |
| Sub-Total - Sub-section 30 (1) loans | 0 | 0 | 0 |
| Private trading companies | 11,903 | 0 | 11,903 |
| Financial enterprises | 0 | 0 | 0 |
| Fund managers | 0 | 0 | 0 |
| Others | 0 | 0 | 0 |
| Sub-Total - Loans Secured by Mortgage on Real Property | 0 | 0 | 0 |
| Sub-Total - Loans Otherwise Secured | 0 | 0 | 0 |
| Sub-Total - Unsecured Loans | 11,903 | 0 | 11,903 |
| I) OTHER FINANCIAL INSTRUMENTS | 0 | 15,043 | 15,043 |
| J) OTHER INVESTMENTS | 0 | 0 | 0 |
| Total Investments | 228,657 | 901,336 | 1,129,993 |
| 13. OTHER ASSETS | 0 | 0 | 0 |
| 14. TOTAL ASSETS | 663,056 | 1,165,635 | 1,828,691 |

TABLE 2.4 CONTINUED

| | Related Bodies | Other | Total |
|--|----------------|----------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| Liabilities | | | |
| 15. UNDERWRITING PROVISIONS | | | |
| Unearned Premium | 44,872 | 108,029 | 152,901 |
| Outstanding claims | 231,710 | 480,803 | 712,513 |
| Sub-Total | 276,582 | 588,832 | 865,414 |
| 16. OTHER UNDERWRITING PROVISIONS | 0 | 3,180 | 3,180 |
| 17. OTHER PROVISIONS | | | |
| Statutory Charges | 0 | 503 | 503 |
| Dividends | 0 | 0 | 0 |
| Redemption of Capital | 0 | 0 | 0 |
| Cost of Realization of Assets | 0 | 0 | 0 |
| Sub-Total | 0 | 503 | 503 |
| 18. TAXATION | | | |
| Current | 1,975 | 18,326 | 20,301 |
| Deferred | 4,034 | 46,070 | 50,104 |
| Sub-Total | 6,009 | 64,396 | 70,405 |
| 19. CREDITORS AND BORROWINGS | | | |
| A) BANK BALANCES | | | |
| Overdraft | 0 | 0 | 0 |
| Cash Book | 0 | 5,134 | 5,134 |
| Sub-Total | 0 | 5,134 | 5,134 |
| B) LOANS | | | |
| Banks | 0 | 0 | 0 |
| Non-bank financial intermediaries | 0 | 0 | 0 |
| Other insurance and reinsurance companies | 0 | 0 | 0 |
| Others | 11,737 | 0 | 11,737 |
| Sub-Total | 11,737 | 0 | 11,737 |
| C) DEBT SECURITIES ISSUED | | | |
| Bills of Exchange | 0 | 0 | 0 |
| Promissory Notes | 0 | 0 | 0 |
| Bonds, Debentures and Long-term Notes | 0 | 0 | 0 |
| Sub-Total | 0 | 0 | 0 |
| D) OPTIONS | 0 | 1,894 | 1,894 |
| E) LIABILITIES ARISING FROM FINANCIAL INSTRUMENTS | 0 | 0 | 0 |
| F) AMOUNTS DUE TO INSURANCE COMPANIES ON REINSURANCE CONTRACTS | 1,292 | 24,034 | 25,326 |
| G) OTHER CREDITORS | 4,311 | 53,146 | 57,457 |
| Total Creditors and Borrowings | 17,340 | 84,208 | 101,548 |
| 19. OTHER LIABILITIES | 0 | 0 | 0 |
| 20. TOTAL LIABILITIES | 299,931 | 741,119 | 1,041,050 |

**TABLE 2.5 PREMIUM REVENUE - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Inwards Reinsurance Premium | Third Party Collections | Total Premium | Unearned Premium Provision at Beginning of Year | Unearned Premium Provision at End of Year | Premium Revenue |
|---------------------------------|--------------------------------|----------------------------|------------------|---|---|-----------------|
| | | | (1)-(2) | | | (3)+(4)-(5) |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | | |
| Fire | 27,560 | 91 | 27,469 | 3,557 | 3,651 | 27,375 |
| Accident | 8,034 | 0 | 8,034 | 247 | 1,612 | 6,669 |
| Other | 5,444 | 1 | 5,443 | 114 | 131 | 5,426 |
| 2. PROPORTIONAL TREATY | | | | | | |
| Fire | 121,691 | 170 | 121,521 | 127,279 | 98,450 | 150,350 |
| Accident | 73,575 | 66 | 73,509 | 9,451 | 6,119 | 76,841 |
| Other | 41,658 | 30 | 41,628 | 15,032 | 20,254 | 36,406 |
| 3. EXCESS OF LOSS TREATY | | | | | | |
| Fire | 41,723 | 292 | 41,431 | 11,622 | 17,958 | 35,095 |
| Accident | 27,144 | 2 | 27,142 | 2,733 | 1,048 | 28,827 |
| Other | 26,978 | 95 | 26,883 | 3,002 | 3,678 | 26,207 |
| TOTAL | 373,807 | 747 | 373,060 | 173,037 | 152,901 | 393,196 |

**TABLE 2.6 RETROCESSION EXPENSES - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Retrocession Premium Paid or Payable | Deferred Retrocession Expense at Beginning of Year | Deferred Retrocession Expense at End of Year | Retrocession Expense | Premium Revenue less Retrocession Expense |
|---------------------------------|--|--|--|---------------------------------|--|
| | | | | (1)+(2) less (3) | |
| | (1) | (2) | (3) | (4) | (5) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | |
| Fire | 10,415 | 1,349 | 6,599 | 5,165 | 22,210 |
| Accident | 0 | 0 | 0 | 0 | 6,669 |
| Other | 0 | 0 | 0 | 0 | 5,426 |
| 2. PROPORTIONAL TREATY | | | | | |
| Fire | 6,901 | 15,019 | 6,417 | 15,503 | 134,847 |
| Accident | 0 | 0 | 0 | 0 | 76,841 |
| Other | 0 | 0 | 0 | 0 | 36,406 |
| 3. EXCESS OF LOSS TREATY | | | | | |
| Fire | 6,225 | 8,050 | 1,744 | 12,531 | 22,564 |
| Accident | 5,117 | 0 | 592 | 4,525 | 24,302 |
| Other | 11,944 | 0 | 2,584 | 9,360 | 16,847 |
| TOTAL | 40,602 | 24,418 | 17,936 | 47,084 | 346,112 |

| |
|--|
| TABLE 2.7 PREMIUM INCOME - INSIDE AUSTRALIA PRIVATE SECTOR - REINSURERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| | \$'000 |
|--|----------------|
| Inward Reinsurance Premiums | 373,807 |
| Less: | |
| Outward Reinsurance, or Retrocession Premiums less Return Premiums and Rebates | 40,602 |
| Amounts paid under a law of a State or Territory relating to fire brigades | 10,203 |
| Amount of stamp duty paid under a law, or a provision of a law, of a State or Territory imposing stamp duty in respect of insurance business | 8,153 |
| Amount paid under a prescribed law of the Commonwealth or of a State or Territory | 0 |
| Total Deductions: | 58,958 |
| PREMIUM INCOME | 314,849 |

**TABLE 2.8 OUTSTANDING CLAIMS PROVISIONS - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Undiscounted Expected Future Claims Payments | | | | Amount of Discount applied to column (4) | Provision for Outstanding Claims at End of Financial Year [(4)-(5)]=[6] |
|---------------------------------|--|---|----------------------------------|----------------|--|--|
| | Case Estimates on Reported Inward Reinsurance Claims | Additional Payments on Claims Outstanding | Indirect Claims Settlement Costs | Total | | |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | (1)+(2)+(3) | | |
| Fire | 13,638 | 10,491 | 597 | 24,726 | 1,543 | 23,183 |
| Accident | 5,724 | 8,250 | 578 | 14,552 | 892 | 13,660 |
| Other | 5,186 | 4,160 | 533 | 9,879 | 153 | 9,726 |
| 2. PROPORTIONAL TREATY | | | | | | |
| Fire | 115,086 | 28,357 | 1,207 | 144,650 | 4,107 | 140,543 |
| Accident | 137,334 | 111,192 | 541 | 249,067 | 17,913 | 231,154 |
| Other | 67,127 | 21,456 | 551 | 89,134 | 3,191 | 85,943 |
| 3. EXCESS OF LOSS TREATY | | | | | | |
| Fire | 37,278 | 14,285 | 789 | 52,352 | 1,520 | 50,832 |
| Accident | 76,681 | 57,910 | 1,491 | 136,082 | 9,117 | 126,965 |
| Other | 22,164 | 8,380 | 600 | 31,144 | 637 | 30,507 |
| TOTAL | 480,218 | 264,481 | 6,887 | 751,586 | 39,073 | 712,513 |

**TABLE 2.9 OUTSTANDING CLAIMS PROVISIONS NET OF REINSURANCE RECOVERIES - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Undiscounted Expected Reinsurance Recoveries | | | Amount of Discount applied to column (3) | Discounted Expected Recoveries on Outstanding Claims | | Net Outstanding Claims Provisions |
|---------------------------------|--|---|-----------------------------|--|--|--------|---|
| | On Outstanding Reported Claims | Additional Recoveries on Outstanding Claims | Total on Outstanding Claims | | Reinsurance | Other | |
| | (1) | (2) | (1)+(2) (3) | (4) | [(3)-(4)] = [(5)] | | [Table 2.8 Col 6 less Table 2.9 Col 5] (7) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | | | |
| Fire | 0 | 0 | 0 | 0 | 0 | 0 | 23,183 |
| Accident | 0 | 0 | 0 | 0 | 0 | 0 | 13,660 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 9,726 |
| 2. PROPORTIONAL TREATY | | | | | | | |
| Fire | 15,787 | 0 | 15,787 | 0 | 15,787 | 0 | 124,756 |
| Accident | 0 | 0 | 0 | 0 | 0 | 0 | 231,154 |
| Other | 16,043 | 0 | 16,043 | 0 | 16,043 | 0 | 69,900 |
| 3. EXCESS OF LOSS TREATY | | | | | | | |
| Fire | 14,258 | 0 | 14,258 | 0 | 14,258 | 0 | 36,574 |
| Accident | 0 | 0 | 0 | 0 | 0 | 0 | 126,965 |
| Other | 5,874 | 0 | 5,874 | 0 | 5,874 | 0 | 24,633 |
| TOTAL | 51,962 | 0 | 51,962 | 0 | 51,962 | 0 | 660,551 |

**TABLE 2.10 CLAIMS EXPENSE - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Cost of Claims | | Total | Provision for Outstanding Claims at Beginning of Year | Provision for Outstanding Claims at End of Year | Claims Expense |
|---------------------------------|---------------------------------|---------------------------------|------------------|--|--|----------------------|
| | Inward Reinsurance Claims | Indirect Settlement Costs | | | | |
| | (1) | (2) | [(1)+(2)] (3) | (4) | (5) | [(3)+(5)-(4)] (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | | |
| Fire | 2,188 | 5 | 2,193 | 10,505 | 15,366 | 7,054 |
| Accident | 0 | 0 | 0 | 4,621 | 6,320 | 1,699 |
| Other | 205 | 68 | 273 | 3,759 | 2,064 | -1,422 |
| 2. PROPORTIONAL TREATY | | | | | | |
| Fire | 69,936 | 15 | 69,951 | 132,272 | 159,086 | 96,765 |
| Accident | 19,316 | 7 | 19,323 | 195,791 | 341,308 | 164,840 |
| Other | 12,993 | 8 | 13,001 | 47,417 | 50,886 | 16,470 |
| 3. EXCESS OF LOSS TREATY | | | | | | |
| Fire | 1,859 | 10 | 1,869 | 31,841 | 30,664 | 692 |
| Accident | 7,105 | 81 | 7,186 | 88,118 | 96,805 | 15,873 |
| Other | 804 | 5 | 809 | 9,579 | 10,014 | 1,244 |
| TOTAL | 114,406 | 199 | 114,605 | 523,903 | 712,513 | 303,215 |

**TABLE 2.11 CLAIMS EXPENSE NET OF REINSURANCE AND RECOVERIES - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Retrocessions Recovered or Recoverable on Claims Payments made this Year | Retrocession Recoverables on Outstanding Claims at Beginning of Year | Retrocession Recoverables on Outstanding Claims at End of Year | Revenue from Retrocession Recoveries | Revenue from Other Recoveries in respect of Claims (net of retrocessionaires' portion) | Net Claims Expense |
|---------------------------------|--|--|--|--------------------------------------|--|--|
| | (1) | (2) | (3) | [(1)+(3)-(2)] | (5) | [Table 2.10 Col 6 less Table 2.11 Col 4&5] |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | | |
| Fire | 4,018 | 0 | 0 | 4,018 | 0 | 3,036 |
| Accident | 0 | 0 | 0 | 0 | 0 | 1,699 |
| Other | 5,007 | 0 | 0 | 5,007 | 0 | -6,429 |
| 2. PROPORTIONAL TREATY | | | | | | |
| Fire | 7,088 | 11,116 | 16,055 | 12,027 | 0 | 84,738 |
| Accident | 0 | 0 | 0 | 0 | 0 | 164,840 |
| Other | 7,162 | 8,792 | 9,775 | 8,145 | 0 | 8,325 |
| 3. EXCESS OF LOSS TREATY | | | | | | |
| Fire | 5,071 | 9,281 | 20,167 | 15,957 | 0 | -15,265 |
| Accident | 0 | 0 | 0 | 0 | 0 | 15,873 |
| Other | 5,014 | 965 | 5,965 | 10,014 | 0 | -8,770 |
| TOTAL | 33,360 | 30,154 | 51,962 | 55,168 | 0 | 248,047 |

**TABLE 2.12 ACQUISITION EXPENSES - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Commission, Brokerage and Similar Charges | | | | Other Costs | | | |
|---------------------------------|---|---|--|---|--|---|--|---|
| | To Ceding Insurers and Brokers | Deferred Costs at Beginning of Financial Year | Deferred Costs (after any write-down) at end of Financial Year | Expense for the Financial Year (1)+(2) less (3) | Costs with respect to current financial year | Deferred Costs at Beginning of Financial Year | Deferred Costs (after any write-down) at end of Financial Year | Expense for the Financial Year (5)+(6) less (7) |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | | | | |
| Fire | 1,832 | 528 | 599 | 1,761 | 289 | 107 | 113 | 283 |
| Accident | 1,110 | 43 | 294 | 859 | 138 | 5 | 54 | 89 |
| Other | 981 | 17 | 22 | 976 | 16 | 5 | 6 | 15 |
| 2. PROPORTIONAL TREATY | | | | | | | | |
| Fire | 52,992 | 11,188 | 12,504 | 51,676 | 4,405 | 639 | 2,167 | 2,877 |
| Accident | 12,588 | 2,213 | 1,618 | 13,183 | 744 | 244 | 289 | 699 |
| Other | 11,314 | 3,294 | 5,904 | 8,704 | 3,453 | 200 | 1,677 | 1,976 |
| 3. EXCESS OF LOSS TREATY | | | | | | | | |
| Fire | 5,191 | 1,302 | 822 | 5,671 | 457 | 159 | 124 | 492 |
| Accident | 2,575 | 197 | 140 | 2,632 | 160 | 34 | 48 | 146 |
| Other | 916 | 218 | 178 | 956 | 44 | 25 | 22 | 47 |
| TOTAL | 89,499 | 19,000 | 22,081 | 86,418 | 9,706 | 1,418 | 4,500 | 6,624 |

**TABLE 2.13 UNDERWRITING EXPENSES - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Type of Business | Acquisition Expenses | | Fire Brigade Hospital and Similar Statutory Charges Expense | Other Underwriting Expenses | Retrocession Recoveries | Total Underwriting Expenses | Amount by which Deferred Acquisition Costs were written down in this Year |
|---------------------------------|--|----------------|--|-----------------------------------|----------------------------|-----------------------------------|--|
| | Commission, Brokerage and Similar Charges | Other Costs | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (1)+(2) (3)+(4) less (5) | (7) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 1. FACULTATIVE | | | | | | | |
| Fire | 1,761 | 283 | 0 | 42 | 688 | 1,398 | 0 |
| Accident | 859 | 89 | 0 | 22 | 252 | 718 | 0 |
| Other | 976 | 15 | 0 | 2 | 51 | 942 | 0 |
| 2. PROPORTIONAL TREATY | | | | | | | |
| Fire | 51,676 | 2,877 | 0 | 42 | 688 | 53,907 | 0 |
| Accident | 13,183 | 699 | 0 | 22 | 252 | 13,652 | 0 |
| Other | 8,704 | 1,976 | 0 | 2 | 51 | 10,631 | 0 |
| 3. EXCESS OF LOSS TREATY | | | | | | | |
| Fire | 5,671 | 492 | 0 | 145 | 49 | 6,259 | 0 |
| Accident | 2,632 | 146 | 0 | 39 | 239 | 2,578 | 0 |
| Other | 956 | 47 | 0 | 343 | 0 | 1,346 | 0 |
| TOTAL | 86,418 | 6,624 | 0 | 659 | 2,270 | 91,431 | 0 |

| | |
|-------------------|--|
| TABLE 2.14 | GENERAL AND ADMINISTRATION EXPENSES - INSIDE AUSTRALIA PRIVATE SECTOR - REINSURERS FOR 11 MONTHS ENDING NOVEMBER 1997 |
|-------------------|--|

| EXPENSE ITEM | \$'000 |
|---|---------------|
| Wages and Salaries to employees | 1,929 |
| Other Employee Costs | 500 |
| Audit Fees | 100 |
| Directors' Fees | 0 |
| Management Fees | 35,871 |
| Interest expense | 29 |
| Depreciation on Operating assets | 47 |
| Other expenses | 615 |
| TOTAL | 39,091 |
| Life Insurance Business expenses | 0 |
| The portion of Total Expense in respect of: | |
| <i>Related Bodies being Authorised Insurers</i> | 6,101 |
| <i>Other Related Bodies</i> | 29,741 |
| Amount of Total Expenses incurred in respect of, or allocated to: | |
| General Insurance Activities | |
| Acquisition Costs | 9,706 |
| Indirect Claims Settlement | 199 |
| Other Underwriting | 11,855 |
| General & Administration Expenses | |
| <i>Investment Management</i> | 2,744 |
| <i>Other Management</i> | 14,507 |
| Non general insurance activities | 80 |
| TOTAL | 39,091 |

**TABLE 2.15 INVESTMENT REVENUE - INSIDE AUSTRALIA
PRIVATE SECTOR - REINSURERS
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Item | Revenue arising from Investments in Related Bodies and Trusts | | | Revenue arising from Other Investments | | |
|--|--|--|--|---|--|--|
| | From Dividends Interest and Rent | From changes in Net Market Value | | From Dividends Interest and Rent | From changes in Net Market Value | |
| | | On Investments held at end of financial year | On Investments realised during the financial year | | On Investments held at end of financial year | On Investments realised during the financial year |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Land and Buildings | 0 | 0 | 0 | 2,119 | 767 | 0 |
| Debt Securities | 0 | 0 | 0 | 22,868 | 8,356 | 19,251 |
| Shares | 2,159 | 39,949 | 0 | 13,783 | 57,782 | 4,278 |
| Options | 0 | 0 | 0 | 0 | 0 | 0 |
| Units in Trusts | 0 | 0 | 0 | 2,860 | 5,533 | 0 |
| Other Rights and Interests in Business Undertakings | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposits | 22,385 | 0 | 0 | 4,136 | 0 | 914 |
| Loans | | | | | | |
| To Directors/Trustees & spouses | 0 | 0 | 0 | 0 | 0 | 0 |
| Secured | 0 | 0 | 0 | 0 | 0 | 0 |
| Unsecured | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Financial Instruments | 0 | 0 | 0 | 18 | -152 | -421 |
| Other Investments | 0 | 0 | 0 | 82 | 0 | 0 |
| TOTAL | 24,544 | 39,949 | 0 | 45,866 | 72,286 | 24,022 |

| | |
|-----------------|--|
| FORM 101 | UNDERWRITING AND PROFIT & LOSS ACCOUNT |
| | Reinsurers |
| | FOR COMPANIES BALANCING ON 31 DECEMBER 1997 |

| | Inside Australia \$'000 | Outside Australia \$'000 |
|--|--|---|
| Premium revenue | 1,136,850 | 678,053 |
| <i>Less</i> Outwards reinsurance expense | 428,967 | 210,944 |
| NET PREMIUM REVENUE | <u>707,883</u> | <u>467,109</u> |
| Claims expense | 767,304 | 451,473 |
| <i>Less</i> Reinsurance and other recoveries revenue | 245,557 | 128,922 |
| NET CLAIMS EXPENSE | <u>521,747</u> | <u>322,551</u> |
| Underwriting expenses | 211,341 | 93,158 |
| UNDERWRITING RESULT | <u>-25,205</u> | <u>51,400</u> |
| <i>Plus</i> Investment revenue arising from: | | |
| <i>Interest</i> | 169,826 | 29,593 |
| <i>Dividends</i> | 43,630 | 137 |
| <i>Rent</i> | 1,050 | 0 |
| <i>Plus</i> Other revenue | 30,363 | -18 |
| <i>Plus</i> Changes in net market value on investments | 223,812 | -115 |
| <i>Less</i> General and administration expenses | <u>59,449</u> | <u>773</u> |
| PROFIT/LOSS FROM GENERAL INSURANCE | 384,027 | 80,224 |
| <i>Plus</i> Profit/loss from business other than general insurance | <u>-2,000</u> | <u>0</u> |
| OPERATING PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND INCOME TAX | 382,027 | 80,224 |
| <i>Less</i> Income tax expense attributable to operating profit | <u>155,448</u> | <u>6,778</u> |
| OPERATING PROFIT/LOSS AFTER INCOME TAX | 226,579 | 73,446 |
| <i>Plus</i> Profit/loss on extraordinary items net of tax | <u>0</u> | <u>0</u> |
| OPERATING PROFIT/LOSS AFTER EXTRAORDINARY ITEMS AND INCOME TAX | <u>226,579</u> | <u>73,446</u> |
| Retained profits/losses at beginning of financial year | <u>634,467</u> | <u>165,087</u> |
| Total available for appropriation incl transfers from reserves | 861,046 | 238,533 |
| Appropriations: | | |
| <i>Dividends</i> | 99,711 | |
| <i>Other</i> | 1,566 | 7,632 |
| Total appropriations incl transfer from reserves | <u>101,277</u> | <u>7,632</u> |
| RETAINED PROFITS (LOSSES) AT END OF FINANCIAL YEAR | <u>759,769</u> | <u>230,901</u> |

FORM 102 ASSETS AND LIABILITIES
Reinsurers
FOR COMPANIES BALANCING ON 31 DECEMBER 1997

| | Inside Australia | | | Outside Australia | | |
|--|---|------------------|------------------|---|----------------|------------------|
| | Related trusts & Bodies corporate | Other | Total | Related trusts & Bodies corporate | Other | Total |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | | |
| 1. CASH | 0 | 65,464 | 65,464 | | 20,673 | 20,673 |
| 2. UNPAID PREMIUMS | | | | | | |
| Due 3 mths, or less than 3 mths previously (excl unclosed business): | | | | | | |
| - from brokers, agents and others | 0 | 45,052 | 45,052 | | 160,631 | 160,631 |
| Due more than 3 mths previously (excl unclosed business): | | | | | | |
| - from brokers, agents and others | 0 | 9,967 | 9,967 | 227 | 7,616 | 7,843 |
| Unclosed business | 12,098 | 17,346 | 29,444 | | 106,077 | 106,077 |
| Sub-total | 12,098 | 72,365 | 84,463 | 227 | 274,324 | 274,551 |
| 3. REINSURANCE ASSETS | | | | | | |
| A) AMOUNTS RECOVERABLE | | | | | | |
| Under reinsurance contracts | 29,858 | 129,371 | 159,229 | 81,940 | 57,870 | 139,810 |
| Being reinsurance recoverables on outstanding claims | 432,487 | 71,257 | 503,744 | 47,407 | 16,539 | 63,946 |
| B) DEFERRED REINSURANCE EXPENSE | 110,363 | 12,012 | 122,375 | 43,796 | 21,102 | 64,898 |
| C) OTHER | 0 | 0 | 0 | 3,583 | 106 | 3,689 |
| Sub-total | 572,708 | 212,640 | 785,348 | 176,726 | 95,617 | 272,343 |
| 4. RECOVERIES OTHER THAN REINSURANCE | 0 | 0 | 0 | 206 | | 206 |
| 5. DEFERRED ACQUISITION COSTS | 8,992 | 55,928 | 64,920 | | 29,826 | 29,826 |
| 6. MISCELLANEOUS RECEIVABLES (eg invest rev due not rec'd) | 649 | 53,360 | 54,009 | 460 | 4,043 | 4,503 |
| 7. PREPAYMENTS AND ADVANCES | 0 | 1,555 | 1,555 | | 54 | 54 |
| 8. INVENTORIES | 0 | 14 | 14 | | | 0 |
| 9. OPERATING ASSETS | 0 | 15,699 | 15,699 | | 2,274 | 2,274 |
| 10. FUTURE INCOME TAX BENEFIT | | | | | | |
| Timing differences | 0 | 21,882 | 21,882 | | 2,759 | 2,759 |
| Tax losses | 0 | 0 | 0 | | | 0 |
| Sub-total | 0 | 21,882 | 21,882 | 0 | 2,759 | 2,759 |
| 11. INTANGIBLES | 0 | 0 | 0 | | | 0 |
| 12. INVESTMENTS | 780,442 | 3,479,251 | 4,259,693 | 132,291 | 564,652 | 696,943 |
| 13. OTHER ASSETS | 7,314 | 19,623 | 26,937 | | 4,527 | 4,527 |
| 14. TOTAL ASSETS | 1,382,203 | 3,997,781 | 5,379,984 | 309,910 | 998,749 | 1,308,659 |
| Liabilities | | | | | | |
| 15. UNDERWRITING PROVISIONS | | | | | | |
| Unearned premium | 0 | 427,423 | 427,423 | | 201,557 | 201,557 |
| Outstanding claims | 313 | 1,968,148 | 1,968,461 | | 689,523 | 689,523 |
| Other provisions | 0 | 59,270 | 59,270 | | 763 | 763 |
| Sub-total | 313 | 2,454,841 | 2,455,154 | 0 | 891,843 | 891,843 |

| | Inside Australia | | | Outside Australia | | |
|--|--|------------------|------------------|--|----------------|------------------|
| | Related trusts & Bodies corporate (1) | Other (2) | Total (3) | Related trusts & Bodies corporate (4) | Other (5) | Total (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 16. OTHER PROVISIONS | | | | | | |
| Employee (LSL, sick, redundancy, superannuation & other) | 0 | 6,979 | 6,979 | | 182 | 182 |
| Dividends | 0 | 62,789 | 62,789 | | | 0 |
| Redemption of capital | 0 | 0 | 0 | | | 0 |
| Cost of realisation of assets | 0 | 0 | 0 | | | 0 |
| Other | 0 | 18 | 18 | | | 0 |
| Sub-total | 0 | 69,786 | 69,786 | 0 | 182 | 182 |
| 17. TAXATION | | | | | | |
| Current | 0 | 39,469 | 39,469 | | -1,841 | -1,841 |
| Deferred | 0 | 111,681 | 111,681 | | 10,110 | 10,110 |
| Sub-total | 0 | 151,150 | 151,150 | 0 | 8,269 | 8,269 |
| 18. CREDITORS AND BORROWINGS | | | | | | |
| A) BANK BALANCES | | | | | | |
| Overdraft | 0 | 0 | 0 | | | 0 |
| Cash Book | 0 | 0 | 0 | | | 0 |
| Sub-total | 0 | 0 | 0 | 0 | 0 | 0 |
| B) LOANS | | | | | | |
| Banks | 0 | 0 | 0 | | | 0 |
| Non-bank financial intermediaries | 0 | 0 | 0 | | | 0 |
| Other insurance and reinsurance companies | 0 | 0 | 0 | | | 0 |
| Other | 0 | 0 | 0 | | | 0 |
| Sub-total | 0 | 0 | 0 | 0 | 0 | 0 |
| C) DEBT SECURITIES ISSUED | | | | | | |
| Bills of exchange | 0 | 0 | 0 | | | 0 |
| Promissory notes | 0 | 0 | 0 | | | 0 |
| Bonds, debentures and long-term notes | 0 | 0 | 0 | | | 0 |
| Sub-total | 0 | 0 | 0 | 0 | 0 | 0 |
| D) OPTIONS | 0 | 0 | 0 | | | 0 |
| E) LIABILITIES ARISING FROM FINANCIAL INSTRUMENT | 0 | 0 | 0 | | | 0 |
| F) AMOUNTS DUE ON REINSURANCE CONTRACTS | 335,744 | 88,994 | 424,738 | 9,060 | 14,989 | 24,049 |
| G) OTHER CREDITORS | 7,804 | 32,692 | 40,496 | 1,771 | 1,335 | 3,106 |
| Total creditors and borrowings | 343,548 | 121,686 | 465,234 | 10,831 | 16,324 | 27,155 |
| 19. OTHER LIABILITIES | 8,071 | 2,408 | 10,479 | 203,677 | 374 | 204,051 |
| 20. TOTAL LIABILITIES | 351,932 | 2,799,871 | 3,151,803 | 214,508 | 916,992 | 1,131,500 |

FORM 109 UNDERWRITING RESULTS - INSIDE AUSTRALIA
Reinsurers
COMPANIES BALANCING ON 31 DECEMBER 1997

| | TYPES OF BUSINESS | | | Total |
|---|--------------------------|---------------------|-----------------------|----------------|
| | Facultative | Proportional | Excess of loss | |
| | (1) | (2) | (3) | (4) |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Premiums | | | | |
| Inward reinsurance (before outward reinsurance expense) | 171,972 | 551,487 | 422,590 | 1,146,049 |
| Unearned premium provision beginning of year | 67,822 | 272,035 | 78,367 | 418,224 |
| Unearned premium provision end of year | 73,607 | 269,208 | 84,608 | 427,423 |
| Premium Revenue | 166,187 | 554,314 | 416,349 | 1,136,850 |
| Outwards reinsurance expense [net deferred r/i expense] | 88,506 | 185,118 | 155,343 | 428,967 |
| Premium revenue less reinsurance expense | 77,681 | 369,196 | 261,006 | 707,883 |
| Claims Expense | | | | |
| Claim payments other than indirect settlement costs | 91,081 | 279,797 | 124,223 | 495,101 |
| Indirect claims settlement costs | 218 | 1,006 | 628 | 1,852 |
| Outstanding claims provision beginning financial year | 212,670 | 595,763 | 889,677 | 1,698,110 |
| Outstanding claims provision end financial year | 253,068 | 690,272 | 1,025,121 | 1,968,461 |
| Claims expense | 131,697 | 375,312 | 260,295 | 767,304 |
| Reinsurance & other recoveries (paid & outstandings) | 55,006 | 120,882 | 69,669 | 245,557 |
| Claims expense less reinsurance and other recoveries | 76,691 | 254,430 | 190,626 | 521,747 |
| Commission & Expenses | | | | |
| Underwriting expenses [net of deferred acquisition costs] | 20,932 | 139,116 | 51,293 | 211,341 |
| Underwriting result (6-[13+14]) | -19,942 | -24,350 | 19,087 | -25,205 |

Outstanding Claims (before any recoveries)

| | | | | |
|--|---------|---------|-----------|-----------|
| Undiscounted case estimates | 198,301 | 505,692 | 672,180 | 1,376,173 |
| Additional undiscounted outstanding claims | 85,374 | 270,731 | 572,334 | 928,439 |
| Discount applied | 30,607 | 86,151 | 219,393 | 336,151 |
| Discounted outstanding claims provision end financial year | 253,068 | 690,272 | 1,025,121 | 1,968,461 |

FORM 211 INVESTMENTS
Reinsurers
COMPANIES BALANCING ON 31 DECEMBER 1997

| | Inside Australia | | | Outside Australia | | |
|--|--|------------------|------------------|--|----------------|----------------|
| | Related trusts & bodies corporate (1) | Other (2) | Total (3) | Related trusts & bodies corporate (4) | Other (5) | Total (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| A) LAND AND BUILDINGS | 0 | 13,296 | 13,296 | | | 0 |
| B) DEBT SECURITIES | | | | | | |
| Bills of exchange | 0 | 93,428 | 93,428 | | | 0 |
| Promissory notes (commercial paper) issued by: | | | | | | |
| - Commonwealth-owned trading companies | | | 0 | | | 0 |
| - State & local government owned trading companies | | | 0 | | 951 | 951 |
| - Private trading companies | 0 | 63,029 | 63,029 | | 15,725 | 15,725 |
| - Non-bank financial intermediaries | 0 | 46,858 | 46,858 | | 39,425 | 39,425 |
| - State government central borrowing authorities | 0 | 36,249 | 36,249 | | | 0 |
| - Securitizers | 0 | 37,491 | 37,491 | | 7,615 | 7,615 |
| Negotiable certificates of deposit (NCDs) | 0 | 23,626 | 23,626 | | 2,362 | 2,362 |
| Bonds, inscribed stock, debentures, medium-term notes and transferable certificates of deposit (TCDs) issued by: | | | | | | |
| - Commonwealth government | 0 | 786,567 | 786,567 | | 26,623 | 26,623 |
| - Commonwealth-owned trading companies | 0 | 51,117 | 51,117 | | | 0 |
| - State and local government owned trading companies | 0 | 10,122 | 10,122 | | | 0 |
| - Private trading companies | 0 | 96,467 | 96,467 | | 43,274 | 43,274 |
| - Banks | 0 | 251,400 | 251,400 | | 6,862 | 6,862 |
| - Non-bank financial intermediaries | 0 | 64,994 | 64,994 | | 28,604 | 28,604 |
| - State government central borrowing authorities | 0 | 952,053 | 952,053 | | 1,670 | 1,670 |
| - Securitizers | 0 | 1,893 | 1,893 | | 1,334 | 1,334 |
| Foreign debt securities inside Australia | 0 | 10,231 | 10,231 | | | |
| Australian debt securities outside Australia | 0 | 0 | 0 | | | 0 |
| Sub-total | 0 | 2,525,525 | 2,525,525 | 0 | 174,445 | 174,445 |
| C) SHARES | | | | | | |
| LISTED | | | | | | |
| Private trading companies | 255,883 | 126,237 | 382,120 | 132,291 | 709 | 133,000 |
| Banks | 20,461 | 112,675 | 133,136 | | | 0 |
| Non-bank financial intermediaries | 0 | 3,521 | 3,521 | | | 0 |
| Other | 0 | 331,023 | 331,023 | | 2,252 | 2,252 |
| Foreign shares inside Australia | 0 | 0 | 0 | | | |
| Australian shares outside Australia | 0 | 0 | 0 | | | 0 |
| Sub-total | 276,344 | 573,456 | 849,800 | 132,291 | 2,961 | 135,252 |
| UNLISTED | | | | | | |
| Private trading companies | 0 | 0 | 0 | | | 0 |
| Banks | 0 | 0 | 0 | | | 0 |
| Life insurance companies | 411,100 | 0 | 411,100 | | | 0 |
| Other | 35,960 | 0 | 35,960 | | | 0 |
| Foreign shares inside Australia | 0 | 0 | 0 | | | |
| Australian shares outside Australia | 0 | 0 | 0 | | | 0 |
| Sub-total | 447,060 | 0 | 447,060 | 0 | 0 | 0 |

| | Inside Australia | | | Outside Australia | | |
|---|--|------------------|------------------|--|----------------|----------------|
| | Related trusts & bodies corporate (1) | Other (2) | Total (3) | Related trusts & bodies corporate (4) | Other (5) | Total (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| D) OPTIONS | | | | | | |
| Listed | 0 | 4 | 4 | | | 0 |
| Unlisted | 0 | 182 | 182 | | | 0 |
| Sub-total | 0 | 186 | 186 | 0 | 0 | 0 |
| E) UNITS IN TRUSTS - LISTED | | | | | | |
| Property | 0 | 6,778 | 6,778 | | | 0 |
| Trading public unit trusts | 0 | 0 | 0 | | | 0 |
| Other listed public units trusts | 0 | 0 | 0 | | | 0 |
| Foreign units inside Australia | 0 | 0 | 0 | | | |
| Australian units outside Australia | 0 | 0 | 0 | | | 0 |
| Sub-total | 0 | 6,778 | 6,778 | 0 | 0 | 0 |
| UNITS IN TRUSTS - UNLISTED | | | | | | |
| Cash management | 0 | 0 | 0 | | | 0 |
| Wholesale | 0 | 6,733 | 6,733 | | | 0 |
| Property | 18,527 | 0 | 18,527 | | | 0 |
| Trading public unit trusts | 0 | 0 | 0 | | | 0 |
| Other | 0 | 2 | 2 | | | 0 |
| Foreign units inside Australia | 0 | 34,130 | 34,130 | | | |
| Australian units outside Australia | 0 | 0 | 0 | | | 0 |
| Sub-total | 18,527 | 40,865 | 59,392 | 0 | 0 | 0 |
| F) OTHER RIGHTS AND INTERESTS IN BUSINESS UNDERTAKINGS | 0 | 0 | 0 | | | 0 |
| G) DEPOSITS | | | | | | |
| Banks | 0 | 306,550 | 306,550 | 194,215 | | 194,215 |
| Non-bank financial intermediaries | 0 | 0 | 0 | | | 0 |
| Fund managers | 0 | 5,576 | 5,576 | | | 0 |
| Other | 0 | 0 | 0 | | | 0 |
| Sub-total | 0 | 312,126 | 312,126 | 0 | 194,215 | 194,215 |
| H) LOANS/AMOUNTS OWING | | | | | | |
| Section 30 of Insurance Act | | | | | | |
| To directors, trustees or their spouses per para 30(1)(a) | 0 | 508 | 508 | | | 0 |
| To employees exceeding \$1000 per para 30(1)(b) | 0 | 295 | 295 | | | 0 |
| Sub-total - sub-section 30 (1) loans | 0 | 803 | 803 | 0 | 0 | 0 |
| Other | | | | | | |
| Private trading companies | 18,405 | 0 | 18,405 | | | 0 |
| Financial enterprises | 0 | 1,000 | 1,000 | | | 0 |
| Fund managers | 0 | 0 | 0 | 170,554 | | 170,554 |
| Other | 11,037 | 79 | 11,116 | 468 | | 468 |
| Sub-total - loans/amounts owing/other | 29,442 | 1,079 | 30,521 | 0 | 171,022 | 171,022 |
| I) OTHER FINANCIAL INSTRUMENTS | 0 | 5,137 | 5,137 | 22,009 | | 22,009 |
| J) OTHER INVESTMENTS | 9,069 | 0 | 9,069 | | | 0 |
| TOTAL INVESTMENTS | 780,442 | 3,479,251 | 4,259,693 | 132,291 | 564,652 | 696,943 |

FORM 214

BUSINESS WRITTEN BY AUTHORISED GENERAL INSURERS OUTSIDE AUSTRALIA

Reinsurers

COMPANIES BALANCING ON 31 DECEMBER 1997

| | TOTAL (all countries) | USA | UK | JAPAN | NEW ZEALAND | S'PORE | G'MANY | FRANCE | CARIBBEAN | OTHER |
|--------------------------------|--------------------------|-----|-----|-------|----------------|--------|--------|--------|-----------|-------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M |
| Premium revenue | | | | | | | | | | |
| Direct | 25 | 0 | 0 | 0 | 23 | 1 | 0 | 0 | 0 | 1 |
| Inward treaty | 651 | 149 | 120 | 15 | 28 | 1 | 14 | 23 | 14 | 287 |
| Reinsurance expense | | | | | | | | | | |
| Direct | 13 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 0 | 0 |
| Inward treaty | 200 | 55 | 20 | 0 | 9 | 0 | 1 | 0 | 0 | 115 |
| Claims expense | | | | | | | | | | |
| Direct | 13 | 0 | 0 | 0 | 11 | 2 | 0 | 0 | 0 | 0 |
| Inward treaty | 437 | 98 | 78 | 3 | 13 | 0 | 5 | 4 | 2 | 234 |
| Reinsurance recoveries | | | | | | | | | | |
| Direct | 10 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 |
| Inward treaty | 119 | 0 | 9 | 0 | 3 | 0 | 0 | 0 | 0 | 107 |
| Commission | | | | | | | | | | |
| Expense | 92 | 25 | 14 | 3 | 10 | 0 | 3 | 2 | 5 | 30 |
| Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | | | | | | | | | | |
| Interest/dividend/rent | 28 | 11 | 14 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| Underwriting provisions | | | | | | | | | | |
| Unearned premium | 188 | 40 | 19 | 4 | 20 | 0 | 1 | 9 | 3 | 92 |
| Outstanding claims | 631 | 112 | 165 | 6 | 41 | 10 | 10 | 13 | 12 | 262 |
| Assets | | | | | | | | | | |
| Deferred reinsurance expense | 53 | 6 | 0 | 0 | 6 | 0 | 1 | 0 | 0 | 40 |

| | |
|-----------------|---|
| FORM 215 | GENERAL EXPENSES AND CAPITAL EXPENDITURE |
| | Reinsurers |
| | COMPANIES BALANCING ON 31 DECEMBER 1997 |

| Item | Inside Australia |
|---|-----------------------------|
| EXPENSES | |
| Number of employees at balance date | <u>359</u> |
| | \$'000 |
| Wages & salaries | 20,288 |
| Other employee costs (direct & indirect) | 8,245 |
| Management fees | 12,587 |
| Interest | 4,324 |
| Rent | 2,033 |
| Depreciation | 2,878 |
| Insurance | 459 |
| Bad/doubtful debts | 281 |
| Other expenses | 14,128 |
| | 0 |
| TOTAL EXPENSES | <u>65,223</u> |
| CAPITAL EXPENDITURE | |
| Land & buildings | |
| Purchases | 813 |
| Sales | 0 |
| Revaluations/writedowns | 229 |
| Computer equipment | |
| Purchases | 3,230 |
| Sales | -675 |
| Revaluations/writedowns | 595 |
| Furniture, fittings, plant & equipment | |
| Purchases | 2,609 |
| Sales | -203 |
| Revaluation/writedowns | 78 |
| Other | |
| Purchases | 1,542 |
| Sales | -397 |
| Revaluation/writedowns | 0 |
| TOTAL CAPITAL EXPENDITURE | <u>7,821</u> |

| |
|--|
| TABLE 3.1 UNDERWRITING ACCOUNT - INSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| Item | \$'000 |
|---|---------------------------|
| Premium Revenue | 8,154,730 |
| Outwards Reinsurance Expense | 1,461,398 |
| PREMIUM REVENUE LESS REINSURANCE EXPENSE | A <u>6,693,332</u> |
| Claims Expense | 7,607,333 |
| Reinsurance and Other Recoveries Revenue | 1,897,478 |
| CLAIMS EXPENSE LESS REINSURANCE AND OTHER RECOVERIES REVENUE | B <u>5,709,855</u> |
| Underwriting Expenses | C 1,542,560 |
| UNDERWRITING RESULT | <u>-559,083</u> |

* *Underwriting Result = A - (B+C)*

| |
|---|
| TABLE 3.2 PROFIT AND LOSS ACCOUNT - INSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|---|

| | \$'000 |
|---|-------------------------|
| UNDERWRITING RESULT | -559,083 |
| <i>Plus</i> Investment Revenue arising from: | |
| Dividends, Interest and Rent | 981,126 |
| Changes in Net Market Value on Investments: | |
| Held at end of year | 946,860 |
| Realised during the year | <u>239,984</u> |
| | 2,167,970 |
| <i>Less</i> General and Administration Expenses | <u>278,743</u> |
| PROFIT/LOSS FROM GENERAL INSURANCE | 1,330,144 |
| <i>Plus</i> Profit/Loss from Business other than General Insurance | <u>83,511</u> |
| OPERATING PROFIT/LOSS BEFORE ABNORMAL ITEMS AND INCOME TAX | 1,413,655 |
| <i>Plus</i> Profit/Loss from Abnormal Items | <u>168,200</u> |
| OPERATING PROFIT/LOSS BEFORE INCOME TAX | 1,581,855 |
| <i>Less</i> Income Tax Expense attributable to Operating Profit | <u>92,563</u> |
| OPERATING PROFIT/LOSS AFTER INCOME TAX | 1,489,292 |
| <i>Plus</i> Profit/Loss on Extraordinary Items | 0 |
| <i>Less</i> Income Tax Expense attributable to Extraordinary Items | <u>-29</u> |
| OPERATING PROFIT/LOSS AND EXTRAORDINARY ITEMS AFTER INCOME TAX | <u>1,489,321</u> |
| RETAINED PROFITS (ACCUMULATED LOSSES) AT BEGINNING OF FINANCIAL YEAR | 1,901,714 |
| <i>Less</i> Amounts Transferred From Reserves | <u>-12,237</u> |
| TOTAL AVAILABLE FOR APPROPRIATION | 3,547,796 |
| <i>Less</i> Dividends Provided for or Paid | 763,191 |
| Amounts Transferred to Reserves | 458,100 |
| Other Appropriations | <u>4,655</u> |
| | 1,225,946 |
| RETAINED PROFITS (ACCUMULATED LOSSES) AT END OF FINANCIAL YEAR | <u><u>2,321,850</u></u> |

| |
|--|
| TABLE 3.3 NET ASSETS - INSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| ASSETS AND LIABILITIES | \$'000 |
|---|--------------------------|
| CURRENT ASSETS | |
| Cash | 710,695 |
| Unpaid Premiums | 927,471 |
| Reinsurance and Other Recoverables | 1,311,380 |
| Investments | 7,225,577 |
| Deferred Acquisition Costs | 437,944 |
| Other | 1,536,959 |
| Total | <u>12,150,026</u> |
| NON-CURRENT ASSETS | |
| Reinsurance and Other Recoverables | 2,442,475 |
| Investments | 9,254,769 |
| Deferred Acquisition Costs | 7,814 |
| Operating Assets | 202,432 |
| Intangibles | 160 |
| Other | 544,123 |
| Total | <u>12,451,773</u> |
| Life Insurance Statutory Fund Assets | 50,768 |
| TOTAL ASSETS | <u><u>24,652,567</u></u> |
| CURRENT LIABILITIES | |
| Outstanding Claims Provision | 3,573,967 |
| Unearned Premium Provision | 3,665,890 |
| Provision for Income Tax | 68,881 |
| Other Provisions | 200,782 |
| Trade Creditors | 707,820 |
| Borrowings | 579,612 |
| Other | 585,371 |
| Total | <u>9,382,323</u> |
| NON-CURRENT LIABILITIES | |
| Outstanding Claims Provision | 7,652,614 |
| Unearned Premium Provision | 58,756 |
| Deferred Income Tax | 322,314 |
| Other Provisions | 19,731 |
| Trade Creditors | 19,186 |
| Borrowings | 51,842 |
| Other | 50,892 |
| Total | <u>8,175,335</u> |
| Life Insurance Statutory Fund Liabilities | 35,566 |
| TOTAL LIABILITIES | <u><u>17,593,224</u></u> |
| NET ASSETS | <u><u>7,059,343</u></u> |

| |
|--|
| TABLE 3.4 ASSETS AND LIABILITIES AT MARKET VALUE - INSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| Assets | Related Bodies | Other | Total |
|--|----------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| 1. CASH | 0 | 23,254 | 23,254 |
| 2. UNPAID PREMIUMS | | | |
| Where premium became due 3 months, or less than | | | |
| 3 months, previously, | | | |
| - from Brokers | 427 | 518,659 | 519,086 |
| - from others | 13,521 | 281,328 | 294,849 |
| Where premium became due more than 3 mths previously | | | |
| - from Brokers | 0 | 36,818 | 36,818 |
| - other | 275 | 13,402 | 13,677 |
| Accrued premiums on 'claims experience' policies | 817 | 42,000 | 42,817 |
| Sub-Total | 15,040 | 892,207 | 907,247 |
| 3. REINSURANCE ASSETS | | | |
| A) AMOUNTS RECOVERABLE | | | |
| Under reinsurance contracts | 773 | 134,063 | 134,836 |
| Being Reinsurance Recoverables on Outstanding Claims | 45,167 | 2,786,833 | 2,832,000 |
| B) DEFERRED REINSURANCE EXPENSE | 25,041 | 253,974 | 279,015 |
| C) OTHER | 231,710 | 33,117 | 264,827 |
| Sub-Total | 302,691 | 3,207,987 | 3,510,678 |
| 4. RECOVERIES OTHER THAN REINSURANCE | | | |
| subrogation: | | | |
| where court order/written agreement obtained | 0 | 190,654 | 190,654 |
| where no court order/written agreement obtained | 6 | 110,042 | 110,048 |
| other | 0 | 168,900 | 168,900 |
| Sub-Total | 6 | 469,596 | 469,602 |
| 5. DEFERRED ACQUISITION COSTS | | | |
| Commissions and Brokerage | 9,174 | 225,022 | 234,196 |
| Other | 0 | 211,563 | 211,563 |
| Sub-Total | 9,174 | 436,585 | 445,759 |
| 6. MISCELLANEOUS RECEIVABLES | | | |
| Investment Income due but not received | 1,373 | 158,056 | 159,429 |
| Proceeds from Sale of Assets | 0 | 12,890 | 12,890 |
| Other | 57,347 | 288,646 | 345,993 |
| Sub-Total | 58,720 | 459,592 | 518,312 |
| 7. PREPAYMENTS AND ADVANCES | | | |
| Prepaid levies and statutory charges | 0 | 109,377 | 109,377 |
| Other prepayments and advances | 193,291 | 29,508 | 222,799 |
| Sub-Total | 193,291 | 138,885 | 332,176 |
| 8. INVENTORIES | 0 | 2,481 | 2,481 |

TABLE 3.4 CONTINUED

| | Related Bodies | Other | Total |
|---|-----------------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| 9. OPERATING ASSETS | | | |
| Computer Software | 0 | 32,860 | 32,860 |
| Plant, Equipment, Furnishings and Fixtures | 0 | 127,973 | 127,973 |
| Motor Vehicles | 0 | 44,119 | 44,119 |
| Other | 0 | 8,404 | 8,404 |
| Sub-Total | 0 | 213,356 | 213,356 |
| 10. FUTURE INCOME TAX BENEFIT | | | |
| Timing Differences | 1,864 | 265,758 | 267,622 |
| Tax Losses | 524 | 115,314 | 115,838 |
| Sub-Total | 2,388 | 381,072 | 383,460 |
| 11. INTANGIBLES | | | |
| | 0 | 160 | 160 |
| 12. INVESTMENTS | | | |
| A) LAND AND BUILDINGS | | | |
| For, or under, development | 0 | 30,142 | 30,142 |
| Other | 0 | 686,847 | 686,847 |
| Sub-Total | 0 | 716,989 | 716,989 |
| B) DEBT SECURITIES | | | |
| Bills of exchange | 5,124 | 423,275 | 428,399 |
| Promissory notes (commercial paper) issued by: | | | |
| Commonwealth-owned trading companies | 0 | 54,311 | 54,311 |
| State & Local government owned trading companies | 0 | 0 | 0 |
| Private trading companies | 0 | 582,699 | 582,699 |
| Non-bank financial intermediaries | 0 | 26,792 | 26,792 |
| State government central borrowing authorities | 0 | 30,686 | 30,686 |
| Securitizers | 0 | 10,817 | 10,817 |
| Negotiable certificates of deposit (NCDs) | 0 | 196,813 | 196,813 |
| Bonds, inscribed stock, debentures, medium-term notes and transferrable certificates of deposit (TCDs) issued by: | | | |
| Commonwealth Government | 13,765 | 2,912,639 | 2,926,404 |
| Commonwealth-owned trading companies | 0 | 93,922 | 93,922 |
| State and local government owned trading companies | 0 | 1,224,382 | 1,224,382 |
| Private trading companies | 0 | 177,268 | 177,268 |
| Banks | 0 | 614,040 | 614,040 |
| Non-bank financial intermediaries | 2,000 | 68,703 | 70,703 |
| State government central borrowing authorities | 8,810 | 829,516 | 838,326 |
| Securitizers | 0 | 10,494 | 10,494 |
| Sub-Total - Short Term Debt Securities | 0 | 1,871,387 | 1,871,387 |
| Sub-Total - Long Term Debt Securities | 29,699 | 5,384,970 | 5,414,669 |
| C) SHARES | | | |
| Private trading companies | 1,069,416 | 1,017,530 | 2,086,946 |
| Banks | 446 | 308,483 | 308,929 |
| Non-bank financial intermediaries | 1,825,649 | 13,481 | 1,839,130 |
| Others | 450,440 | 547,721 | 998,161 |
| Sub-Total - Listed Shares | 35,853 | 1,829,242 | 1,865,095 |
| Sub-Total - Unlisted Shares | 3,310,098 | 57,973 | 3,368,071 |
| D) OPTIONS | | | |
| Listed | 0 | 729 | 729 |
| Unlisted | 0 | 132 | 132 |
| Sub-Total | 0 | 861 | 861 |

TABLE 3.4 CONTINUED

| | Related Bodies | Other | Total |
|---|-----------------------|-------------------|-------------------|
| | \$'000 | \$'000 | \$'000 |
| E) UNITS IN TRUSTS | | | |
| Equity | 3,223 | 113,790 | 117,013 |
| Financial | 76,135 | 103,366 | 179,501 |
| Property | 279,707 | 112,630 | 392,337 |
| Other | 0 | 21,145 | 21,145 |
| Sub-Total - Listed Units in Trusts | 0 | 188,562 | 188,562 |
| Sub-Total - Unlisted Units in Trusts | 359,065 | 162,369 | 521,434 |
| F) OTHER RIGHTS AND INTERESTS IN BUSINESS UNDERTAKINGS | 0 | 46,070 | 46,070 |
| G) DEPOSITS | | | |
| Banks | 105,284 | 1,196,840 | 1,302,124 |
| Non-bank financial intermediaries | 6,612 | 157,225 | 163,837 |
| Fund managers | 1,313 | 16,868 | 18,181 |
| Others | 0 | 469 | 469 |
| Sub-Total | 113,209 | 1,371,402 | 1,484,611 |
| H) LOANS | | | |
| to directors, trustees or their spouses as defined in para. 30(1)(a) | 33 | 8,992 | 9,025 |
| unsecured loans to employees exceeding \$1000 as defined in para. 30(1)(b) | 0 | 337 | 337 |
| Sub-Total - Sub-section 30 (1) loans | 33 | 9,329 | 9,362 |
| Private trading companies | 707,117 | 256,183 | 963,300 |
| Financial enterprises | 253,514 | 44,246 | 297,760 |
| Fund managers | 0 | 9,970 | 9,970 |
| Others | 392,956 | 228,433 | 621,389 |
| Sub-Total - Loans Secured by Mortgage on Real Property | 349,947 | 255,463 | 605,410 |
| Sub-Total - Loans Otherwise Secured | 313,441 | 94,544 | 407,985 |
| Sub-Total - Unsecured Loans | 690,199 | 188,825 | 879,024 |
| I) OTHER FINANCIAL INSTRUMENTS | 0 | 42,275 | 42,275 |
| J) OTHER INVESTMENTS | 69,727 | 144,162 | 213,889 |
| Total Investments | 5,271,271 | 12,364,423 | 17,635,694 |
| 13. OTHER ASSETS | 252,691 | 11,258 | 263,949 |
| 14. TOTAL ASSETS | 6,105,272 | 18,600,856 | 24,706,128 |

TABLE 3.4 CONTINUED

| | Related Bodies | Other | Total |
|---|-----------------------|-------------------|-------------------|
| | \$'000 | \$'000 | \$'000 |
| Liabilities | | | |
| 15. UNDERWRITING PROVISIONS | | | |
| Unearned Premium | 76,977 | 3,647,669 | 3,724,646 |
| Outstanding claims | 454,622 | 10,771,959 | 11,226,581 |
| Sub-Total | 531,599 | 14,419,628 | 14,951,227 |
| 16. OTHER UNDERWRITING PROVISIONS | | | |
| | 32 | 25,010 | 25,042 |
| 17. OTHER PROVISIONS | | | |
| Statutory Charges | 0 | 114,587 | 114,587 |
| Dividends | 50,313 | 89,007 | 139,320 |
| Redemption of Capital | 0 | 0 | 0 |
| Cost of Realization of Assets | 0 | 5,628 | 5,628 |
| Sub-Total | 50,313 | 209,222 | 259,535 |
| 18. TAXATION | | | |
| Current | 3,463 | 62,980 | 66,443 |
| Deferred | 4,034 | 333,928 | 337,962 |
| Sub-Total | 7,497 | 396,908 | 404,405 |
| 19. CREDITORS AND BORROWINGS | | | |
| A) BANK BALANCES | | | |
| Overdraft | 0 | 25,759 | 25,759 |
| Cash Book | 3,015 | 119,128 | 122,143 |
| Sub-Total | 3,015 | 144,887 | 147,902 |
| B) LOANS | | | |
| Banks | 1,343 | 28 | 1,371 |
| Non-bank financial intermediaries | 20,031 | 1,598 | 21,629 |
| Other insurance and reinsurance companies | 65,308 | 0 | 65,308 |
| Others | 99,672 | 5,343 | 105,015 |
| Sub-Total | 186,354 | 6,969 | 193,323 |
| C) DEBT SECURITIES ISSUED | | | |
| Bills of Exchange | 0 | 0 | 0 |
| Promissory Notes | 0 | 0 | 0 |
| Bonds, Debentures and Long-term Notes | 0 | 0 | 0 |
| Sub-Total | 0 | 0 | 0 |
| D) OPTIONS | | | |
| | 0 | 4,622 | 4,622 |
| E) LIABILITIES ARISING FROM FINANCIAL INSTRUMENTS | | | |
| | 0 | 435,014 | 435,014 |
| F) AMOUNTS DUE TO INSURANCE COMPANIES ON REINSURANCE CONTRACTS | | | |
| | 28,160 | 206,462 | 234,622 |
| G) OTHER CREDITORS | | | |
| | 169,941 | 786,605 | 956,546 |
| Total Creditors and Borrowings | 387,470 | 1,584,559 | 1,972,029 |
| 19. OTHER LIABILITIES | | | |
| | 24,102 | 42,442 | 66,544 |
| 20. TOTAL LIABILITIES | 1,001,013 | 16,677,769 | 17,678,782 |

| |
|---|
| <p>TABLE 3.5 PREMIUM INCOME - INSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997</p> |
|---|

| | \$'000 |
|--|-------------------------|
| Direct Premiums plus Inward Reinsurance Premiums | <u>8,688,468</u> |
| Less: | |
| Outward Reinsurance, or Retrocession Premiums less Return Premiums and Rebates | 1,402,517 |
| Amounts paid under a law of a State or Territory relating to fire brigades | 221,903 |
| Amount of stamp duty paid under a law, or a provision of a law, of a State or Territory imposing stamp duty in respect of insurance business | 383,258 |
| Amount paid under a prescribed law of the Commonwealth or of a State or Territory | 20,445 |
| Total Deductions: | <u>2,028,123</u> |
| PREMIUM INCOME | <u>6,660,345</u> |

| |
|---|
| TABLE 3.6 GENERAL EXPENSES - INSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|---|

| Expense Items | \$'000 |
|--|------------------|
| Wages and Salaries to employees | 312,970 |
| Other Employee Costs | 47,014 |
| Audit Fees | 4,984 |
| Directors' Fees | 1,686 |
| Management Fees | 520,618 |
| Interest expense | 10,035 |
| Depreciation on Operating assets | 63,208 |
| Other expenses | 558,567 |
| TOTAL | 1,519,082 |
| Life Insurance Business expenses | 4,973 |
| The portion of Total Expense in respect of: | |
| <i>Related Bodies being Authorised Insurers</i> | -844 |
| <i>Other Related Bodies</i> | 506,166 |
| Amount of Total Expenses incurred in respect of, or allocated to | |
| General Insurance Activities | |
| Acquisition Costs | 597,413 |
| Indirect Claims Settlement | 280,122 |
| Other Underwriting | 316,963 |
| General & Administration Expenses | |
| <i>Investment Management</i> | 103,766 |
| <i>Other Management</i> | 174,977 |
| Non general insurance activities | 45,841 |
| TOTAL | 1,519,082 |

**TABLE 3.7 INVESTMENT REVENUE - INSIDE AUSTRALIA
TOTAL PRIVATE SECTOR
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Item | Revenue arising from Investments in Related Bodies and Trusts | | | Revenue arising from Other Investments | | |
|--|--|--|--|---|--|--|
| | From Dividends Interest and Rent | From changes in Net Market Value | | From Dividends Interest and Rent | From changes in Net Market Value | |
| | | On Investments held at end of financial year | On Investments realised during the financial year | | On Investments held at end of financial year | On Investments realised during the financial year |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land and Buildings | 22,662 | 0 | 0 | 49,906 | -14,961 | 8,775 |
| Debt Securities | 70 | 0 | 0 | 519,365 | 113,909 | 133,894 |
| Shares | 56,357 | 543,720 | 0 | 112,512 | 307,768 | 56,916 |
| Options | 0 | 0 | 0 | 116 | 1,418 | 13,272 |
| Units in Trusts | 26,555 | -34,226 | -50 | 5,932 | 26,271 | 5,834 |
| Other Rights and Interests in Business Undertakings | 0 | 0 | 0 | 261 | 2,523 | 0 |
| Deposits | 36,727 | 0 | 0 | 58,380 | -3,070 | 19,746 |
| Loans | | | | | | |
| To Directors/Trustees & spouses | 0 | 0 | 0 | 69 | 0 | 0 |
| Secured | 20,816 | 1,277 | 0 | 21,585 | 662 | 914 |
| Unsecured | 24,117 | 0 | 0 | 388 | 0 | 0 |
| Other Financial Instruments | 0 | 0 | 0 | 932 | 415 | 680 |
| Other Investments | 2,114 | 162 | -12 | 22,262 | 992 | 15 |
| TOTAL | 189,418 | 510,933 | -62 | 791,708 | 435,927 | 240,046 |

| |
|---|
| TABLE 4.1 UNDERWRITING ACCOUNT - OUTSIDE AUSTRALIA PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|---|

| Item | \$'000 |
|---|-------------------------|
| Premium Revenue | 774,692 |
| Outwards Reinsurance Expense | 108,903 |
| PREMIUM REVENUE LESS REINSURANCE EXPENSE | A <u>665,789</u> |
| Claims Expense | 683,157 |
| Reinsurance and Other Recoveries Revenue | 51,193 |
| CLAIMS EXPENSE LESS REINSURANCE AND OTHER RECOVERIES REVENUE | B <u>631,964</u> |
| Underwriting Expenses | C 162,802 |
| UNDERWRITING RESULT | <u>-128,977</u> |

* *Underwriting Result* = A - (B+C)

| |
|--|
| TABLE 4.2 PROFIT AND LOSS ACCOUNT - OUTSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| | \$'000 |
|---|----------------|
| UNDERWRITING RESULT | -128,977 |
| <i>Plus</i> Investment Revenue arising from: | |
| Dividends, Interest and Rent | 71,670 |
| Changes in Net Market Value on Investments: | |
| Held at end of year | 161,047 |
| Realised during the year | <u>53,754</u> |
| | 286,471 |
| <i>Less</i> General and Administration Expenses | <u>-17,366</u> |
| PROFIT/LOSS FROM GENERAL INSURANCE | 174,860 |
| <i>Plus</i> Profit/Loss from Business other than General Insurance | <u>97</u> |
| OPERATING PROFIT/LOSS BEFORE ABNORMAL ITEMS AND INCOME TAX | 174,957 |
| <i>Plus</i> Profit/Loss from Abnormal Items | <u>0</u> |
| OPERATING PROFIT/LOSS BEFORE INCOME TAX | 174,957 |
| <i>Less</i> Income Tax Expense attributable to Operating Profit | <u>5,959</u> |
| OPERATING PROFIT/LOSS AFTER INCOME TAX | 168,998 |
| <i>Plus</i> Profit/Loss on Extraordinary Items | 0 |
| <i>Less</i> Income Tax Expense attributable to Extraordinary Items | <u>0</u> |
| OPERATING PROFIT/LOSS AND EXTRAORDINARY ITEMS AFTER INCOME TAX | <u>168,998</u> |

| |
|---|
| TABLE 4.3 NET ASSETS - OUTSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|---|

| | \$'000 |
|---|-------------------------|
| ASSETS AND LIABILITIES | |
| CURRENT ASSETS | |
| Cash | 52,464 |
| Unpaid Premiums | 502,328 |
| Reinsurance and Other Recoverables | 148,114 |
| Investments | 1,251,453 |
| Deferred Acquisition Costs | 71,880 |
| Other | 251,855 |
| Total | <u>2,278,094</u> |
| NON-CURRENT ASSETS | |
| Reinsurance and Other Recoverables | 221,429 |
| Investments | 549,853 |
| Deferred Acquisition Costs | 0 |
| Operating Assets | 3,256 |
| Intangibles | 4,344 |
| Other | 115 |
| Total | <u>778,997</u> |
| Life Insurance Statutory Fund Assets | 0 |
| TOTAL ASSETS | <u><u>3,057,091</u></u> |
| CURRENT LIABILITIES | |
| Outstanding Claims Provision | 507,799 |
| Unearned Premium Provision | 424,375 |
| Provision for Income Tax | 2,666 |
| Other Provisions | 215,499 |
| Trade Creditors | 22,452 |
| Borrowings | 937 |
| Other | 14,753 |
| Total | <u>1,188,481</u> |
| NON-CURRENT LIABILITIES | |
| Outstanding Claims Provision | 1,006,669 |
| Unearned Premium Provision | 0 |
| Deferred Income Tax | 16,180 |
| Other Provisions | 67 |
| Trade Creditors | 25,030 |
| Borrowings | 0 |
| Other | 889 |
| Total | <u>1,048,835</u> |
| Life Insurance Statutory Fund Liabilities | 0 |
| TOTAL LIABILITIES | <u><u>2,237,316</u></u> |
| NET ASSETS | <u><u>819,775</u></u> |

**TABLE 4.4 ASSETS AND LIABILITIES AT MARKET VALUE - OUTSIDE AUSTRALIA
TOTAL PRIVATE SECTOR
FOR 11 MONTHS ENDING NOVEMBER 1997**

| | Related Bodies | Other | Total |
|--|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 |
| Assets | | | |
| 1. CASH | 0 | 4,539 | 4,539 |
| 2. UNPAID PREMIUMS | | | |
| Where premium became due 3 months, or less than 3 months, previously, | | | |
| - from Brokers | 0 | 551,615 | 551,615 |
| - from others | 138 | 42,516 | 42,654 |
| Where premium became due more than 3 mths previously | | | |
| - from Brokers | 0 | 32,397 | 32,397 |
| - other | 2 | 1,742 | 1,744 |
| Accrued premiums on 'claims experience' policies | 0 | 0 | 0 |
| Sub-Total | 140 | 628,270 | 628,410 |
| 3. REINSURANCE ASSETS | | | |
| A) AMOUNTS RECOVERABLE | | | |
| Under reinsurance contracts | 1,761 | 63,675 | 65,436 |
| Being Reinsurance Recoverables on Outstanding Claims | 14,200 | 166,648 | 180,848 |
| B) DEFERRED REINSURANCE EXPENSE | 378 | 21,446 | 21,824 |
| C) OTHER | 569 | 3,859 | 4,428 |
| Sub-Total | 16,908 | 255,628 | 272,536 |
| 4. RECOVERIES OTHER THAN REINSURANCE | | | |
| subrogation: | | | |
| where court order/written agreement obtained | 0 | 0 | 0 |
| where no court order/written agreement obtained | 0 | 1 | 1 |
| other | 0 | 0 | 0 |
| Sub-Total | 0 | 1 | 1 |
| 5. DEFERRED ACQUISITION COSTS | | | |
| Commissions and Brokerage | -215 | 60,060 | 59,845 |
| Other | 0 | 12,035 | 12,035 |
| Sub-Total | -215 | 72,095 | 71,880 |
| 6. MISCELLANEOUS RECEIVABLES | | | |
| Investment Income due but not received | 2 | 1,538 | 1,540 |
| Proceeds from Sale of Assets | 0 | 0 | 0 |
| Other | 3,488 | 130,620 | 134,108 |
| Sub-Total | 3,490 | 132,158 | 135,648 |
| 7. PREPAYMENTS AND ADVANCES | | | |
| Prepaid levies and statutory charges | 0 | 3,814 | 3,814 |
| Other prepayments and advances | 144 | 9,231 | 9,375 |
| Sub-Total | 144 | 13,045 | 13,189 |
| 8. INVENTORIES | 0 | 0 | 0 |

TABLE 4.4 CONTINUED

| | Related Bodies | Other | Total |
|---|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 |
| 9. OPERATING ASSETS | | | |
| Computer Software | 0 | 0 | 0 |
| Plant, Equipment, Furnishings and Fixtures | 0 | 2,065 | 2,065 |
| Motor Vehicles | 0 | 763 | 763 |
| Other | 0 | 473 | 473 |
| Sub-Total | 0 | 3,301 | 3,301 |
| 10. FUTURE INCOME TAX BENEFIT | | | |
| Timing Differences | 0 | 46 | 46 |
| Tax Losses | 0 | 819 | 819 |
| Sub-Total | 0 | 865 | 865 |
| 11. INTANGIBLES | | | |
| | 0 | 4,344 | 4,344 |
| 12. INVESTMENTS | | | |
| A) LAND AND BUILDINGS | | | |
| For, or under, development | 0 | 0 | 0 |
| Other | 0 | 971 | 971 |
| Sub-Total | 0 | 971 | 971 |
| B) DEBT SECURITIES | | | |
| Bills of exchange | 0 | 19,830 | 19,830 |
| Promissory notes (commercial paper) issued by: | | | |
| Commonwealth-owned trading companies | 0 | 0 | 0 |
| State & Local government owned trading companies | 0 | 0 | 0 |
| Private trading companies | 0 | 0 | 0 |
| Non-bank financial intermediaries | 0 | 0 | 0 |
| State government central borrowing authorities | 0 | 0 | 0 |
| Securitizers | 0 | 0 | 0 |
| Negotiable certificates of deposit (NCDs) | 0 | 0 | 0 |
| Bonds, inscribed stock, debentures, medium-term notes and transferrable certificates of deposit (TCDs) issued by: | | | |
| Commonwealth Government | 0 | 943,082 | 943,082 |
| Commonwealth-owned trading companies | 0 | 0 | 0 |
| State and local government owned trading companies | 0 | 458 | 458 |
| Private trading companies | 0 | 16,487 | 16,487 |
| Banks | 0 | 3,280 | 3,280 |
| Non-bank financial intermediaries | 0 | 16 | 16 |
| State government central borrowing authorities | 0 | 0 | 0 |
| Securitizers | 0 | 0 | 0 |
| Sub-Total - Short Term Debt Securities | 0 | 92,177 | 92,177 |
| Sub-Total - Long Term Debt Securities | 0 | 890,976 | 890,976 |
| C) SHARES | | | |
| Private trading companies | 22,496 | 84,802 | 107,298 |
| Banks | 0 | 8,432 | 8,432 |
| Non-bank financial intermediaries | 0 | 4,166 | 4,166 |
| Others | 434,732 | 65,701 | 500,433 |
| Sub-Total - Listed Shares | 364,757 | 129,283 | 494,040 |
| Sub-Total - Unlisted Shares | 92,471 | 33,818 | 126,289 |
| D) OPTIONS | | | |
| Listed | 0 | 1 | 1 |
| Unlisted | 0 | 0 | 0 |
| Sub-Total | 0 | 1 | 1 |

TABLE 4.4 CONTINUED

| | Related Bodies | Other | Total |
|---|----------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| E) UNITS IN TRUSTS | | | |
| Equity | 0 | 0 | 0 |
| Financial | 0 | 1,858 | 1,858 |
| Property | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Sub-Total - Listed Units in Trusts | 0 | 1,858 | 1,858 |
| Sub-Total - Unlisted Units in Trusts | 0 | 0 | 0 |
| F) OTHER RIGHTS AND INTERESTS IN BUSINESS UNDERTAKINGS | 0 | 0 | 0 |
| G) DEPOSITS | | | |
| Banks | 2,629 | 312,418 | 315,047 |
| Non-bank financial intermediaries | 0 | 0 | 0 |
| Fund managers | 0 | 127 | 127 |
| Others | 0 | 0 | 0 |
| Sub-Total | 2,629 | 312,545 | 315,174 |
| H) LOANS | | | |
| to directors, trustees or their spouses as defined in para. 30(1)(a) | 0 | 0 | 0 |
| unsecured loans to employees exceeding \$1000 as defined in para. 30(1)(b) | 0 | 0 | 0 |
| Sub-Total - Sub-section 30 (1) loans | 0 | 0 | 0 |
| Private trading companies | 0 | 4,658 | 4,658 |
| Financial enterprises | 0 | 1,921 | 1,921 |
| Fund managers | 0 | 0 | 0 |
| Others | 0 | 0 | 0 |
| Sub-Total - Loans Secured by Mortgage on Real Property | 0 | 0 | 0 |
| Sub-Total - Loans Otherwise Secured | 0 | 0 | 0 |
| Sub-Total - Unsecured Loans | 0 | 6,579 | 6,579 |
| I) OTHER FINANCIAL INSTRUMENTS | 0 | 4,691 | 4,691 |
| J) OTHER INVESTMENTS | 0 | 0 | 0 |
| Total Investments | 459,857 | 1,472,899 | 1,932,756 |
| 13. OTHER ASSETS | 0 | 456 | 456 |
| 14. TOTAL ASSETS | 480,324 | 2,587,601 | 3,067,925 |

TABLE 4.4 CONTINUED

| | Related Bodies | Other | Total |
|--|----------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| Liabilities | | | |
| 15. UNDERWRITING PROVISIONS | | | |
| Unearned Premium | 0 | 424,375 | 424,375 |
| Outstanding claims | 0 | 1,514,468 | 1,514,468 |
| Sub-Total | 0 | 1,938,843 | 1,938,843 |
| 16. OTHER UNDERWRITING PROVISIONS | | | |
| | 0 | 864 | 864 |
| 17. OTHER PROVISIONS | | | |
| Statutory Charges | 0 | 5,586 | 5,586 |
| Dividends | 0 | 0 | 0 |
| Redemption of Capital | 0 | 0 | 0 |
| Cost of Realization of Assets | 0 | 258 | 258 |
| Sub-Total | 0 | 5,844 | 5,844 |
| 18. TAXATION | | | |
| Current | 0 | 2,666 | 2,666 |
| Deferred | 8,931 | 7,188 | 16,119 |
| Sub-Total | 8,931 | 9,854 | 18,785 |
| 19. CREDITORS AND BORROWINGS | | | |
| A) BANK BALANCES | | | |
| Overdraft | 0 | 939 | 939 |
| Cash Book | 0 | 120 | 120 |
| Sub-Total | 0 | 1,059 | 1,059 |
| B) LOANS | | | |
| Banks | 0 | 0 | 0 |
| Non-bank financial intermediaries | 0 | 0 | 0 |
| Other insurance and reinsurance companies | 889 | 0 | 889 |
| Others | 0 | 0 | 0 |
| Sub-Total | 889 | 0 | 889 |
| C) DEBT SECURITIES ISSUED | | | |
| Bills of Exchange | 0 | 0 | 0 |
| Promissory Notes | 0 | 0 | 0 |
| Bonds, Debentures and Long-term Notes | 0 | 0 | 0 |
| Sub-Total | 0 | 0 | 0 |
| D) OPTIONS | | | |
| | 0 | 0 | 0 |
| E) LIABILITIES ARISING FROM FINANCIAL INSTRUMENTS | | | |
| | 0 | 0 | 0 |
| F) AMOUNTS DUE TO INSURANCE COMPANIES ON REINSURANCE CONTRACTS | | | |
| | 1,077 | 23,142 | 24,219 |
| G) OTHER CREDITORS | | | |
| | 4,592 | 236,263 | 240,855 |
| Total Creditors and Borrowings | 6,558 | 260,464 | 267,022 |
| 19. OTHER LIABILITIES | | | |
| | 0 | 0 | 0 |
| 20. TOTAL LIABILITIES | 15,489 | 2,215,869 | 2,231,358 |

| |
|---|
| TABLE 4.5 PREMIUM INCOME - OUTSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|---|

| | \$'000 |
|--|-----------------------|
| Direct Premiums plus Inward Reinsurance Premiums | <u>678,499</u> |
| Less: | |
| Outward Reinsurance, or Retrocession Premiums less Return Premiums and Rebates | 89,406 |
| Amounts paid under a law of a State or Territory relating to fire brigades | 298 |
| Amount of stamp duty paid under a law, or a provision of a law, of a State or Territory imposing stamp duty in respect of insurance business | 2 |
| Amount paid under a prescribed law of the Commonwealth or of a State or Territory | 649 |
| Total Deductions: | <u>90,355</u> |
| PREMIUM INCOME | <u>588,144</u> |

| |
|--|
| TABLE 4.6 GENERAL EXPENSES - OUTSIDE AUSTRALIA TOTAL PRIVATE SECTOR FOR 11 MONTHS ENDING NOVEMBER 1997 |
|--|

| Expense Items | \$'000 |
|---|--------------|
| Wages and Salaries to employees | 163 |
| Other Employee Costs | 41 |
| Audit Fees | 25 |
| Directors' Fees | 0 |
| Management Fees | 2,169 |
| Interest expense | 0 |
| Depreciation on Operating assets | 20 |
| Other expenses | 3,030 |
| TOTAL | 5,448 |
| Life Insurance Business expenses | 0 |
| The portion of Total Expenses in respect of: | |
| <i>Related Bodies being Authorised Insurers</i> | 0 |
| <i>Other Related Bodies</i> | 477 |
| Amount of Total Expenses incurred in respect of, or allocated to: | |
| General Insurance Activities | |
| Acquisition Costs | 16,167 |
| Indirect Claims Settlement | 5,874 |
| Other Underwriting | 773 |
| General & Administration Expenses | |
| <i>Investment Management</i> | 19 |
| <i>Other Management</i> | -17,385 |
| Non general insurance activities | 0 |
| TOTAL | 5,448 |

**TABLE 4.7 INVESTMENT REVENUE - OUTSIDE AUSTRALIA
TOTAL PRIVATE SECTOR
FOR 11 MONTHS ENDING NOVEMBER 1997**

| Item | Revenue arising from Investments in Related Bodies and Trusts | | | Revenue arising from Other Investments | | |
|--|--|--|--|---|--|--|
| | From Dividends Interest and Rent | From changes in Net Market Value | | From Dividends Interest and Rent | From changes in Net Market Value | |
| | | On Investments held at end of financial year | On Investments realised during the financial year | | On Investments held at end of financial year | On Investments realised during the financial year |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land and Buildings | 0 | 0 | 0 | 31 | 250 | 0 |
| Debt Securities | 0 | 0 | 0 | 54,522 | 24,522 | 41,111 |
| Shares | 38 | 101,055 | 0 | 2,716 | 34,038 | 4,938 |
| Options | 0 | 0 | 0 | 0 | 0 | 0 |
| Units in Trusts | 0 | 0 | 0 | 60 | 0 | 6 |
| Other Rights and Interests in Business Undertakings | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposits | 129 | 0 | 0 | 13,909 | 1,137 | 7,765 |
| Loans | | | | | | |
| To Directors/Trustees & spouses | 0 | 0 | 0 | 0 | 0 | 0 |
| Secured | 0 | 0 | 0 | 0 | 0 | 0 |
| Unsecured | 0 | 0 | 0 | 4 | 0 | 0 |
| Other Financial Instruments | 0 | 0 | 0 | 0 | 45 | 0 |
| Other Investments | 0 | 0 | 0 | 261 | 0 | -66 |
| TOTAL | 167 | 101,055 | 0 | 71,503 | 59,992 | 53,754 |

FORM 101 UNDERWRITING AND PROFIT & LOSS ACCOUNT
Total Industry
COMPANIES BALANCING ON 31 DECEMBER 1997

| | Inside Australia \$'000 | Outside Australia \$'000 |
|--|--|---|
| Premium revenue | 7,299,835 | 983,136 |
| <i>Less</i> Outwards reinsurance expense | 2,024,626 | 292,106 |
| NET PREMIUM REVENUE | <u>5,275,209</u> | <u>691,030</u> |
| Claims expense | 5,967,140 | 635,911 |
| <i>Less</i> Reinsurance and other recoveries revenue | 1,963,244 | 160,189 |
| NET CLAIMS EXPENSE | <u>4,003,896</u> | <u>475,722</u> |
| Underwriting expenses | 1,605,533 | 153,492 |
| UNDERWRITING RESULT | <u>-334,220</u> | <u>61,816</u> |
| <i>Plus</i> Investment revenue arising from: | | |
| <i>Interest</i> | 588,162 | 39,052 |
| <i>Dividends</i> | 109,237 | 383 |
| <i>Rent</i> | 33,304 | 0 |
| <i>Plus</i> Other revenue | 45,821 | 51 |
| <i>Plus</i> Changes in net market value on investments | 503,803 | 6,334 |
| <i>Less</i> General and administration expenses | <u>188,104</u> | <u>9,322</u> |
| PROFIT/LOSS FROM GENERAL INSURANCE | 758,003 | 98,314 |
| <i>Plus</i> Profit/loss from business other than general insurance | <u>1,959</u> | <u>0</u> |
| OPERATING PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND INCOME TAX | 759,962 | 98,314 |
| <i>Less</i> Income tax expense attributable to operating profit | <u>197,821</u> | <u>9,103</u> |
| OPERATING PROFIT/LOSS AFTER INCOME TAX | 562,141 | 89,211 |
| <i>Plus</i> Profit/loss on extraordinary items net of tax | <u>0</u> | <u>0</u> |
| OPERATING PROFIT/LOSS AFTER EXTRAORDINARY ITEMS AND INCOME TAX | <u>562,141</u> | <u>89,211</u> |
| Retained profits/losses at beginning of financial year | <u>1,425,263</u> | <u>189,752</u> |
| Total available for appropriation incl transfers from reserves | 1,987,404 | 278,963 |
| Appropriations: | | |
| <i>Dividends</i> | 236,577 | |
| <i>Other</i> | 76,627 | 9,154 |
| Total appropriations incl transfer from reserves | <u>313,204</u> | <u>9,154</u> |
| RETAINED PROFITS (LOSSES) AT END OF FINANCIAL YEAR | <u>1,674,200</u> | <u>269,809</u> |

FORM 102 ASSETS AND LIABILITIES
Total Industry
COMPANIES BALANCING ON 31 DECEMBER 1997

| | Inside Australia | | | Outside Australia | | |
|--|--|------------------------|------------------------|--|------------------------|------------------------|
| | Related trusts & Bodies corporate (1) \$'000 | Other (2) \$'000 | Total (3) \$'000 | Related trusts & Bodies corporate (4) \$'000 | Other (5) \$'000 | Total (6) \$'000 |
| Assets | | | | | | |
| 1. CASH | 0 | 69,603 | 69,603 | 0 | 20,760 | 20,760 |
| 2. UNPAID PREMIUMS | | | | | | |
| Due 3 mths, or less than 3 mths previously (excl unclosed business): | | | | | | |
| - from brokers, agents and others | 24,667 | 714,930 | 739,597 | 182 | 192,202 | 192,384 |
| Due more than 3 mths previously (excl unclosed business): | | | | | | |
| - from brokers, agents and others | 30 | 81,508 | 81,538 | 268 | 11,165 | 11,433 |
| Unclosed business | 12,098 | 408,365 | 420,463 | 0 | 219,805 | 219,805 |
| Sub-total | 36,795 | 1,204,804 | 1,241,598 | 450 | 423,173 | 423,623 |
| 3. REINSURANCE ASSETS | | | | | | |
| A) AMOUNTS RECOVERABLE | | | | | | |
| Under reinsurance contracts | 29,967 | 271,329 | 301,296 | 111,241 | 75,548 | 186,789 |
| Being reinsurance recoverables on outstanding claims | 724,029 | 2,457,262 | 3,181,291 | 199,623 | 130,163 | 329,786 |
| B) DEFERRED REINSURANCE EXPENSE | 331,368 | 504,315 | 835,683 | 48,546 | 50,280 | 98,826 |
| C) OTHER | 0 | 6,405 | 6,405 | 4,499 | 106 | 4,605 |
| Sub-total | 1,085,364 | 3,239,311 | 4,324,675 | 363,909 | 256,097 | 620,006 |
| 4. RECOVERIES OTHER THAN REINSURANCE | 0 | 76,636 | 76,636 | 206 | 48 | 254 |
| 5. DEFERRED ACQUISITION COSTS | 14,744 | 620,666 | 635,410 | 0 | 59,082 | 59,082 |
| 6. MISCELLANEOUS RECEIVABLES (eg invest rev due not rec'd) | 615,392 | 214,618 | 830,010 | 13,195 | 12,716 | 25,911 |
| 7. PREPAYMENTS AND ADVANCES | 3,792 | 132,957 | 136,749 | 1,707 | 792 | 2,499 |
| 8. INVENTORIES | 0 | 320 | 320 | 0 | 0 | 0 |
| 9. OPERATING ASSETS | 0 | 192,278 | 192,278 | 0 | 3,407 | 3,407 |
| 10. FUTURE INCOME TAX BENEFIT | | | | | | |
| Timing differences | 0 | 153,057 | 153,057 | 0 | 3,084 | 3,084 |
| Tax losses | 0 | 18,052 | 18,052 | 0 | 3,985 | 3,985 |
| Sub-total | 0 | 171,109 | 171,109 | 0 | 7,069 | 7,069 |
| 11. INTANGIBLES | 0 | 4,951 | 4,951 | 0 | 0 | 0 |
| 12. INVESTMENTS | 2,798,570 | 10,430,930 | 13,229,500 | 142,544 | 867,229 | 1,009,773 |
| 13. OTHER ASSETS | 7,314 | 191,166 | 198,480 | 0 | 11,600 | 11,600 |
| 14. TOTAL ASSETS | 4,561,971 | 16,378,238 | 20,940,210 | 522,011 | 1,654,904 | 2,176,915 |
| Liabilities | | | | | | |
| 15. UNDERWRITING PROVISIONS | | | | | | |
| Unearned premium | 0 | 3,701,030 | 3,701,030 | 0 | 361,441 | 361,441 |
| Outstanding claims | 324,864 | 9,197,880 | 9,522,744 | 60 | 911,386 | 911,446 |
| Other provisions | 0 | 93,140 | 93,140 | 0 | 1,043 | 1,043 |
| Sub-total | 324,864 | 12,992,050 | 13,316,914 | 60 | 1,273,870 | 1,273,930 |

Form 102 continued

| | Inside Australia | | | Outside Australia | | |
|--|---|-------------------|-------------------|---|------------------|------------------|
| | Related trusts & Bodies corporate | Other | Total | Related trusts & Bodies corporate | Other | Total |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 16. OTHER PROVISIONS | | | | | | |
| Employee (LSL, sick, redundancy, superannuation & other) | 0 | 103,742 | 103,742 | 0 | 1,106 | 1,106 |
| Dividends | 75,000 | 70,289 | 145,289 | 0 | 0 | 0 |
| Redemption of capital | 0 | 2,150 | 2,150 | 0 | 0 | 0 |
| Cost of realisation of assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 98,475 | 98,475 | 0 | 1,304 | 1,304 |
| Sub-total | 75,000 | 274,656 | 349,656 | 0 | 2,410 | 2,410 |
| 17. TAXATION | | | | | | |
| Current | 0 | 94,232 | 94,232 | 0 | 1,985 | 1,985 |
| Deferred | 0 | 170,165 | 170,165 | 0 | 12,671 | 12,671 |
| Sub-total | 0 | 264,397 | 264,397 | 0 | 14,656 | 14,656 |
| 18. CREDITORS AND BORROWINGS | | | | | | |
| A) BANK BALANCES | | | | | | |
| Overdraft | 0 | 97,549 | 97,549 | 0 | 80,042 | 80,042 |
| Cash Book | 0 | 64,590 | 64,590 | 0 | 57 | 57 |
| Sub-total | 0 | 162,139 | 162,139 | 0 | 80,099 | 80,099 |
| B) LOANS | | | | | | |
| Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-bank financial intermediaries | 0 | 0 | 0 | 0 | 0 | 0 |
| Other insurance and reinsurance companies | 422 | 0 | 422 | 0 | 0 | 0 |
| Other | 4,188 | 16 | 4,204 | 3,335 | 0 | 3,335 |
| Sub-total | 4,610 | 16 | 4,626 | 3,335 | 0 | 3,335 |
| C) DEBT SECURITIES ISSUED | | | | | | |
| Bills of exchange | 0 | 0 | 0 | 0 | 0 | 0 |
| Promissory notes | 0 | 0 | 0 | 0 | 0 | 0 |
| Bonds, debentures and long-term notes | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 0 | 0 | 0 | 0 | 0 | 0 |
| D) OPTIONS | 0 | 0 | 0 | 0 | 0 | 0 |
| E) LIABILITIES ARISING FROM FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 | 0 | 0 |
| F) AMOUNTS DUE ON REINSURANCE CONTRACTS | 366,698 | 413,579 | 780,277 | 16,491 | 56,654 | 73,145 |
| G) OTHER CREDITORS | 181,177 | 257,393 | 438,570 | 18,271 | 5,869 | 24,140 |
| Total creditors and borrowings | 552,485 | 833,127 | 1,385,612 | 38,097 | 142,622 | 180,719 |
| 19. OTHER LIABILITIES | 17,605 | 59,967 | 77,572 | 203,704 | 1,196 | 204,900 |
| 20. TOTAL LIABILITIES | 969,954 | 14,424,197 | 15,394,151 | 241,861 | 1,434,754 | 1,676,615 |
| 21. NET ASSETS | 3,592,017 | 1,954,042 | 5,546,059 | 280,150 | 220,150 | 500,300 |
| SHAREHOLDERS' EQUITY | | | | | | |
| Share capital | 1,892,815 | 4,444,354 | 6,337,169 | | | |
| Other capital (eg. subordinated debt) | 1,382,332 | 1,044,904 | 2,427,236 | 0 | 0 | 0 |
| Retained profits/losses at end of financial year | 3,795,423 | 14,374,848 | 18,170,271 | 132,697 | 136,034 | 268,731 |
| Reserves | 503,880 | 1,626,116 | 2,129,996 | 0 | 10,256 | 10,256 |
| Other | -410,310 | 184,319 | -225,991 | -79,494 | -33,934 | -113,428 |
| 22. TOTAL SHAREHOLDERS' EQUITY | 7,164,140 | 21,674,541 | 28,838,681 | 53,203 | 112,356 | 165,559 |

FORM 211 INVESTMENTS
Total Industry
COMPANIES BALANCING ON 31 DECEMBER 1997

| | Inside Australia | | | Outside Australia | | |
|--|---|------------------|------------------|---|----------------|----------------|
| | Related trusts & bodies corporate | Other | Total | Related trusts & bodies corporate | Other | Total |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| A) LAND AND BUILDINGS | 0 | 358,474 | 358,474 | 0 | 0 | 0 |
| B) DEBT SECURITIES | | | | | | |
| Bills of exchange | 0 | 233,507 | 233,507 | 0 | 4,223 | 4,223 |
| Promissory notes (commercial paper) issued by: | | | | | | |
| - Commonwealth-owned trading companies | 0 | 24,452 | 24,452 | 0 | 102 | 102 |
| - State & local government owned trading companies | 0 | 22,840 | 22,840 | 0 | 951 | 951 |
| - Private trading companies | 0 | 86,821 | 86,821 | 0 | 15,725 | 15,725 |
| - Non-bank financial intermediaries | 0 | 46,858 | 46,858 | 0 | 39,425 | 39,425 |
| - State government central borrowing authorities | 0 | 36,249 | 36,249 | 0 | 0 | 0 |
| - Securitizers | 0 | 37,491 | 37,491 | 0 | 7,615 | 7,615 |
| Negotiable certificates of deposit (NCDs) | 0 | 361,166 | 361,166 | 0 | 2,362 | 2,362 |
| Bonds, inscribed stock, debentures, medium-term notes and transferable certificates of deposit (TCDs) issued by: | | | | | | |
| - Commonwealth government | 0 | 2,668,930 | 2,668,930 | 0 | 100,511 | 100,511 |
| - Commonwealth-owned trading companies | 0 | 98,554 | 98,554 | 0 | 0 | 0 |
| - State and local government owned trading companies | 0 | 754,229 | 754,229 | 0 | 5,449 | 5,449 |
| - Private trading companies | 0 | 289,196 | 289,196 | 0 | 44,229 | 44,229 |
| - Banks | 0 | 714,974 | 714,974 | 0 | 25,665 | 25,665 |
| - Non-bank financial intermediaries | 166 | 221,020 | 221,186 | 0 | 38,289 | 38,289 |
| - State government central borrowing authorities | 0 | 1,490,525 | 1,490,525 | 0 | 1,670 | 1,670 |
| - Securitizers | 0 | 138,975 | 138,975 | 0 | 1,334 | 1,334 |
| Foreign debt securities inside Australia | 0 | 10,698 | 10,698 | | | |
| Australian debt securities outside Australia | | | | 0 | 0 | 0 |
| Sub-total | 166 | 7,236,485 | 7,236,651 | 0 | 287,550 | 287,550 |
| C) SHARES | | | | | | |
| LISTED | | | | | | |
| Private trading companies | 547,630 | 345,952 | 893,582 | 134,022 | 709 | 134,731 |
| Banks | 20,461 | 215,021 | 235,482 | 0 | 0 | 0 |
| Non-bank financial intermediaries | 0 | 19,201 | 19,201 | 0 | 0 | 0 |
| Other | 44,666 | 446,449 | 491,115 | 0 | 2,252 | 2,252 |
| Foreign shares inside Australia | 0 | 286 | 286 | | | |
| Australian shares outside Australia | | | | 0 | 0 | 0 |
| Sub-total | 612,757 | 1,026,909 | 1,639,666 | 134,022 | 2,961 | 136,983 |
| UNLISTED | | | | | | |
| Private trading companies | 546,529 | 2,582 | 549,111 | 2,459 | 0 | 2,459 |
| Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Life insurance companies | 411,100 | 0 | 411,100 | 0 | 0 | 0 |
| Other | 529,744 | 1,341 | 531,085 | 0 | 0 | 0 |
| Foreign shares inside Australia | 0 | 0 | 0 | | | |
| Australian shares outside Australia | | | | 0 | 0 | 0 |
| Sub-total | 1,487,373 | 3,923 | 1,491,296 | 2,459 | 0 | 2,459 |

Form 211 continued

| | Inside Australia | | | Outside Australia | | |
|---|---|-------------------|-------------------|---|----------------|------------------|
| | Related trusts & bodies corporate | Other | Total | Related trusts & bodies corporate | Other | Total |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| D) OPTIONS | | | | | | |
| Listed | 0 | -53 | -53 | 0 | 0 | 0 |
| Unlisted | 0 | 182 | 182 | 0 | 0 | 0 |
| Sub-total | 0 | 129 | 129 | 0 | 0 | 0 |
| E) UNITS IN TRUSTS - LISTED | | | | | | |
| Property | 0 | 37,704 | 37,704 | 0 | 0 | 0 |
| Trading public unit trusts | 0 | 309,193 | 309,193 | 0 | 39,356 | 39,356 |
| Other listed public units trusts | 0 | 13 | 13 | 0 | 0 | 0 |
| Foreign units inside Australia | 0 | 0 | 0 | | | |
| Australian units outside Australia | | | | 0 | 0 | 0 |
| Sub-total | 0 | 346,910 | 346,910 | 0 | 39,356 | 39,356 |
| UNITS IN TRUSTS - UNLISTED | | | | | | |
| Cash management | 0 | 1,302 | 1,302 | 0 | 0 | 0 |
| Wholesale | 35,568 | 60,004 | 95,572 | 0 | 0 | 0 |
| Property | 18,527 | 0 | 18,527 | 0 | 0 | 0 |
| Trading public unit trusts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 433,283 | 2 | 433,285 | 0 | 39,579 | 39,579 |
| Foreign units inside Australia | 0 | 34,130 | 34,130 | | | |
| Australian units outside Australia | | | | 0 | 0 | 0 |
| Sub-total | 487,378 | 95,438 | 582,816 | 0 | 39,579 | 39,579 |
| F) OTHER RIGHTS AND INTERESTS IN BUSINESS UNDERTAKINGS | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| G) DEPOSITS | | | | | | |
| Banks | 2,087 | 833,706 | 835,793 | 0 | 301,879 | 301,879 |
| Non-bank financial intermediaries | 0 | 27,843 | 27,843 | 0 | 0 | 0 |
| Fund managers | 0 | 303,897 | 303,897 | 0 | 2,660 | 2,660 |
| Other | 0 | 1,000 | 1,000 | 0 | 0 | 0 |
| Sub-total | 2,087 | 1,166,446 | 1,168,533 | 0 | 304,539 | 304,539 |
| H) LOANS/AMOUNTS OWING | | | | | | |
| Section 30 of Insurance Act | | | | | | |
| To directors, trustees or their spouses per para 30(1) | 0 | 989 | 989 | 0 | 0 | 0 |
| To employees exceeding \$1000 per para 30(1)(b) | 0 | 927 | 927 | 0 | 0 | 0 |
| Sub-total - sub-section 30 (1) loans | 0 | 1,916 | 1,916 | 0 | 0 | 0 |
| Other | | | | | | |
| Private trading companies | 122,665 | 96,259 | 218,924 | 6,063 | 0 | 6,063 |
| Financial enterprises | 107 | 3,514 | 3,621 | 0 | 0 | 0 |
| Fund managers | 0 | 40,449 | 40,449 | 0 | 170,554 | 170,554 |
| Other | 76,968 | 20,065 | 97,033 | 0 | 468 | 468 |
| Sub-total - loans/amounts owing/other | 199,740 | 160,287 | 360,027 | 6,063 | 171,022 | 177,085 |
| I) OTHER FINANCIAL INSTRUMENTS | | | | | | |
| | 0 | 3,188 | 3,188 | 0 | 22,009 | 22,009 |
| J) OTHER INVESTMENTS | | | | | | |
| | 9,069 | 30,825 | 39,894 | 0 | 213 | 213 |
| TOTAL INVESTMENTS | 2,798,570 | 10,430,930 | 13,229,500 | 142,544 | 867,229 | 1,009,773 |

FORM 214

BUSINESS WRITTEN BY AUTHORISED GENERAL INSURERS OUTSIDE AUSTRALIA

Total Industry

COMPANIES BALANCING ON 31 DECEMBER 1997

| | TOTAL (all countries) | USA | UK | JAPAN | NEW ZEALAND | S'PORE | G'MANY | FRANCE | CARIBBEAN | OTHER |
|--------------------------------|--------------------------|-----|-----|-------|----------------|--------|--------|--------|-----------|-------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M |
| Premium revenue | | | | | | | | | | |
| Direct | 7,789 | 0 | 46 | 0 | 5,271 | 1 | 0 | 0 | 0 | 2,471 |
| Inward treaty | 3,218 | 157 | 276 | 15 | 28 | 1 | 14 | 23 | 14 | 2,690 |
| Reinsurance expense | | | | | | | | | | |
| Direct | 636 | 0 | 10 | 0 | 34 | 0 | 0 | 0 | 0 | 592 |
| Inward treaty | 248 | 55 | 68 | 0 | 9 | 0 | 1 | 0 | 0 | 115 |
| Claims expense | | | | | | | | | | |
| Direct | 3,589 | 0 | 28 | 0 | 1,750 | 2 | 0 | 0 | 0 | 1,809 |
| Inward treaty | 1,636 | 99 | 191 | 3 | 13 | 0 | 5 | 4 | 2 | 1,319 |
| Reinsurance recoveries | | | | | | | | | | |
| Direct | 361 | 0 | 11 | 0 | 13 | 0 | 0 | 0 | 0 | 337 |
| Inward treaty | 136 | 0 | 26 | 0 | 3 | 0 | 0 | 0 | 0 | 107 |
| Commission | | | | | | | | | | |
| Expense | 3,154 | 25 | 41 | 3 | 2,313 | 0 | 3 | 2 | 5 | 762 |
| Revenue | 151 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 150 |
| Investment Income | | | | | | | | | | |
| Interest/dividend/rent | 81 | 11 | 20 | 0 | 50 | 0 | 0 | 0 | 0 | 0 |
| Underwriting provisions | | | | | | | | | | |
| Unearned premium | 2,407 | 40 | 123 | 4 | 639 | 0 | 1 | 9 | 3 | 1,588 |
| Outstanding claims | 2,799 | 136 | 346 | 6 | 1,057 | 10 | 10 | 13 | 12 | 1,209 |
| Assets | | | | | | | | | | |
| Deferred reinsurance expense | 458 | 6 | 27 | 0 | 9 | 0 | 1 | 0 | 0 | 415 |

| | |
|-----------------|---|
| FORM 215 | GENERAL EXPENSES AND CAPITAL EXPENDITURE |
| | Total Industry |
| | COMPANIES BALANCING ON 31 DECEMBER 1997 |

| Item | Inside Australia |
|---|-----------------------------|
| EXPENSES | |
| Number of employees at balance date | <u>7,934</u> |
| | \$'000 |
| Wages & salaries | 147,064 |
| Other employee costs (direct & indirect) | 39,090 |
| Management fees | 67,712 |
| Interest | 2,276 |
| Rent | 17,536 |
| Depreciation | 15,578 |
| Insurance | 898 |
| Bad/doubtful debts | 2,109 |
| Other expenses | -53,530 |
| TOTAL EXPENSES | <u>238,733</u> |
| CAPITAL EXPENDITURE | |
| Land & buildings | |
| Purchases | 10,374 |
| Sales | 4,421 |
| Revaluations/writedowns | 1,474 |
| Computer equipment | |
| Purchases | 40,596 |
| Sales | -965 |
| Revaluations/writedowns | -2,042 |
| Furniture, fittings, plant & equipment | |
| Purchases | 174,982 |
| Sales | -136,547 |
| Revaluation/writedowns | -8,795 |
| Other | |
| Purchases | 8,366 |
| Sales | -76 |
| Revaluation/writedowns | 1,064 |
| TOTAL CAPITAL EXPENDITURE | <u>92,852</u> |

FORM 216 RECONCILIATION OF OUTSTANDING CLAIMS - INSIDE AUSTRALIA
Total Industry
COMPANIES BALANCING ON 31 DECEMBER 1997

DIRECT WRITERS

| Class/Type of business | Actuarial estimate of provision(s) | Insurer's reported provision |
|----------------------------|------------------------------------|------------------------------|
| | (1) | (2) |
| | \$000 | \$000 |
| Fire and ISR | 255,801 | 271,872 |
| Houseowners/householders | 205,628 | 210,224 |
| CTP motor vehicle | 2,041,107 | 2,043,214 |
| Commercial motor vehicle | 117,055 | 119,176 |
| Domestic motor vehicle | 165,556 | 172,593 |
| Marine & aviation | 143,296 | 147,506 |
| Professional indemnity | 553,292 | 592,359 |
| Public & product liability | 1,269,625 | 1,287,045 |
| Employers' liability | 1,802,934 | 1,814,038 |
| Mortgage | 7,890 | 21,646 |
| Consumer credit | 33,533 | 41,837 |
| Travel | 29,519 | 30,353 |
| Other accident | 157,323 | 161,799 |
| Other | 74,642 | 78,983 |
| Inward treaty | 574,784 | 566,758 |
| TOTAL | 7,431,985 | 7,559,403 |

REINSURERS

| | | |
|-----------------------|------------------|------------------|
| Facultative | 170,979 | 254,223 |
| Proportional treaty | 539,492 | 684,593 |
| Excess of loss treaty | 821,209 | 1,024,525 |
| TOTAL | 1,531,680 | 1,963,341 |

**Table 1 Underwriting Accounts and Profit and Loss Accounts
in Australia - for 11 months ending November 1997**

| Company Name | Balance Date | Premium Revenue | Outwards Reinsurance Expense | (1) - (2) | Claims Expense | Reinsurance & Other Recoveries | (4) - (5) | Underwriting Expenses |
|--------------|--------------|-----------------|------------------------------|-----------|----------------|--------------------------------|-----------|-----------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| ADFAI | 30-Jun | 481 | 481 | 0 | 670 | 670 | 0 | 0 |
| AFG | 30-Sep | 0 | 0 | 0 | 476 | 278 | 198 | 89 |
| AMER INT | 30-Nov | 3,011 | 323 | 2,688 | 968 | 61 | 907 | 1,218 |
| ANZ GENERA | 30-Sep | 77 | 0 | 77 | 39 | 0 | 39 | 16 |
| ANZLMI | 30-Sep | 3,757 | 1,277 | 2,480 | 1,301 | 800 | 501 | 495 |
| APPIIL | 30-Jun | 14,579 | 4,976 | 9,603 | 10,890 | 1,413 | 9,477 | -442 |
| AUS GEN | 30-Sep | 0 | 0 | 0 | 30 | 63 | -33 | 0 |
| AUST UNITY | 30-Jun | 13,101 | 4,178 | 8,923 | 6,243 | 1,919 | 4,324 | 3,897 |
| BARRISTERS | 30-Jun | 607 | 78 | 529 | 604 | 0 | 604 | 0 |
| BENEFICIAL | 30-Jun | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| BHP MARINE | 31-May | 52,877 | 16,798 | 36,079 | 24,324 | 203 | 24,121 | 6,000 |
| BORAL | 30-Jun | 6,494 | 3,631 | 2,863 | 5,824 | 6,501 | -677 | 612 |
| CATHOLIC | 30-Jun | 80,540 | 31,952 | 48,588 | 72,021 | 26,976 | 45,045 | 16,509 |
| CHIYODA | 31-Mar | 4,879 | 1,491 | 3,388 | 2,413 | 313 | 2,100 | 779 |
| CIGNA INS | 15-Dec | 100,343 | 43,343 | 57,000 | 62,939 | 24,059 | 38,880 | 27,885 |
| COM CONNEC | 30-Jun | 76,081 | 11,765 | 64,316 | 42,527 | 376 | 42,151 | 22,607 |
| COMMWEALTH | 30-Jun | 0 | 0 | 0 | -91 | -91 | 0 | 0 |
| COSELCO IN | 30-Jun | 2,318 | 1,317 | 1,001 | 612 | 34 | 578 | 88 |
| CREDICORP | 30-Jun | 1,122 | 0 | 1,122 | 191 | 0 | 191 | 607 |
| DENTISTS | 30-Jun | 63 | 0 | 63 | 55 | 0 | 55 | 0 |
| EMPLOY MUT | 30-Jun | 30 | 104 | -74 | 2,265 | 2,971 | -706 | 0 |
| FAI CAR OW | 30-Jun | -16 | 2 | -18 | 1,206 | 2,297 | -1,091 | 47 |
| FAI GEN | 30-Jun | 564,303 | 54,785 | 509,518 | 544,942 | 75,022 | 469,920 | 108,039 |
| FAI RE | 30-Jun | 0 | 0 | 0 | 140 | 0 | 140 | 0 |
| FAI TRADER | 30-Jun | 0 | 0 | 0 | 3,171 | 1,170 | 2,001 | -7 |
| FAI WC | 30-Jun | 84,548 | 84,548 | 0 | 142,373 | 142,373 | 0 | 0 |
| FARM MIA | 31-Mar | 2,892 | 367 | 2,525 | 2,593 | 507 | 2,086 | 1,317 |
| FARM MIL | 31-Mar | 1,177 | 28 | 1,149 | 1,115 | 406 | 709 | 626 |
| GIO GEN | 30-Jun | 646,932 | 5,019 | 641,913 | 630,207 | 77,608 | 552,599 | 135,499 |
| GIO INS | 30-Jun | 164,541 | 37,883 | 126,658 | 180,881 | 54,918 | 125,963 | 24,837 |
| GIO MORT | 30-Jun | 43 | 6 | 37 | 30 | 0 | 30 | 8 |
| GIO WC | 30-Jun | 130,695 | 130,695 | 0 | 189,931 | 189,931 | 0 | 0 |
| GUILD INS | 30-Jun | 46,082 | 18,655 | 27,427 | 30,156 | 10,278 | 19,878 | 8,597 |
| HBF INS | 30-Jun | 36,967 | 2,731 | 34,236 | 24,120 | 1,907 | 22,213 | 7,545 |
| KOA FIRE | 31-Mar | 344 | -4 | 348 | 43 | 43 | 0 | 125 |
| LEI | 30-Jun | 226 | 0 | 226 | 0 | 0 | 0 | 10 |
| LIONHEART | 30-Jun | 554 | 0 | 554 | 327 | 0 | 327 | 136 |
| LUMLEY GEN | 30-Jun | 150,025 | 38,612 | 111,413 | 124,359 | 44,826 | 79,533 | 21,635 |
| MASTER BUT | 1-Dec | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Underwriting Result | Investment Revenue | General & Administration Expenses | Profit/Loss Insurance Business | Profit/Loss Other Business | Profit/Loss Abnormal Items | Profit/Loss Before Income Tax | Net Profit & Extra. Items After Tax | Company Name |
|------------------------|-----------------------|---|--------------------------------------|----------------------------------|----------------------------------|-------------------------------------|---|-----------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| 0 | 41 | 41 | 0 | 0 | 0 | 0 | 0 | ADFAI |
| -287 | 1,860 | 7 | 1,566 | 280 | 0 | 1,846 | 1,237 | AFG |
| 563 | 72 | 423 | 212 | 2,077 | 0 | 2,289 | 2,318 | AMER INT |
| 22 | 610 | 9 | 623 | 0 | 0 | 623 | 412 | ANZ GENERA |
| 1,484 | 5,193 | 0 | 6,677 | 0 | 0 | 6,677 | 4,394 | ANZLMI |
| 568 | 2,392 | 2,588 | 372 | 799 | 0 | 1,171 | 881 | APPIIL |
| 33 | 238 | 268 | 3 | 0 | 0 | 3 | 2 | AUS GEN |
| 702 | 648 | 129 | 1,221 | 4 | 0 | 1,225 | 1,354 | AUST UNITY |
| -75 | 535 | 74 | 385 | 0 | 0 | 385 | 172 | BARRISTERS |
| 0 | -264 | 179 | -443 | -33 | 0 | -476 | -476 | BENEFICIAL |
| 5,958 | 31,087 | 0 | 37,045 | 0 | 0 | 37,045 | 24,275 | BHP MARINE |
| 2,928 | 782 | 63 | 3,647 | 0 | 0 | 3,647 | 3,726 | BORAL |
| -12,966 | 32,716 | 8,846 | 10,904 | 0 | 0 | 10,904 | 10,904 | CATHOLIC |
| 509 | 635 | 303 | 841 | 0 | 0 | 841 | 841 | CHIYODA |
| -9,765 | -23 | 6,592 | -16,380 | 0 | 0 | -16,380 | -10,564 | CIGNA INS |
| -442 | 4,342 | 1,262 | 2,638 | 0 | 0 | 2,638 | 2,446 | COM CONNEC |
| 0 | 76 | 57 | 19 | 0 | 0 | 19 | 12 | COMMWEALTH |
| 335 | 4,952 | 796 | 4,491 | 0 | 0 | 4,491 | 3,018 | COSELCO IN |
| 324 | 316 | 0 | 640 | 0 | 0 | 640 | 640 | CREDICORP |
| 8 | 98 | 25 | 81 | 0 | 0 | 81 | 40 | DENTISTS |
| 632 | 11,719 | 236 | 12,115 | 0 | 0 | 12,115 | 8,241 | EMPLOY MUT |
| 1,026 | 967 | 50 | 1,943 | 0 | 0 | 1,943 | 1,243 | FAI CAR OW |
| -68,441 | 150,380 | 53,882 | 28,057 | 0 | 0 | 28,057 | 30,881 | FAI GEN |
| -140 | 58 | 8 | -90 | 0 | 0 | -90 | -95 | FAI RE |
| -1,994 | -627 | 6 | -2,627 | 0 | 0 | -2,627 | -1,681 | FAI TRADER |
| 0 | 172 | 7,055 | -6,883 | 7,310 | 0 | 427 | 269 | FAI WC |
| -878 | 208 | 122 | -792 | 0 | 0 | -792 | -845 | FARM MIA |
| -186 | 209 | 48 | -25 | 0 | 0 | -25 | -16 | FARM MIL |
| -46,185 | 126,806 | 29,488 | 51,133 | 18,694 | 0 | 69,827 | 55,029 | GIO GEN |
| -24,142 | 99,738 | 15,983 | 59,613 | 96 | 0 | 59,709 | 5,199 | GIO INS |
| -1 | 202 | 13 | 188 | 0 | 0 | 188 | 120 | GIO MORT |
| 0 | 381 | 0 | 381 | -142 | 0 | 239 | 139 | GIO WC |
| -1,048 | 4,336 | 1,505 | 1,783 | 0 | 0 | 1,783 | 1,299 | GUILD INS |
| 4,478 | 1,961 | 3,181 | 3,258 | 0 | 0 | 3,258 | 1,515 | HBF INS |
| 223 | 896 | 30 | 1,089 | 0 | 0 | 1,089 | 1,089 | KOA FIRE |
| 216 | 283 | 603 | -104 | -15 | -119 | -119 | -119 | LEI |
| 91 | 226 | 404 | -87 | 0 | 0 | -87 | -58 | LIONHEART |
| 10,245 | 8,187 | 6,783 | 11,649 | 0 | 0 | 11,649 | 7,643 | LUMLEY GEN |
| 0 | 0 | 0 | 0 | 1,032 | 0 | 1,032 | 1,014 | MASTER BUT |

| Company Name | Balance Date | Premium Revenue | Outwards Reinsurance Expense | (1) - (2) | Claims Expense | Reinsurance & Other Recoveries | (4) - (5) | Underwriting Expenses |
|--------------|--------------|-----------------|------------------------------|-----------|----------------|--------------------------------|-----------|-----------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| MER MUT WC | 30-Sep | 51,229 | 51,229 | 0 | 64,632 | 64,632 | 0 | 262 |
| MERC M AUS | 30-Sep | 417,044 | 37,285 | 379,759 | 303,534 | 10,928 | 292,606 | 131,229 |
| MERC M HEA | 30-Sep | 11,836 | 0 | 11,836 | 10,263 | 0 | 10,263 | 858 |
| MERC M WC | 30-Sep | 20,813 | 549 | 20,264 | 28,508 | 570 | 27,938 | 1,512 |
| MIAL | 30-Jun | 0 | 0 | 0 | 196 | -233 | 429 | -1,295 |
| MICWA | 30-Jun | 5,300 | 3,479 | 1,821 | 5,137 | 3,037 | 2,100 | 326 |
| mitsui | 31-Mar | 7,078 | 2,927 | 4,151 | 3,323 | 574 | 2,749 | 558 |
| MLC INSUR | 30-Jun | 43,002 | 15,750 | 27,252 | 31,913 | 9,272 | 22,641 | 14,282 |
| MMI GEN | 30-Jun | 612,041 | 93,920 | 518,121 | 577,864 | 104,365 | 473,499 | 116,127 |
| MMI WC | 30-Jun | 223,862 | 223,862 | 0 | 326,038 | 326,038 | 0 | 0 |
| MTQ | 30-Jun | 187 | 0 | 187 | 34 | 0 | 34 | 71 |
| MUNICH BCH | 30-Jun | 160,704 | 804 | 159,900 | 90,204 | 0 | 90,204 | 46,694 |
| NAT OF NZ | 30-Sep | 0 | 5 | -5 | 1,366 | 197 | 1,169 | 0 |
| NAT TRNSPT | 30-Jun | 53,867 | 53,306 | 561 | 47,728 | 47,027 | 701 | -291 |
| NEW INDIA | 31-Mar | 5,450 | 957 | 4,493 | 2,690 | 0 | 2,690 | 1,566 |
| NIPPON FIR | 31-Mar | 5,772 | 2,705 | 3,067 | 2,538 | 1,092 | 1,446 | 1,560 |
| NORTH | 30-Jun | 8,320 | 2,567 | 5,753 | 8,771 | 2,005 | 6,766 | 524 |
| NRMA INSUR | 30-Jun | 1,733,186 | 58,547 | 1,674,639 | 1,720,530 | 181,038 | 1,539,492 | 300,165 |
| OAMPS | 30-Jun | 18,127 | 3,485 | 14,642 | 11,161 | 2,880 | 8,281 | 2,438 |
| OPTUS | 30-Jun | 9,096 | 0 | 9,096 | 5,331 | 19 | 5,312 | 1,101 |
| PIICA | 30-Jun | 18,312 | 5,012 | 13,300 | 22,547 | 5,663 | 16,884 | 521 |
| POSEIDON | 30-Jun | 0 | 0 | 0 | 160 | 160 | 0 | 0 |
| QBE (INT) | 30-Jun | 1,377 | 812 | 565 | 884 | 515 | 369 | 143 |
| QBE INS | 30-Jun | 615,701 | 76,917 | 538,784 | 443,240 | 28,388 | 414,852 | 163,536 |
| QBE WC | 30-Jun | 120,022 | 120,022 | 0 | 204,319 | 204,319 | 0 | 0 |
| RAA-GIO | 30-Jun | 39,966 | 1,678 | 38,288 | 28,623 | 3,643 | 24,980 | 8,268 |
| RAC INS | 30-Jun | 132,250 | 19,433 | 112,817 | 92,477 | 17,194 | 75,283 | 19,165 |
| RACT | 30-Jun | 16,211 | 4,716 | 11,495 | 13,420 | 4,266 | 9,154 | 1,865 |
| RACV GEN | 28-Feb | 307,131 | 24,491 | 282,640 | 318,193 | 65,409 | 252,784 | 43,125 |
| REWARD | 30-Jun | 985 | 345 | 640 | 983 | 0 | 983 | 16 |
| RURAL | 30-Jun | 2,852 | 1,018 | 1,834 | 2,555 | 1,646 | 909 | 819 |
| SGIC | 30-Jun | 80,806 | 16,705 | 64,101 | 52,841 | 11,809 | 41,032 | 15,224 |
| SGIO | 30-Jun | 184,021 | 10,092 | 173,929 | 176,842 | 18,866 | 157,976 | 44,732 |
| SUMITOMO | 31-Mar | 6,317 | 2,985 | 3,332 | 4,209 | 2,092 | 2,117 | 840 |
| SUNCORP | 30-Jun | 645,274 | 40,345 | 604,929 | 650,464 | 66,733 | 583,731 | 146,138 |
| SYDNEY RE | 30-Jun | 62,501 | 7,440 | 55,061 | 29,300 | 250 | 29,050 | 20,077 |
| TAXI | 30-Jun | 1,019 | 343 | 676 | 852 | 405 | 447 | 73 |
| TOKIO | 31-Mar | 14,676 | 6,112 | 8,564 | 6,914 | 2,277 | 4,637 | 3,219 |
| TRADE INDE | 31-Dec | 27,813 | 17,100 | 10,713 | 16,838 | 10,349 | 6,489 | 5,348 |
| TRANSPORT | 30-Jun | 52,732 | 21,574 | 31,158 | 23,073 | 5,097 | 17,976 | 8,153 |
| WESFARMERS | 30-Jun | 141,453 | 27,367 | 114,086 | 93,461 | 19,210 | 74,251 | 26,681 |
| WESTERN QB | 30-Jun | 54,719 | 1,704 | 53,015 | 39,663 | 5,081 | 34,582 | 15,542 |

| Underwriting Result | Investment Revenue | General & Administration Expenses | Profit/Loss Insurance Business | Profit/Loss Other Business | Profit/Loss Abnormal Items | Profit/Loss Before Income Tax | Net Profit & Extra. Items After Tax | Company Name |
|------------------------|-----------------------|---|--------------------------------------|----------------------------------|----------------------------------|-------------------------------------|---|-----------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| -262 | 182 | 0 | -80 | 0 | 0 | -80 | -51 | MER MUT WC |
| -44,076 | 82,839 | 794 | 37,969 | 0 | 0 | 37,969 | 30,691 | MERC M AUS |
| 715 | 631 | 1,089 | 257 | -807 | 0 | -550 | -335 | MERC M HEA |
| -9,186 | 13,225 | 268 | 3,771 | 0 | 0 | 3,771 | 2,702 | MERC M WC |
| 866 | 2,373 | -129 | 3,368 | 0 | 0 | 3,368 | 2,185 | MIAL |
| -605 | 2,022 | 114 | 1,303 | 0 | 0 | 1,303 | 834 | MICWA |
| 844 | 1,975 | 0 | 2,819 | 0 | 0 | 2,819 | 1,582 | MITSUI |
| -9,671 | 5,825 | 49 | -3,895 | 0 | 1,198 | -2,697 | -945 | MLC INSUR |
| -71,505 | 138,977 | 50,792 | 16,680 | 26,790 | 0 | 43,470 | 34,256 | MMI GEN |
| 0 | 439 | 16,985 | -16,546 | 16,985 | 0 | 439 | 281 | MMI WC |
| 82 | 442 | 316 | 208 | 0 | 0 | 208 | 150 | MTQ |
| 23,002 | 78,055 | 161 | 100,896 | 0 | 0 | 100,896 | 79,187 | MUNICH BCH |
| -1,174 | 3,837 | 1,455 | 1,208 | 0 | 0 | 1,208 | 75 | NAT OF NZ |
| 151 | 234 | 632 | -247 | 322 | 0 | 75 | 134 | NAT TRNSPT |
| 237 | 825 | 96 | 966 | 0 | 0 | 966 | 671 | NEW INDIA |
| 61 | 1,076 | 18 | 1,119 | 0 | 0 | 1,119 | 752 | NIPPON FIR |
| -1,537 | 945 | 0 | -592 | 0 | 0 | -592 | -1,138 | NORTH |
| -165,018 | 688,613 | 13,704 | 509,891 | 0 | 0 | 509,891 | 607,194 | NRMA INSUR |
| 3,923 | 2,566 | 2,994 | 3,495 | 1 | 0 | 3,496 | 2,381 | OAMPS |
| 2,683 | 303 | 386 | 2,600 | 0 | 0 | 2,600 | 1,664 | OPTUS |
| -4,105 | 5,119 | 566 | 448 | 0 | 114 | 562 | 401 | PIICA |
| 0 | 298 | 91 | 207 | 86 | 0 | 293 | 253 | POSEIDON |
| 53 | 12,447 | 119 | 12,381 | 0 | 0 | 12,381 | 10,133 | QBE (INT) |
| -39,604 | 133,756 | 10,516 | 83,636 | 0 | 0 | 83,636 | 83,892 | QBE INS |
| 0 | 127 | 1 | 126 | 0 | 0 | 126 | 80 | QBE WC |
| 5,040 | 3,543 | 2,150 | 6,433 | 0 | 0 | 6,433 | 4,135 | RAA-GIO |
| 18,369 | 23,635 | 4,825 | 37,179 | 92 | 0 | 37,271 | 25,718 | RAC INS |
| 476 | 1,186 | 286 | 1,376 | 27 | 0 | 1,403 | 925 | RACT |
| -13,269 | 39,553 | 2,082 | 24,202 | 190 | 0 | 24,392 | 21,110 | RACV GEN |
| -359 | 563 | 140 | 63 | 0 | 0 | 63 | 63 | REWARD |
| 106 | 354 | 168 | 292 | 0 | 0 | 292 | 292 | RURAL |
| 7,845 | 11,624 | 8,498 | 10,971 | 2,576 | 17 | 13,564 | 8,631 | SGIC |
| -28,779 | 46,338 | 1,674 | 15,885 | 3,484 | 0 | 19,369 | 16,872 | SGIO |
| 375 | 4,423 | 358 | 4,440 | 0 | 0 | 4,440 | 3,297 | SUMITOMO |
| -124,940 | 294,684 | 5,719 | 164,025 | 3,244 | 166,871 | 334,140 | 333,630 | SUNCORP |
| 5,934 | 27,991 | 1,003 | 32,922 | 0 | 0 | 32,922 | 24,128 | SYDNEY RE |
| 156 | 104 | 206 | 54 | 0 | 0 | 54 | 30 | TAXI |
| 708 | 5,722 | 648 | 5,782 | 0 | 0 | 5,782 | 3,948 | TOKIO |
| -1,124 | 2,164 | 43 | 997 | 0 | 0 | 997 | 726 | TRADE INDE |
| 5,029 | 5,216 | 336 | 9,909 | 0 | 0 | 9,909 | 6,388 | TRANSPORT |
| 13,154 | 7,270 | 8,206 | 12,218 | 327 | 0 | 12,545 | 8,080 | WESFARMERS |
| 2,891 | 13,501 | 0 | 16,392 | 0 | 0 | 16,392 | 11,717 | WESTERN QB |

| Company Name | Balance Date | Premium Revenue | Outwards Reinsurance Expense | (1) - (2) | Claims Expense | Reinsurance & Other Recoveries | (4) - (5) | Underwriting Expenses |
|--------------|--------------|-----------------|------------------------------|-----------|----------------|--------------------------------|-----------|-----------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| WESTPAC | 30-Sep | 24,741 | 264 | 24,477 | 15,446 | 77 | 15,369 | 7,000 |
| WORLD MAR | 30-May | 26,660 | 8,172 | 18,488 | 18,251 | 2,682 | 15,569 | 5,544 |
| WPAC LMI | 30-Sep | 603 | 332 | 271 | 122 | 74 | 48 | 70 |

| Underwriting Result | Investment Revenue | General & Administration Expenses | Profit/Loss Insurance Business | Profit/Loss Other Business | Profit/Loss Abnormal Items | Profit/Loss Before Income Tax | Net Profit & Extra. Items After Tax | Company Name |
|------------------------|-----------------------|---|--------------------------------------|----------------------------------|----------------------------------|-------------------------------------|---|-----------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| 2,108 | 6,214 | 0 | 8,322 | 92 | 0 | 8,414 | 5,547 | WESTPAC |
| -2,625 | 4,078 | 323 | 1,130 | 0 | 0 | 1,130 | 287 | WORLD MAR |
| 153 | 268 | 0 | 421 | 0 | 0 | 421 | 269 | WPAC LMI |

Table 2

**Abstract from the Balance Sheet
in Australia - for 11 months ending November 1997**

| Company Name | Balance Date | Unpaid Premiums | Reinsurance & Other Recoveries | Investments | Deferred Acquisition costs | Operating Assets | Intangibles | Other |
|--------------|--------------|-----------------|--------------------------------|-------------|----------------------------|------------------|-------------|---------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| ADFAI | 30-Jun | 0 | 365 | 400 | 0 | 0 | 0 | 1 |
| AFG | 30-Sep | 0 | 0 | 11,526 | 0 | 0 | 0 | 788 |
| AMER INT | 30-Nov | 35 | 1,623 | 11,700 | 41 | 0 | 0 | 270 |
| ANZ GENERA | 30-Sep | 221 | 0 | 4,129 | 171 | 0 | 0 | 50 |
| ANZLMI | 30-Sep | 147 | 530 | 33,834 | 401 | 0 | 0 | 11,500 |
| APPIIL | 30-Jun | 0 | 1,413 | 16,968 | 0 | 860 | 0 | 250 |
| AUS GEN | 30-Sep | 0 | 0 | 195 | 0 | 0 | 0 | 2,527 |
| AUST UNITY | 30-Jun | 1,244 | 600 | 6,044 | 1,106 | 84 | 58 | 4,818 |
| BARRISTERS | 30-Jun | 0 | 0 | 7,192 | 0 | 0 | 0 | 735 |
| BENEFICIAL | 30-Jun | 0 | 0 | 5,761 | 0 | 7 | 0 | 236 |
| BHP MARINE | 31-May | 4,854 | 54,789 | 348,065 | 59 | 0 | 0 | 3,790 |
| BORAL | 30-Jun | 0 | 11,449 | 10,200 | 0 | 0 | 0 | 5,317 |
| CATHOLIC | 30-Jun | 8,792 | 40,246 | 170,861 | 153 | 5,380 | 0 | 19,647 |
| CHIYODA | 31-Mar | 2,510 | 394 | 4,825 | 289 | 36 | 0 | 6,872 |
| CIGNA INS | 15-Dec | 27,378 | 42,563 | 95,744 | 6,137 | 3,956 | 0 | 39,129 |
| COM CONNEC | 30-Jun | 27,169 | 3,723 | 0 | 1,786 | 2,593 | 0 | 82,579 |
| COMMWEALTH | 30-Jun | 0 | 1,481 | 2,182 | 0 | 1 | 0 | 8 |
| COSELCO IN | 30-Jun | 2,151 | 0 | 39,983 | 0 | 1 | 0 | 1,401 |
| CREDICORP | 30-Jun | 0 | 0 | 5,073 | 0 | 0 | 0 | 469 |
| DENTISTS | 30-Jun | 0 | 0 | 1,432 | 0 | 0 | 0 | 45 |
| EMPLOY MUT | 30-Jun | 0 | 5,141 | 47,119 | 0 | 0 | 0 | 3,045 |
| FAI CAR OW | 30-Jun | 0 | 0 | 25,226 | 0 | 253 | 0 | 1,479 |
| FAI GEN | 30-Jun | 112,435 | 134,127 | 1,461,497 | 61,744 | 24,428 | 0 | 114,158 |
| FAI RE | 30-Jun | 0 | 0 | 12,599 | 0 | 0 | 0 | 457 |
| FAI TRADER | 30-Jun | 2 | 109 | 26,246 | 0 | 8 | 0 | 5,774 |
| FAI WC | 30-Jun | 0 | 381,784 | 2,131 | 0 | 501 | 0 | 17,374 |
| FARM MIA | 31-Mar | 564 | 126 | 4,421 | 255 | 395 | 0 | 770 |
| FARM MIL | 31-Mar | 309 | 14 | 4,221 | 111 | 0 | 0 | 515 |
| GIO GEN | 30-Jun | 41,141 | 80,074 | 1,146,269 | 54,242 | 0 | 0 | 58,359 |
| GIO INS | 30-Jun | 82,992 | 80,125 | 660,993 | 10,416 | 0 | 0 | 226,505 |
| GIO MORT | 30-Jun | 9 | 0 | 2,816 | 64 | 0 | 0 | 90 |
| GIO WC | 30-Jun | 13,867 | 431,230 | 4,638 | 0 | 0 | 0 | 7,610 |
| GUILD INS | 30-Jun | 5,820 | 15,148 | 33,505 | 4,569 | 1,629 | 0 | 4,073 |
| HBF INS | 30-Jun | 1,200 | 1,685 | 21,587 | 974 | 468 | 0 | 11,852 |
| KOA FIRE | 31-Mar | 108 | 273 | 6,427 | 35 | 0 | 0 | 256 |
| LEI | 30-Jun | 0 | 0 | 1,400 | 0 | 93 | 0 | 975 |
| LIONHEART | 30-Jun | 0 | 0 | 3,296 | 91 | 75 | 54 | 11 |
| LUMLEY GEN | 30-Jun | 28,327 | 39,653 | 79,632 | 11,408 | 3,961 | 0 | 40,334 |
| MASTER BUT | 1-Dec | 0 | 0 | 5 | 0 | 5,768 | 0 | 3,904 |

| Company Name | Balance Date | Unpaid Premiums | Reinsurance & Other Recoveries | Investments | Deferred Acquisition costs | Operating Assets | Intangibles | Other |
|--------------|--------------|-----------------|--------------------------------|-------------|----------------------------|------------------|-------------|---------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| MER MUT WC | 30-Sep | 28,988 | 187,305 | 2,071 | 0 | 0 | 0 | 36,679 |
| MERC M AUS | 30-Sep | 79,642 | 38,196 | 606,772 | 46,894 | 18,728 | 0 | 150,526 |
| MERC M HEA | 30-Sep | 1,170 | 0 | 3,224 | 0 | 0 | 0 | 4,223 |
| MERC M WC | 30-Sep | 6,260 | 5,043 | 139,006 | 1,325 | 0 | 0 | 36,865 |
| MIAL | 30-Jun | 743 | 377 | 12,298 | 0 | 4 | 0 | 39,903 |
| MICWA | 30-Jun | 5,011 | 12,896 | 10,361 | 187 | 0 | 2 | 1,735 |
| mitsui | 31-Mar | 3,415 | 1,137 | 27,000 | 188 | 0 | 0 | 3,138 |
| MLC INSUR | 30-Jun | 2,120 | 14,765 | 38,333 | 671 | 1,240 | 0 | 4,515 |
| MMI GEN | 30-Jun | 113,753 | 170,888 | 992,397 | 57,928 | 30,262 | 0 | 219,818 |
| MMI WC | 30-Jun | 0 | 781,032 | 3,087 | 0 | 0 | 0 | -2,825 |
| MTQ | 30-Jun | 0 | 0 | 2,808 | 338 | 112 | 46 | 495 |
| MUNICH BCH | 30-Jun | 0 | 231,710 | 296,874 | 8,773 | 0 | 0 | 4,451 |
| NAT OF NZ | 30-Sep | 0 | 9,175 | 75,379 | 0 | 297 | 0 | 0 |
| NAT TRNSPT | 30-Jun | 13,490 | 18,272 | 3,897 | 4,848 | 1,183 | 0 | 26,924 |
| NEW INDIA | 31-Mar | 1,330 | 0 | 10,816 | 522 | 121 | 0 | 115 |
| NIPPON FIR | 31-Mar | 708 | 1,784 | 3,910 | 216 | 91 | 0 | 14,443 |
| NORTH | 30-Jun | 59 | 4,272 | 15,870 | 0 | 0 | 0 | 518 |
| NRMA INSUR | 30-Jun | 33,154 | 202,686 | 4,821,902 | 0 | 60,562 | 0 | 629,451 |
| OAMPS | 30-Jun | 5,766 | 2,123 | 8,843 | 1,926 | 926 | 0 | 12,150 |
| OPTUS | 30-Jun | 1,080 | 39 | 3,468 | 0 | 0 | 0 | 3,238 |
| PIICA | 30-Jun | 0 | 19,515 | 29,529 | 0 | 0 | 0 | 19,575 |
| POSEIDON | 30-Jun | 0 | 657 | 2,027 | 0 | 0 | 0 | 59 |
| QBE (INT) | 30-Jun | 574 | 496 | 116,526 | 153 | 0 | 0 | 12,129 |
| QBE INS | 30-Jun | 114,584 | 53,266 | 972,769 | 62,667 | 3,802 | 0 | 350,663 |
| QBE WC | 30-Jun | 0 | 417,331 | 2,000 | 0 | 0 | 0 | 3,983 |
| RAA-GIO | 30-Jun | 2,909 | 2,168 | 25,822 | 4,239 | 952 | 0 | 13,730 |
| RAC INS | 30-Jun | 1,267 | 10,838 | 144,723 | 8,203 | 5,654 | 0 | 76,617 |
| RACT | 30-Jun | 7 | 1,218 | 12,531 | 888 | 114 | 0 | 2,373 |
| RACV GEN | 28-Feb | 4,706 | 23,514 | 328,468 | 20,420 | 11,895 | 0 | 85,679 |
| REWARD | 30-Jun | 0 | 192 | 842 | 0 | 314 | 0 | 2,071 |
| RURAL | 30-Jun | 530 | 581 | 575 | 196 | 146 | 0 | 2,711 |
| SGIC | 30-Jun | 20,317 | 7,080 | 76,798 | 5,050 | 0 | 0 | 19,887 |
| SGIO | 30-Jun | 26,575 | 23,639 | 311,210 | 8,784 | 7,905 | 0 | 82,818 |
| SUMITOMO | 31-Mar | 1,893 | 1,221 | 47,512 | 318 | 193 | 0 | 3,303 |
| SUNCORP | 30-Jun | 48,121 | 84,907 | 2,467,576 | 11,285 | 0 | 0 | 95,531 |
| SYDNEY RE | 30-Jun | 0 | 32,715 | 143,863 | 6,870 | 0 | 0 | 15,730 |
| TAXI | 30-Jun | 5 | 107 | 1,132 | 0 | 35 | 0 | 338 |
| TOKIO | 31-Mar | 3,564 | 979 | 101,825 | 329 | 123 | 0 | 4,015 |
| TRADE INDE | 31-Dec | 10,959 | 21,449 | 25,515 | 3,451 | 645 | 0 | 3,604 |
| TRANSPORT | 30-Jun | 4,751 | 15,715 | 62,662 | 3,886 | 219 | 0 | 1,699 |
| WESFARMERS | 30-Jun | 19,028 | 8,135 | 8,142 | 12,758 | 3,942 | 0 | 116,338 |
| WESTERN QB | 30-Jun | 1,771 | 0 | 85,300 | 7,156 | 1,937 | 0 | 3,135 |

| Company Name | Balance Date | Unpaid Premiums | Reinsurance & Other Recoveries | Investments | Deferred Acquisition costs | Operating Assets | Intangibles | Other |
|--------------|--------------|-----------------|--------------------------------|-------------|----------------------------|------------------|-------------|--------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| WESTPAC | 30-Sep | 2,129 | 1,216 | 62,040 | 9,999 | 0 | 0 | 8,412 |
| WORLD MAR | 30-May | 5,809 | 11,978 | 46,814 | 889 | 533 | 0 | 1,364 |
| WPAC LMI | 30-Sep | 8 | 4,573 | 5,687 | 349 | 0 | 0 | 1,678 |

| Total Assets | Outstanding Claims Provision | Unearned Premium Provision | Other Provisions | Trade Borrowings Creditors | Borrowings | Other | Total Liabilities | Net Assets | Company Name |
|--------------|------------------------------|----------------------------|------------------|----------------------------|------------|--------|-------------------|------------|--------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | 16 | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| 766 | 366 | 0 | 0 | 0 | 300 | 0 | 666 | 100 | ADFAI |
| 12,314 | 6,947 | 0 | 985 | 13 | 0 | 0 | 7,945 | 4,369 | AFG |
| 64,437 | 729 | 544 | 1,058 | 159 | 0 | 11 | 38,067 | 26,370 | AMER INT |
| 4,571 | 32 | 856 | 200 | 0 | 0 | 8 | 1,096 | 3,475 | ANZ GENERA |
| 46,412 | 1,825 | 20,225 | 2,413 | 1,817 | 0 | 0 | 26,280 | 20,132 | ANZLMI |
| 19,491 | 10,643 | 23 | 528 | 63 | 0 | 310 | 11,567 | 7,924 | APPIIL |
| 2,722 | 535 | 0 | 58 | 46 | 0 | 39 | 678 | 2,044 | AUS GEN |
| 13,954 | 1,839 | 6,389 | 100 | 615 | 68 | 952 | 9,963 | 3,991 | AUST UNITY |
| 7,927 | 59 | 454 | 54 | 156 | 0 | 0 | 723 | 7,204 | BARRISTERS |
| 6,004 | 50 | 0 | 3,404 | 34 | 84 | 0 | 3,572 | 2,432 | BENEFICIAL |
| 411,557 | 133,431 | 8,377 | 10,470 | 1,080 | 48 | 0 | 153,406 | 258,151 | BHP MARINE |
| 26,966 | 20,563 | 0 | 383 | 0 | 0 | 1,688 | 22,634 | 4,332 | BORAL |
| 245,079 | 119,182 | 30,299 | 21,012 | 13,297 | 0 | 5,707 | 189,497 | 55,582 | CATHOLIC |
| 14,926 | 831 | 2,055 | 0 | 954 | 0 | 0 | 3,840 | 11,086 | CHIYODA |
| 214,907 | 138,247 | 41,233 | 4,836 | 32,720 | 0 | 0 | 217,036 | -2,129 | CIGNA INS |
| 117,850 | 29,306 | 43,432 | 218 | 10,843 | 1,331 | 0 | 85,130 | 32,720 | COM CONNEC |
| 3,672 | 1,415 | 0 | 17 | 51 | 0 | 0 | 1,483 | 2,189 | COMMWEALTH |
| 43,536 | 26,470 | 1,908 | 2,016 | 0 | 0 | 504 | 30,898 | 12,638 | COSELCO IN |
| 5,542 | 83 | 2,076 | 0 | 79 | 0 | 0 | 2,238 | 3,304 | CREDICORP |
| 1,477 | 0 | 26 | 53 | 0 | 0 | 15 | 94 | 1,383 | DENTISTS |
| 55,305 | 14,191 | 0 | 9,330 | 1,652 | 0 | 0 | 25,173 | 30,132 | EMPLOY MUT |
| 26,958 | 401 | 3 | 2 | 0 | 300 | 0 | 706 | 26,252 | FAI CAR OW |
| 1,908,389 | 952,445 | 313,581 | 94,786 | 23,139 | 72,799 | 7,417 | 1,464,167 | 444,222 | FAI GEN |
| 13,056 | 6,748 | 0 | 0 | 0 | 0 | 104 | 6,852 | 6,204 | FAI RE |
| 32,139 | 20,261 | 0 | 0 | 6,225 | 0 | 0 | 26,486 | 5,653 | FAI TRADER |
| 401,790 | 378,245 | 0 | 0 | 0 | 18 | 18,404 | 396,667 | 5,123 | FAI WC |
| 6,531 | 1,236 | 1,461 | 27 | 113 | 0 | 359 | 3,196 | 3,335 | FARM MIA |
| 5,170 | 554 | 636 | 50 | 35 | 0 | 286 | 1,561 | 3,609 | FARM MIL |
| 1,380,085 | 581,891 | 325,962 | 42,468 | 157,988 | 39,439 | 630 | 1,148,378 | 231,707 | GIO GEN |
| 1,061,031 | 407,917 | 77,072 | 57,262 | 59,262 | 4,432 | 0 | 605,945 | 455,086 | GIO INS |
| 2,979 | 27 | 624 | 39 | 0 | 2 | 8 | 700 | 2,279 | GIO MORT |
| 457,345 | 427,233 | 0 | 13 | 13,867 | 1,612 | 11,481 | 454,206 | 3,139 | GIO WC |
| 64,744 | 19,169 | 23,471 | 1,287 | 6,156 | 0 | 0 | 50,083 | 14,661 | GUILD INS |
| 37,766 | 6,414 | 9,343 | 3,965 | 752 | 7,073 | 0 | 27,547 | 10,219 | HBF INS |
| 7,099 | 491 | 116 | 0 | 0 | 0 | 30 | 637 | 6,462 | KOA FIRE |
| 2,468 | 15 | 48 | 0 | 4 | 0 | 86 | 153 | 2,315 | LEI |
| 3,527 | 195 | 285 | 14 | 53 | 28 | 0 | 575 | 2,952 | LIONHEART |
| 203,315 | 59,758 | 57,493 | 13,912 | 5,409 | 0 | 14,367 | 150,939 | 52,376 | LUMLEY GEN |
| 9,677 | 190 | 0 | 341 | 1,726 | 0 | 291 | 2,548 | 7,129 | MASTER BUT |

| Total Assets | Outstanding Claims Provision | Unearned Premium Provision | Other Provisions | Trade Creditors | Borrowings | Other | Total Liabilities | Net Assets | Company Name |
|--------------|------------------------------|----------------------------|------------------|-----------------|------------|---------|-------------------|------------|--------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | 16 | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| 255,043 | 185,582 | 33,720 | 2 | 0 | 701 | 32,995 | 253,000 | 2,043 | MER MUT WC |
| 940,758 | 421,178 | 224,103 | 51,357 | 40,036 | 26,419 | 6,185 | 769,278 | 171,480 | MERC M AUS |
| 8,617 | 1,776 | 3,306 | 0 | 654 | 27 | 0 | 5,763 | 2,854 | MERC M HEA |
| 188,499 | 70,620 | 11,803 | 7,016 | 2,226 | 0 | 0 | 91,665 | 96,834 | MERC M WC |
| 53,325 | 1,794 | 0 | 181 | 361 | 0 | 0 | 2,336 | 50,989 | MIAL |
| 30,192 | 15,792 | 4,173 | 1,612 | 108 | 0 | 3,241 | 24,926 | 5,266 | MICWA |
| 34,878 | 2,745 | 3,974 | 844 | 196 | 0 | 242 | 8,001 | 26,877 | MITSUI |
| 61,644 | 32,247 | 5,827 | 2,108 | 4,123 | 0 | 0 | 44,305 | 17,339 | MLC INSUR |
| 1,585,046 | 938,750 | 270,241 | 30,479 | 17,166 | 0 | 103,235 | 1,359,871 | 225,175 | MMI GEN |
| 781,294 | 773,793 | 0 | 57 | 0 | 0 | 4,226 | 778,076 | 3,218 | MMI WC |
| 3,799 | 9 | 1,082 | 83 | 39 | 0 | 0 | 1,213 | 2,586 | MTQ |
| 541,808 | 231,710 | 44,872 | 6,009 | 0 | 0 | 5,306 | 287,897 | 253,911 | MUNICH BCH |
| 84,851 | 14,407 | 0 | 0 | 31,376 | 0 | 191 | 45,974 | 38,877 | NAT OF NZ |
| 68,614 | 18,272 | 25,382 | 533 | 462 | 0 | 20,796 | 65,445 | 3,169 | NAT TRNSPT |
| 12,904 | 4,192 | 2,086 | 399 | 56 | 0 | 0 | 6,733 | 6,171 | NEW INDIA |
| 21,152 | 4,020 | 2,567 | 335 | 438 | 0 | 267 | 7,627 | 13,525 | NIPPON FIR |
| 20,719 | 14,044 | 1,763 | 744 | 1,644 | 0 | 0 | 18,195 | 2,524 | NORTH |
| 5,747,755 | 2,016,672 | 887,626 | 13,935 | 170,192 | 435,014 | 35,281 | 3,558,720 | 2,189,035 | NRMA INSUR |
| 31,734 | 5,975 | 9,765 | 3,686 | 0 | 0 | 3,633 | 23,059 | 8,675 | OAMPS |
| 7,825 | 1,041 | 0 | 0 | 1,621 | 0 | 113 | 2,775 | 5,050 | OPTUS |
| 68,619 | 52,887 | 0 | 0 | 0 | 696 | 8,522 | 62,105 | 6,514 | PIICA |
| 2,743 | 543 | 0 | 81 | 2 | 0 | 0 | 626 | 2,117 | POSEIDON |
| 129,878 | 783 | 641 | 482 | 544 | 0 | 38,662 | 41,112 | 88,766 | QBE (INT) |
| 1,557,751 | 633,134 | 299,345 | 2,400 | 12,162 | 18,929 | 57,355 | 1,023,325 | 534,426 | QBE INS |
| 423,314 | 413,463 | 0 | 49 | 0 | 0 | 7,474 | 420,986 | 2,328 | QBE WC |
| 49,820 | 5,704 | 21,055 | 2,115 | 71 | 0 | 3,844 | 32,789 | 17,031 | RAA-GIO |
| 247,302 | 20,412 | 56,067 | 22,739 | 3,994 | 0 | 0 | 103,212 | 144,090 | RAC INS |
| 17,131 | 1,605 | 8,130 | 1,142 | 648 | 467 | 0 | 11,992 | 5,139 | RACT |
| 474,682 | 58,709 | 149,615 | 11,232 | 12,751 | 0 | 23,392 | 255,699 | 218,983 | RACV GEN |
| 3,419 | 163 | 722 | -19 | 190 | 0 | 53 | 1,109 | 2,310 | REWARD |
| 4,739 | 1,581 | 1,126 | 18 | 329 | 0 | 0 | 3,054 | 1,685 | RURAL |
| 129,132 | 36,136 | 38,851 | 4,258 | 14,288 | 0 | 0 | 93,533 | 35,599 | SGIC |
| 460,931 | 191,380 | 69,378 | 16,651 | 20,320 | 0 | 10,802 | 308,531 | 152,400 | SGIO |
| 54,440 | 3,665 | 2,440 | 1,075 | 888 | 0 | 0 | 8,068 | 46,372 | SUMITOMO |
| 2,707,420 | 1,467,605 | 360,427 | 111,420 | 0 | 21,106 | 187,187 | 2,147,745 | 559,675 | SUNCORP |
| 199,178 | 61,946 | 28,871 | 14,887 | 8,598 | 0 | 13,055 | 127,357 | 71,821 | SYDNEY RE |
| 1,617 | 81 | 270 | 50 | 65 | 69 | 11 | 546 | 1,071 | TAXI |
| 110,835 | 5,495 | 4,004 | 2,312 | 718 | 0 | 935 | 13,464 | 97,371 | TOKIO |
| 65,623 | 22,147 | 13,210 | 1,509 | 5,407 | 0 | 3,011 | 45,284 | 20,339 | TRADE INDE |
| 88,932 | 20,387 | 15,182 | 8,997 | 13,593 | 492 | 0 | 58,651 | 30,281 | TRANSPORT |
| 168,343 | 54,230 | 65,326 | 4,505 | 10,091 | 0 | 0 | 134,152 | 34,191 | WESFARMERS |
| 99,299 | 6,003 | 26,810 | 9,441 | 8,245 | 0 | 0 | 50,499 | 48,800 | WESTERN QB |

| Total Assets | Outstanding Claims Provision | Unearned Premium Provision | Other Provisions | Trade Creditors | Borrowings | Other | Total Liabilities | Net Assets | Company Name |
|--------------|------------------------------|----------------------------|------------------|-----------------|------------|--------|-------------------|------------|--------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | 16 | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| 83,796 | 10,206 | 43,633 | 4,790 | 1,425 | 0 | 2,054 | 62,108 | 21,688 | WESTPAC |
| 67,387 | 33,641 | 11,873 | 734 | 2,360 | 0 | 1,464 | 50,072 | 17,315 | WORLD MAR |
| 12,295 | 122 | 7,388 | 159 | 1,311 | 0 | 34 | 9,014 | 3,281 | WPAC LMI |

**Table 3 ABSTRACT FROM UNDERWRITING AND PROFIT & LOSS ACCOUNT - INSIDE AUSTRALIA
TOTAL PRIVATE SECTOR
COMPANIES BALANCING ON 31 DECEMBER 1997**

| Company Name | Balance Date | Premium Revenue | Outwards Reinsurance Expense | (1) - (2) | Claims Expense | Reinsurance & Other Recoveries | (4) - (5) | Underwriting Expense |
|--------------|--------------|-----------------|------------------------------|-----------|----------------|--------------------------------|-----------|----------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| AAMI | 31/12 | 436,299 | 436,299 | 0 | 434,955 | 434,955 | 0 | 5,109 |
| ADVANTAGE | 31/12 | 503 | 403 | 100 | 41 | 33 | 8 | -105 |
| AM HOME | 31/12 | 173,269 | 71,587 | 101,682 | 165,511 | 88,932 | 76,579 | 26,821 |
| AMER RE | 31/12 | 34,012 | 10,345 | 23,667 | 27,106 | 3,083 | 24,023 | 4,872 |
| AMP GEN | 31/12 | 413,692 | 67,201 | 346,491 | 342,793 | 40,730 | 302,063 | 111,641 |
| AMP WC | 13/12 | 23,328 | 23,328 | 0 | 42,180 | 42,180 | 0 | -2,645 |
| ANSVAR AUS | 31/12 | 31,786 | 9,816 | 21,970 | 22,216 | 7,788 | 14,428 | 5,765 |
| AUS ALLNCE | 31/12 | 100,403 | 10,971 | 89,432 | 51,250 | 8 | 51,242 | 29,530 |
| AUST FAM | 31/12 | 13,954 | 1,242 | 12,712 | 6,539 | 867 | 5,672 | 6,099 |
| CAMIL | 31/12 | 465 | 351 | 114 | 184 | 143 | 41 | 71 |
| CHUBB | 31/12 | 61,343 | 18,709 | 42,634 | 27,744 | 15,118 | 12,626 | 20,698 |
| CIC INS | 31/12 | 496,899 | 80,927 | 415,972 | 373,613 | 27,705 | 345,908 | 169,012 |
| CITICORP | 31/12 | 366 | 2 | 364 | -118 | 0 | -118 | 429 |
| COL MUTUAL | 31/12 | 79,951 | 15,652 | 64,299 | 52,518 | 4,091 | 48,427 | 18,205 |
| COLOGNE RE | 31/12 | 95,264 | 14,974 | 80,290 | 46,646 | 16,717 | 29,929 | 23,751 |
| COMBINED | 31/12 | 49,768 | 0 | 49,768 | 18,131 | 0 | 18,131 | 23,386 |
| COMM UNION | 31/12 | 682,578 | 75,639 | 606,939 | 482,963 | 56,736 | 426,227 | 207,058 |
| COPENHAGEN | 31/12 | 17,174 | 1,784 | 15,390 | 8,576 | -436 | 9,012 | 2,805 |
| CU-AMIC | 31/12 | 10,215 | 2,228 | 7,987 | 3,000 | 1,497 | 1,503 | 5,235 |
| CUMIS | 31/12 | 32,348 | 2,046 | 30,302 | 18,994 | -227 | 19,221 | 8,358 |
| CUWRK INS | 31/12 | 18,286 | 18,286 | 0 | 34,871 | 34,871 | 0 | -607 |
| EMPLOY RE | 31/12 | 32,665 | 2,941 | 29,724 | 21,545 | 0 | 21,545 | 4,821 |
| FIRST AMER | 31/12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FM INS | 31/12 | 31,494 | 15,161 | 16,333 | 3,684 | 237 | 3,447 | 10,732 |
| GCRA | 31/12 | 150,573 | 63,034 | 87,539 | 111,273 | 50,675 | 60,598 | 22,069 |
| GE CAPITAL | 31/12 | 279 | 0 | 279 | 29 | 0 | 29 | 0 |
| GERLING AU | 31/12 | 81,780 | 18,752 | 63,028 | 47,186 | 7,300 | 39,886 | 17,471 |
| GERLING DI | 31/12 | 24,739 | 16,631 | 8,108 | 21,942 | 14,814 | 7,128 | 4,251 |
| HALLMARK | 31/12 | 28,356 | 636 | 27,720 | 19,136 | 1,921 | 17,215 | 8,678 |
| HANNOVER | 31/12 | 124,997 | 16,382 | 108,615 | 111,990 | 230 | 111,760 | 34,377 |
| HEATH U/W | 31/12 | -256 | 0 | -256 | -648 | -180 | -468 | 0 |
| HIH CAS | 31/12 | 512,699 | 141,068 | 371,631 | 526,441 | 184,339 | 342,102 | 55,744 |
| HIH WC | 31/12 | 148,383 | 148,383 | 0 | 227,508 | 227,508 | 0 | 0 |
| HLIC | 31/12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KEMPER INS | 31/12 | 1,696 | 1,228 | 468 | 374 | 379 | -5 | 228 |
| KEMPER RE | 31/12 | 14,106 | 2,084 | 12,022 | 9,365 | 616 | 8,749 | 2,534 |
| LA MUT | 31/12 | 2,896 | 1,073 | 1,823 | 1,071 | 0 | 1,071 | 595 |
| M AND G RE | 31/12 | 25,542 | 3,956 | 21,586 | 63,375 | 8,346 | 55,029 | 6,526 |
| MDU | 31/12 | 1,667 | 1,568 | 99 | 1,800 | 1,748 | 52 | 0 |
| MGICA92 | 31/12 | 2,673 | 2,672 | 1 | 2,248 | 2,712 | -464 | 0 |
| MUNICH AUS | 31/12 | 244,846 | 174,127 | 70,719 | 156,469 | 99,350 | 57,119 | 18,536 |
| MUNICIPAL | 31/12 | 0 | 0 | 0 | -5,215 | -7,000 | 1,785 | 0 |
| MUT COMM | 31/12 | 38,075 | 2,475 | 35,600 | 24,929 | 3,865 | 21,064 | 11,622 |
| NAC RE | 31/12 | 5,944 | 1,431 | 4,513 | 3,488 | 107 | 3,381 | 635 |
| NEWCAPRE | 31/12 | 1,814 | 1,014 | 800 | 565 | 367 | 198 | 254 |
| NRG LONDON | 31/12 | 11 | 0 | 11 | -2,766 | 0 | -2,766 | 289 |
| NRG VIC | 31/12 | 555 | 1 | 554 | 145 | 533 | -388 | 64 |

| Underwriting Result | Investment Revenue | General & Administration Expenses | Profit/Loss from Insurance Business | Profit/Loss from other business | Profit/Loss before extra items and income tax | Profit/Loss after income tax | Profit/Loss after extra items and income tax | Company Name |
|------------------------|-----------------------|---|---|---------------------------------------|--|------------------------------------|---|-----------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| -5,109 | 5,201 | 0 | 92 | 0 | 92 | 28 | 28 | AAMI |
| 197 | 242 | 337 | 102 | 0 | 102 | 55 | 55 | ADVANTAGE |
| -1,718 | 21,510 | 5,882 | 13,910 | 0 | 13,910 | 13,910 | 13,910 | AM HOME |
| -5,228 | 15,327 | 5,469 | 4,630 | 0 | 4,630 | 4,630 | 4,630 | AMER RE |
| -67,213 | 69,873 | 49,354 | -46,694 | 0 | -46,694 | -27,031 | -27,031 | AMP GEN |
| 2,645 | 283 | 2,928 | 0 | 0 | 0 | 0 | 0 | AMP WC |
| 1,777 | 1,717 | 736 | 2,758 | 0 | 2,758 | 1,937 | 1,937 | ANSVAR AUS |
| 8,660 | 7,993 | 0 | 16,653 | 0 | 16,653 | 10,657 | 10,657 | AUS ALLNCE |
| 941 | 208 | 808 | 341 | 0 | 341 | 157 | 157 | AUST FAM |
| 2 | 244 | 0 | 246 | 0 | 246 | 168 | 168 | CAMIL |
| 9,310 | 14,411 | 526 | 23,195 | 0 | 23,195 | 14,790 | 14,790 | CHUBB |
| -98,948 | 60,364 | 0 | -38,584 | 0 | -38,584 | -26,889 | -26,889 | CIC INS |
| 53 | 1,402 | 32 | 1,423 | 0 | 1,423 | 911 | 911 | CITICORP |
| -2,333 | 7,441 | 0 | 5,108 | 0 | 5,108 | 3,341 | 3,341 | COL MUTUAL |
| 26,610 | 18,116 | 6,348 | 38,378 | 0 | 38,378 | 30,491 | 30,491 | COLOGNE RE |
| 8,251 | 6,202 | 45 | 14,408 | 0 | 14,408 | 7,841 | 7,841 | COMBINED |
| -26,346 | 80,613 | 5,798 | 48,469 | 0 | 48,469 | 40,210 | 40,210 | COMM UNION |
| 3,573 | 5,613 | 2,312 | 6,874 | 0 | 6,874 | 4,753 | 4,753 | COPENHAGEN |
| 1,249 | 8,654 | 0 | 9,903 | 0 | 9,903 | 6,377 | 6,377 | CU-AMIC |
| 2,723 | 6,900 | 6,187 | 3,436 | 0 | 3,436 | 1,918 | 1,918 | CUMIS |
| 607 | 108 | 0 | 715 | 0 | 715 | 456 | 456 | CUWRK INS |
| 3,358 | 9,052 | 5,358 | 7,052 | 0 | 7,052 | 7,713 | 7,713 | EMPLOY RE |
| 0 | 174 | 1,167 | -993 | 0 | -993 | -993 | -993 | FIRST AMER |
| 2,154 | 971 | 1,540 | 1,585 | 1,327 | 2,912 | 2,441 | 2,441 | FM INS |
| 4,872 | 55,933 | 3,540 | 57,265 | 0 | 57,265 | 39,593 | 39,593 | GCRA |
| 250 | 142 | 1,375 | -983 | 0 | -983 | -983 | -983 | GE CAPITAL |
| 5,671 | 16,488 | 3,035 | 19,124 | 0 | 19,124 | 13,089 | 13,089 | GERLING AU |
| -3,271 | 2,584 | 223 | -910 | 0 | -910 | -1,012 | -1,012 | GERLING DI |
| 1,827 | 4,500 | 58 | 6,269 | 0 | 6,269 | 4,032 | 4,032 | HALLMARK |
| -37,522 | 20,205 | 991 | -18,308 | 0 | -18,308 | -19,497 | -19,497 | HANNOVER |
| 212 | 4 | 10 | 206 | 0 | 206 | -353 | -353 | HEATH U/W |
| -26,215 | 69,589 | 2,472 | 40,902 | 2,563 | 43,465 | 49,037 | 49,037 | HIH CAS |
| 0 | 229 | 0 | 229 | 69 | 298 | 191 | 191 | HIH WC |
| 0 | 428 | 780 | -352 | 0 | -352 | -352 | -352 | HLIC |
| 245 | 769 | 150 | 864 | 0 | 864 | 578 | 578 | KEMPER INS |
| 739 | 3,387 | 399 | 3,727 | 0 | 3,727 | 1,868 | 1,868 | KEMPER RE |
| 157 | 1,396 | 230 | 1,323 | 0 | 1,323 | 844 | 844 | LA MUT |
| -39,969 | 13,988 | 262 | -26,243 | 0 | -26,243 | -28,609 | -28,609 | M AND G RE |
| 47 | 109 | 454 | -298 | 0 | -298 | -298 | -298 | MDU |
| 465 | 126 | 130 | 461 | 0 | 461 | 334 | 334 | MGICA92 |
| -4,936 | 14,711 | 4,676 | 5,099 | 0 | 5,099 | 980 | 980 | MUNICH AUS |
| -1,785 | 35 | -23 | -1,727 | 0 | -1,727 | -1,727 | -1,727 | MUNICIPAL |
| 2,914 | 1,508 | 15 | 4,407 | 0 | 4,407 | 2,817 | 2,817 | MUT COMM |
| 497 | 1,386 | 1,802 | 81 | 0 | 81 | -421 | -421 | NAC RE |
| 348 | 22,493 | 5,135 | 17,706 | 0 | 17,706 | 17,706 | 17,706 | NEWCAPRE |
| 2,488 | 15,486 | 216 | 17,758 | 0 | 17,758 | 11,333 | 11,333 | NRG LONDON |
| 878 | 17,444 | 759 | 17,563 | 0 | 17,563 | 11,665 | 11,665 | NRG VIC |

| Company Name | Balance Date | Premium Revenue | Outwards Reinsurance Expense | (1) - (2) | Claims Expense | Reinsurance & Other Recoveries | (4) - (5) | Underwriting Expense |
|--------------|--------------|-----------------|------------------------------|-----------|----------------|--------------------------------|-----------|----------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| NW RE | 31/12 | 79 | -77 | 156 | -4,911 | -4,512 | -399 | 45 |
| NZI AUST | 31/12 | 512,688 | 54,244 | 458,444 | 400,779 | 66,492 | 334,287 | 146,648 |
| NZI WC | 31/12 | 66,280 | 66,280 | 0 | 105,364 | 105,364 | 0 | 0 |
| ODYSSEY RE | 31/12 | 4 | 1 | 3 | -402 | -167 | -235 | 0 |
| PLMI | 31/12 | 68 | 61 | 7 | 0 | 0 | 0 | -12 |
| RACQ-GIO | 31/12 | 120,910 | 6,929 | 113,981 | 89,793 | 12,224 | 77,569 | 24,115 |
| REAC | 31/12 | 12,113 | 5,475 | 6,638 | 8,115 | 3,236 | 4,879 | 1,827 |
| SARIAL | 31/12 | 900,697 | 97,852 | 802,845 | 686,789 | 64,814 | 621,975 | 215,929 |
| SARMIL | 31/12 | 20,303 | 1,585 | 18,718 | 7,628 | 199 | 7,429 | 7,631 |
| SCOR RE AS | 31/12 | 14,007 | 5,232 | 8,775 | 3,415 | -663 | 4,078 | 3,240 |
| SKANDIA | 31/12 | 2 | 0 | 2 | -863 | 2 | -865 | 326 |
| ST PAUL RE | 31/12 | 24,997 | 1,335 | 23,662 | 24,763 | 1,030 | 23,733 | 476 |
| SUN CORP | 31/12 | 32,355 | 32,355 | 0 | 77,323 | 77,323 | 0 | 189 |
| SUNDERLAND | 31/12 | 11,934 | 2,019 | 9,915 | 8,757 | 1,815 | 6,942 | 2,387 |
| SWANN INS | 31/12 | 79,771 | 283 | 79,488 | 48,802 | 4,546 | 44,256 | 32,750 |
| SWI RE AUS | 31/12 | 192,350 | 91,484 | 100,866 | 115,982 | 52,861 | 63,121 | 38,053 |
| SWISS RE | 31/12 | 98,656 | 23,620 | 75,036 | 55,473 | 10,828 | 44,645 | 26,777 |
| TGI AUST | 31/12 | 3,258 | 11 | 3,247 | 1,285 | 225 | 1,060 | 1,222 |
| UAP | 31/12 | 74,486 | 14,848 | 59,638 | 64,661 | 18,777 | 45,884 | 19,027 |
| UAP AUST | 31/12 | -162 | -224 | 62 | -638 | -263 | -375 | 18 |
| UNION RE | 31/12 | 21,476 | 1,680 | 19,796 | 11,165 | 0 | 11,165 | 6,346 |
| VACC | 31/12 | 290,961 | 28,610 | 262,351 | 241,397 | 29,593 | 211,804 | 56,901 |
| VACC WORK | 31/12 | 20,996 | 20,996 | 0 | 28,439 | 28,439 | 0 | 0 |
| WESTERN LE | 31/12 | 248 | 223 | 25 | 13 | 11 | 2 | -33 |
| YASUDA | 31/12 | 6,165 | 1,203 | 4,962 | 3,480 | 659 | 2,821 | 1,491 |
| ZURICH AUS | 31/12 | 524,280 | 68,718 | 455,562 | 439,302 | 72,171 | 367,131 | 155,266 |
| ZURICH WC | 31/12 | 23,476 | 23,476 | 0 | 45,582 | 45,582 | 0 | 0 |

| Underwriting Result | Investment Revenue | General & Administration Expenses | Profit/Loss from Insurance Business | Profit/Loss from other business | Profit/Loss before extra items and income tax | Profit/Loss after income tax | Profit/Loss after extra items and income tax | Company Name |
|------------------------|-----------------------|---|---|---------------------------------------|--|------------------------------------|---|-----------------|
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| 510 | 2,903 | 163 | 3,250 | 0 | 3,250 | 2,097 | 2,097 | NW RE |
| -22,491 | 95,423 | 1,972 | 70,960 | 0 | 70,960 | 70,960 | 70,960 | NZI AUST |
| 0 | 7,452 | 5,884 | 1,568 | 0 | 1,568 | 1,568 | 1,568 | NZI WC |
| 238 | 282 | 30 | 490 | 0 | 490 | 490 | 490 | ODYSSEY RE |
| 19 | 124 | 122 | 21 | 0 | 21 | 5 | 5 | PLMI |
| 12,297 | 11,868 | 270 | 23,895 | 0 | 23,895 | 16,306 | 16,306 | RACQ-GIO |
| -68 | 30,710 | 15,937 | 14,705 | 0 | 14,705 | -12,836 | -12,836 | REAC |
| -35,059 | 126,563 | 4,737 | 86,767 | 0 | 86,767 | 76,736 | 76,736 | SARIAL |
| 3,658 | 13,272 | 0 | 16,930 | 0 | 16,930 | 10,895 | 10,895 | SARMIL |
| 1,457 | 4,584 | 2,099 | 3,942 | 0 | 3,942 | 2,589 | 2,589 | SCOR RE AS |
| 541 | 0 | 0 | 541 | 0 | 541 | 541 | 541 | SKANDIA |
| -547 | 2,830 | 404 | 1,879 | 0 | 1,879 | 1,224 | 1,224 | ST PAUL RE |
| -189 | 384 | 0 | 195 | 0 | 195 | 125 | 125 | SUN CORP |
| 586 | 277 | 147 | 716 | 0 | 716 | 716 | 716 | SUNDERLAND |
| 2,482 | 12,218 | 290 | 14,410 | 0 | 14,410 | 9,107 | 9,107 | SWANN INS |
| -308 | 172,369 | 5,028 | 167,033 | 0 | 167,033 | 109,500 | 109,500 | SWI RE AUS |
| 3,614 | 36,677 | 616 | 39,675 | -2,000 | 37,675 | 29,000 | 29,000 | SWISS RE |
| 965 | 7,791 | 702 | 8,054 | 0 | 8,054 | 5,052 | 5,052 | TGI AUST |
| -5,273 | 10,547 | 4,138 | 1,136 | 0 | 1,136 | 1,136 | 1,136 | UAP |
| 419 | 2,733 | 315 | 2,837 | 0 | 2,837 | 1,764 | 1,764 | UAP AUST |
| 2,285 | 5,740 | 543 | 7,482 | 0 | 7,482 | 4,180 | 4,180 | UNION RE |
| -6,354 | 42,125 | 18,979 | 16,792 | 0 | 16,792 | 16,792 | 16,792 | VACC |
| 0 | 2,452 | 1,581 | 871 | 0 | 871 | 595 | 595 | VACC WORK |
| 56 | 186 | 206 | 36 | 0 | 36 | 11 | 11 | WESTERN LE |
| 650 | 651 | 236 | 1,065 | 0 | 1,065 | 735 | 735 | YASUDA |
| -66,835 | 82,438 | 0 | 15,603 | 0 | 15,603 | 14,187 | 14,187 | ZURICH AUS |
| 0 | 2,168 | 2,168 | 0 | 0 | 0 | 0 | 0 | ZURICH WC |

**TABLE 4 ABSTRACT FROM ASSETS AND LIABILITIES - INSIDE AUSTRALIA
TOTAL PRIVATE SECTOR
COMPANIES BALANCING ON 31 DECEMBER 1997**

| Company Name | Balance Date | Investments | Other Assets | Total Assets | Unearned Premium Provision | Outstanding Claims Provision | Other Liabilities | Total Liabilities |
|--------------|--------------|-------------|--------------|--------------|----------------------------|------------------------------|-------------------|-------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| AAMI | 31/12 | 28,318 | 689,248 | 717,566 | 236,464 | 413,708 | 65,183 | 715,355 |
| ADVANTAGE | 31/12 | 6,995 | 7,349 | 14,344 | 8,745 | 41 | 3,033 | 11,819 |
| AM HOME | 31/12 | 122,419 | 141,972 | 264,391 | 77,970 | 163,421 | 40,023 | 281,414 |
| AMER RE | 31/12 | 158,364 | 27,791 | 186,155 | 16,033 | 70,309 | 14,174 | 100,516 |
| AMP GEN | 31/12 | 819,388 | 421,498 | 1,240,886 | 209,101 | 689,283 | 177,220 | 1,075,606 |
| AMP WC | 13/12 | 2,851 | 93,887 | 96,738 | 11,908 | 80,554 | 2,276 | 94,738 |
| ANSVAR AUS | 31/12 | 30,229 | 11,072 | 41,301 | 17,080 | 15,630 | 5,773 | 38,483 |
| AUS ALLNCE | 31/12 | 87,076 | 31,563 | 118,639 | 57,595 | 13,500 | 12,182 | 83,277 |
| AUST FAM | 31/12 | 2,127 | 10,974 | 13,101 | 4,853 | 2,653 | 2,903 | 10,409 |
| CAMIL | 31/12 | 4,890 | 6,995 | 11,885 | 8,234 | 143 | 1,315 | 9,692 |
| CHUBB | 31/12 | 133,085 | 47,850 | 180,935 | 35,105 | 110,233 | 17,763 | 163,101 |
| CIC INS | 31/12 | 628,832 | 364,809 | 993,641 | 218,578 | 537,960 | 75,368 | 831,906 |
| CITICORP | 31/12 | 17,436 | 372 | 17,808 | 875 | 1,752 | 659 | 3,286 |
| COL MUTUAL | 31/12 | 108,494 | 38,462 | 146,956 | 37,924 | 49,854 | 30,151 | 117,929 |
| COLOGNE RE | 31/12 | 285,848 | 54,029 | 339,877 | 21,620 | 126,051 | 56,284 | 203,955 |
| COMBINED | 31/12 | 70,855 | 7,982 | 78,837 | 11,894 | 35,167 | 7,971 | 55,032 |
| COMM UNION | 31/12 | 855,191 | 621,686 | 1,476,877 | 347,379 | 565,430 | 164,615 | 1,077,424 |
| COPENHAGEI | 31/12 | 73,286 | 7,770 | 81,056 | 6,942 | 23,551 | 3,158 | 33,651 |
| CU-AMIC | 31/12 | 97,115 | 17,416 | 114,531 | 22,649 | 8,361 | 7,496 | 38,506 |
| CUMIS | 31/12 | 55,898 | 26,549 | 82,447 | 34,913 | 14,297 | 6,936 | 56,146 |
| CUWRK INS | 31/12 | 2,000 | 91,368 | 93,368 | 10,665 | 72,219 | 7,905 | 90,789 |
| EMPLOY RE | 31/12 | 94,168 | 17,390 | 111,558 | 15,015 | 26,492 | 4,762 | 46,269 |
| FIRST AMER | 31/12 | 2,930 | 547 | 3,477 | 0 | 0 | 587 | 587 |
| FM INS | 31/12 | 15,454 | 8,637 | 24,091 | 7,104 | 1,851 | 4,020 | 12,975 |
| GCRA | 31/12 | 492,083 | 193,663 | 685,746 | 50,017 | 250,284 | 66,253 | 366,554 |
| GE CAPITAL | 31/12 | 2,190 | 311 | 2,501 | 0 | 29 | 278 | 307 |
| GERLING AU | 31/12 | 182,269 | 42,466 | 224,735 | 36,620 | 93,901 | 26,148 | 156,669 |
| GERLING DI | 31/12 | 28,035 | 33,493 | 61,528 | 15,030 | 19,169 | 9,514 | 43,713 |
| HALLMARK | 31/12 | 52,396 | 12,140 | 64,536 | 29,462 | 12,719 | 4,259 | 46,440 |
| HANNOVER | 31/12 | 240,947 | 51,571 | 292,518 | 32,175 | 214,997 | 17,371 | 264,543 |
| HEATH U/W | 31/12 | 2,272 | 18,880 | 21,152 | 0 | 11,169 | 4,521 | 15,690 |
| HIH CAS | 31/12 | 1,029,732 | 841,251 | 1,870,983 | 225,722 | 844,290 | 195,526 | 1,265,538 |
| HIH WC | 31/12 | 23,756 | 790,336 | 814,092 | 70,148 | 665,098 | 54,515 | 789,761 |
| HLIC | 31/12 | 181,816 | 2,262 | 184,078 | 2,800 | 0 | 4,120 | 6,920 |
| KEMPER INS | 31/12 | 9,251 | 1,534 | 10,785 | 812 | 2,099 | 923 | 3,834 |
| KEMPER RE | 31/12 | 42,528 | 4,876 | 47,404 | 3,608 | 24,145 | 2,676 | 30,429 |
| LA MUT | 31/12 | 14,794 | 1,075 | 15,869 | 1,081 | 2,580 | 699 | 4,360 |
| M AND G RE | 31/12 | 131,422 | 9,332 | 140,754 | 2,722 | 127,598 | 4,161 | 134,481 |
| MDU | 31/12 | 8,181 | 5,746 | 13,927 | 4,224 | 1,800 | 5,701 | 11,725 |
| MGICA92 | 31/12 | 39,782 | 8,325 | 48,107 | 3,568 | 6,848 | 3,550 | 13,966 |
| MUNICH AUS | 31/12 | 509,945 | 321,186 | 831,131 | 68,917 | 332,087 | 316,134 | 717,138 |

| Company Name | Balance Date | Investments | Other Assets | Total Assets | Unearned Premium Provision | Outstanding Claims Provision | Other Liabilities | Total Liabilities |
|--------------|--------------|-------------|--------------|--------------|----------------------------|------------------------------|-------------------|-------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| MUNICIPAL | 31/12 | 33,155 | 111 | 33,266 | 0 | 20,027 | 47 | 20,074 |
| MUT COMM | 31/12 | 26,762 | 18,699 | 45,461 | 17,202 | 7,488 | 6,881 | 31,571 |
| NAC RE | 31/12 | 14,327 | 4,565 | 18,892 | 3,423 | 3,845 | 610 | 7,878 |
| NEWCAPRE | 31/12 | 2,911 | 22,736 | 25,647 | 2,602 | 565 | 1,356 | 4,523 |
| NRG LONDON | 31/12 | 120,312 | 1,737 | 122,049 | 0 | 32,644 | 9,755 | 42,399 |
| NRG VIC | 31/12 | 135,420 | 2,260 | 137,680 | 0 | 38,562 | 19,630 | 58,192 |
| NW RE | 31/12 | 30,149 | 5,038 | 35,187 | 0 | 17,384 | 3,508 | 20,892 |
| NZI AUST | 31/12 | 1,004,065 | 216,058 | 1,220,123 | 247,416 | 629,028 | 133,559 | 1,010,003 |
| NZI WC | 31/12 | 7,400 | 319,509 | 326,909 | 31,958 | 281,592 | 7,167 | 320,717 |
| ODYSSEY RE | 31/12 | 5,125 | 937 | 6,062 | 0 | 1,802 | 49 | 1,851 |
| PLMI | 31/12 | 3,073 | 1,253 | 4,326 | 1,209 | 0 | 618 | 1,827 |
| RACQ-GIO | 31/12 | 139,810 | 9,513 | 149,323 | 59,109 | 16,966 | 19,036 | 95,111 |
| REAC | 31/12 | 389,880 | 35,588 | 425,468 | 5,181 | 13,302 | 52,352 | 70,835 |
| SARIAL | 31/12 | 1,166,741 | 683,781 | 1,850,522 | 453,897 | 839,344 | 132,584 | 1,425,825 |
| SARMIL | 31/12 | 134,234 | 24,408 | 158,642 | 79,434 | 8,662 | 4,716 | 92,812 |
| SCOR RE AS | 31/12 | 39,528 | 6,563 | 46,091 | 5,841 | 21,221 | 9,496 | 36,558 |
| SKANDIA | 31/12 | 24,963 | 176 | 25,139 | 0 | 10,979 | 257 | 11,236 |
| ST PAUL RE | 31/12 | 36,818 | 1,030 | 37,848 | 1,627 | 24,193 | 1,934 | 27,754 |
| SUN CORP | 31/12 | 4,284 | 139,876 | 144,160 | 17,703 | 119,651 | 2,932 | 140,286 |
| SUNDERLANE | 31/12 | 8,919 | 5,890 | 14,809 | 4,529 | 6,226 | 1,434 | 12,189 |
| SWANN INS | 31/12 | 122,129 | 50,515 | 172,644 | 92,231 | 25,074 | 16,583 | 133,888 |
| SWI RE AUS | 31/12 | 807,652 | 260,880 | 1,068,532 | 97,807 | 346,154 | 128,822 | 572,783 |
| SWISS RE | 31/12 | 384,201 | 41,945 | 426,146 | 45,241 | 151,917 | 11,852 | 209,010 |
| TGI AUST | 31/12 | 107,474 | 5,113 | 112,587 | 2,886 | 10,545 | 29,343 | 42,774 |
| UAP | 31/12 | 89,779 | 64,103 | 153,882 | 41,958 | 50,119 | 15,560 | 107,637 |
| UAP AUST | 31/12 | 21,462 | 7,326 | 28,788 | 0 | 6,881 | 1,306 | 8,187 |
| UNION RE | 31/12 | 47,878 | 6,624 | 54,502 | 10,951 | 15,700 | 4,527 | 31,178 |
| VACC | 31/12 | 542,881 | 211,908 | 754,789 | 207,185 | 382,851 | 27,935 | 617,971 |
| VACC WORK | 31/12 | 3,488 | 73,373 | 76,861 | 10,931 | 61,167 | 1,019 | 73,117 |
| WESTERN LE | 31/12 | 3,891 | 3,477 | 7,368 | 3,642 | 13 | 1,207 | 4,862 |
| YASUDA | 31/12 | 27,328 | 2,744 | 30,072 | 2,002 | 5,142 | 2,403 | 9,547 |
| ZURICH AUS | 31/12 | 1,046,132 | 306,805 | 1,352,937 | 276,430 | 665,360 | 92,261 | 1,034,051 |
| ZURICH WC | 31/12 | 2,166 | 90,506 | 92,672 | 13,083 | 77,067 | 1,509 | 91,659 |
| | | 13,228,985 | 7,710,710 | 20,939,695 | 3,701,030 | 9,522,744 | 2,170,354 | 15,394,130 |

**Table 5.1 CLASSIFICATION OF INSURANCE ORGANISATIONS
as at June 1998 (Bodies Corporate authorised to carry on insurance
business under the Insurance Act)**

| Company Name | Abbreviated Name | | Date Authorised |
|--|------------------|-------|-----------------|
| A.F.G. Insurances Limited | AFG | | 17/12/75 |
| A.M.P. General Insurance Limited | AMP GEN | | 17/12/75 |
| ADFA Insurance Pty Ltd | ADFAI | [s37] | 11/08/95 |
| AMP Workers' Compensation Services (VIC) Limited | AMP WC | | 24/06/93 |
| ANZ General Insurance Pty Limited | ANZ GENERA | | 12/11/96 |
| ANZ Lenders Mortgage Insurance Pty Limited | ANZLMI | [M] | 16/10/85 |
| Advantage Lenders Mortgage Insurance Pty Limited | ADVANTAGE | [M] | 19/12/96 |
| American Home Assurance Company | AM HOME | | 20/05/77 |
| American International Assurance Company (Australia) Ltd | AMER INT | | 3/02/76 |
| American Re-Insurance Company | AMER RE | | 20/12/79 |
| Ansvar Australia Insurance Limited | ANSVAR AUS | | 26/02/76 |
| Australasian Medical Insurance Limited | AUST MED | | 11/04/89 |
| Australia Pacific Professional Indemnity Insurance Company Ltd | APPIIL | | 8/03/96 |
| Australian Alliance Insurance Company Limited | AUS ALLNCE | | 1/07/86 |
| Australian Associated Motor Insurers Limited | AAMI | | 19/05/76 |
| Australian Family Assurance Limited | AUST FAM | | 28/04/86 |
| Australian General Insurance Company Limited | AUS GEN | | 26/06/82 |
| Australian Unity General Insurance Limited | AUST UNITY | | 20/01/76 |
| B.H.P. Marine & General Insurances Proprietary Limited | BHP MARINE | [C] | 23/06/76 |
| Barristers' Sickness and Accident Fund Pty Limited | BARRISTERS | [s37] | 30/09/75 |
| Beneficial Insurance Company Limited | BENEFICIAL | [M] | 2/06/87 |
| Boral Insurance Limited | BORAL | [C] | 20/01/76 |
| C.E. Heath Underwriting and Insurance (Australia) Pty Limited | HEATH U/W | | 23/06/76 |
| CIC Insurance Limited | CIC INS | | 19/05/76 |
| CIGNA Insurance Asia Pacific Limited | CIGNA INS | | 30/11/78 |
| Catholic Church Insurances Limited | CATHOLIC | | 26/05/76 |
| Chiyoda Fire & Marine Insurance Company Limited (The) | CHIYODA | | 9/10/75 |
| Chubb Insurance Company of Australia Limited | CHUBB | | 12/04/89 |
| Citicorp General Insurance Limited | CITICORP | | 2/06/76 |
| Civic Workers Plus Pty Limited | CIVIC | | 18/09/97 |
| Cologne Reinsurance Company | COLOGNE RE | [R] | 11/01/77 |
| Colonial Mutual General Insurance Company Limited | COL MUTUAL | | 24/03/76 |
| Combined Insurance Company of America t/a Combined Insurance Company of Aust. | COMBINED | | 24/03/76 |
| Commercial Alliance Lenders Mortgage Insurance Limited | CALMIL | [M] | 28/05/90 |
| Commercial Union Assurance Company of Australia Limited | COMM UNION | | 17/12/75 |
| Commercial Union Lenders Mortgage Insurance Limited | CULMIL | [M] | 16/10/85 |
| Commercial Union Workers Insurance (VIC) Pty Ltd | CUWRK INS | | 24/06/93 |
| Commonwealth Connect Insurance Limited | COM CONNEC | | 19/05/95 |
| Commonwealth Steamship Insurance Company Proprietary Limited | COMMWEALTH | | 17/12/75 |
| Coselco Insurance Pty Ltd | COSELCO IN | [C] | 3/06/94 |
| Credicorp Insurance Pty Ltd | CREDICORP | | 30/05/95 |
| Cumis Insurance Society Inc | CUMIS | | 9/06/76 |
| Dentists' Sickness and Accident Insurance Pty Limited | DENTISTS | [s37] | 26/02/76 |
| Elders Insurance Limited | ELDERS INS | | 11/03/98 |
| Employers Reinsurance Corporation | EMPLOY RE | [R] | 19/03/96 |

| Company Name | Abbreviated Name | | Date Authorised |
|---|------------------|-----|-----------------|
| Employers' Mutual Indemnity Association Limited | EMPLOY MUT | | 3/03/76 |
| FAI General Insurance Company Limited | FAI GEN | | 29/04/79 |
| FAI Reinsurances Limited | FAI RE | [R] | 19/02/77 |
| FAI Traders Insurance Company Limited | FAI TRADER | | 9/06/76 |
| FAI Workers Compensation (VIC) Pty Ltd | FAI WC | | 24/06/93 |
| FM Insurance Company Limited | FM INS | | 19/12/75 |
| Farmers' Mutual Insurance Association | FARM MIA | | 18/10/94 |
| Farmers' Mutual Insurance Limited | FARM MIL | | 18/10/94 |
| First American Title Insurance Company of Australia Pty Limited | FIRST AMER | | 20/12/96 |
| GE Capital Insurance (Australia) Pty Ltd | GE CAPITAL | | 8/05/96 |
| GE Capital Mortgage Insurance Corporation (Australia) Pty Limited | GEMICO | [M] | 26/03/98 |
| GIO General Limited | GIO GEN | | 16/07/92 |
| GIO Insurance Limited | GIO INS | [R] | 16/07/92 |
| GIO Mortgage Insurance Limited | GIO MORT | [M] | 11/01/94 |
| GIO Workers Compensation (Victoria) Limited | GIO WC | | 24/06/93 |
| General and Cologne Reinsurance Australasia Limited | GCRA | [R] | 30/06/77 |
| Gerling Australia Insurance Company Pty Limited | GERLING DI | | 7/09/95 |
| Gerling Global Reinsurance Company of Australia Pty Limited | GERLING AU | [R] | 5/12/94 |
| Greatlands General Insurance Company Limited | GREATLANDS | | 7/12/88 |
| Guild Insurance Limited | GUILD INS | | 19/05/76 |
| HBF Insurance Pty Ltd | HBF INS | | 19/11/87 |
| HIH Casualty and General Insurance Limited | HIH CAS | | 30/06/76 |
| HIH Winterthur Workers Compensation (Vic) Limited | HIH WC | | 24/06/93 |
| HSB Engineering Insurance Ltd | HSB | [R] | 17/02/98 |
| Hallmark General Insurance Company Ltd | HALLMARK | | 9/06/76 |
| Hannover Re | HANNOVER | [R] | 28/06/85 |
| Housing Loan Insurance Corporation Limited | HLIC | [M] | 15/12/97 |
| Kemper Insurance Company Limited | KEMPER INS | | 2/05/79 |
| Kemper Reinsurance Company | KEMPER RE | [R] | 2/05/79 |
| Key Insurance Company Pty Ltd | KEY | | 1/07/97 |
| Koa Fire and Marine Insurance Company Limited (The) | KOA FIRE | | 3/02/76 |
| La Mutuelle Du Mans Assurances I.A.R.D. | LA MUT | [R] | 12/09/90 |
| Lionheart Insurance Pty Ltd | LIONHEART | | 23/08/95 |
| Lumley General Insurance Limited | LUMLEY GEN | | 31/03/76 |
| MDU Australia Insurance Co Pty Limited | MDU | | 30/05/97 |
| MGICA (1992) Ltd | MGICA92 | [M] | 15/08/85 |
| MGICA Ltd | MGICA | [M] | 30/12/93 |
| MLC Insurance Limited | MLC INSUR | | 23/06/76 |
| MMI General Insurance Limited | MMI GEN | | 23/06/76 |
| MMI Insurance Australia Limited | MIAL | | 24/03/76 |
| MMI Workers Compensation (Victoria) Limited | MMI WC | | 24/06/93 |
| MTQ Insurance Limited | MTQ | | 10/10/95 |
| Master Butchers Limited | MASTER BUT | | 5/05/76 |
| Medical Indemnity Company of WA Pty Ltd | MICWA | | 17/05/93 |
| Mercantile Mutual Health Limited | MERC M HEA | | 17/12/75 |
| Mercantile Mutual Insurance (Australia) Limited | MERC M AUS | | 5/05/76 |
| Mercantile Mutual Insurance (Workers Compensation) Limited | MERC M WC | | 5/05/76 |
| Mercantile Mutual Worksure Limited | MER MUT WC | | 24/06/93 |

| Company Name | Abbreviated Name | | Date Authorised |
|---|------------------|-----|-----------------|
| Mercantile and General Reinsurance Company of Australia Limited (The) | M AND G RE | [R] | 30/06/77 |
| Mitsui Marine and Fire Insurance Company Limited | MITSUMI | | 23/06/76 |
| Motor Accident Mutual Insurance Pty Limited | MAMI | | 20/01/76 |
| Munich Reinsurance Company | MUNICH BCH | [R] | 30/06/78 |
| Munich Reinsurance Company of Australasia Limited | MUNICH AUS | [R] | 30/06/77 |
| Municipal Mutual Insurance Ltd | MUNICIPAL | | 1/06/89 |
| Mutual Community General Insurance Proprietary Limited | MUT COMM | | 10/08/84 |
| N.R.G. London Reinsurance Company Limited | NRG LONDON | [R] | 28/06/77 |
| N.R.M.A. Insurance Limited | NRMA INSUR | | 17/12/75 |
| NAC Reinsurance International Limited | NAC RE | [R] | 23/05/96 |
| NRG Victory Australia Limited | NRG VIC | [R] | 30/06/77 |
| NW Reinsurance Corporation Ltd | NW RE | [R] | 20/08/79 |
| NZI Insurance Australia Limited | NZI AUST | | 15/12/86 |
| NZI Workers Compensation (Victoria) Limited | NZI WC | | 24/06/93 |
| National Insurance Company of New Zealand Limited (The) | NAT OF NZ | | 31/03/76 |
| National Transport Insurance Limited | NAT TRNSPT | | 15/05/86 |
| New Cap Reinsurance Corporation Limited | NEWCAPRE | [R] | 4/11/96 |
| New India Assurance Company Limited (The) | NEW INDIA | [R] | 30/06/77 |
| Nippon Fire & Marine Insurance Company Limited (The) | NIPPON FIR | | 23/06/76 |
| North Insurances Pty Ltd | NORTH | [C] | 13/06/91 |
| OAMPS International Insurances Ltd | OAMPS | | 6/02/87 |
| Odyssey Re (London) Limited | ODYSSEY | | 17/06/76 |
| Optus Insurance Services Pty Limited | OPTUS | | 7/01/81 |
| Orica Insurance Pty Limited | ORICA | [C] | 25/06/98 |
| Permanent LMI Pty Limited | PLMI | [M] | 28/02/97 |
| Poseidon Insurance Company Pty Limited | POSEIDON | | 17/12/75 |
| Professional Indemnity Insurance Company Australia Pty Limited | PIICA | | 19/06/90 |
| Professional Insurance Australia Pty Ltd | PIA | | 1/07/97 |
| QBE Insurance (International) Limited | QBE (INT) | | 30/06/76 |
| QBE Insurance Limited | QBE INS | | 24/03/82 |
| QBE Trade Indemnity Limited | QBE TRADE | | 3/12/81 |
| QBE Workers Compensation (Victoria) Limited | QBE WC | | 24/06/93 |
| R.A.C. Insurance Pty Limited | RAC INS | | 20/01/76 |
| RAA - GIO Insurance Ltd | RAA-GIO | | 29/06/87 |
| RACQ-GIO Insurance Limited | RACQ-GIO | | 24/03/76 |
| RACT Insurance Pty Ltd | RACT | | 30/05/95 |
| RACV Insurance Pty Ltd | RACV GEN | | 26/02/76 |
| Reinsurance Australia Corporation Limited | REAC | [R] | 10/11/93 |
| Reward Insurance Pty Ltd | REWARD | | 16/06/89 |
| Royal & Sun Alliance Insurance Australia Limited | RSAIAL | | 30/06/77 |
| Royal and Sun Alliance Lenders Mortgage Insurance Limited | RSAL(MIL) | [M] | 11/06/80 |
| Royal and Sun Alliance Workers Compensation Limited | SUN COMP | | 24/06/93 |
| Rural & General Insurance Limited | RURAL | | 20/01/76 |
| SGIC General Insurance Limited | SGIC | | 30/11/95 |
| SGIO Insurance Limited | SGIO | | 31/03/94 |
| SSORC Insurance (Qld) Pty Ltd | SSORC | | 15/09/76 |
| Scor Reinsurance Asia-Pacific Pte Limited | SCOR RE AS | [R] | 10/10/95 |
| Skandia International Insurance Corporation | SKANDIA | [R] | 30/12/85 |

| Company Name | Abbreviated Name | Date Authorised |
|--|------------------|-----------------|
| St Andrew's Insurance (Australia) Pty Ltd | ST_AND | 2/12/97 |
| St Paul Fire & Marine Insurance Company | ST PAUL RE | 1/01/97 |
| Sumitomo Marine and Fire Insurance Company Limited (The) | SUMITOMO | 27/04/76 |
| Suncorp General Insurance Limited | SUNCORP | 21/10/96 |
| Sunderland Marine Mutual Insurance Company Limited | SUNDERLAND | 15/11/85 |
| Swann Insurance (Aust) Pty Ltd | SWANN INS | 30/06/76 |
| Swiss Re Australia Ltd | SWI RE AUS [R] | 30/06/77 |
| Swiss Re Italia | SWI RE ITA [R] | 5/09/77 |
| Swiss Reinsurance Company | SWISS RE [R] | 30/06/77 |
| Sydney Reinsurance Company Pty Limited | SYDNEY RE [R] | 24/12/76 |
| TGI Australia Limited | TGI AUST | 11/05/77 |
| Taxi Insurance Co-operative Limited | TAXI [s37] | 16/09/75 |
| The Copenhagen Reinsurance Company Limited | COPENHAGEN [R] | 10/11/95 |
| The Mortgage Insurance Company Pty Ltd | TMIC [M] | 29/06/98 |
| Tokio Marine & Fire Insurance Company Limited (The) | TOKIO | 15/09/76 |
| Transport Industries Insurance Company Limited | TRANSPORT | 20/01/76 |
| UAP Australia Limited | UAP AUST | 1/06/89 |
| Union Reinsurance Company | UNION RE [R] | 28/06/77 |
| Union des Assurances de Paris I.A.R.D | UAP | 22/09/76 |
| VACC Insurance Co Limited | VACC | 28/04/76 |
| VACC Insurance Worksafe Pty Limited | VACC WORK | 24/06/93 |
| Virginia Surety Company Inc | VIRGSURETY | 1/01/98 |
| Wesfarmers Federation Insurance Limited | WESFARMERS | 26/06/82 |
| Western Lenders Mortgage Insurance Company Ltd | WESTERN LE [M] | 13/11/96 |
| Western QBE Insurance Limited | WESTERN QB | 30/12/85 |
| Westpac General Insurance Limited | WESTPAC | 29/03/89 |
| Westpac Lenders Mortgage Insurance Limited | WPAC LMI [M] | 27/09/96 |
| World Marine and General Insurances Limited | WORLD MAR | 23/06/76 |
| Yasuda Fire and Marine Insurance Company Limited (The) | YASUDA | 23/06/76 |
| Zurich Australian Insurance Limited | ZURICH AUS | 19/05/76 |
| Zurich Workers Compensation Victoria Pty Limited | ZURICH WC | 24/06/93 |

| |
|---|
| TABLE 6.1 PROFIT AND LOSS ACCOUNT Life and General Insurance Brokers Accounts Received during the year ended 30 June 1998 |
|---|

| | \$'000 |
|--|----------------|
| Operating Profit from Life Insurance Broking Business | 1,490 |
| Operating Profit from General Insurance Broking Business | 105,585 |
| Operating Profit from Business Other than Insurance Broking Business | 76,275 |
| TOTAL OPERATING PROFIT FROM BUSINESS (Before Tax) | <u>183,350</u> |
| <i>Less</i> Income Tax Expense | 52,090 |
| <i>Plus</i> Extraordinary Items | 759 |
| NET PROFIT FOR THE YEAR | <u>132,019</u> |

| | |
|------------------|--|
| TABLE 6.2 | STATEMENT OF ASSETS AND LIABILITIES Life and General Insurance Brokers Accounts Received during the year ended 30 June 1998 |
|------------------|--|

| | \$'000 |
|--|------------------|
| SHAREHOLDERS FUNDS/PROPRIETORS CAPITAL | |
| Paid-up or contributed capital | 435,278 |
| Reserves or current account | 295,518 |
| TOTAL | 730,797 |
| LIABILITIES | |
| <i>LONG TERM LIABILITIES</i> | |
| Loans, debentures and mortgages | 102,649 |
| Other | 113,397 |
| <i>PROVISIONS</i> | |
| Taxation | 39,776 |
| Dividends | 6,954 |
| Other | 205,771 |
| <i>CURRENT LIABILITIES</i> | |
| Current loans and overdrafts | 112,405 |
| Broking money due to insurers or insureds | 1,103,157 |
| Sundry creditors | 299,452 |
| Other | 2,573,437 |
| TOTAL | 4,556,998 |
| TOTAL PROPRIETORS CAPITAL AND LIABILITIES | 5,287,795 |
| ASSETS | |
| <i>INTANGIBLE ASSETS</i> | |
| | 171,629 |
| <i>FIXED ASSETS</i> | |
| Land and buildings | 45,185 |
| Motor vehicles and office equipment | 87,543 |
| Other | 24,435 |
| <i>INVESTMENTS</i> | |
| Government Securities | 531,570 |
| Shares, Debentures and Notes | 701,621 |
| Deposits and Loans: | |
| Secured | 201,035 |
| Unsecured | 61,214 |
| Related body corporate | 406,509 |
| Other | 737,226 |
| <i>CURRENT ASSETS</i> | |
| Insurance broking account | |
| Bank account and prescribed investments | 656,138 |
| Premiums due | 699,942 |
| Cash | 172,927 |
| Sundry debtors | 305,096 |
| Other | 485,724 |
| TOTAL | 5,287,795 |
| Contingent Liabilities | 47,308 |

| | |
|------------------|--|
| TABLE 6.3 | INSURANCE BROKING ACCOUNT |
| | Life and General Insurance Brokers Accounts |
| | Received during the year ended 30 June 1996 |

| | LIFE | GENERAL |
|--|---------------|------------------|
| | \$'000 | \$'000 |
| A. INSURANCE BROKING ACCOUNT TRANSACTIONS | | |
| TOTAL BROUGHT FORWARD AT BEGINNING OF YEAR | | |
| Insurance Broking Account (bank account) | 1,113 | 266,031 |
| Prescribed Investments | 0 | 303,730 |
| TOTAL | <u>1,113</u> | <u>569,760</u> |
| MONEY RECEIVED DURING YEAR | | |
| From or on behalf of an insured or intending insured for or on account of an insurer | 43,975 | 5,754,563 |
| From or on behalf of an insurer for or on account of an insured or intending insured | 2,565 | 206,765 |
| From the realisation of prescribed investments | 0 | 1,817,872 |
| As a result of deficiency on realisation of prescribed investments | 0 | 1,685 |
| Other | 671 | 89,682 |
| TOTAL | <u>47,210</u> | <u>7,870,567</u> |
| MONEY WITHDRAWN DURING THE YEAR | | |
| For payment to or for an insured or intending insured | 1,859 | 340,351 |
| For payment to broker | 10,100 | 791,070 |
| For payment to or on behalf of an insurer | 33,075 | 4,804,768 |
| For prescribed investments | 0 | 1,783,522 |
| For repayment of moneys paid into the account in error | 454 | 5,344 |
| With consent in writing of the Commissioner | 2 | 25,933 |
| TOTAL | <u>45,489</u> | <u>7,750,988</u> |
| BALANCE OF ACCOUNT AT THE END OF THE YEAR | | |
| Insurance Broking Account (bank account) | 2,834 | 385,609 |
| Prescribed Investments (as per schedule) | 0 | 267,694 |
| TOTAL CARRIED FORWARD AT END OF YEAR | <u>2,834</u> | <u>653,304</u> |

LIFE GENERAL

\$'000 \$'000

B. AGE ANALYSIS OF INSURANCE BROKING ACCOUNT

BALANCE IN RESPECT OF:

LIFE INSURANCE

| | | |
|---|-----|--|
| Amounts due to insurers | 488 | |
| Amounts due to insureds or intending insureds | 58 | |

GENERAL INSURANCE

| | | |
|---|-------|---------|
| Amounts due to insurers: | | |
| 90 days or less | | 500,203 |
| Greater than 90 days | | 17,100 |
| Amounts due to insureds or intending insureds | | 14,134 |
| Amounts held where the risk has not been accepted | | 6,920 |
| Amounts outstanding to the credit of the broker | 2,288 | 109,701 |
| Other | 1 | 5,247 |

| | | |
|--------------|--------------|----------------|
| TOTAL | <u>2,834</u> | <u>653,304</u> |
|--------------|--------------|----------------|

C. AGGREGATE SCHEDULE OF PRESCRIBED INVESTMENTS

| | |
|--|---------|
| Government and semi-government securities | 0 |
| Bank deposits | 182,260 |
| Trustee building society investments | 499 |
| Bank-backed bills of exchange and promissory notes | 74,836 |
| Authorised short-term money market deposits | 4,130 |
| Deposits with cash management trusts | 5,970 |

| | |
|--------------|----------------|
| TOTAL | <u>267,694</u> |
|--------------|----------------|

GLOSSARY OF TERMS

- **captive insurer** is a company within a group of related companies performing the function of insurer to that group.
- **direct premium** is the amount consumers have paid or owe to underwriters for insurance cover.
- **direct underwriters** offer insurance direct to the public. They may also write reinsurance business.
- **expense ratio** - this is the proportion of premium that is paid as underwriting expenses (underwriting expense as a proportion of premium revenue less reinsurance expense).
- **general insurance** embraces all insurance business other than life insurance business and health benefit insurance business. Such business is written by private sector insurers, companies whether (Australian incorporated or branches of overseas entities) who are authorised to carry on insurance business under the provisions of the Insurance Act 1973. General insurance business is also written by public sector insurers not subject to the provisions of the Insurance Act 1973.
- **insurance business in Australia** is that in respect of liabilities in Australia or liabilities to be satisfied in Australia.
- **insurance business outside Australia** is the overseas business of Australian incorporated insurers.
- **inward treaty reinsurance premium** is the consideration in respect of contracts under which the reinsurer is bound to accept liability for an agreed proportion of all insurance of a particular class or classes undertaken by the ceding company.
- **Lloyd's** is a London based insurance market in which business is underwritten by both individuals and corporate members who form syndicates to accept insurance risk.
- **loss ratio** - this is the proportion of premium that is paid as claims (claims expense less reinsurance recoveries as a proportion of premium revenue less reinsurance expense).
- **mortgage insurers** provide cover to protect lenders from default by borrowers on loans secured by mortgage. Mortgage insurers are substantially different from other insurers and are subject to special conditions of authority.

- **premium income** is direct premium plus inward reinsurance premium less outward reinsurance premium and less statutory charges paid. It forms the basis of the statutory solvency margin under which private sector insurers must maintain an excess of assets at market value over liabilities of not less than \$2 million or 20% of premium income, or 15% of outstanding claims, whichever is the greater.
- **premium revenue** is the amount of premium earned during the financial year and includes movements in the unearned premium provision.
- **professional reinsurers** accept underwriting risks from Australian or foreign insurers. It is a specialist company accepting business transferred (or ceded) in connection with a risk or part of a risk from another insurer or reinsurer.
- **s37 insurers** write a limited amount of business for associations.
- **total ratio** - this is the sum of the loss and expense ratios.
- **underwriting result** is the traditional measure for determining the profitability of a general insurer. This is the surplus or the deficit that emerges after reinsurance costs, claims expense and underwriting expenses applicable to a period are deducted from premium revenue. In some respects it is a deficient measure in that it does not have regard to investment earnings arising on insurance funds held.