

IMIA Country Analysis 2013

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
Australia	<p>Based on the construction and engineering figures reported in this report, construction and engineering makes up 1.14% of total GWP of general insurance in Australia.</p> <p>The MB / MLoP segment showed growth in 2013 contrary to preceding years. Insurers generally report that machinery business is moving away from stand-alone MB coverage into package or property policies.</p> <p>Construction premiums in 2013 were relatively flat.</p>	<p>Loss ratios were flat against last year that is largely driven by a relatively benign NATCAT year.</p> <p>Construction and engineering sector operated to a LR of 50% in 2013 compared to the 2012 LR of 64%. The industry experienced 34 large claims between 1 to 17 million A\$, the majority related to Natural Perils on Civil Engineering Works.</p>		<p>The outlook for investment in Australia has softened primarily in the mining sector, however there is a significant portion of investment planned for federal infrastructure. Growth it is also noted for utilities projects.</p> <p>From an insurance perspective, rates are extremely soft and coverage's are the broadest at any point in time for the Construction and Engineering classes of business. There is still abundant capacity for construction business.</p>