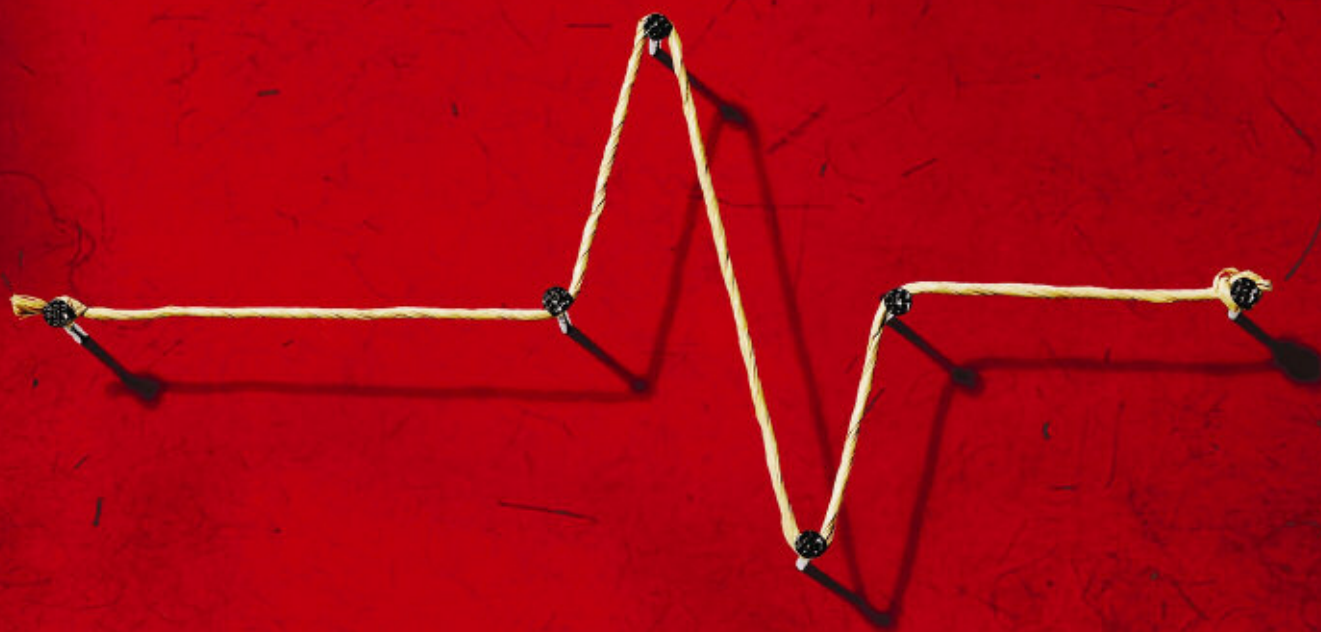




Statistics

Life Office Market Report

December 2004 (issued April 2005)



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The Australian Prudential Regulation Authority (APRA) collects these statistics from the financial services industry and publishes them to provide general information on industry trends. APRA uses its best endeavours to present the information it receives accurately.

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Source

APRA Life Insurance Market Statistics and Assets Diskette, *APRA Superannuation Trends, September 2004*.

Reporting

Premium business reported in this publication refers to direct business only and is gross of reinsurance.

Notes

Life Office Market Report is prepared half yearly by the APRA Statistics Section (Insurance Collections).

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Life insurance market statistics highlights - December 2004

As at 31 December 2004 there were 37 life insurance companies operating in Australia. They managed around \$207.7 billion in assets (backing both Australian and overseas policyholders) and received \$35.0 billion in premium income (that is, regular in force premiums at the end of the year plus new single premium business).

Superannuation business made up 87 per cent of life insurance office assets (backing Australian policyholder liabilities) and contributed to 86 per cent of premiums. Ordinary business of life insurance companies accounts for the remainder of premiums. Around 26 per cent of all superannuation assets are held in life insurance policies.

Of the two broad types of life insurance products: regular (or annual) premium and single premium, single premium business accounted for 80 per cent of life insurance premiums, with the vast majority being for superannuation related products.

The top three life insurance groups accounted for 59 per cent of total industry assets backing Australian policyholder liabilities, 67 per cent of new business premiums and 58 per cent of total premiums. The top ten life insurance groups represented 92 per cent of total assets backing Australian policyholders, 93 per cent of new premiums and 90 per cent of total premiums.

Foreign owned life insurance companies accounted for 29 per cent of total life office assets backing Australian policyholder liabilities, 27 per cent of new business premiums and 31 per cent of total premiums. Bank owned life insurance companies accounted for 40 per cent of total assets backing Australian policyholders, 45 per cent of new premiums and 43 per cent of all premiums.

Life insurance industry at a glance - year ended 31 December 2004

Premium movements - Australian business (\$ million)

Business type	Contractual regular premium business							Other business	
	In force at beginning of period	Increases in the period	Decreases in the period				Other movements	In force at end of period	New single premiums
			Claim	Maturity	Voluntary discontinuance	Other			
Ordinary	3,089	592	6	12	409	10	25	3,269	1,662
Super	3,576	688	3	17	456	42	-131	3,615	26,409
Total	6,664	1,281	10	29	864	52	-106	6,884	28,071

Industry structure

Group	Statutory fund assets					Total premiums - Australian business*		
	Backing Australian liabilities			Backing total liabilities		(\$ million)	Industry share	
	(\$ billion)	Annual change	Industry share	(\$ billion)	Industry share			
1 AMP	56.5	11%	28%	58.9	28%	8,773	25%	1 AMP
2 National Aust / MLC	39.7	15%	20%	39.7	19%	7,312	21%	2 National Aust / MLC
3 Colonial / CBA	23.7	1%	12%	24.1	12%	4,185	12%	3 ING / ANZ
4 ING / ANZ	22.8	11%	11%	22.9	11%	2,874	8%	4 Colonial / CBA
5 National Mutual / AXA	15.7	7%	8%	17.8	9%	2,411	7%	5 Westpac
6 Westpac	12.8	12%	6%	12.8	6%	2,125	6%	6 National Mutual / AXA
7 Aviva	4.9	9%	2%	4.9	2%	1,300	4%	7 Citicorp Life
8 Zurich Life	4.2	1%	2%	4.2	2%	1,099	3%	8 Macquarie Life
9 Suncorp Life and Super	3.6	12%	2%	3.6	2%	818	2%	9 Challenger Life
10 Challenger Life	3.1	-13%	2%	3.1	1%	737	2%	10 Aviva
Top three groups	120.0	10%	59%	122.8	59%	20,270	58%	Top three groups
Top ten groups	187.1	9%	92%	192.2	93%	31,634	90%	Top ten groups
Foreign owned groups	59.0	10%	29%	61.6	30%	10,821	31%	Foreign owned groups
Bank owned groups	81.4	10%	40%	81.7	39%	15,033	43%	Bank owned groups
Total industry	202.4	10%		207.7		34,955		Total industry
of which: overseas assets	28.7	6%	14%	33.7	16%			

Notes:

* Summation of regular in force premiums at end of period and new single premiums.

Life insurance industry at a glance - year ended 31 December 2004 (cont.)

Product type - Australian business (\$ million)

	Assets under management			Premium income		Policy payments	
	Superannuation	Ordinary	Total	Superannuation	Ordinary	Superannuation	Ordinary
Individual business							
Investment account	8,063	1,618	9,681	437	19	1,479	249
Investment linked	67,205	4,329	71,534	9,507	213	9,448	592
Allocated annuity - Non-inv. linked	990	0	990	76	0	310	0
Allocated annuity - Inv. linked	17,560	0	17,560	2,275	0	2,842	0
Other annuity - lifetime	4,085	582	4,667	410	14	328	78
Other annuity - term	5,911	3,104	9,015	2,247	1,374	1,576	833
Group Business							
Investment account	9,782	5	9,787	1,426	0	1,638	1
Investment linked	40,940	22	40,962	12,041	0	11,688	2
Allocated annuity - Non-inv. linked	362	0	362	97	0	97	0
Allocated annuity - Inv. linked	629	0	629	83	0	318	0
Other annuity	92	0	92	0	0	5	1

Notes:

Conventional, risk business, statutory fund reserves, unallocated profits etc. are not included in this table.

New business premium - Australian business

Group	Ordinary				Group	Superannuation			
	Single	Regular (\$ million)	Total	Industry share		Single	Regular (\$ million)	Total	Industry share
1 Citicorp Life	667	10	677	30%	1 AMP	7,911	37	7,948	29%
2 Colonial / CBA	349	101	450	20%	2 National Aust / MLC	6,663	36	6,699	25%
3 Westpac	366	47	413	18%	3 ING / ANZ	3,509	40	3,549	13%
4 ING / ANZ	149	52	200	9%	4 Westpac	1,775	9	1,783	7%
5 National Aust / MLC	4	84	88	4%	5 Colonial / CBA	1,177	179	1,356	5%
6 National Mutual / AXA	19	57	76	3%	6 Macquarie Life	1,097	1	1,098	4%
7 AMP	10	40	50	2%	7 National Mutual / AXA	892	94	986	4%
8 Tower Life	5	43	48	2%	8 Challenger Life	818	0	818	3%
9 AIG	4	35	38	2%	9 Citicorp Life	543	20	563	2%
10 Aviva	18	19	37	2%	10 Zurich Life	525	4	530	2%
Top three groups (by total)	1,382	158	1,540	68%	Top three groups (by total)	18,082	113	18,195	67%
Top ten groups (by total)	1,591	487	2,078	92%	Top ten groups (by total)	24,910	419	25,329	93%
Foreign owned groups	929	283	1,213	54%	Foreign owned groups	6,392	395	6,787	25%
Bank owned groups	1,386	266	1,652	73%	Bank owned groups	11,255	244	11,499	42%
Total industry	1,662	592	2,255		Total industry	26,409	688	27,097	

Table 1. Premium income - total business

(\$ thousand)

Year ended 31 December 2004

Year ended 31 December 2007									
	Contractual regular premium business							Other business	
Product type	In force at beginning of period	Increases in the period	Decreases in the period				Other movements	In force at end of period	New single premiums
			Claim	Maturity	Voluntary discontinuance	Other			
Individual business									
Conventional	459,111	17,178	2,069	13,939	29,394	1,941	-769	428,176	214
Investment account	261,518	8,015	710	4,171	25,809	-1,676	-15,278	225,243	273,810
Investment linked	983,435	59,774	1,341	8,078	119,834	6,333	-193,482	714,140	8,018,673
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	51,266
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	2,185,266
Other annuity - lifetime	0	0	0	0	0	0	0	0	421,748
Other annuity - term	0	0	0	0	0	0	0	0	3,565,141
Risk - lump sum	1,963,957	421,823	4,716	1,037	261,927	1,099	47,620	2,164,621	58,043
Risk - income	907,636	186,992	282	671	126,965	1,670	4,422	969,462	10,611
Group business									
Investment account	317,546	48,205	94	687	33,039	6,082	-5,343	320,507	1,416,725
Investment linked	828,638	223,186	124	646	131,927	7,095	48,763	960,794	11,476,383
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	127,415
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	330,582
Other annuity	0	0	0	0	0	0	0	0	0
Risk	942,596	315,539	229	192	135,232	29,383	8,208	1,101,308	135,336
Total	6,664,436	1,280,712	9,565	29,420	864,128	51,927	-105,858	6,884,250	28,071,213

Table 2. Premium income - ordinary business

(\$ thousand)

Year ended 31 December 2004

Product type	Contractual regular premium business							Other business	
	In force at beginning of period	Increases in the period	Decreases in the period				Other movements	In force at end of period	New single premiums
			Claim	Maturity	Voluntary discontinuance	Other			
Individual business									
Conventional	340,472	16,915	1,749	8,015	22,653	1,514	-500	322,957	155
Investment account	35,961	727	43	493	3,252	37	-2,305	30,558	8,726
Investment linked	133,237	3,780	141	2,184	11,346	1,515	-10,468	111,363	130,865
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	0
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	0
Other annuity - lifetime	0	0	0	0	0	0	0	0	14,492
Other annuity - term	0	0	0	0	0	0	0	0	1,392,865
Risk - lump sum	1,475,305	321,849	3,933	581	213,490	1,692	34,853	1,612,311	57,964
Risk - income	905,051	186,391	277	653	126,672	1,635	5,342	967,547	10,606
Group business									
Investment account	39	0	0	0	12	0	5	32	147
Investment linked	0	0	0	0	0	0	0	0	2
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	0
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	0
Other annuity	0	0	0	0	0	0	0	0	0
Risk	198,539	62,640	19	0	31,124	3,557	-1,791	224,688	46,411
Total	3,088,603	592,302	6,162	11,926	408,548	9,951	25,137	3,269,456	1,662,233

Table 3. Premium income - superannuation business

(\$ thousand)

Year ended 31 December 2004

Year ended 31 December 2007									
	Contractual regular premium business							Other business	
Product type	In force at beginning of period	Increases in the period	Decreases in the period				Other movements	In force at end of period	New single premiums
			Claim	Maturity	Voluntary discontinuance	Other			
Individual business									
Conventional	118,638	263	320	5,924	6,742	427	-269	105,219	59
Investment account	225,557	7,288	667	3,678	22,557	-1,713	-12,973	194,685	265,084
Investment linked	850,198	55,994	1,200	5,895	108,489	4,818	-183,014	602,777	7,887,808
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	51,266
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	2,185,266
Other annuity - lifetime	0	0	0	0	0	0	0	0	407,256
Other annuity - term	0	0	0	0	0	0	0	0	2,172,276
Risk - lump sum	488,653	99,974	783	456	48,437	-593	12,767	552,310	79
Risk - income	2,585	601	5	18	293	35	-920	1,915	5
Group business									
Investment account	317,507	48,205	94	687	33,027	6,082	-5,348	320,475	1,416,578
Investment linked	828,638	223,186	124	646	131,927	7,095	48,763	960,794	11,476,381
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	127,415
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	330,582
Other annuity	0	0	0	0	0	0	0	0	0
Risk	744,057	252,899	210	192	104,109	25,825	9,999	876,620	88,925
Total	3,575,833	688,410	3,402	17,494	455,580	41,977	-130,995	3,614,794	26,408,980



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