

Domestic Motor

Market data and insights

Domestic Motor Insurance Market Update

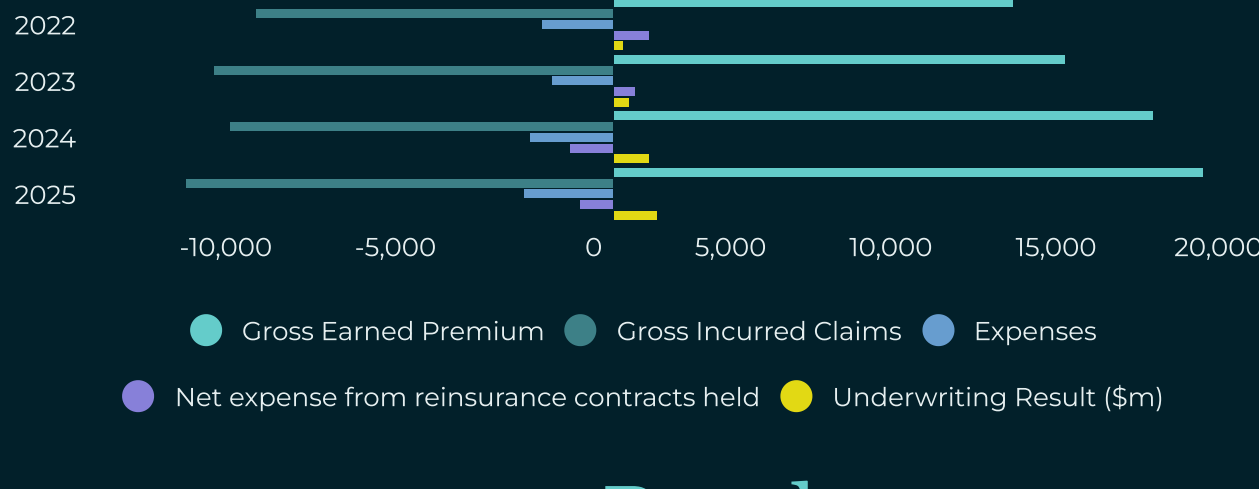
The domestic motor insurance market is experiencing ongoing pressure from rising claims costs, largely driven by higher vehicle values, increasing parts and labor expenses, and extended repair times associated with advanced vehicle technology such as ADAS and the growing penetration of electric vehicles. Although supply constraints for new vehicles have eased, the cost to repair or replace vehicles remains elevated, placing pressure on insurer margins and contributing to premium increases.

The domestic motor market has been a long-term success story, delivering profit in eleven of the past twelve years. Premiums have increased by 73% since 2020, while claims have risen by 57%. Over the same period, the cost of servicing policies, implementing technology, broker commissions, and acquisition expenses has grown by 58%.

Overall, domestic motor is very much an actuary-driven class, characterised by high volumes of low-premium policies and limited reinsurance support. As insurers continue to enhance their data and analytics capabilities, they will become increasingly effective at maximising profitability in this line of business.

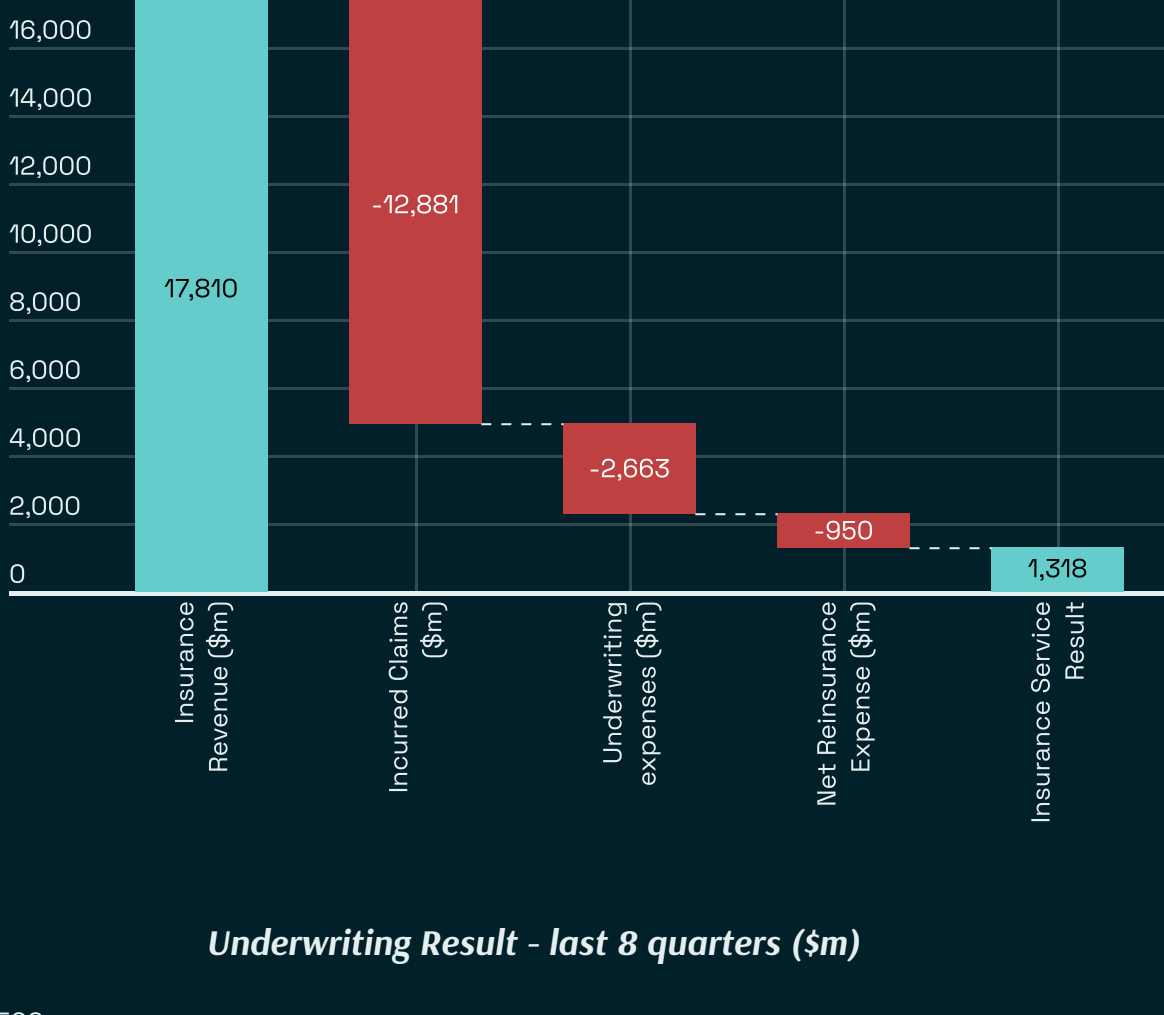
How does the market perform in Australia?

10 Year Profit and Loss (\$m)

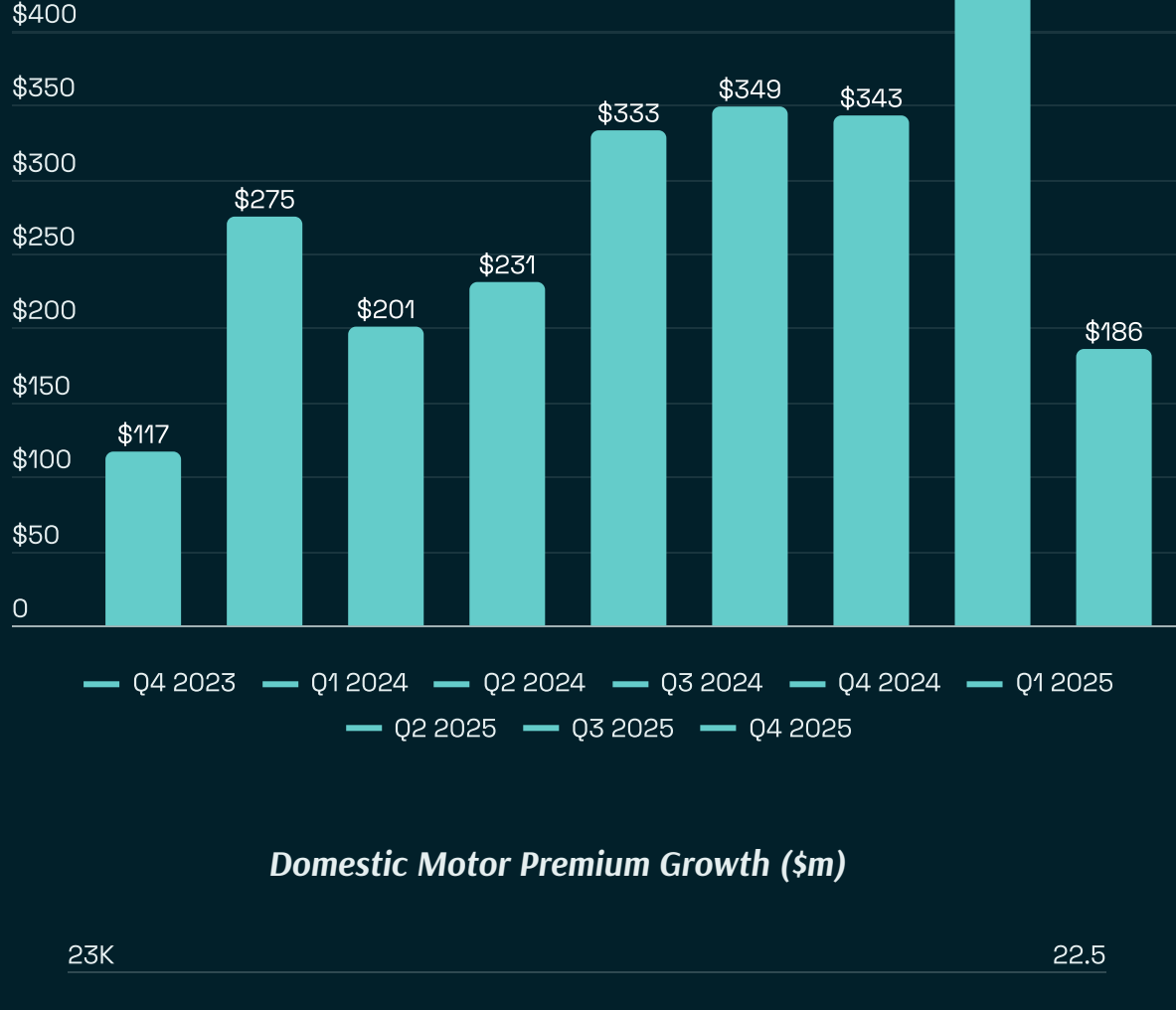


2025 Result

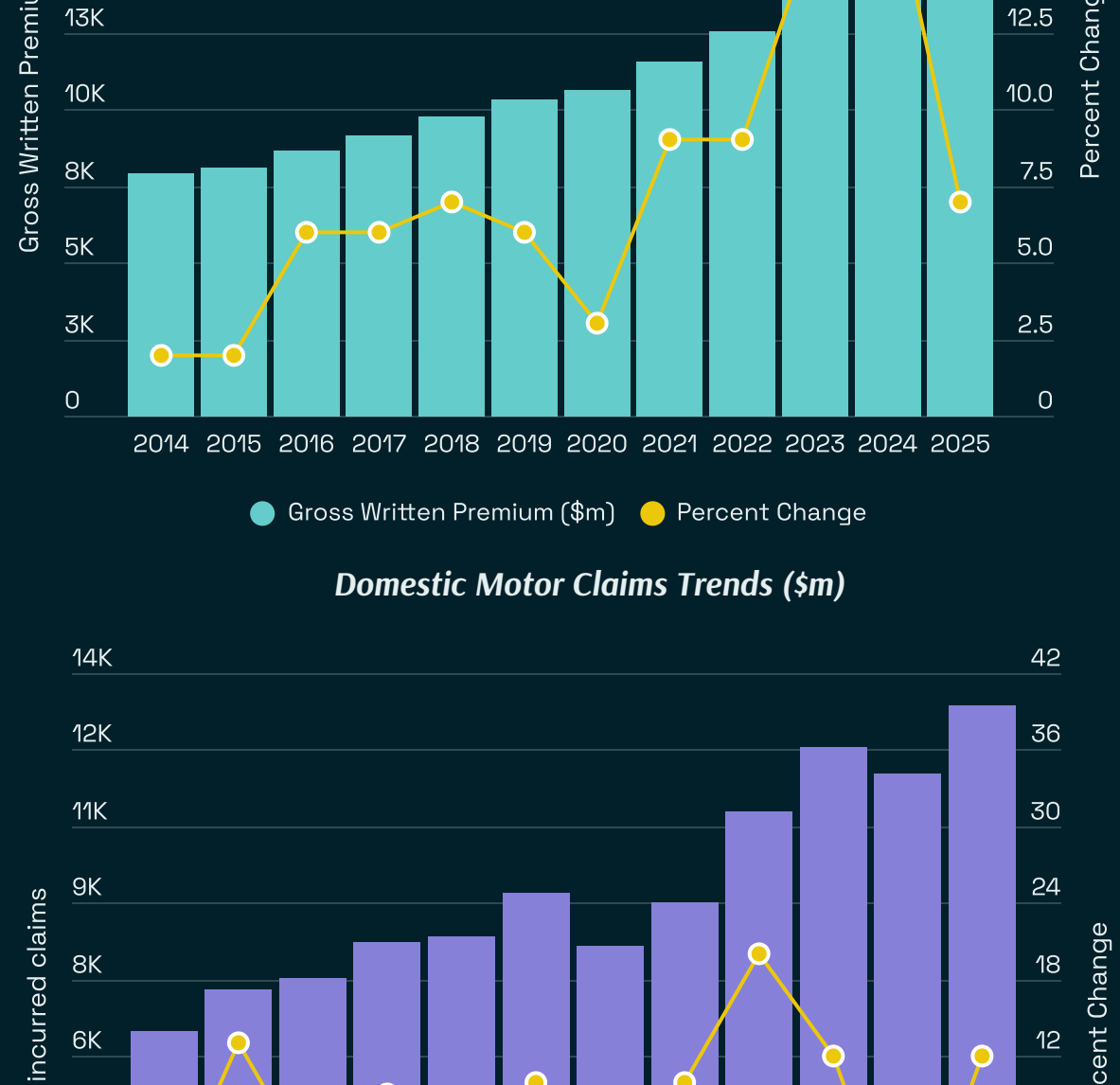
2025 Profit and Loss Statement



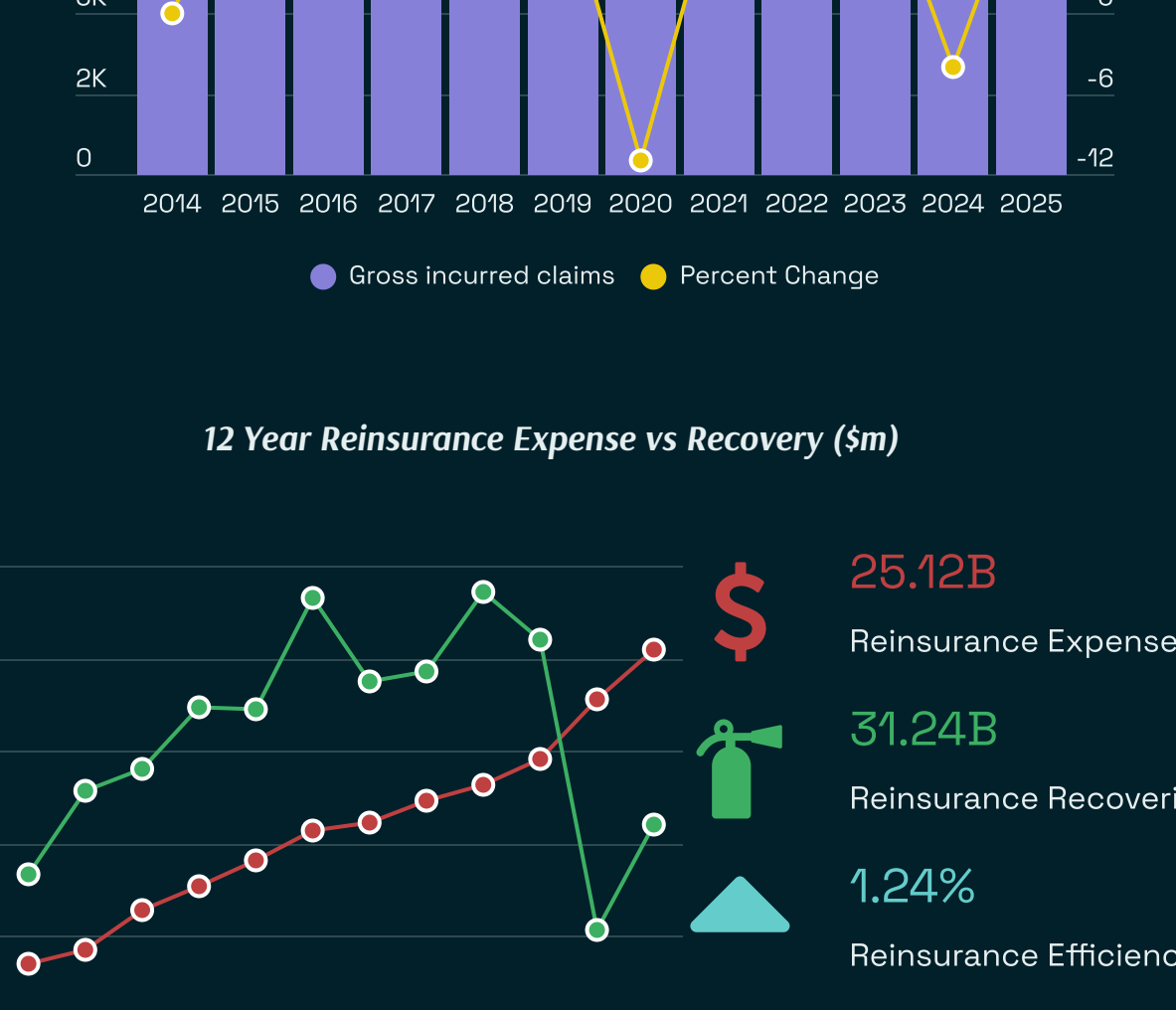
Underwriting Result - last 8 quarters (\$m)



Domestic Motor Premium Growth (\$m)



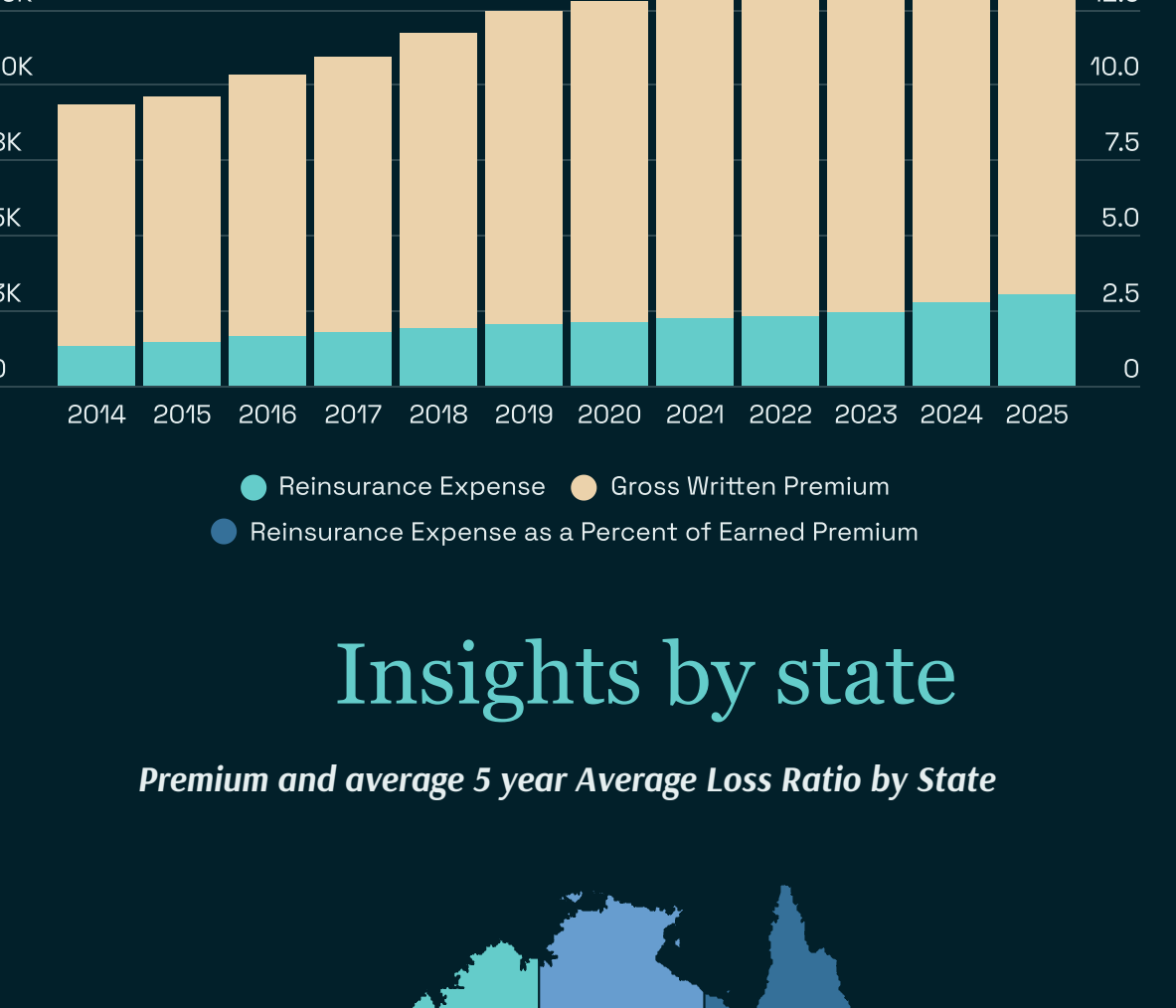
Domestic Motor Claims Trends (\$m)



12 Year Reinsurance Expense vs Recovery (\$m)

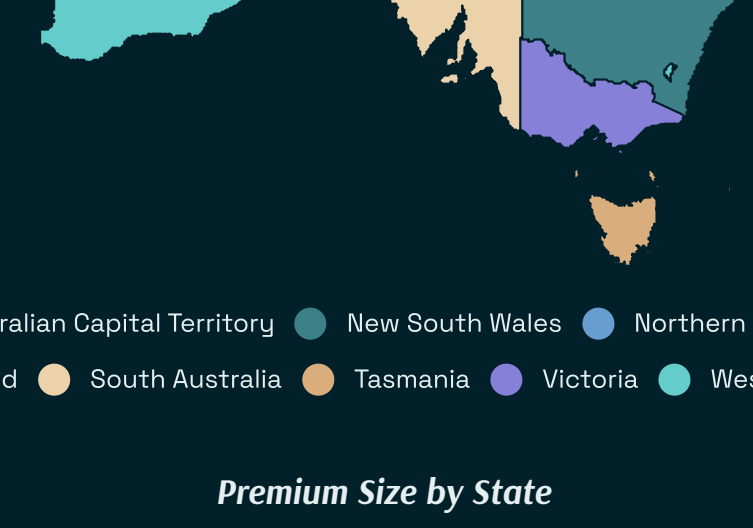


Insurer Reinsurance Expenses as a part of Gross Written Premium (\$m)



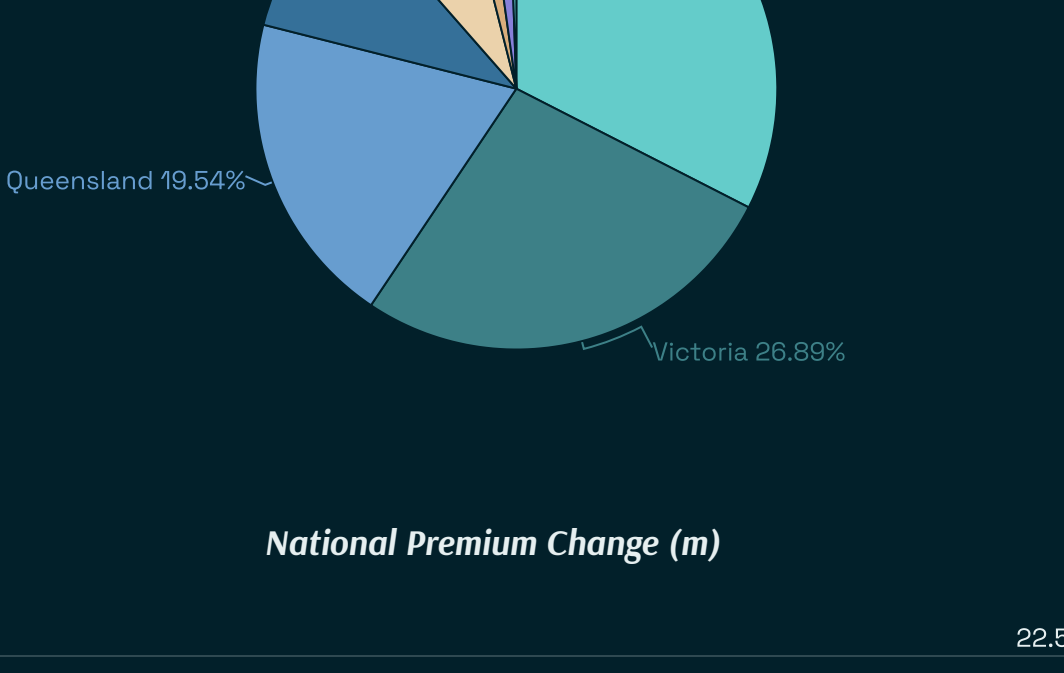
Insights by state

Premium and average 5 year Average Loss Ratio by State

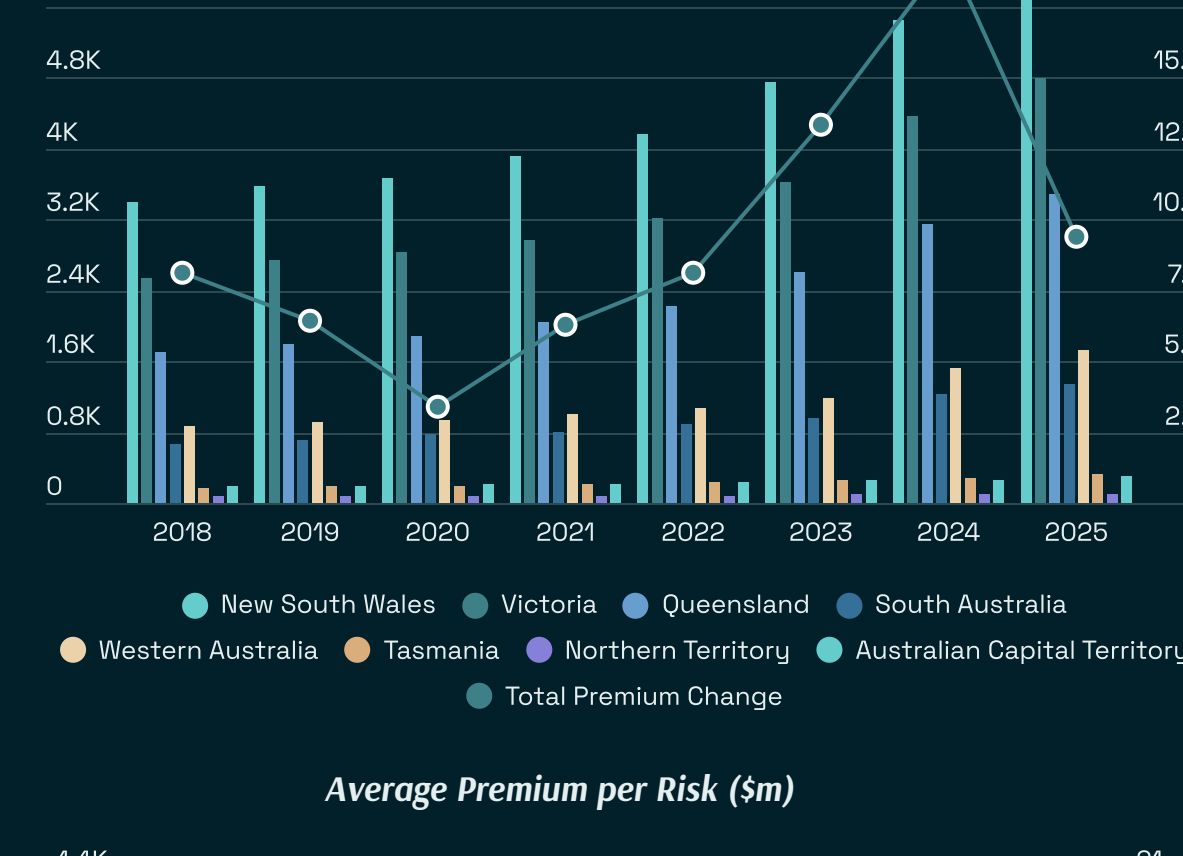


- Australian Capital Territory
- New South Wales
- Northern Territory
- Queensland
- South Australia
- Tasmania
- Victoria
- Western Australia

Premium Size by State



National Premium Change (m)



Average Premium per Risk (\$m)

