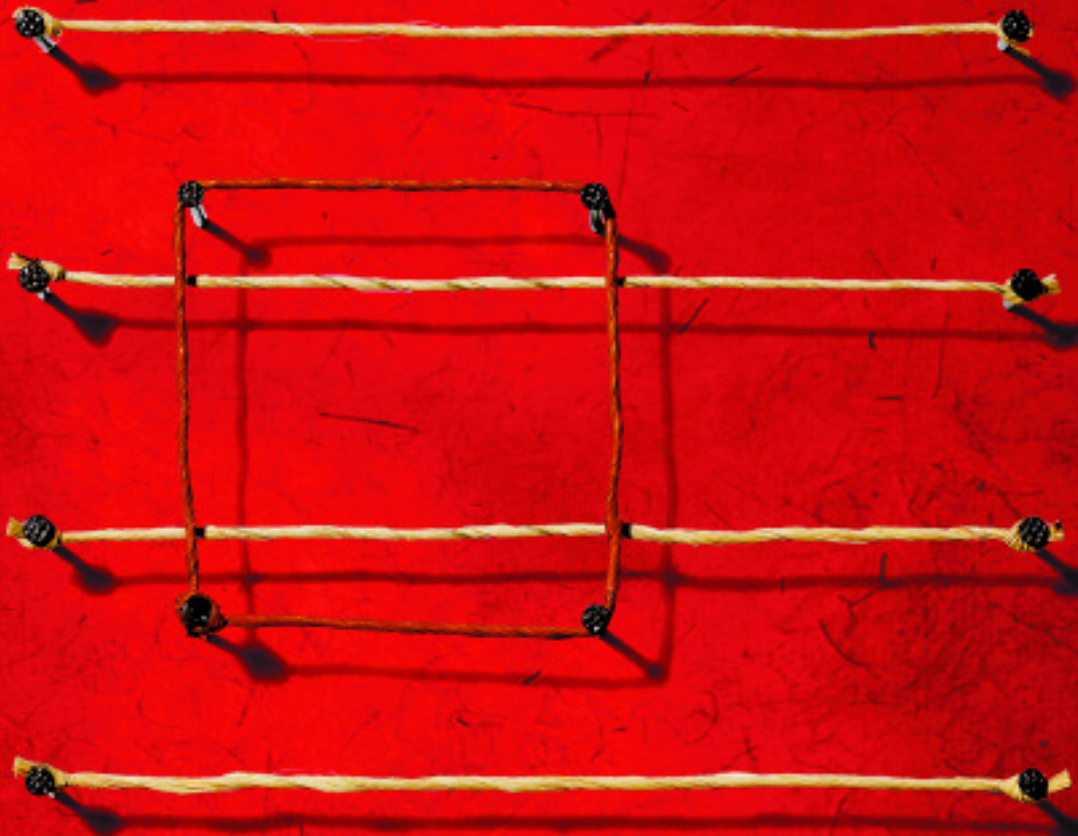




# Statistics

## Half Yearly General Insurance Bulletin

June 2005 (issued 30 March 2006)



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## Forthcoming issues

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

## Notation

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

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

## Glossary and explanatory notes

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data. In particular, these notes help explain differences between the data presented and information publicly released by insurers in their financial statements. The notice following the contents page also provides details in relation to the change in the general insurance reporting framework that took effect on 1 July 2002.

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## Introduction

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

This publication is compiled primarily from information provided to APRA as part of APRA-regulated general insurance companies' prudential reporting requirements.

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

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

The *Half Yearly General Insurance Bulletin* will publish relevant information according to the following key principles and considerations:

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

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

Future issues of this publication will include short editorial information on key industry trends and analysis of key data.

We welcome your feedback and suggestions for improvement.

## Important notice

### Change in the reporting framework

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

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

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

### Reconciliation with Quarterly General Insurance Performance Statistics

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

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

**Different balance dates** - the QGIPS uses insurers year to date data as at the end of each quarter. The Half Yearly General Insurance Bulletin uses annual accounts that correspond to insurers own financial years. Since most insurers balance in June or December, the data in this publication will not align exactly with the period it relates to.

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

## Highlights

### Private insurers

These highlights relate to data used in the tables for private insurers. These data are submitted by licensed general insurers for their respective financial years ended between 1 July 2004 and 30 June 2005.

Specifically, highlights discussed in this section will not reconcile with corresponding figures published in APRA's *Quarterly General Insurance Performance Statistics*. Please see the Important notice for further details.

- General insurance business (i.e. insurance other than life and health insurance) was accepted by 133 private sector insurers, licensed at June 2005. Of these there were 112 direct insurers and 21 reinsurers. These companies are prudentially supervised under the *Insurance Act 1973* (Insurance Act).
- In their financial years ending between July 2004 and June 2005, private insurers reported gross premium revenue of \$27.3 billion. For private insurers, gross premium revenue is recognised fully up-front when the business is accepted, and excludes amounts collected on behalf of third parties i.e. government stamp duty and taxes. Gross premium revenue for private insurers includes levies (e.g. fire service levies) that are considered an expense of the insurer.
- Gross premium revenue for Employers' Liability insurance rose 14.4 per cent from the previous year to \$1.14 billion. Most other classes had modest rises or remained stable, with premium decreases for Professional Indemnity and CTP Motor Vehicle classes.
- A high proportion of gross premium revenue reported by private insurers is written inside Australia and has remained stable over time. In financial years ending between July 2004 and June 2005, private insurers reported 98 per cent of gross premium revenue being accepted inside Australia. This has shown little change to the proportion reported for the 2001/02 year.
- Domestic Motor Vehicle insurance accounts for the largest proportion of gross premium revenue at 21.5 per cent of the national total for direct business. A large portion, 41.0 per cent of the national total for Domestic Motor Vehicle, is accepted for NSW, with the next highest being Victoria at 25.7 per cent.
- New South Wales also dominates commercial classes with 42.5 per cent of Fire and ISR, 40.9 per cent of Public and Product Liability and 49.3 per cent of Professional Indemnity gross premium revenue underwritten in Australia. These classes only account for 11.7 per cent, 8.9 per cent and 6.2 per cent respectively of all direct business written in New South Wales.
- Gross incurred claims reported in financial years ending between July 2004 and June 2005 were \$18.3 billion, with \$17.3 billion (94.8 per cent) made up by claims on direct insurers. Gross incurred claims represent the demands made by the insured for payment of benefits as provided by a general insurance policy. They include claims paid during the period and movements in insurance provisions.
- In their financial years ending between July 2004 and June 2005 private insurers reported underwriting results of \$2.6 billion, down 26.9 per cent on the previous twelve months, although this result represented a 42.9 per cent increase over the result of \$1.8 billion reported in the twelve months to 30 June 2003.

## Highlights (continued)

- The capital position for private sector insurers continues to improve. In terms of risk-based capital measures, the industry's capital coverage is currently 2.34 times the minimum capital requirement, a figure that has been rising since 2003. Although direct comparisons cannot be made prior to June 2003 due to changes in prudential regimes, evidence of a strengthening capital position is also reflected over a longer period with a 64 per cent increase in shareholders' equity over the past five years, from \$14.2 billion to \$23.2 billion.
- In financial year ends between July 2004 and June 2005 private insurers reported total assets of \$77.8 billion, an increase of \$1.6 billion (2.2 per cent) on the previous year. Some \$69.1 billion of assets (89 per cent) are held by direct insurers. Industry assets were offset by total liabilities of \$53.0 billion.

### Public insurers

- General insurance was also written by 14 public sector insurers for the year ended 30 June 2005. These insurers are not subject to the Insurance Act and are not regulated by APRA.
- For the year ended 30 June 2005, total public sector premium revenue was \$9.3 billion. Public insurer premium revenue is deferred and amortised in accordance with AASB 1023 and consequently cannot be directly compared to premiums written by private insurance companies.

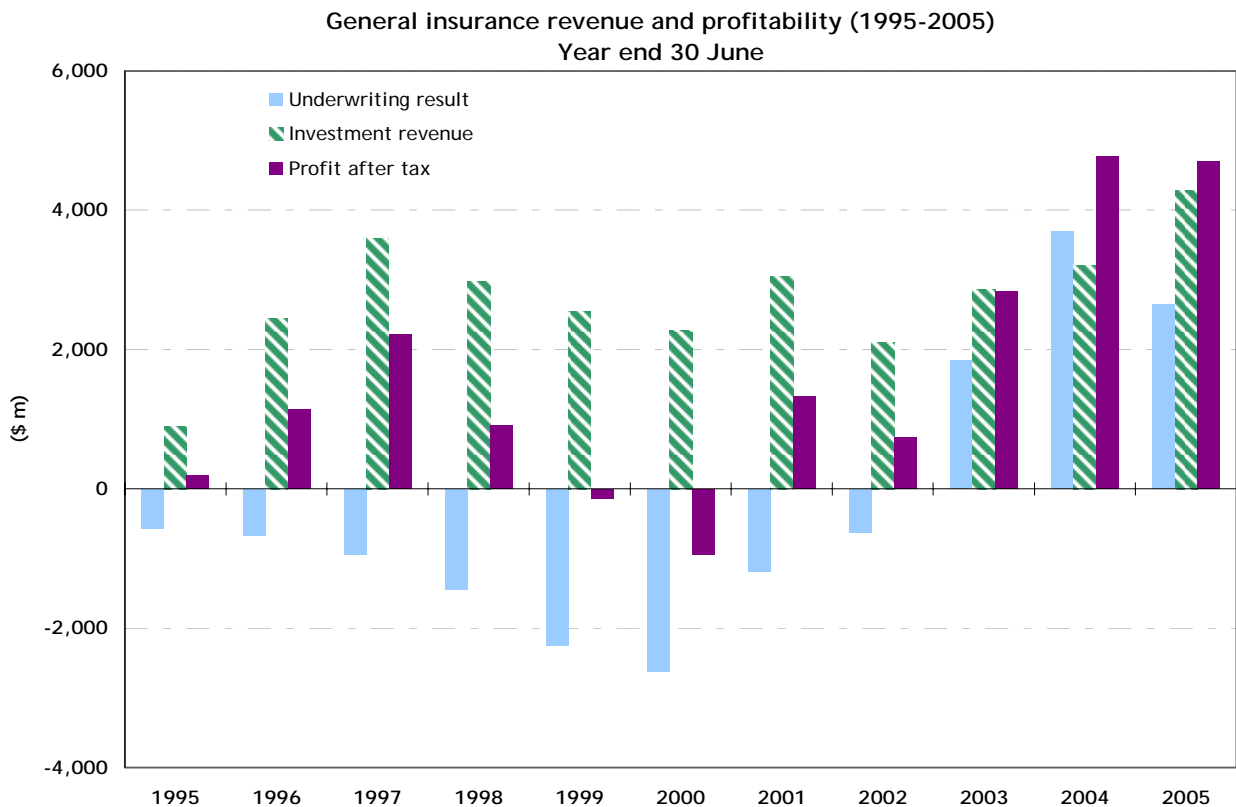
### Lloyd's underwriters

- Lloyd's underwriters (premium income of \$527 million in the year to 31 December 2004) are also authorised to carry on insurance business in Australia. Lloyd's statistical information, which is not directly comparable to private or public sector data, will be separately published in December issues.

## Selected feature - Revenue and profitability

The graph below highlights the pronounced turnaround in profitability for private insurers over the last five years.

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 the insurer may have. Over the past three years, solid underwriting results have coincided with well-performing investment markets to deliver improved profitability for the industry. This followed a long period of underwriting losses when profitability was dependent on investment returns rather than underwriting and claims.



A number of factors explain the improvement in underwriting performance. They include strong premium income, lower claims costs in many insurance lines and lower frequency of claims in almost all classes of business.

## Selected feature - Asset composition

The table below shows the changing structure of assets for private general insurers over the last four years, highlighting industry dependence on third parties.

<b>Trends in asset composition</b>				
Financial years ended in the 12 months to June 2005				
(% of total assets)				
	2005	2004	2003	2002 <sup>a</sup>
Cash and liquid assets	1.8%	1.9%	2.1%	2.6%
Investments	67.1%	66.0%	63.7%	63.6%
Reinsurance recoverables	12.0%	13.3%	14.5%	15.5%
Non-reinsurance recoverables	2.9%	2.8%	2.7%	2.4%
Premium receivables	7.5%	8.0%	8.5%	7.8%
Intangible assets	1.8%	0.7%	0.7%	0.8%
Other assets	6.9%	7.3%	7.8%	7.3%
<b>Total assets (\$ million)</b>	<b>77,801</b>	<b>76,138</b>	<b>73,761</b>	<b>68,361</b>

<sup>a</sup> Data for 2002 are as at September

Reinsurance and non-reinsurance recoverables, as well as premium receivables, currently make up a considerable proportion (22.4 per cent) of industry assets. The asset base of the industry is dependent on the credit standing of these suppliers to the extent of around \$17.5 billion out of a total asset base of \$77.8 billion. The industry has to be able to collect a considerable portion of its available assets from others rather than rely on more liquid assets such as equity investments and interest rate securities. This dependency has reduced as a percentage from over 25.7% three years ago. However, in times of economic stress these assets could come under additional pressure.

There has been a 0.8 per cent decline in the proportion of cash and liquid assets, primarily consisting of money at short call, over the four year period. Investments however have risen over the same period from 63.6 per cent of the industry asset base to 67.1 per cent, primarily due to the increase in holdings of interest bearing securities.

Intangible assets, which are primarily comprised of goodwill, have also increased as a portion of general insurers asset base over the last twelve months, reflecting acquisition/merger activity in the industry.

## Key statistics

Financial years ended in the 12 months to June

Industry at a glance							
	Jun 2005	Jun 2004	Jun 2003 <sup>a</sup>	Jun 2002 <sup>b</sup>	Jun 2001 <sup>b</sup>	Jun 2000 <sup>b</sup>	Jun 1999 <sup>b</sup>
Net premium revenue (\$m)	20,488	20,401	19,412	14,946	13,031	14,347	13,956
Net incurred claims (\$m)	12,736	11,868	12,868	11,463	10,820	13,198	12,361
Underwriting result (\$m)	2,641	3,615	1,848	-630	-1,218	-2,623	-2,251
Investment income (\$m)	4,292	2,951	2,859	2,106	3,047	2,270	2,550
Net profit / loss (\$m)	4,706	4,311	2,832	740	1,275	-981	-156
Net loss ratio	62%	58%	66%	77%	83%	92%	89%
Total assets (\$m)	77,801	76,138	73,761	65,059	57,482	59,920	52,270
Shareholders' equity (\$m)	23,195	21,356	19,696	16,369	14,751	14,155	13,680
Return on assets	6.1%	5.8%	4.1%	1.2%	2.2%	-1.7%	-0.3%
Return on equity	21.1%	21.0%	15.7%	4.8%	8.8%	-7.1%	-1.1%
Solvency coverage	2.34	2.21	2.00	2.34	2.90	2.95	3.54

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

	Jun 2005	Jun 2004	Jun 2003 <sup>c</sup>	Jun 2002 <sup>bd</sup>	Jun 2001 <sup>bd</sup>	Jun 2000 <sup>bd</sup>	Jun 1999 <sup>bd</sup>
Direct business	22,617	22,243		15,542	12,948	14,326	13,284
<i>of which:</i>							
Houseowners/householders	3,250	3,230		2,461	2,201	2,284	2,262
Commercial motor vehicle	1,326	1,306		1,121	959	1,036	919
Domestic motor vehicle	4,776	4,720		3,710	3,276	3,399	3,225
Fire and ISR	2,770	2,780		1,655	1,213	1,279	1,228
CTP motor vehicle	2,429	2,448		1,976	1,635	2,249	2,044
Public and product liability	2,121	2,142		1,001	761	817	780
Professional indemnity	1,351	1,408		556	363	579	574
Employers' liability	1,143	999		873	760	771	496
Other direct classes	3,451	3,211		2,190	1,779	1,911	1,756
Inwards reinsurance	4,717	6,289		2,457	2,240	1,700	730

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

	June 2005						Total
	NSW/ACT	VIC	QLD	SA	WA	Other	
Gross premium revenue	9,701	4,613	3,840	1,306	2,192	497	22,149
Gross incurred claims	6,509	2,804	2,600	750	1,247	303	14,213

<sup>a</sup> Financial performance figures for June 2003 are annualised using nine months of data.

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

<sup>c</sup> Class of business data for June 2003 are impacted by transitional reporting affects and have been excluded.

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

## Table 1 Industry financial performance

Financial years ended in the 12 months to June 2005

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Gross premium revenue	25,837	1,497	27,334
<i>of which:</i>			
Direct business	22,549	67	22,617
Inwards reinsurance <sup>a</sup>	3,287	1,430	4,717
Outwards reinsurance expense	6,579	267	6,846
<b>Net premium revenue</b>	<b>19,258</b>	<b>1,231</b>	<b>20,488</b>
Gross incurred claims	17,342	945	18,287
<i>of which:</i>			
Direct business	14,845	-2	14,843
Inwards reinsurance <sup>a</sup>	2,497	947	3,444
Non-reinsurance recoveries revenue	1,554	0	1,555
Reinsurance recoveries revenue	3,936	61	3,997
<b>Net incurred claims</b>	<b>11,852</b>	<b>883</b>	<b>12,736</b>
Acquisition costs	2,708	273	2,982
Other underwriting expenses	1,742	53	1,795
Levies and charges	699	1	699
Commission revenue	358	6	364
<b>Total underwriting expenses</b>	<b>4,790</b>	<b>321</b>	<b>5,112</b>
<b>Underwriting result</b>	<b>2,615</b>	<b>26</b>	<b>2,641</b>
Investment income	3,852	440	4,292
Other operating expenses	1,426	77	1,503
Other items	-634	-90	-724
<b>Net profit / loss after tax</b>	<b>4,407</b>	<b>299</b>	<b>4,706</b>
Number of entities	112	21	133

Notes:

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

<sup>a</sup> For direct insurers, inwards reinsurance predominantly represents transactions between related entities within the same insurance group.

## Table 2 Industry operating income and expense

Financial years ended in the 12 months to June 2005

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
<b>Investment income</b>	3,852	440	4,292
<i>arising from:</i>			
Interest	1,820	328	2,148
Dividend	871	64	935
Rent	93	0	93
Change in net market value of investments	1,018	47	1,065
<i>of which:</i>			
Unrealised gains/losses	787	46	833
Realised gains/losses	231	0	231
Other investment income	50	1	51
<b>Other operating income</b>	779	18	797
<b>Operating expenses</b>	1,426	77	1,503
<i>of which:</i>			
Interest	65	1	66
Wages and salaries	339	16	355
Other employee related	86	4	90
Occupancy and equipment	80	2	81
Fees	409	33	442
<i>of which:</i>			
Management	360	27	387
Audit firm	11	1	11
Consulting	25	3	28
Actuarial	7	1	9
Directors	6	1	6
Bad and doubtful debts	14	-5	9
Other operating expenses	433	26	459
<b>Number of entities</b>	112	21	133

### Table 3 Industry financial position

Financial years ended in the 12 months to June 2005

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated	of which: inside Australia <sup>a</sup>
Cash and liquid assets	1,283	88	1,371	1,266
Investments	45,430	6,742	52,172	50,592
<i>of which:</i>				
Interest	30,205	5,847	36,052	
Equity	4,977	531	5,508	
Indirect investments	2,961	121	3,082	
Property	450	25	475	
Loans and advances	1,489	218	1,706	
Other investments	5,349	0	5,349	
Reinsurance recoverables	8,752	619	9,371	8,535
Non-reinsurance recoverables	2,278	16	2,294	2,290
Premium receivables	5,088	708	5,797	5,676
Intangible assets	1,398	0	1,398	1,377
Other assets	4,909	489	5,399	5,006
<b>Total assets</b>	<b>69,139</b>	<b>8,662</b>	<b>77,801</b>	<b>74,741</b>
Outstanding claims provision	29,588	4,559	34,147	32,895
Premium liabilities	12,149	699	12,848	12,645
Tax provisions	921	166	1,087	1,066
Payables on reinsurance contracts	913	308	1,221	1,167
Borrowings and loan capital	1,654	0	1,654	1,654
Other liabilities	3,473	177	3,650	3,573
<b>Total liabilities</b>	<b>48,698</b>	<b>5,908</b>	<b>54,606</b>	<b>52,999</b>
Share capital	11,435	2,152	13,586	
Reserves	1,181	227	1,408	
Retained profits	7,825	376	8,201	
<b>Shareholders' equity</b>	<b>20,441</b>	<b>2,755</b>	<b>23,195</b>	
Number of entities	112	21	133	

Notes:

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

<sup>a</sup> Breakdown of investments is not available at inside Australia level.

## Table 4 Industry offshore profile

Financial years ended in the 12 months to June 2005

(\$ million)

	Direct insurers		Reinsurers		Total APRA regulated	
	Australia	Offshore	Australia	Offshore	Australia	Offshore
<b>Financial performance</b>						
Gross premium revenue	25,359	477	1,433	64	26,793	542
<i>of which:</i>						
Direct business					22,161	456
Inwards reinsurance					4,632	86
Outwards reinsurance expense	6,405	174	115	152	6,520	326
Net premium revenue	18,954	303	1,318	-87	20,273	216
Gross incurred claims	17,196	146	758	187	17,954	333
<i>of which:</i>						
Direct business					14,703	140
Inwards reinsurance					3,251	193
Reinsurance recoveries revenue	3,874	62	30	31	3,904	93
Investment income	3,800	52	429	11	4,229	63
<b>Financial position</b>						
Investments	44,638	792	5,954	788	50,592	1,580
Reinsurance recoverables	8,040	712	495	124	8,535	837
Other assets	14,374	582	1,240	62	15,614	644
<b>Total assets</b>	<b>67,052</b>	<b>2,087</b>	<b>7,689</b>	<b>974</b>	<b>74,741</b>	<b>3,060</b>
Outstanding claims provision	29,072	516	3,823	736	32,895	1,251
Premium liabilities	11,976	173	669	30	12,645	203
Borrowings and loan capital	1,654	1	0	0	1,654	1
Other liabilities	5,215	92	591	60	5,806	152
<b>Total liabilities</b>	<b>47,917</b>	<b>781</b>	<b>5,082</b>	<b>825</b>	<b>52,999</b>	<b>1,606</b>

Notes:

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

## Table 5 Industry capital adequacy

Financial years ended in the 12 months to June 2005

(\$ million)

	Direct insurers	Reinsurers	Total APRA regulated
Minimum capital requirement risk charges arising from:			
Off balance sheet business	36	23	59
Investments	1,112	132	1,244
<i>of which:</i>			
Interest	424	67	491
Equity	408	48	456
Indirect investments	165	1	167
Property	45	2	48
Loans and advances	69	13	82
Investment risk rebate	1	0	1
Counterparty default	1,046	60	1,106
Asset concentration	55	8	63
Derivative activity	1	0	1
Maximum event retention	1,368	133	1,501
Outstanding claims provision	2,808	608	3,416
Premium liabilities	1,479	110	1,590
<b>Minimum capital requirement<sup>a</sup></b>	<b>7,974</b>	<b>1,087</b>	<b>9,061</b>
<b>Capital base</b>	<b>18,427</b>	<b>2,738</b>	<b>21,165</b>
<i>of which:</i>			
Branch insurers <sup>b</sup>	995	1,793	2,788
Non-branch insurers	17,432	945	18,377
<i>of which:</i>			
Tier 1 capital (net of deductions)	16,597	945	17,542
Tier 2 capital	916	0	916
<i>of which:</i>			
Upper tier 2 capital	210	0	210
Lower tier 2 capital	706	0	706
Tier 1 ratio	95%	100%	95%
Lower tier 2 ratio	4%	0%	4%
<b>Capital surplus</b>	<b>10,453</b>	<b>1,651</b>	<b>12,104</b>
<b>Solvency coverage</b>	<b>2.31</b>	<b>2.52</b>	<b>2.34</b>
<b>Number of entities</b>	<b>112</b>	<b>21</b>	<b>133</b>

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

<sup>b</sup> Capital base for branch insurers is derived from net assets inside Australia.

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

Financial years ended in the 12 months to June 2005

(\$ million)

	Non-branch direct insurers	Non-branch reinsurers	Total non-branch insurers
<b>Financial performance</b>			
APRA reporting: Net profit / loss after tax	4,244	66	4,309
<i>Include items specific to APRA reporting:</i>			
Gross premium revenue	24,603	162	24,764
Outwards reinsurance expense	6,041	87	6,128
Gross incurred claims	16,626	66	16,692
Reinsurance recoveries revenue	3,667	10	3,678
Acquisition costs	3,201	21	3,222
Other adjustments	-867	7	-860
<i>Exclude items specific to AASB 1023 reporting:</i>			
Earned premium	23,868	206	24,074
Reinsurance expense	6,043	117	6,160
Claims expense	15,888	99	15,987
Reinsurance recoveries revenue	3,606	33	3,639
Underwriting costs	3,101	21	3,122
Other adjustments	1,176	-7	1,170
<i>Total adjustments</i>	269	-4	265
AASB 1023 reporting: Net profit / loss after tax	3,975	68	4,043
<b>Financial position</b>			
APRA reporting: Net assets	19,402	1,078	20,480
<i>Include items specific to APRA reporting:</i>			
Reinsurance recoverables	7,702	436	8,138
Outstanding claims provision	27,860	1,799	29,659
Premium liabilities	11,548	74	11,621
Other adjustments	2,254	151	2,405
<i>Exclude items specific to AASB 1023 reporting:</i>			
Deferred acquisition costs	2,129	4	2,133
Deferred reinsurance expense	2,492	31	2,523
Reinsurance recoverables	6,359	420	6,779
Outstanding claims provision	27,716	1,802	29,518
Unearned premium provision	13,698	59	13,757
Other adjustments	-82	-120	-203
<i>Total adjustments</i>	900	0	900
AASB 1023 reporting: Net assets	18,502	1,078	19,580
Number of entities	91	6	97

**Table 7 Industry premiums and claims by class of business**

Financial years ended in the 12 months to June 2005

(\$ million)

Class of business	Gross premium revenue	Reinsurance expense	Net premium revenue	Gross incurred claims <sup>a</sup>	Reinsurance recoveries revenue <sup>a</sup>
<b>Direct business</b>					
Houseowners/householders	3,250	1,118	2,132	1,785	448
Commercial motor vehicle	1,326	114	1,212	914	53
Domestic motor vehicle	4,776	2,066	2,711	3,938	1,549
Travel	416	100	316	154	37
Fire and ISR	2,770	1,237	1,533	1,194	530
Marine and aviation	588	121	467	246	36
Mortgage	478	98	380	26	4
Consumer credit	192	17	176	38	1
Other accident	1,048	245	803	358	65
Other	728	148	580	224	64
CTP motor vehicle	2,429	383	2,046	2,201	371
Public and product liability	2,121	358	1,763	1,255	188
Professional indemnity	1,351	335	1,017	825	264
Employers' liability	1,143	77	1,066	1,221	128
<b>Total direct business</b>	<b>22,617</b>	<b>6,416</b>	<b>16,201</b>	<b>14,382</b>	<b>3,739</b>
<b>Total inwards reinsurance</b>	<b>4,717</b>	<b>430</b>	<b>4,288</b>	<b>3,453</b>	<b>126</b>
<b>Total</b>	<b>27,334</b>	<b>6,846</b>	<b>20,489</b>	<b>17,835</b>	<b>3,865</b>

## Notes:

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

<sup>a</sup> Gross incurred claims and reinsurance recoveries revenue in this table relate only to current and prior years.

**Table 8 Industry outstanding claims provision by class of business**

Financial years ended in the 12 months to June 2005

(\$ million)

Class of business	Outstanding Claims Provision	Reinsurance recoverables	Non-reinsurance recoverables	Net outstanding claims provision
<b>Direct business</b>				
Houseowners/householders	903	209	64	630
Commercial motor vehicle	441	42	96	303
Domestic motor vehicle	997	380	249	368
Travel	126	42	7	78
Fire and ISR	1,301	733	40	528
Marine and aviation	293	71	18	204
Mortgage	31	4	1	27
Consumer credit	50	1	1	47
Other accident	411	156	11	244
Other	275	111	9	155
CTP motor vehicle	9,001	1,269	973	6,759
Public and product liability	5,555	1,285	186	4,084
Professional indemnity	3,107	966	300	1,841
Employers' liability	3,300	378	97	2,825
<b>Total direct business</b>	<b>25,791</b>	<b>5,647</b>	<b>2,052</b>	<b>18,093</b>
<b>Total inwards reinsurance</b>	<b>6,639</b>	<b>771</b>	<b>293</b>	<b>5,576</b>
<b>Total</b>	<b>32,430</b>	<b>6,418</b>	<b>2,345</b>	<b>23,669</b>

## Notes:

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

**Table 9 Industry premium liabilities by class of business**

Financial years ended in the 12 months to June 2005

(\$ million)

Class of business	Premium Liabilities	Reinsurance recoverables	Non-reinsurance recoverables	Net premium liabilities
<b>Direct business</b>				
Houseowners/householders	1,321	310	80	931
Commercial motor vehicle	667	42	107	518
Domestic motor vehicle	2,634	917	502	1,216
Travel	105	5	1	99
Fire and ISR	1,004	315	32	657
Marine and aviation	191	40	6	145
Mortgage	532	72	11	449
Consumer credit	152	7	8	137
Other accident	382	88	13	280
Other	334	70	7	258
CTP motor vehicle	1,153	162	90	901
Public and product liability	838	100	29	709
Professional indemnity	559	122	13	424
Employers' liability	573	8	13	552
<b>Total direct business</b>	<b>10,446</b>	<b>2,259</b>	<b>912</b>	<b>7,276</b>
<b>Total inwards reinsurance</b>	<b>2,337</b>	<b>65</b>	<b>293</b>	<b>1,979</b>
<b>Total</b>	<b>12,783</b>	<b>2,324</b>	<b>1,205</b>	<b>9,255</b>

## Notes:

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

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

Financial years ended in the 12 months to June 2005

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	1,221	785	610	255	301	63	8	3,244
Commercial motor vehicle	461	344	220	125	138	26	11	1,326
Domestic motor vehicle	1,953	1,224	798	308	408	70	9	4,769
Travel	331	<i>na</i>	<i>na</i>	10	17	1	0	412
Fire and ISR	1,135	730	364	176	215	37	12	2,669
Marine and aviation	255	101	81	38	49	9	8	541
Mortgage	152	140	116	34	75	7	3	526
Consumer credit	69	35	41	15	21	5	1	188
Other accident	417	200	157	75	90	15	3	956
Other	299	154	77	43	54	5	2	634
CTP motor vehicle	1,549	0	848	0	0	0	0	2,398
Public and product liability	868	590	333	129	171	26	7	2,124
Professional indemnity	604	239	175	82	102	14	7	1,224
Employers' liability	386	<i>na</i>	<i>na</i>	16	551	102	44	1,138
<b>Total direct business</b>	<b>9,701</b>	<b>4,613</b>	<b>3,840</b>	<b>1,306</b>	<b>2,192</b>	<b>380</b>	<b>117</b>	<b>22,149</b>

## Notes:

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

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

Financial years ended in the 12 months to June 2005

(\$ million)

Class of business	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	Total Australia
Houseowners/householders	659	422	407	136	158	38	3	1,824
Commercial motor vehicle	386	251	169	85	58	18	7	975
Domestic motor vehicle	1,572	1,105	778	239	311	55	6	4,067
Travel	110	<i>na</i>	<i>na</i>	2	5	0	0	143
Fire and ISR	515	275	175	63	80	14	2	1,125
Marine and aviation	108	45	47	9	20	4	5	239
Mortgage	3	3	3	1	0	0	0	11
Consumer credit	11	7	10	3	3	1	0	36
Other accident	141	94	58	38	35	6	1	373
Other	77	112	31	25	21	1	1	268
CTP motor vehicle	1,486	0	502	0	0	0	0	1,988
Public and product liability	529	295	231	75	73	9	2	1,213
Professional indemnity	438	91	140	46	37	8	1	762
Employers' liability	472	<i>na</i>	<i>na</i>	27	444	76	43	1,190
<b>Total direct business</b>	<b>6,509</b>	<b>2,804</b>	<b>2,600</b>	<b>750</b>	<b>1,247</b>	<b>232</b>	<b>72</b>	<b>14,213</b>

## Notes:

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

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

**Table 12 Company level financial performance**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
AAIL	31 Dec	2,216,005	328,333	1,887,673	1,617,671	34,542	174,008
AAMI	31 Dec	1,179,304	1,179,304	0	1,120,812	0	1,120,812
ACE	31 Dec	466,362	264,266	202,096	201,026	9,905	140,170
AFG <sub>b</sub>	30 Sep	0	0	0	0	0	0
AIOI	31 Mar	16,511	3,974	12,537	20,597	4,291	5,878
ALEA	31 Dec	5,616	1,250	4,366	2,531	0	0
AM HOME	31 Dec	470,353	246,426	223,927	181,348	0	78,583
AM INT <sub>b</sub>	30 Nov	0	0	0	-89	0	-21
AME RE <sub>b</sub>	31 Dec	6,262	1,095	5,167	7,190	0	2,724
AMPG <sub>b</sub>	31 Dec	0	0	0	-313	0	-60
ANZ LMI	30 Sep	74,561	56,138	18,423	7,415	8	8,521
ANZCOVER	30 Sep	20,668	6,908	13,760	12,810	641	-113
ASSET	31 Dec	5,805	3,584	2,221	8,094	0	6,948
ATRADIUS	31 Dec	21,899	17,781	4,118	10,019	175	7,747
AUS ALLNCE	31 Dec	330,524	319,184	11,340	232,962	0	232,962
AUS FAMILY <sub>b</sub>	31 Dec	71	96	-25	-1,066	0	248
AUS INT	30 Jun	139,189	50,849	88,340	64,118	6,690	11,170
AUS MED	30 Jun	111,214	-6,273	117,487	19,391	0	2,927
AUS UNITY	30 Jun	85,027	30,172	54,855	43,852	1,076	11,376
AXA <sub>b</sub>	31 Dec	0	0	0	-10,243	963	-3,620
BARRISTERS	30 Jun	1,075	154	921	824	0	0
BHP MARINE	30 Jun	79,323	32,228	47,095	65,907	0	31,364
BORAL <sub>b</sub>	30 Jun	0	0	0	-18,387	0	-17,660
BUDGET <sub>b</sub>	30 Jun	77,239	1,072	76,167	68,539	18,112	1,373
CALLI <sub>a</sub>	31 Dec						
CALLI GRP <sub>b</sub>	31 Dec	1,240	16	1,224	-4,265	0	1,443
CATHOLIC	30 Jun	212,105	57,327	154,778	148,005	954	37,883
CAVELL <sub>b</sub>	31 Dec	0	0	0	-647	0	0
CGU	30 Jun	2,123,006	206,314	1,916,692	1,288,513	120,498	69,645
CGU VACC	30 Jun	-520	286	-806	-19,975	1,557	2,877
CHUBB	31 Dec	280,282	40,976	239,306	132,690	0	22,788
CIC	31 Dec	120,362	120,362	0	115,703	2,072	113,631
COL PROT <sub>b</sub>	30 Jun	0	0	0	-738	-69	0
COLOGNE RE	31 Dec	-41,723	0	-41,723	71,859	0	0
COM INSUR	30 Jun	174,170	21,355	152,815	106,100	670	6,964

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

**Table 12 Company level financial performance (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
1,409,121	427,379	51,173	298,754	-125,795	224,132	31 Dec	AAIL
0	136,919	-136,919	1,192	136,371	644	31 Dec	AAMI
50,951	48,484	102,661	30,950	-23,922	109,689	31 Dec	ACE
0	0	0	358	2,227	2,585	30 Sep	AFG <sub>b</sub>
10,428	1,703	406	1,037	-1,322	121	31 Mar	AIOI
2,531	797	1,038	1,181	-1,120	1,099	31 Dec	ALEA
102,765	22,580	98,582	30,567	-51,789	77,360	31 Dec	AM HOME
-68	0	68	61	-27	102	30 Nov	AM INT <sub>b</sub>
4,466	5,481	-4,780	19,712	-2,412	12,520	31 Dec	AME RE <sub>b</sub>
-253	9	244	1,237	-749	732	31 Dec	AMPG <sub>b</sub>
-1,114	-14,232	33,769	6,236	-13,718	26,287	30 Sep	ANZ LMI
12,282	152	1,326	8,960	-3,162	7,124	30 Sep	ANZCOVER
1,146	958	117	31,805	-18,623	13,299	31 Dec	ASSET
2,097	-4,465	6,486	1,447	-13,910	-5,977	31 Dec	ATRADIUS
0	11,340	0	1,066	-320	746	31 Dec	AUS ALLNCE
-1,314	-69	1,358	146	-958	546	31 Dec	AUS FAMILY <sub>b</sub>
46,258	18,490	23,592	7,589	-18,593	12,588	30 Jun	AUS INT
16,464	13,860	87,163	39,878	-83,709	43,332	30 Jun	AUS MED
31,400	10,796	12,659	3,029	-12,478	3,210	30 Jun	AUS UNITY
-7,586	0	7,586	2,148	-364	9,370	31 Dec	AXA <sub>b</sub>
824	0	97	1,569	-630	1,036	30 Jun	BARRISTERS
34,543	4,509	8,043	20,302	-8,430	19,915	30 Jun	BHP MARINE
-727	0	727	1,058	164	1,949	30 Jun	BORAL <sub>b</sub>
49,054	21,214	5,899	-907	-4,915	77	30 Jun	BUDGET <sub>b</sub>
						31 Dec	CALLI <sub>a</sub>
-5,708	78	6,854	3,937	-778	10,013	31 Dec	CALLI GRP <sub>b</sub>
109,168	26,707	18,903	61,751	-5,676	74,978	30 Jun	CATHOLIC
-647	0	647	863	-644	866	31 Dec	CAVELL <sub>b</sub>
1,098,370	676,356	141,966	314,082	-131,135	324,913	30 Jun	CGU
-24,409	-84	23,687	34,415	-13,921	44,181	30 Jun	CGU VACC
109,902	31,032	98,372	28,425	-68,003	58,794	31 Dec	CHUBB
0	0	0	522	0	522	31 Dec	CIC
-669	5	664	465	-344	785	30 Jun	COL PROT <sub>b</sub>
71,859	-330	-113,252	7,978	16,683	-88,591	31 Dec	COLOGNE RE
98,466	39,111	15,238	8,122	-7,576	15,784	30 Jun	COM INSUR

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

**Table 12 Company level financial performance (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
COM STEAM <sub>b</sub>	30 Jun	0	0	0	99	99	0
COMBINED	31 Dec	80,911	0	80,911	40,691	0	0
CONVER	31 Dec	63,375	16,146	47,229	-798	0	-337
COPENHAGEN <sub>b</sub>	31 Dec	730	0	730	1,626	0	-17
CORRVAS <sub>b</sub>	30 Jun	0	0	0	-354	69	0
CREDICORP	30 Jun	2,407	0	2,407	171	0	0
CUMIS	31 Dec	22,059	3,530	18,529	11,312	1,184	27
CURASALUS	30 Sep	62,083	34,119	27,964	25,366	0	-2,568
EIG ANSVAR	31 Dec	106,933	36,636	70,297	63,072	5,868	11,748
ELDERS	30 Jun	291,600	142,134	149,466	188,701	20,505	69,619
EMPLOY MUT	30 Jun	3,614	2,105	1,509	4,036	43	-147
EMPLOY RE	31 Dec	228,727	22,714	206,013	173,050	0	24,804
FARM MIL	31 Mar	35,289	7,499	27,790	11,945	702	426
FIRST AM	31 Dec	3,808	67	3,741	2,438	0	1,899
FM INS	31 Dec	153,901	85,790	68,111	48,600	0	27,065
FORTRON	30 Jun	26,470	495	25,975	12,297	1,443	54
GE MORT	31 Dec	209,570	4,679	204,891	36,360	0	2,276
GEN RE	31 Dec	159,618	90,838	68,780	77,585	0	25,570
GERLING	31 Dec	19,847	14,768	5,079	85,673	0	69,545
GIO GEN	30 Jun	1,390,963	47,466	1,343,497	1,201,844	159,519	25,527
GORDIAN <sub>b</sub>	31 Dec	717	-3,879	4,596	-13,288	354	-19,229
GUILD INS	30 Jun	133,596	35,688	97,908	70,151	0	13,929
HALLMARK	31 Dec	35,745	502	35,243	10,289	3,366	1,152
HANNOVER	31 Dec	128,658	17,781	110,877	112,633	0	4,062
HBF INS	30 Jun	65,026	10,550	54,476	42,808	6,077	6,030
HOLLARD	30 Jun	71,085	17,489	53,596	32,613	1,626	10,540
HPIA	30 Jun	48,183	7,910	40,273	26,582	0	4,339
HSB	31 Dec	13,107	7,195	5,912	12,712	0	4,477
IAG RE	30 Jun	0	0	0	0	0	0
IAL	30 Jun	2,731,984	1,515,436	1,216,548	2,177,747	237,186	930,877
IMA	30 Jun	2,034,834	98,268	1,936,566	1,590,300	207,484	75,212
ING	31 Dec	16,027	0	16,027	5,167	0	0
KEMPER INS <sub>b</sub>	31 Dec	0	0	0	-1,572	0	-1,060
LAWCOVER	30 Jun	71,702	32,940	38,762	55,201	0	26,019
LIBERTY	31 Dec	168,696	88,202	80,494	156,884	0	102,250

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

**Table 12 Company level financial performance (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
0	0	0	121	-91	30	30 Jun	COM STEAM <sub>b</sub>
40,691	21,294	18,926	8,279	-23,486	3,719	31 Dec	COMBINED
-461	24,847	22,843	13,962	-12,810	23,995	31 Dec	CONVER
1,643	231	-1,144	5,467	-2,845	1,478	31 Dec	COPENHAGEN <sub>b</sub>
-423	0	423	916	-10	1,329	30 Jun	CORRVAS <sub>b</sub>
171	961	1,275	607	-503	1,379	30 Jun	CREDICORP
10,101	4,222	4,206	4,115	-12,242	-3,921	31 Dec	CUMIS
27,934	5,345	-5,315	2,813	395	-2,107	30 Sep	CURASALUS
45,456	12,512	12,329	6,256	-5,417	13,168	31 Dec	EIG ANSVAR
98,577	2,249	48,640	7,438	-40,410	15,668	30 Jun	ELDERS
4,140	0	-2,631	6,265	4,440	8,074	30 Jun	EMPLOY MUT
148,246	54,151	3,616	69,241	-28,070	44,787	31 Dec	EMPLOY RE
10,817	8,096	8,877	1,645	-5,259	5,263	31 Mar	FARM MIL
539	133	3,069	378	-4,089	-642	31 Dec	FIRST AM
21,535	5,111	41,465	5,695	-22,427	24,733	31 Dec	FM INS
10,800	13,923	1,252	1,245	-2,270	227	30 Jun	FORTRON
34,084	11,259	159,548	37,976	-49,318	148,206	31 Dec	GE MORT
52,015	54,307	-37,542	26,295	3,416	-7,831	31 Dec	GEN RE
16,128	3,170	-14,219	7,558	-3,239	-9,900	31 Dec	GERLING
1,016,798	288,468	38,231	228,826	-57,411	209,646	30 Jun	GIO GEN
5,587	527	-1,518	77,746	-12,496	63,732	31 Dec	GORDIAN <sub>b</sub>
56,222	7,876	33,810	12,984	-26,996	19,798	30 Jun	GUILD INS
5,771	6,239	23,233	7,380	-9,404	21,209	31 Dec	HALLMARK
108,571	16,890	-14,584	44,497	-12,328	17,585	31 Dec	HANNOVER
30,701	4,206	19,569	3,884	-18,136	5,317	30 Jun	HBF INS
20,447	28,950	4,199	2,319	-3,614	2,904	30 Jun	HOLLARD
22,243	3,616	14,414	4,561	-12,258	6,717	30 Jun	HPIA
8,235	-42	-2,281	741	-2,538	-4,078	31 Dec	HSB
0	0	0	329	-99	230	30 Jun	IAG RE
1,009,684	263,045	-56,181	898,995	-231,653	611,161	30 Jun	IAL
1,307,604	355,999	272,963	150,358	-135,523	287,798	30 Jun	IMA
5,167	2,790	8,070	1,317	-3,487	5,900	31 Dec	ING
-512	0	512	255	-244	523	31 Dec	KEMPER INS <sub>b</sub>
29,182	0	9,580	2,825	-7,195	5,210	30 Jun	LAWCOVER
54,634	-3,509	29,369	15,260	-24,739	19,890	31 Dec	LIBERTY

<sup>a</sup> Not required to submit data for the relevant period.

<sup>b</sup> Insurer authorised to conduct run-off business only.

**Table 12 Company level financial performance (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
LIONHEART <sub>b</sub>	30 Jun	1,450	0	1,450	206	0	0
LUMLEY GEN	30 Jun	537,919	180,450	357,469	326,527	42,123	91,816
MASTER BUT <sub>ab</sub>	01 Dec						
MDA	30 Jun	56,235	9,091	47,144	26,745	8,859	-8,174
MDU <sub>b</sub>	30 Jun	0	0	0	-840	0	-582
METLIFE <sub>ab</sub>	31 Dec						
MIA	30 Jun	52,908	17,028	35,880	38,876	7,531	8,767
MITSUMI	31 Mar	22,125	6,495	15,630	10,512	0	1,237
MMIA	31 Dec	642,821	117,348	525,473	287,564	-1,707	70,638
MRMPL	30 Jun	4,222	834	3,388	804	56	0
MTA	30 Jun	15,181	0	15,181	2,526	0	0
MUNICH RE	31 Dec	545,595	8,000	537,595	356,877	0	0
MUNICIPAL <sub>b</sub>	30 Jun	0	0	0	680	0	0
MUT COMM	30 Jun	36,381	2,769	33,612	21,913	4,220	-952
NEW INDIA	31 Mar	3,460	1,800	1,660	550	0	0
NIPPONKOA	31 Mar	6,820	2,203	4,617	2,261	-531	327
NORTH <sub>b</sub>	31 Dec	0	0	0	3,819	0	-1,114
NRG LONDON <sub>b</sub>	31 Dec	0	0	0	32	0	0
NRG VIC <sub>b</sub>	31 Dec	180	0	180	5,569	0	2,689
NZI AUS	30 Jun	8	-5	13	71,856	24,451	5,654
OPTUS	31 Mar	45,069	0	45,069	38,055	7,138	0
OVOID <sub>a</sub>	30 Jun						
PIA <sub>b</sub>	30 Jun	0	0	0	-1,166	0	0
PIICA	30 Jun	57,417	11,495	45,922	-3,097	0	-29,231
PLMI	31 Dec	3,105	2,795	310	-5,810	-476	-5,127
PMI IND <sub>b</sub>	31 Dec	1,738	747	991	2,156	1,101	-1,254
PMI MORT	31 Dec	213,837	12,216	201,621	-103,984	-5,326	-6,109
POSEIDON <sub>b</sub>	30 Jun	0	0	0	52	52	0
QBE AUS	31 Dec	1,783,882	309,638	1,474,244	993,050	23,404	152,215
QBE INT	31 Dec	282,578	80,577	202,001	72,441	0	1,606
RAA	30 Jun	64,052	2,974	61,078	50,393	8,563	-45
RAC	31 Dec	198,726	8,021	190,705	125,845	24,390	405
RACQ	31 Dec	368,623	24,605	344,018	328,740	54,729	11,564
RACT	30 Jun	40,659	1,706	38,953	34,967	4,170	1,460
RURAL <sub>b</sub>	30 Jun	0	0	0	0	0	261

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

**Table 12 Company level financial performance (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
206	1,247	-3	202	-439	-240	30 Jun	LIONHEART <sub>b</sub>
192,588	92,052	72,829	22,543	-44,047	51,325	30 Jun	LUMLEY GEN
						01 Dec	MASTER BUT <sub>ab</sub>
26,060	1,090	19,994	7,043	-17,194	9,843	30 Jun	MDA
-258	0	258	189	-136	311	30 Jun	MDU <sub>b</sub>
						31 Dec	METLIFE <sub>ab</sub>
22,578	814	12,488	3,315	-9,770	6,033	30 Jun	MIA
9,275	1,599	4,756	4,385	-5,521	3,620	31 Mar	MITSUI
218,633	191,944	114,896	59,100	-81,225	92,771	31 Dec	MMIA
748	117	2,523	1,388	-1,481	2,430	30 Jun	MRMPL
2,526	7,724	4,931	3,696	-4,818	3,809	30 Jun	MTA
356,877	115,020	65,698	118,490	-59,537	124,651	31 Dec	MUNICH RE
680	9	-689	19	0	-670	30 Jun	MUNICIPAL <sub>b</sub>
18,645	11,378	3,589	1,621	-815	4,395	30 Jun	MUT COMM
550	776	334	1,175	-356	1,153	31 Mar	NEW INDIA
2,465	1,813	339	1,014	-371	982	31 Mar	NIPPONKOA
4,933	0	-4,933	531	1,211	-3,191	31 Dec	NORTH <sub>b</sub>
32	0	-32	1,696	-803	861	31 Dec	NRG LONDON <sub>b</sub>
2,880	18	-2,718	3,231	-1,106	-593	31 Dec	NRG VIC <sub>b</sub>
41,751	-2	-41,736	29,302	3,439	-8,995	30 Jun	NZI AUS
30,917	3,755	10,397	1,196	-744	10,849	31 Mar	OPTUS
						30 Jun	OVOID <sub>a</sub>
-1,166	0	1,166	3,083	-572	3,677	30 Jun	PIA <sub>b</sub>
26,134	2,145	17,643	11,529	-16,334	12,838	30 Jun	PIICA
-207	-1,195	1,712	532	-935	1,309	31 Dec	PLMI
2,309	-397	-921	12,268	-4,107	7,240	31 Dec	PMI IND <sub>b</sub>
-92,549	23,732	270,438	55,314	-121,435	204,317	31 Dec	PMI MORT
0	0	0	298	-204	94	30 Jun	POSEIDON <sub>b</sub>
817,431	405,764	251,049	191,995	-161,515	281,529	31 Dec	QBE AUS
70,835	37,253	93,913	24,290	-76,731	41,472	31 Dec	QBE INT
41,875	13,164	6,039	5,304	-4,424	6,919	30 Jun	RAA
101,050	34,124	55,531	14,145	-35,001	34,675	31 Dec	RAC
262,447	54,225	27,346	51,899	-37,073	42,172	31 Dec	RACQ
29,337	8,856	760	1,666	-429	1,997	30 Jun	RACT
-261	0	261	111	-196	176	30 Jun	RURAL <sub>b</sub>

<sup>a</sup> Not required to submit data for the relevant period.

<sup>b</sup> Insurer authorised to conduct run-off business only.

**Table 12 Company level financial performance (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Gross premium revenue	Outwards reinsurance expense	Net premium revenue	Gross incurred claims	Non-reinsurance recoveries revenue	Reinsurance recoveries revenue
SCOR	31 Dec	8,455	5,950	2,505	-11,583	0	1,061
SOMPO	31 Dec	12,491	3,292	9,199	13,172	2,044	8,610
SPHERE DRA <sub>b</sub>	31 Dec	1	0	1	-394	0	0
ST ANDREW	31 Dec	7,751	79	7,672	338	0	0
ST PAUL <sub>b</sub>	30 Sep	-35	-86	51	21,122	0	15,632
STATECOVER	30 Jun	80,603	3,182	77,421	57,925	319	-254
STEWART	31 Dec	450	94	356	141	0	26
SUNCORP	30 Jun	1,171,157	70,852	1,100,305	883,169	128,691	881
SUNDERLAND	31 Dec	23,262	6,836	16,426	11,209	0	1,829
SUNSTATE	30 Jun	4,187	1,992	2,195	501	0	28
SWANN	30 Jun	210,978	12,097	198,881	114,767	17,257	5,609
SWISS RE	31 Dec	330,622	76,128	254,494	150,839	0	10,018
TAXI	30 Jun	875	0	875	818	0	502
TGI AUS <sub>b</sub>	31 Dec	1,494	-181	1,675	-2,097	1,514	11,498
TMIC	30 Jun	1,665	8	1,657	639	0	0
TOKIO	31 Mar	32,424	13,491	18,933	21,685	6,191	8,383
TOWER <sub>b</sub>	30 Sep	0	0	0	624	0	624
TRC	31 Dec	22,145	1,249	20,896	3,771	0	2,233
VERO	31 Dec	2,474,914	237,373	2,237,541	1,896,895	306,716	56,284
VERO LMI <sub>b</sub>	31 Dec	456	-3,472	3,928	-37,724	0	-912
VIRGINIA	31 Dec	9,105	1,789	7,316	3,270	0	-137
WESFARMERS	30 Jun	272,476	39,438	233,038	168,461	9,993	24,765
WESTERN	31 Dec	17,551	15,795	1,756	-12,634	-1,038	-11,491
WESTPAC	30 Sep	144,820	12,373	132,447	61,712	0	-106
WPAC LMI	30 Sep	33,576	8,433	25,143	10,929	796	2,746
XL INS	31 Dec	59,708	24,100	35,608	23,429	2,343	8,991
XL RE <sub>b</sub>	31 Dec	40,014	28,729	11,285	19,108	0	9,026
ZURICH	31 Dec	830,741	165,230	665,511	445,039	29,370	60,604
<b>Total (\$ million)</b>		<b>27,334</b>	<b>6,846</b>	<b>20,488</b>	<b>18,287</b>	<b>1,555</b>	<b>3,997</b>

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

**Table 12 Company level financial performance (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Net incurred claims	Under-writing expenses	Under-writing result	Investment income	Other items	Net profit / loss after tax	Balance date	Company short name
-12,644	2,769	12,380	4,576	-7,132	9,824	31 Dec	SCOR
2,518	1,031	5,650	1,087	-3,251	3,486	31 Dec	SOMPO
-394	0	395	380	-271	504	31 Dec	SPHERE DR <sup>a</sup> <sub>b</sub>
338	3,356	3,978	1,464	-2,888	2,554	31 Dec	ST ANDREW
5,490	-103	-5,336	4,057	0	-1,279	30 Sep	ST PAUL <sub>b</sub>
57,860	13,123	6,438	6,493	-3,452	9,479	30 Jun	STATECOVER
115	1,111	-870	331	-909	-1,448	31 Dec	STEWART
753,597	300,704	46,004	376,425	-92,094	330,335	30 Jun	SUNCORP
9,380	5,670	1,376	894	-1,074	1,196	31 Dec	SUNDERLAND
473	92	1,630	792	-989	1,433	30 Jun	SUNSTATE
91,901	100,234	6,746	41,374	-14,161	33,959	30 Jun	SWANN
140,821	48,297	65,376	53,177	-38,729	79,824	31 Dec	SWISS RE
316	0	559	121	-624	56	30 Jun	TAXI
-15,109	413	16,371	14,683	-10,250	20,804	31 Dec	TGI AUS <sub>b</sub>
639	0	1,018	131	-3,090	-1,941	30 Jun	TMIC
7,111	2,956	8,866	3,941	-5,065	7,742	31 Mar	TOKIO
0	0	0	1,332	-515	817	30 Sep	TOWER <sub>b</sub>
1,538	2,834	16,524	1,212	-5,865	11,871	31 Dec	TRC
1,533,895	577,842	125,804	224,002	8,468	358,274	31 Dec	VERO
-36,812	14,529	26,211	22,444	-14,403	34,252	31 Dec	VERO LMI <sub>b</sub>
3,407	1,021	2,888	1,124	-573	3,439	31 Dec	VIRGINIA
133,703	57,387	41,948	12,710	-25,947	28,711	30 Jun	WESFARMERS
-105	-3,774	5,635	710	-2,526	3,819	31 Dec	WESTERN
61,818	37,928	32,701	8,090	-11,095	29,696	30 Sep	WESTPAC
7,387	2,957	14,799	4,491	-5,787	13,503	30 Sep	WPAC LMI
12,095	1,832	21,681	8,241	-14,807	15,115	31 Dec	XL INS
10,082	205	998	4,128	-4,321	805	31 Dec	XL RE <sub>b</sub>
355,065	256,440	54,006	232,451	-61,061	225,396	31 Dec	ZURICH
12,736	5,112	2,641	4,292	-2,227	4,706		Total (\$ million)

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

**Table 13 Company level financial position**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
AAIL	31 Dec	4,620,780	6,718,492	4,002,911	968,599	5,340,619	1,377,873
AAMI	31 Dec	1,967	1,678,994	965,863	641,582	1,666,249	12,745
ACE	31 Dec	438,273	1,060,850	545,422	176,314	884,490	176,360
AFG <sub>b</sub>	30 Sep	9,657	21,265	35,760	0	35,865	-14,600
AIOI	31 Mar	14,032	42,248	10,566	18,100	32,327	9,921
ALEA	31 Dec	19,207	23,001	4,756	2,808	8,096	14,905
AM HOME	31 Dec	543,876	1,073,838	522,585	217,568	851,903	221,935
AM INT <sub>b</sub>	30 Nov	10,746	10,948	334	0	346	10,602
AME RE <sub>b</sub>	31 Dec	399,593	428,157	292,547	636	325,123	103,034
AMPG <sub>b</sub>	31 Dec	17,738	27,731	235	210	1,387	26,344
ANZ LMI	30 Sep	109,599	157,064	3,144	56,682	75,006	82,058
ANZCOVER	30 Sep	154,887	300,516	170,389	14,526	186,952	113,564
ASSET	31 Dec	232,416	261,931	147,961	3,331	176,203	85,728
ATRADIUS	31 Dec	25,369	45,568	11,812	2,346	21,150	24,418
AUS ALLNCE	31 Dec	0	302,678	66,224	143,235	284,890	17,788
AUS FAMILY <sub>b</sub>	31 Dec	2,514	3,771	1,860	0	2,359	1,412
AUS INT	30 Jun	119,767	207,964	60,945	65,015	160,843	47,121
AUS MED	30 Jun	427,769	820,826	369,704	31,600	615,736	205,090
AUS UNITY	30 Jun	42,900	93,774	39,126	29,167	72,104	21,670
AXA <sub>b</sub>	31 Dec	36,777	53,845	23,068	0	23,280	30,565
BARRISTERS	30 Jun	12,862	13,098	685	716	2,001	11,097
BHP MARINE	30 Jun	452,272	600,271	153,602	68,200	260,845	339,426
BORAL <sub>b</sub>	30 Jun	20,857	38,030	21,407	0	27,815	10,215
BUDGET <sub>b</sub>	30 Jun	30,588	69,360	15,822	38,715	59,489	9,871
CALLI <sub>a</sub>	31 Dec						
CALLI GRP <sub>b</sub>	31 Dec	100,237	104,236	12,544	0	17,501	86,735
CATHOLIC	30 Jun	465,361	645,710	314,620	75,336	471,494	174,216
CAVELL <sub>b</sub>	31 Dec	12,948	14,019	3,573	0	3,725	10,294
CGU	30 Jun	2,916,250	4,679,860	1,990,184	916,333	3,402,581	1,277,279
CGU VACC	30 Jun	151,727	174,312	69,704	532	110,359	63,953
CHUBB	31 Dec	453,059	668,117	299,811	106,423	471,344	196,773
CIC	31 Dec	9,776	324,363	255,900	58,688	314,722	9,641
COL PROT <sub>b</sub>	30 Jun	6,911	8,570	41	1,137	1,800	6,770
COLOGNE RE	31 Dec	191,811	196,207	120,547	0	123,120	73,087
COM INSUR	30 Jun	40,622	243,766	99,826	71,320	189,288	54,478

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

**Table 13 Company level financial position (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
COM STEAM <sup>b</sup>	30 Jun	2,253	4,652	2,250	0	2,320	2,332
COMBINED	31 Dec	123,049	159,833	62,155	11,348	92,916	66,917
CONVER	31 Dec	194,738	232,893	124,781	15,527	153,213	79,680
COPENHAGEN <sup>b</sup>	31 Dec	88,013	91,216	34,034	0	45,690	45,526
CORRVAS <sup>b</sup>	30 Jun	15,775	16,180	2,394	0	2,778	13,402
CREDICORP	30 Jun	10,593	11,827	460	4,246	5,092	6,735
CUMIS	31 Dec	64,766	88,406	11,003	29,458	54,901	33,505
CURASALUS	30 Sep	73,389	132,415	37,769	20,927	84,079	48,336
EIG ANSVAR	31 Dec	122,251	203,834	92,994	43,854	158,850	44,984
ELDERS	30 Jun	151,615	379,426	141,659	114,479	315,304	64,122
EMPLOY MUT	30 Jun	47,260	74,731	9,665	1,995	29,705	45,026
EMPLOY RE	31 Dec	678,161	855,503	479,369	126,228	643,209	212,294
FARM MIL	31 Mar	30,077	53,810	15,894	15,045	35,000	18,810
FIRST AM	31 Dec	4,364	11,665	2,975	0	4,967	6,698
FM INS	31 Dec	161,702	279,552	76,956	66,382	179,130	100,422
FORTRON	30 Jun	11,820	25,342	4,074	7,959	18,453	6,889
GE MORT	31 Dec	1,169,133	1,843,161	15,961	290,956	354,038	1,489,123
GEN RE	31 Dec	669,398	1,197,086	699,100	72,988	971,484	225,602
GERLING	31 Dec	84,312	291,051	256,201	3,393	268,579	22,472
GIO GEN	30 Jun	2,647,805	3,696,160	1,824,253	697,675	2,881,668	814,492
GORDIAN <sup>b</sup>	31 Dec	1,627,378	1,910,023	1,055,329	894	1,175,016	735,007
GUILD INS	30 Jun	117,219	230,068	108,816	45,443	178,524	51,544
HALLMARK	31 Dec	71,034	98,314	12,854	32,487	53,191	45,123
HANNOVER	31 Dec	577,671	729,086	459,820	69,322	562,629	166,457
HBF INS	30 Jun	44,065	64,502	13,863	15,084	37,244	27,258
HOLLARD	30 Jun	23,178	89,833	19,453	18,686	62,315	27,518
HPIA	30 Jun	54,507	82,257	31,129	9,313	57,775	24,482
HSB	31 Dec	18,545	31,339	1,407	12,487	15,312	16,027
IAG RE	30 Jun	6,132	6,160	0	0	325	5,835
IAL	30 Jun	7,817,428	10,331,321	3,964,987	1,355,204	6,704,752	3,626,569
IMA	30 Jun	1,430,539	2,239,907	462,197	986,857	1,667,164	572,743
ING	31 Dec	29,282	40,481	2,727	11,167	19,281	21,200
KEMPER INS <sup>b</sup>	31 Dec	8,322	8,679	5,038	0	5,122	3,557
LAWCOVER	30 Jun	96,030	175,544	52,435	56,371	156,731	18,813
LIBERTY	31 Dec	271,479	581,718	341,471	106,671	495,772	85,946

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

**Table 13 Company level financial position (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
LIONHEART <sub>b</sub>	30 Jun	2,833	4,403	256	1,600	3,309	1,094
LUMLEY GEN	30 Jun	282,941	716,410	292,404	192,547	597,950	118,460
MASTER BUT <sub>ab</sub>	01 Dec						
MDA	30 Jun	67,256	164,132	90,323	15,614	132,508	31,624
MDU <sub>b</sub>	30 Jun	0	6,072	1,044	0	1,044	5,028
METLIFE <sub>ab</sub>	31 Dec	18,537	20,688	2,672	0	2,680	18,008
MIA	30 Jun	53,788	105,570	53,177	16,504	84,726	20,844
MITSUMI	31 Mar	90,682	108,159	17,103	11,724	29,946	78,213
MMIA	31 Dec	569,569	978,762	485,049	192,638	769,980	208,782
MRMPL	30 Jun	20,358	23,093	55	6,277	8,580	14,513
MTA	30 Jun	27,342	30,147	1,410	8,008	12,377	17,770
MUNICH RE	31 Dec	1,527,477	1,897,370	976,825	254,175	1,394,836	502,534
MUNICIPAL <sub>b</sub>	30 Jun	11,231	11,244	2,707	0	2,715	8,529
MUT COMM	30 Jun	24,610	51,636	13,709	20,001	43,072	8,564
NEW INDIA	31 Mar	19,756	22,737	3,809	1,543	6,572	16,165
NIPPONKOA	31 Mar	0	27,745	5,351	3,499	11,647	16,098
NORTH <sub>b</sub>	31 Dec	15,563	34,366	23,470	0	23,669	10,697
NRG LONDON <sub>b</sub>	31 Dec	19,004	20,999	6,518	0	7,014	13,985
NRG VIC <sub>b</sub>	31 Dec	46,987	58,058	31,764	0	33,044	25,014
NZI AUS	30 Jun	249,262	462,590	380,461	0	408,127	54,463
OPTUS	31 Mar	17,959	30,307	2,782	1,401	17,377	12,930
OVOID <sub>a</sub>	30 Jun						
PIA <sub>b</sub>	30 Jun	30,516	52,395	35,803	0	36,445	15,950
PIICA	30 Jun	118,300	202,268	91,046	12,500	170,488	31,780
PLMI	31 Dec	8,356	12,813	73	674	4,076	8,737
PMI IND <sub>b</sub>	31 Dec	170,619	192,791	3,354	38,325	54,048	138,743
PMI MORT	31 Dec	749,017	837,607	10,564	84,766	251,287	586,320
POSEIDON <sub>b</sub>	30 Jun	2,555	3,216	185	0	252	2,964
QBE AUS	31 Dec	2,805,378	4,467,763	2,410,437	607,760	3,401,018	1,066,745
QBE INT	31 Dec	480,813	865,123	300,022	92,250	507,438	357,685
RAA	30 Jun	46,085	69,315	13,008	30,687	52,472	16,843
RAC	31 Dec	164,590	367,568	30,694	102,195	159,037	208,531
RACQ	31 Dec	552,986	742,052	404,190	189,021	612,893	129,159
RACT	30 Jun	19,801	43,614	10,354	21,727	34,959	8,655
RURAL <sub>b</sub>	30 Jun	3,776	5,367	3,477	0	3,894	1,473

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

**Table 13 Company level financial position (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Investments	Total assets	Outstanding claims provision	Premium liabilities	Total liabilities	Shareholders' equity
SCOR	31 Dec	69,882	83,221	30,761	3,220	41,507	41,714
SOMPO	31 Dec	37,501	55,420	20,084	3,512	28,452	26,968
SPHERE DRA <sup>b</sup>	31 Dec	4,802	6,803	2,481	0	2,662	4,141
ST ANDREW	31 Dec	26,600	27,520	845	6,488	11,874	15,646
ST PAUL <sup>b</sup>	30 Sep	90,359	185,586	143,489	2,358	153,559	32,027
STATECOVER	30 Jun	85,687	135,150	57,548	34,413	104,875	30,275
STEWART	31 Dec	5,880	6,563	144	0	428	6,135
SUNCORP	30 Jun	4,813,261	5,370,384	2,332,923	604,066	3,364,572	2,005,812
SUNDERLAND	31 Dec	9,298	29,865	10,179	9,166	22,934	6,931
SUNSTATE	30 Jun	14,184	15,335	53	5,739	7,068	8,267
SWANN	30 Jun	294,053	367,555	44,572	163,556	263,286	104,269
SWISS RE	31 Dec	811,525	1,065,869	418,879	142,822	593,662	472,207
TAXI	30 Jun	1,813	2,078	122	0	447	1,631
TGI AUS <sup>b</sup>	31 Dec	178,269	265,329	167,349	260	179,759	85,570
TMIC	30 Jun	7,210	8,508	116	684	1,547	6,961
TOKIO	31 Mar	79,448	117,668	33,044	15,149	55,960	61,708
TOWER <sup>b</sup>	30 Sep	25,570	38,951	11,977	0	13,240	25,711
TRC	31 Dec	26,055	38,857	6,542	4,383	15,405	23,452
VERO	31 Dec	3,952,394	6,036,411	2,355,758	1,273,180	4,371,533	1,664,878
VERO LMI <sup>b</sup>	31 Dec	353,838	370,897	3,796	95,043	159,870	211,027
VIRGINIA	31 Dec	19,507	23,575	797	9,093	11,826	11,749
WESFARMERS	30 Jun	244,220	331,230	124,900	98,321	258,440	72,790
WESTERN	31 Dec	10,513	26,781	287	2,570	15,378	11,403
WESTPAC	30 Sep	133,866	191,379	38,480	68,716	131,394	59,985
WPAC LMI	30 Sep	95,086	140,883	1,613	56,904	70,876	70,007
XL INS	31 Dec	104,138	232,112	115,549	25,705	186,433	45,679
XL RE <sup>b</sup>	31 Dec	40,704	87,681	51,599	4,688	73,198	14,483
ZURICH	31 Dec	1,781,596	2,521,859	1,409,653	360,795	1,872,899	648,960
<b>Total (\$ million)</b>		<b>52,172</b>	<b>77,801</b>	<b>34,147</b>	<b>12,848</b>	<b>54,606</b>	<b>23,195</b>

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

**Table 14 Company level capital adequacy**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base <sup>a</sup>	Capital surplus	Solvency coverage
AAIL	31 Dec	716,714	1,062,586	345,872	1.48
AAMI	31 Dec	5,000	12,745	7,745	2.55
ACE	31 Dec	70,673	179,669	108,996	2.54
AFG <sub>d</sub>	30 Sep	13,854	-14,600	-28,454	-1.05
AIOI	31 Mar	5,786	10,996	5,210	1.90
ALEA	31 Dec	5,738	14,905	9,167	2.60
AM HOME	31 Dec	89,213	213,489	124,276	2.39
AM INT <sub>d</sub>	30 Nov	2,000	10,602	8,602	5.30
AME RE	31 Dec	51,796	95,599	43,803	1.85
AMPG <sub>d</sub>	31 Dec	5,000	26,344	21,344	5.27
ANZ LMI	30 Sep	35,963	82,058	46,095	2.28
ANZCOVER	30 Sep	67,821	132,947	65,126	1.96
ASSET	31 Dec	39,943	85,728	45,785	2.15
ATRADIUS	31 Dec	13,235	22,484	9,249	1.70
AUS ALLNCE	31 Dec	5,000	17,788	12,788	3.56
AUS FAMILY	31 Dec	2,000	1,412	-588	0.71
AUS INT	30 Jun	23,511	44,094	20,583	1.88
AUS MED <sub>b</sub>	30 Jun	94,952	194,878	99,926	2.05
AUS UNITY	30 Jun	11,773	20,244	8,471	1.72
AXA <sub>d</sub>	31 Dec	5,000	30,565	25,565	6.11
BARRISTERS	30 Jun	5,000	11,097	6,097	2.22
BHP MARINE	30 Jun	127,680	339,426	211,746	2.66
BORAL <sub>d</sub>	30 Jun	5,564	8,405	2,841	1.51
BUDGET <sub>d</sub>	30 Jun	8,030	10,225	2,195	1.27
CALLI <sub>c</sub>	31 Dec				
CALLI GRP <sub>d</sub>	31 Dec	5,097	86,735	81,638	17.02
CATHOLIC	30 Jun	91,176	174,216	83,040	1.91
CAVELL <sub>d</sub>	31 Dec	2,000	10,030	8,030	5.02
CGU	30 Jun	558,818	1,137,635	578,817	2.04
CGU VACC	30 Jun	15,868	68,447	52,579	4.31
CHUBB	31 Dec	74,788	196,773	121,985	2.63
CIC	31 Dec	5,000	9,641	4,641	1.93
COL PROT <sub>d</sub>	30 Jun	5,000	6,770	1,770	1.35
COLOGNE RE	31 Dec	22,510	73,087	50,577	3.25

<sup>a</sup> Capital base for branch insurers is derived from net assets inside Australia.<sup>b</sup> Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.<sup>c</sup> Not required to submit data for the relevant period.<sup>d</sup> Insurer authorised to conduct run-off business only.

**Table 14 Company level capital adequacy (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base <sup>a</sup>	Capital surplus	Solvency coverage
COM INSUR	30 Jun	33,293	54,478	21,185	1.64
COM STEAM <sub>d</sub>	30 Jun	2,000	2,537	537	1.27
COMBINED	31 Dec	9,015	82,186	73,171	9.12
CONVER	31 Dec	28,335	77,897	49,562	2.75
COPENHAGEN <sub>d</sub>	31 Dec	6,697	44,961	38,264	6.71
CORRVAS <sub>d</sub>	30 Jun	5,000	13,402	8,402	2.68
CREDICORP	30 Jun	5,000	6,735	1,735	1.35
CUMIS	31 Dec	8,462	32,657	24,195	3.86
CURASALUS	30 Sep	44,464	50,714	6,250	1.14
EIG ANSVAR	31 Dec	20,231	49,564	29,333	2.45
ELDERS	30 Jun	29,916	67,661	37,745	2.26
EMPLOY MUT	30 Jun	7,915	45,026	37,111	5.69
EMPLOY RE	31 Dec	112,281	292,249	179,968	2.60
FARM MIL	31 Mar	5,000	17,279	12,279	3.46
FIRST AM	31 Dec	5,000	5,550	550	1.11
FM INS	31 Dec	14,337	97,961	83,624	6.83
FORTRON	30 Jun	8,445	7,641	-804	0.90
GE MORT	31 Dec	327,436	901,269	573,833	2.75
GEN RE	31 Dec	115,546	195,059	79,513	1.69
GERLING	31 Dec	26,855	26,222	-633	0.98
GIO GEN	30 Jun	470,158	973,043	502,885	2.07
GORDIAN <sub>d</sub>	31 Dec	224,712	646,126	421,414	2.88
GUILD INS	30 Jun	27,034	54,565	27,531	2.02
HALLMARK	31 Dec	11,875	45,358	33,483	3.82
HANNOVER	31 Dec	126,778	192,834	66,056	1.52
HBF INS	30 Jun	8,214	30,983	22,769	3.77
HOLLARD	30 Jun	7,329	27,485	20,156	3.75
HPIA	30 Jun	9,737	27,982	18,245	2.87
HSB	31 Dec	8,847	15,937	7,090	1.80
IAG RE	30 Jun	5,000	5,835	835	1.17
IAL	30 Jun	1,012,455	3,333,557	2,321,102	3.29
IMA	30 Jun	298,507	582,426	283,919	1.95
ING	31 Dec	11,958	21,200	9,242	1.77
KEMPER INS <sub>d</sub>	31 Dec	2,000	3,557	1,557	1.78

<sup>a</sup> Capital base for branch insurers is derived from net assets inside Australia.<sup>b</sup> Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.<sup>c</sup> Not required to submit data for the relevant period.<sup>d</sup> Insurer authorised to conduct run-off business only.

**Table 14 Company level capital adequacy (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base <sup>a</sup>	Capital surplus	Solvency coverage
LAWCOVER	30 Jun	14,061	18,813	4,752	1.34
LIBERTY	31 Dec	47,197	101,272	54,075	2.15
LIONHEART	30 Jun	2,000	1,094	-906	0.55
LUMLEY GEN	30 Jun	67,144	118,460	51,316	1.76
MASTER BUT <sub>cd</sub>	01 Dec				
MDA <sub>b</sub>	30 Jun	16,897	39,156	22,259	2.32
MDU <sub>d</sub>	30 Jun	3,500	4,774	1,274	1.36
METLIFE <sub>cd</sub>	31 Dec				
MIA <sub>b</sub>	30 Jun	16,719	20,844	4,125	1.25
mitsui	31 Mar	35,101	69,269	34,168	1.97
MMIA	31 Dec	114,003	208,782	94,779	1.83
MRMPL	30 Jun	9,186	14,513	5,327	1.58
MTA	30 Jun	5,000	17,770	12,770	3.55
MUNICH RE	31 Dec	262,850	502,534	239,684	1.91
MUNICIPAL <sub>d</sub>	30 Jun	2,000	8,529	6,529	4.26
MUT COMM	30 Jun	5,000	11,550	6,550	2.31
NEW INDIA	31 Mar	5,000	16,513	11,513	3.30
NIPPONKOA	31 Mar	5,000	15,636	10,636	3.13
NORTH <sub>d</sub>	31 Dec	5,000	8,328	3,328	1.67
NRG LONDON <sub>d</sub>	31 Dec	5,000	14,333	9,333	2.87
NRG VIC	31 Dec	5,111	25,900	20,789	5.07
NZI AUS	30 Jun	40,555	76,448	35,893	1.89
OPTUS	31 Mar	5,000	12,930	7,930	2.59
OVOID <sub>c</sub>	30 Jun				
PIA <sup>q</sup>	30 Jun	5,000	19,078	14,078	3.82
PIICA <sub>b</sub>	30 Jun	15,396	29,255	13,859	1.90
PLMI	31 Dec	5,612	8,737	3,125	1.56
PMI IND <sub>d</sub>	31 Dec	39,028	132,993	93,965	3.41
PMI MORT	31 Dec	195,142	588,573	393,431	3.02
POSEIDON <sub>d</sub>	30 Jun	2,000	2,951	951	1.48
QBE AUS	31 Dec	557,183	986,679	429,496	1.77
QBE INT	31 Dec	91,674	336,484	244,810	3.67
RAA	30 Jun	8,286	19,494	11,208	2.35
RAC	31 Dec	22,103	100,716	78,613	4.56

<sup>a</sup> Capital base for branch insurers is derived from net assets inside Australia.<sup>b</sup> Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.<sup>c</sup> Not required to submit data for the relevant period.<sup>d</sup> Insurer authorised to conduct run-off business only.

**Table 14 Company level capital adequacy (continued)**

Financial years ended in the 12 months to June 2005

(\$ thousand)

Company short name	Balance date	Minimum capital requirement	Capital base <sup>a</sup>	Capital surplus	Solvency coverage
RACQ	31 Dec	97,496	163,523	66,027	1.68
RACT	30 Jun	5,939	9,198	3,259	1.55
RURAL <sub>d</sub>	30 Jun	2,000	1,473	-527	0.74
SCOR	31 Dec	8,681	42,584	33,903	4.91
SOMPO	31 Dec	5,000	26,702	21,702	5.34
SPHERE DRA <sub>d</sub>	31 Dec	2,000	4,141	2,141	2.07
ST ANDREW	31 Dec	5,000	15,646	10,646	3.13
ST PAUL <sub>d</sub>	30 Sep	17,934	32,027	14,093	1.79
STATECOVER	30 Jun	19,293	33,405	14,112	1.73
STEWART	31 Dec	5,000	6,135	1,135	1.23
SUNCORP	30 Jun	590,730	1,361,475	770,745	2.30
SUNDERLAND	31 Dec	5,000	8,054	3,054	1.61
SUNSTATE	30 Jun	5,937	8,267	2,330	1.39
SWANN	30 Jun	48,385	105,334	56,949	2.18
SWISS RE	31 Dec	115,483	471,490	356,007	4.08
TAXI	30 Jun	284	1,631	1,347	5.73
TGI AUS <sub>d</sub>	31 Dec	25,239	74,254	49,015	2.94
TMIC	30 Jun	5,000	6,961	1,961	1.39
TOKIO	31 Mar	11,366	62,424	51,058	5.49
TOWER <sub>d</sub>	30 Sep	5,000	25,697	20,697	5.14
TRC	31 Dec	6,682	21,219	14,537	3.18
VERO	31 Dec	669,144	1,633,279	964,135	2.44
VERO LMI <sub>d</sub>	31 Dec	78,206	211,027	132,821	2.70
VIRGINIA	31 Dec	5,000	11,749	6,749	2.35
WESFARMERS	30 Jun	35,675	77,171	41,496	2.16
WESTERN	31 Dec	5,000	11,403	6,403	2.28
WESTPAC	30 Sep	22,468	59,985	37,517	2.67
WPAC LMI	30 Sep	34,584	70,007	35,423	2.02
XL INS	31 Dec	30,533	44,712	14,179	1.46
XL RE <sub>d</sub>	31 Dec	7,652	14,178	6,526	1.85
ZURICH	31 Dec	341,375	608,875	267,500	1.78
<b>Total (\$ million)</b>		<b>9,061</b>	<b>21,165</b>	<b>12,104</b>	<b>2.34</b>

<sup>a</sup> Capital base for branch insurers is derived from net assets inside Australia.<sup>b</sup> Medical indemnity insurers are not required to meet minimum capital requirements until July 2008. Data represent solvency position based on wider industry requirements.<sup>c</sup> Not required to submit data for the relevant period.<sup>d</sup> Insurer authorised to conduct run-off business only.

**Table 15 Public insurer financial performance**

Year end June 2005

(\$ million)

	Total public sector
Earned premium	9,265
Reinsurance expense	102
<b>Net premium revenue</b>	<b>9,162</b>
Claims expense	9,619
Reinsurance and other recoveries revenue	351
<b>Net claims expense</b>	<b>9,268</b>
Underwriting costs	1,079
<b>Underwriting result</b>	<b>-1,184</b>
Investment income	4,401
General and administration expenses	546
Other items	-420
<b>Net profit / loss after tax</b>	<b>2,250</b>
Number of entities	14

## Notes:

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

**Table 16 Public insurer operating income and expense**

Year end June 2005

(\$ million)

	Total public sector
<b>Investment income</b>	<b>4,401</b>
<i>arising from:</i>	
Interest	763
Dividend	1,088
Rent	50
Change in net market value of investments	2,500
<b>Other operating income</b>	<b>150</b>
<b>Operating expenses</b>	<b>1,072</b>
<i>of which:</i>	
Interest	0
Wages and salaries	206
Other employee related	65
Occupancy and equipment	38
Fees	371
Bad and doubtful debts	57
Other operating expenses	335
<b>Number of entities</b>	<b>14</b>

## Notes:

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

## Table 17 Public insurer financial position

Year end June 2005

(\$ million)

	Total public sector	of which: inside Australia
Unpaid premiums	477	477
Reinsurance assets	376	376
Investments	37,513	35,645
Other assets	2,968	2,968
<b>Total assets</b>	<b>41,334</b>	<b>39,466</b>
Underwriting provisions	37,101	37,101
Other provisions	79	79
Taxation	724	724
Total creditors and borrowings	540	540
Other liabilities	630	630
<b>Total liabilities</b>	<b>39,073</b>	<b>39,073</b>
Shareholders' equity	2,260	
Number of entities	14	

Notes:

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

**Table 18 Public insurer premiums and claims by class of business**

Year end June 2005

(\$ million)

Class of business	Total premiums (in accordance with <i>AASB 1023 / AAS 26</i> )	Premium revenue <sup>a</sup>	Reinsurance expense	Claims expense	Reinsurance and other recoveries revenue
Houseowners/householders	35	34	14	18	4
Commercial motor vehicle	4	4	1	1	0
Domestic motor vehicle	13	13	2	6	0
Travel	0	0	0	0	0
Fire and ISR	40	41	24	19	4
Marine and aviation	3	2	2	-1	0
Mortgage	0	0	0	0	0
Consumer credit	0	0	0	0	0
Other accident	2	2	1	-2	-1
Other	160	161	2	177	2
CTP motor vehicle	1,890	1,854	20	1,952	39
Public and product liability	30	33	14	27	6
Professional indemnity	5	5	1	-4	-3
Employers' liability	7,143	7,117	24	7,440	327
<b>Total direct business</b>	<b>9,326</b>	<b>9,266</b>	<b>102</b>	<b>9,632</b>	<b>378</b>

## Notes:

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

<sup>a</sup> Premium revenue equals total premiums plus unearned premiums at beginning of financial year minus unearned premiums at end of financial year.

## Company classification

Year end June 2005

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
A.C.N. 000 007 492 Limited	RURAL	30 Jun	Direct		Run-off
A.F.G. Insurances Limited	AFG	30 Sep	Reinsurer		Run-off
ACE Insurance Limited	ACE	31 Dec	Direct		
AIOI Insurance Co, Ltd	AIOI	31 Mar	Direct	Branch	
AMPG (1992) Limited	AMPG	31 Dec	Direct		Run-off
<hr/>					
ANZ Lenders Mortgage Insurance Pty Limited	ANZ LMI	30 Sep	Direct		LMI
ANZCover Insurance Pty Ltd	ANZCOVER	30 Sep	Direct		
AXA Insurance Australia Limited	AXA	31 Dec	Direct		Run-off
Alea London Limited	ALEA	31 Dec	Reinsurer	Branch	
Allianz Australia Insurance Limited	AAIL	31 Dec	Direct		
<hr/>					
American Home Assurance Company	AM HOME	31 Dec	Direct	Branch	
American International Assurance Co (Aus)	AM INT	30 Nov	Direct		Run-off
American Re-insurance Company	AME RE	31 Dec	Direct	Branch	Run-off
AssetInsure Pty Limited	ASSET	31 Dec	Direct		
Atradius Credit Insurance N.V.	ATRADIUS	31 Dec	Direct	Branch	
<hr/>					
Australasian Medical Insurance Limited	AUS MED	30 Jun	Direct		
Australian Alliance Insurance Company Limited	AUS ALLNCE	31 Dec	Direct		
Australian Associated Motor Insurers Limited	AAMI	31 Dec	Direct		
Australian Family Assurance Limited	AUS FAMILY	31 Dec	Direct		Run-off
Australian International Insurance Limited	AUS INT	30 Jun	Direct		
<hr/>					
Australian Unity General Insurance Limited	AUS UNITY	30 Jun	Direct		
BHP Billiton Marine & General Insurances PL	BHP MARINE	30 Jun	Direct		Captive
Barristers' Sickness and Accident Fund Pty Ltd	BARRISTERS	30 Jun	Direct		
Boral Insurance Pty Limited	BORAL	30 Jun	Direct		Run-off
Budget Insurance Company Limited	BUDGET	30 Jun	Direct	Branch	Run-off
<hr/>					
CGU Insurance Limited	CGU	30 Jun	Direct		
CGU-VACC Insurance Limited	CGU VACC	30 Jun	Direct		
CIC Allianz Insurance Limited	CIC	31 Dec	Direct		
Calliden Group Limited	CALLI GRP	31 Dec	Reinsurer		Run-off
Calliden Limited	CALLI	31 Dec	Direct		
<hr/>					
Catholic Church Insurances Ltd	CATHOLIC	30 Jun	Direct		
Cavell Insurance Company Limited	CAVELL	31 Dec	Reinsurer	Branch	Run-off
Chubb Insurance Company of Australia Limited	CHUBB	31 Dec	Direct		
Cologne Reinsurance Co	COLOGNE RE	31 Dec	Reinsurer	Branch	
Colonial Protection Insurance Pty Limited	COL PROT	30 Jun	Direct		Run-off

## Company classification (continued)

Year end June 2005

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
Combined Insurance Company of Australia	COMBINED	31 Dec	Direct	Branch	
Commonwealth Insurance Limited	COM INSUR	30 Jun	Direct		
Commonwealth Steamship Insurance Company	COM STEAM	30 Jun	Direct		Run-off
Converium Limited	CONVER	31 Dec	Reinsurer	Branch	
Corrvas Insurance Pty Ltd	CORRVAS	30 Jun	Direct		Run-off
<hr/>					
Credicorp Insurance Pty Ltd	CREDICORP	30 Jun	Direct		
Cumis Insurance Society Inc	CUMIS	31 Dec	Direct	Branch	
Curasalus Insurance Pty Ltd	CURASALUS	30 Sep	Direct		Captive
EIG-Ansvar Limited	EIG ANSVAR	31 Dec	Direct		
Elders Insurance Limited	ELDERS	30 Jun	Direct		
<hr/>					
Employers Mutual Limited	EMPLOY MUT	30 Jun	Direct		
Employers Reinsurance Corporation	EMPLOY RE	31 Dec	Reinsurer	Branch	
FM Insurance Company Limited	FM INS	31 Dec	Direct	Branch	
Farmers' Mutual Insurance Limited	FARM MIL	31 Mar	Direct	Branch	
First American Title Insurance Company of Aust PL	FIRST AM	31 Dec	Direct		
<hr/>					
Fortron Insurance Group Limited	FORTRON	30 Jun	Direct		
GIO General Limited	GIO GEN	30 Jun	Direct		
General Reinsurance Australia Ltd	GEN RE	31 Dec	Reinsurer		
Genworth Financial Mortgage Insurance PL	GE MORT	31 Dec	Direct		LMI
Gerling Australia Insurance Company PL	GERLING	31 Dec	Direct		
<hr/>					
Gordian Runoff Limited	GORDIAN	31 Dec	Reinsurer		Run-off
Guild Insurance Limited	GUILD INS	30 Jun	Direct		
HBF Insurance Pty Ltd	HBF INS	30 Jun	Direct		
HSB Engineering Insurance Limited	HSB	31 Dec	Direct		
Hallmark General Insurance Company Ltd	HALLMARK	31 Dec	Direct		
<hr/>					
Hannover Reuckversicherung AG	HANNOVER	31 Dec	Reinsurer	Branch	
Health Professionals Insurance Australia PL	HPIA	30 Jun	Direct		
IAG Re Limited	IAG RE	30 Jun	Reinsurer		
ING General Insurance Pty Limited	ING	31 Dec	Direct		
Insurance Australia Limited	IAL	30 Jun	Direct		
<hr/>					
Insurance Manufacturers of Australia PL	IMA	30 Jun	Direct		
Kemper Insurance Co Ltd	KEMPER INS	31 Dec	Direct		Run-off
LawCover Insurance Pty Limited	LAWCOVER	30 Jun	Direct		
Liberty Mutual Insurance Company	LIBERTY	31 Dec	Direct	Branch	
Lionheart Insurance Pty Ltd	LIONHEART	30 Jun	Direct		Run-off

## Company classification (continued)

Year end June 2005

Company name	Company short name	Balance date	Classification	Branch insurer	Restriction on authorisation
Lumley General Insurance Ltd	LUMLEY GEN	30 Jun	Direct		
MDA National Insurance Pty Ltd	MDA	30 Jun	Direct		
MDU Australia Insurance Co Pty Limited	MDU	30 Jun	Direct		Run-off
MMIA Pty Limited	MMIA	31 Dec	Direct		
MTA Insurance Limited	MTA	30 Jun	Direct		
.....					
Master Butchers Co-operative Limited	MASTER BUT	01 Dec	Direct		Run-off
Medical Insurance Australia Pty Limited	MIA	30 Jun	Direct		
MetLife General Insurance Limited	METLIFE	31 Dec	Direct		Run-off
Mitsui Sumitomo Insurance Company, Limited	MITSUMI	31 Mar	Direct	Branch	
Mortgage Risk Management Pty Ltd	MRMPL	30 Jun	Direct		LMI
.....					
Munich Reinsurance Company Aus Branch	MUNICH RE	31 Dec	Reinsurer	Branch	
Municipal Mutual Insurance Limited	MUNICIPAL	30 Jun	Direct	Branch	Run-off
Mutual Community General Insurance PL	MUT COMM	30 Jun	Direct		
NIPPONKOA Insurance Company Limited	NIPPONKOA	31 Mar	Direct	Branch	
NRG London Reinsurance Company Ltd	NRG LONDON	31 Dec	Reinsurer	Branch	Run-off
.....					
NRG Victory Australia Limited	NRG VIC	31 Dec	Reinsurer		Run-off
NZI Insurance Australia Limited	NZI AUS	30 Jun	Direct		
North Insurances Pty Ltd	NORTH	31 Dec	Direct		Run-off
Optus Insurance Services Pty Limited	OPTUS	31 Mar	Direct		
Ovoid Insurance Pty Limited	OVOID	30 Jun	Direct		Captive
.....					
PMI Indemnity Limited	PMI IND	31 Dec	Direct		Run-off
PMI Mortgage Insurance Ltd	PMI MORT	31 Dec	Direct		LMI
Permanent LMI Pty Limited	PLMI	31 Dec	Direct		LMI
Poseidon Insurance Co Pty Ltd	POSEIDON	30 Jun	Direct		Run-off
Professional Indemnity Insurance Co Aus PL	PIICA	30 Jun	Direct		
.....					
Professional Insurance Australia Pty Ltd	PIA	30 Jun	Direct		Run-off
QBE Insurance (Australia) Limited	QBE AUS	31 Dec	Direct		
QBE Insurance (International) Ltd	QBE INT	31 Dec	Direct		
RAA Insurance Limited	RAA	30 Jun	Direct		
RAC Insurance Pty Limited	RAC	31 Dec	Direct		
.....					
RACQ Insurance Limited	RACQ	31 Dec	Direct		
RACT Insurance Pty Ltd	RACT	30 Jun	Direct		
SCOR Reinsurance Asia-Pacific Pte Ltd	SCOR	31 Dec	Reinsurer	Branch	
Sompo Japan Insurance Inc	SOMPO	31 Dec	Direct	Branch	
Sphere Drake Insurance Limited	SPHERE DRA	31 Dec	Reinsurer	Branch	Run-off

## Company classification (continued)

Year end June 2005

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

## List of public sector insurers

Year end June 2005

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### Insurer name

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Coal Mines Insurance Pty Limited

Comcare Australia

Defence Homes

Insurance Commission of Western Australia

Motor Accident Insurance Board of Tasmania

New South Wales Insurance Ministerial Corporation

Territory Insurance Office

The Motor Accident Commission

Transport Accident Commission (Victoria)

Victorian Managed Insurance Authority

Victorian Workcover Authority

Workcover Authority New South Wales

Workcover Corporation South Australia

WorkCover Queensland

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## Explanatory notes

### Source of data

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

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

### Change in the reporting framework

The introduction of revised private insurer requirements resulted in differences in the basis of accounting recognition and measurement to those required by *AASB 1023 General Insurance Contracts* (AASB 1023). Previous insurer returns were completed in accordance with that standard. The changes primarily stem from the prospective liability valuation requirements prescribed by APRA in *Prudential Standard GPS 210 - Liability Valuation for General Insurers* (GPS210).

The accounting changes for private insurers are summarised below:

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

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

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

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

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

## Basis of preparation

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

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

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

## Provisioning data

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

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

## Glossary

### Definitions

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

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

*Classes of business* in tables 7-11 are shown in order of risk capital factors as described in guidance note GGN 110.3.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Reinsurance recoverables* comprise amounts recoverable under reinsurance contracts.

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

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

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

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

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

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

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

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



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