



# Statistics

## Life Office Market Report

June 2004 (issued November 2004)



## Copyright

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.

© Australian Prudential Regulation Authority [2004]

This work is copyright. You may download, store in cache, display, print and copy any material in this publication in an unaltered form for your personal or non-commercial use, or for use within your organisation, provided that the copyright notice appears in each copy. Apart from any other use permitted under the *Copyright Act 1968*, all other rights are reserved. Requests for any other type of use should be directed to APRA, Public Affairs Unit GPO Box 9836, Sydney NSW 2001 or by email to [APRAInfo@apra.gov.au](mailto:APRAInfo@apra.gov.au).

## Source

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

## Notes

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

Life Insurance Statistics Enquiries

Email: [statistics@apra.gov.au](mailto:statistics@apra.gov.au)

Fax: 02 9210 3021

Internet Homepage: '<http://www.apra.gov.au>'

# Contents

Life insurance market statistics briefing - June 2004	<a href="#">Main features</a>	4
Life insurance industry at a glance - year ended June 2004	<a href="#">At a glance</a>	5
Premium income - total business	<a href="#">Table 1</a>	7
Premium income - ordinary business	<a href="#">Table 2</a>	8
Premium income - superannuation business	<a href="#">Table 3</a>	9

## Life insurance market statistics main features - June 2004

As at 30 June 2004 there were 37 life insurance companies operating in Australia. They managed around \$196.9 billion in assets (backing both Australian and overseas policyholders) and received \$33.9 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 87 per cent of premiums. Ordinary business of life insurance companies accounts for the remainder of premiums. Around 27 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 now accounts for 78 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 57 per cent of total premiums. The top ten life insurance groups represented 93 per cent of total assets backing Australian policyholders, 93 per cent of new premiums and 91 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 30 per cent of premiums received. 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 30 June 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	2,977	571	7	11	397	8	43	3,168	1,298
Super	3,881	730	4	19	508	-10	45	4,135	25,263
Total	6,858	1,301	10	31	905	-2	88	7,303	26,561

### 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	52.9	3%	28%	55.3	28%	1 AMP	8,469	25%
2 National Aust / MLC	37.1	12%	19%	37.1	19%	2 National Aust / MLC	6,939	20%
3 Colonial / CBA	23.7	2%	12%	24.0	12%	3 ING / ANZ	3,995	12%
4 ING / ANZ	21.3	11%	11%	21.5	11%	4 Colonial / CBA	3,106	9%
5 National Mutual / AXA	15.5	4%	8%	17.5	9%	5 Westpac	2,516	7%
6 Westpac	12.0	9%	6%	12.0	6%	6 National Mutual / AXA	2,226	7%
7 Aviva	4.7	8%	2%	4.7	2%	7 Macquarie Life	1,235	4%
8 Zurich Life	4.2	-7%	2%	4.2	2%	8 Citicorp Life	895	3%
9 Suncorp Life and Super	3.4	6%	2%	3.4	2%	9 Tower Life	762	2%
10 Challenger Life	2.7	-17%	1%	2.7	1%	10 Zurich Life	733	2%
Top three groups	113.6	6%	59%	116.4	59%	Top three groups	19,404	57%
Top ten groups	177.5	5%	93%	182.4	93%	Top ten groups	30,876	91%
Foreign owned groups	56.0	7%	29%	58.5	30%	Foreign owned groups	10,270	30%
Bank owned groups	77.6	8%	40%	77.9	40%	Bank owned groups	14,723	43%
Total industry	191.7	6%		196.9		Total industry	33,863	
of which: overseas assets	27.1	-5%	14%	32.1	16%			

#### Notes:

(1) From 1 October 2003, Norwich Union became known as Aviva.

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

## Life insurance industry at a glance - year ended 30 June 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	8,423	1,666	10,088	531	53	1,444	294
Investment linked	61,182	4,283	65,466	9,010	230	8,456	626
Allocated annuity - Non-inv. linked	1,081	0	1,081	94	0	343	0
Allocated annuity - Inv. linked	15,578	0	15,578	1,804	0	2,194	0
Other annuity - lifetime	3,741	539	4,279	258	9	325	90
Other annuity - term	5,139	2,616	7,754	1,696	1,018	1,538	879
Group Business							
Investment account	9,770	5	9,775	1,526	0	1,777	1
Investment linked	38,435	22	38,457	12,605	0	12,295	2
Allocated annuity - Non-inv. linked	352	0	352	88	0	97	0
Allocated annuity - Inv. linked	614	0	614	145	0	600	0
Other annuity	88	1	89	0	0	3	0

**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	422	8	430	23%	1 AMP	7,607	30	7,637	29%
2 Westpac	353	57	409	22%	2 National Aust / MLC	6,321	42	6,363	24%
3 Colonial / CBA	244	89	333	18%	3 ING / ANZ	3,367	40	3,407	13%
4 ING / ANZ	138	55	192	10%	4 Colonial / CBA	1,442	204	1,647	6%
5 National Aust / MLC	4	80	85	5%	5 Westpac	1,446	100	1,545	6%
6 National Mutual / AXA	18	54	72	4%	6 Macquarie Life	1,233	1	1,234	5%
7 AMP	11	41	52	3%	7 National Mutual / AXA	996	96	1,092	4%
8 Aviva	28	20	48	3%	8 Challenger Life	512	0	512	2%
9 Tower Life	4	34	38	2%	9 Zurich Life	484	6	490	2%
10 AIG	6	30	36	2%	10 Aviva	318	107	425	2%
Top three groups (by total)	1,019	154	1,173	63%	Top three groups (by total)	17,295	112	17,407	67%
Top ten groups (by total)	1,228	468	1,695	91%	Top ten groups (by total)	23,726	626	24,352	94%
Foreign owned groups	679	271	950	51%	Foreign owned groups	6,162	316	6,478	25%
Bank owned groups	1,024	254	1,277	68%	Bank owned groups	10,836	361	11,198	43%
Total industry	1,298	571	1,869		Total industry	25,263	730	25,992	

**Table 1. Premium income - total business**

(\$ thousand)

Year ended 30 June 2004

	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	474,839	19,298	2,156	14,704	31,416	1,652	388	444,596	282
Investment account	270,815	9,082	813	4,131	26,128	-1,907	129	250,861	385,325
Investment linked	1,026,835	66,986	1,389	8,343	113,077	9,661	-29,323	932,028	8,805,411
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	70,882
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	1,889,491
Other annuity - lifetime	0	0	0	0	0	0	0	0	274,804
Other annuity - term	0	0	0	0	0	0	0	0	2,495,107
Risk - lump sum	1,858,339	404,478	5,136	952	246,589	156	34,811	2,044,796	59,806
Risk - income	873,622	179,402	271	168	118,979	1,863	7,374	939,117	6,407
Group business									
Investment account	332,532	84,943	148	1,071	64,145	-7,035	-2,006	357,141	1,496,130
Investment linked	1,162,457	308,803	219	1,091	192,829	-17,449	44,576	1,339,145	10,586,363
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	125,056
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	218,729
Other annuity	0	0	0	0	0	0	0	0	0
Risk	858,717	227,611	226	209	112,219	10,824	32,043	994,893	146,906
Total	6,858,156	1,300,603	10,358	30,669	905,382	-2,235	87,992	7,302,577	26,560,699

**Table 2. Premium income - ordinary business**

(\$ thousand)

Year ended 30 June 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	348,752	18,599	1,831	8,793	23,874	1,139	701	332,416	233
Investment account	37,658	780	53	624	3,734	93	37	33,971	13,736
Investment linked	141,146	4,272	153	1,365	16,773	1,736	-58	125,333	128,261
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	-23
Other annuity - lifetime	0	0	0	0	0	0	0	0	8,753
Other annuity - term	0	0	0	0	0	0	0	0	1,039,600
Risk - lump sum	1,398,456	315,218	4,288	501	203,461	-475	28,378	1,534,277	59,713
Risk - income	871,024	179,273	266	145	118,823	1,823	7,369	936,609	6,407
Group business									
Investment account	43	0	0	0	6	0	-4	33	107
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	180,293	52,855	22	0	30,677	3,749	6,563	205,262	41,215
Total	2,977,372	570,996	6,613	11,429	397,349	8,065	42,987	3,167,901	1,298,004



**Table 3. Premium income - superannuation business**

(\$ thousand)

Year ended 30 June 2004

	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	126,086	699	325	5,912	7,542	513	-313	112,180	49
Investment account	233,157	8,302	760	3,506	22,394	-2,000	91	216,891	371,589
Investment linked	885,689	62,714	1,236	6,977	96,304	7,925	-29,265	806,695	8,677,150
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	70,882
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	1,889,514
Other annuity - lifetime	0	0	0	0	0	0	0	0	266,051
Other annuity - term	0	0	0	0	0	0	0	0	1,455,506
Risk - lump sum	459,883	89,261	848	451	43,128	631	6,433	510,519	94
Risk - income	2,598	129	5	23	156	40	5	2,508	0
Group business									
Investment account	332,489	84,943	148	1,071	64,139	-7,035	-2,002	357,108	1,496,023
Investment linked	1,162,457	308,803	219	1,091	192,829	-17,449	44,576	1,339,145	10,586,361
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	125,056
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	218,729
Other annuity	0	0	0	0	0	0	0	0	0
Risk	678,424	174,757	204	209	81,541	7,075	25,479	789,631	105,691
Total	3,880,784	729,607	3,745	19,240	508,033	-10,299	45,005	4,134,676	25,262,695



Telephone  
1300 13 10 60

Website  
[www.apra.gov.au](http://www.apra.gov.au)

Mail  
GPO Box 9836  
in all capital cities  
(except Hobart and Darwin)