

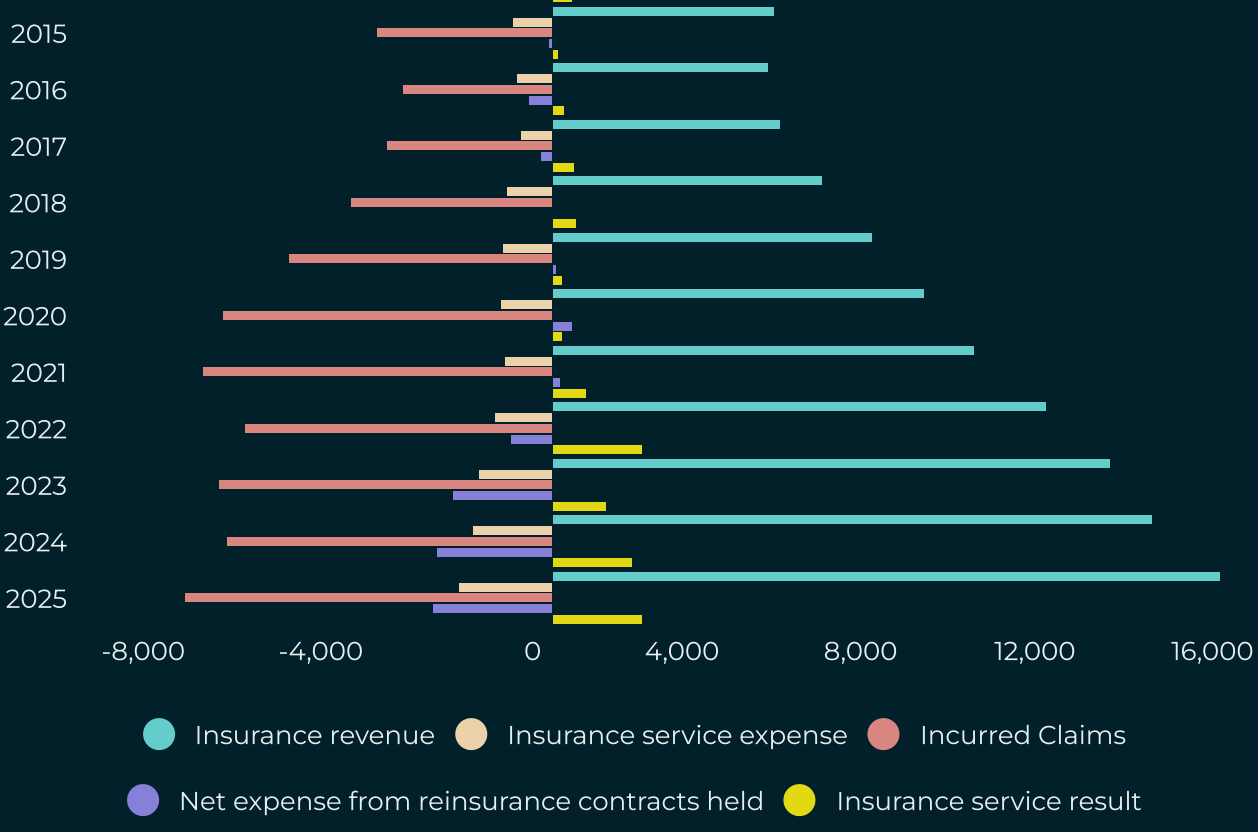
# Commercial Insurer Statistics

## What companies are included in the definition of Commercial Insurer?

An APRA-authorized commercial insurer is a general insurance company licensed by the Australian Prudential Regulation Authority (APRA) to provide risk coverage primarily to business customers rather than individuals.

## How have Commercial Insurers performed in Australia?

### 10 Year Profit and Loss (\$m)



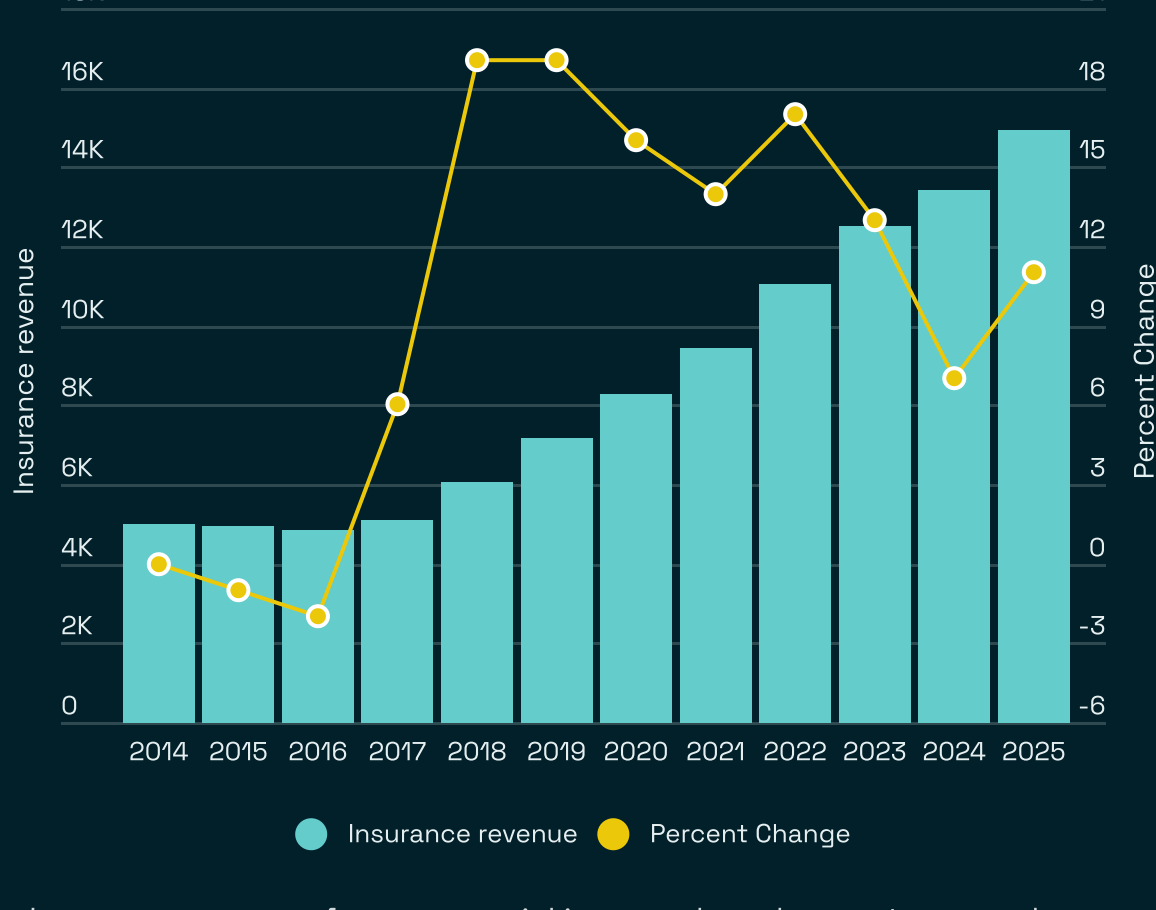
### P&L Summary

The insurance service result for commercial insurers follows a clear cyclical trend over the period. From 2014 to 2019, profitability was modest and volatile, generally remaining below \$0.5bn, before weakening further in 2020. From 2021 onwards, results improved materially, marking the start of a sustained recovery phase. This recovery peaked in 2022, eased in 2023, and then strengthened again through 2024 and 2025, with results returning to around \$2.0bn by the end of the period.

This improvement has been driven primarily by significant premium rate increases across commercial lines, particularly following the hard market conditions post-2019, alongside some stabilisation in incurred claims after prior year deterioration.

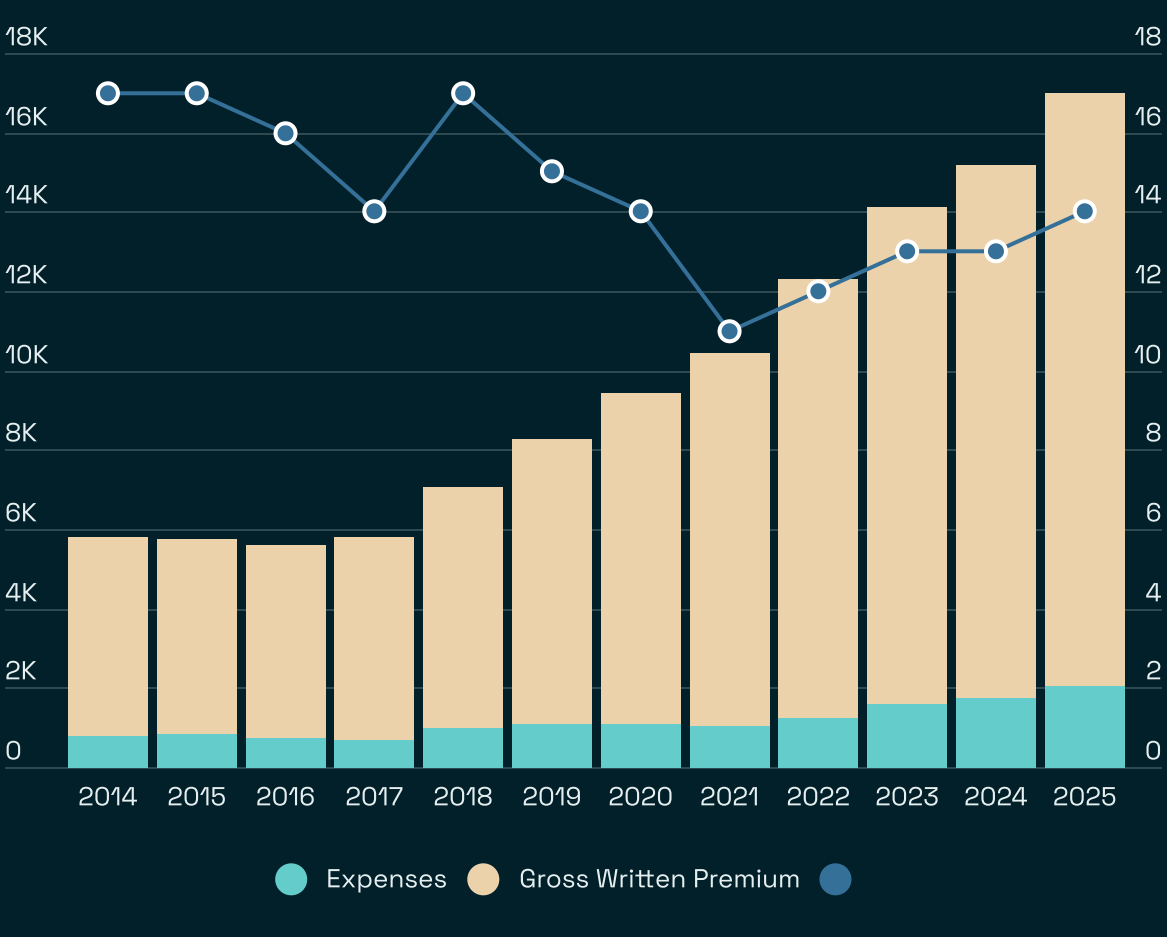
However, margins have been partially constrained by a rising net cost of reinsurance, which has become a more material drag on profitability in recent years, as well as elevated expense levels. Overall, while underwriting performance has improved materially, the results remain more volatile than the broader market, reflecting the inherent exposure of commercial portfolios to large losses and catastrophe activity.

### Commercial Insurers Premium Growth (\$m)

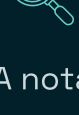


Insurance revenue for commercial insurers has shown strong and sustained growth over the period, increasing from approximately \$5bn in 2014 to nearly \$15bn in 2025. Growth accelerated notably from 2019 onwards, reflecting a prolonged hard market across most commercial lines as insurers responded to prior underwriting losses and rising claims costs. This has been driven by significant rate increases, tighter underwriting conditions, and in some cases reduced capacity, all contributing to a material uplift in premium volumes.

### Insurer Expenses as a part of Gross Written Premium



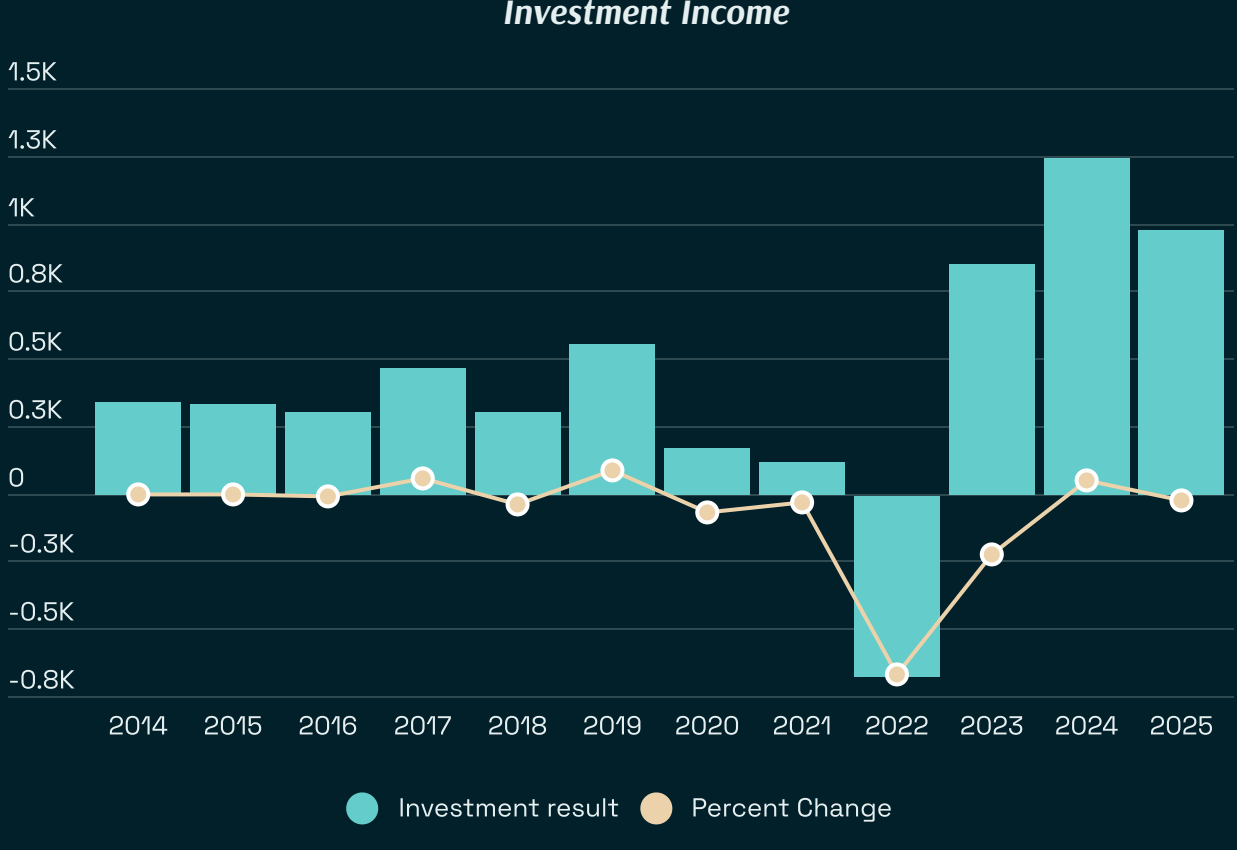
Expense ratios have remained relatively stable over the period, generally ranging between approximately 14% and 17% of insurance revenue. While there is some year-to-year variability, expenses have broadly scaled in line with premium growth, indicating limited structural improvement in cost efficiency despite the strong top-line expansion.



### Commission Expense Averaging 10.8%

A notable component of an insurers expense is commission, which averages approximately 10.8% of insurance revenue across the period. This represents a significant and relatively fixed cost of distribution, particularly in broker-driven channels where commissions are embedded in pricing structures. As premium volumes increase, commission expenses rise proportionally, limiting margin expansion and reinforcing the importance of pricing discipline.

### Investment Income



Investment results for the market have been notably volatile over the past decade, reflecting the underlying performance of global financial markets in which insurers typically hold predominantly fixed income portfolios, supplemented by smaller allocations to equities and other growth assets. While returns have generally been positive, year-on-year predictability remains low, with outcomes highly sensitive to movements in interest rates, inflation, and equity markets. The most pronounced downturn occurred in 2022, where the market recorded a loss of \$668m, driven by the sharp global bond sell-off as central banks aggressively raised interest rates to combat inflation, alongside weaker equity market performance. In contrast, the stronger results observed in 2023 through 2025 align with stabilising inflation, improved bond yields, and a rebound in equity markets, supporting more favourable investment income across insurer portfolios.

### Profit (loss) after tax

