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Clearview Wealth Limited

By Jenna Hayes

Clearview Wealth Limited (ASX: CVW) was in the market early last week with a new AUD-denominated subordinated tier 2 issuance. ClearView is an APRA-registered non-operating holding company of regulated wholly owned subsidiaries that offer life insurance, superannuation, investments and financial advice. ClearView initially started out as NRMA Life in 1976 but relaunched as ClearView under the current ownership in 2010. The company is listed on the ASX and ClearView carries a BBB rating (Fitch) at the issuer level.

The offering is a 10NC5 floating rate note with redemption at the call date in 5 years. The notes are expected to be rated BB+ by Fitch and priced at 3MBBSW + 350 bps.

About the Issuer

Dating back to 1976, Clearview is a small life insurance business in Australia offering life insurance products across its distribution network of 1,059 approved product lists and 5,500 advisors. ClearView is a pure-play life insurance business, having recently divested its wealth management business, expecting to remove all residual costs associated by 2H FY25.

ClearView has demonstrated consistent YoY growth in its premiums market share, up 0.5% to 3.8% in 1H FY25. The group reported an Underlying Net Profit After Tax (uNPAT) of 28% YoY, reflecting a \$6.2mn claims loss (outlier) in Q1 which normalised in Q2. Despite this the group maintains a target uNPAT margin of 9 - 10% for the rest of FY25, ticking up to 11-13% in FY26.

This increase, and reversal of losses on Q2, reflects strong operating momentum going forwards, based on improvements to pricing activities, retention management as well as the expected completion of their cloud-based technology platform. As an insurer, the group is indirectly impacted by cost-of-living pressures and the current interest rate environment, impacting the affordability of their products and subsequently lapse rates, new business flows and claims.

As a life insurer, ClearView is subject to regulatory risk from APRA which could impact their capital model, impacting pricing on loss absorbing capital. ClearView has remained well capitalised over time, with a PCA multiple of 4.0x. Liquidity is supported by a \$60mn debt facility with NAB, that remains well above covenant restrictions.

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