



# Statistics

## Life Office Market Report

June 2005 (issued December 2005)



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## Source

APRA Life Insurance Market Statistics and Assets Diskette, *Life Insurance Trends, June 2005, Quarterly Superannuation Performance, June 2005*.

## 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>'

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## Life insurance market statistics highlights - June 2005

As at 30 June 2005 there were 37 life insurance companies operating in Australia. They managed around \$211.4 billion in assets (backing both Australian and overseas policyholders) and received \$34.2 billion in premium income (that is, regular in force premiums at the end of the year plus new single premium business) for the year ended 30 June 2005.

Superannuation business made up 88 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 24 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 80 per cent of life insurance premiums, of this, 95 per cent relates to superannuation business.

The top three life insurance groups accounted for 60 per cent of total industry assets backing Australian policyholder liabilities, 68 per cent of new business premiums and 59 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 premiums received. Bank owned life insurance companies accounted for 40 per cent of total assets backing Australian policyholders, 44 per cent of new premiums and 42 per cent of all premiums.

# Life insurance industry at a glance - year ended 30 June 2005

## 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	3,203	635	7	11	435	8	63	3,439	1,359
Super	3,695	629	4	16	441	43	-276	3,544	25,809
Total	6,897	1,264	10	27	877	51	-213	6,983	27,169

## 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	58.4	11%	28%	60.8	29%	8,489	25%	
2 National Aust / MLC	41.6	12%	20%	41.6	20%	7,227	21%	
3 ING / ANZ	23.4	10%	11%	23.4	11%	4,445	13%	
4 Colonial / CBA	22.7	-5%	11%	23.0	11%	2,787	8%	
5 National Mutual / AXA	15.8	2%	8%	17.9	8%	2,256	7%	
6 Westpac	12.4	3%	6%	12.4	6%	1,992	6%	
7 Aviva	5.0	6%	2%	5.0	2%	1,091	3%	
8 Zurich Life	4.3	3%	2%	4.3	2%	1,046	3%	
9 Suncorp Life and Super	4.0	17%	2%	4.0	2%	739	2%	
10 Challenger Life	3.0	10%	1%	3.0	1%	724	2%	
Top three groups	123.4	8%	60%	125.8	60%	20,161	59%	
Top ten groups	190.5	7%	92%	195.4	92%	30,798	90%	
Foreign owned groups	60.4	8%	29%	62.9	30%	10,640	31%	
Bank owned groups	81.9	6%	40%	82.2	39%	14,508	42%	
Total industry	206.1	7%		211.4		34,151		
of which: overseas assets	28.2	4%	14%	33.3	16%			

Notes:

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

## Life insurance industry at a glance - year ended 30 June 2005 (cont.)

### Product type - Australian business (\$ million)

	Assets under management			Premium income		Policy payments	
	Superannuation	Ordinary	Total	Superannuation	Ordinary	Superannuation	Ordinary
Individual business							
Investment account	7,704	1,570	9,274	416	19	1,447	208
Investment linked	68,177	4,263	72,440	10,059	202	10,124	570
Allocated annuity - Non-inv. linked	909	0	909	62	0	276	0
Allocated annuity - Inv. linked	17,816	0	17,816	2,614	0	3,391	0
Other annuity - lifetime	3,955	588	4,543	321	11	294	71
Other annuity - term	6,055	2,492	8,548	1,842	1,079	1,633	1,339
Group Business							
Investment account	9,993	5	9,998	1,535	0	1,699	1
Investment linked	45,089	21	45,110	11,625	0	11,066	2
Allocated annuity - Non-inv. linked	357	0	357	82	0	94	0
Allocated annuity - Inv. linked	649	0	649	44	0	75	0
Other annuity	100	0	100	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	524	15	539	27%	1 AMP	7,631	38	7,669	29%
2 Colonial / CBA	283	115	398	20%	2 National Aust / MLC	6,552	37	6,589	25%
3 Westpac	288	39	327	16%	3 ING / ANZ	3,775	48	3,823	14%
4 ING / ANZ	120	54	174	9%	4 Westpac	1,694	7	1,701	6%
5 National Aust / MLC	5	90	95	5%	5 Colonial / CBA	1,207	127	1,334	5%
6 National Mutual / AXA	28	59	87	4%	6 Macquarie Life	1,044	1	1,045	4%
7 Tower Life	5	56	61	3%	7 National Mutual / AXA	749	97	846	3%
8 AMP	13	40	53	3%	8 Challenger Life	724	0	724	3%
9 AIG	3	42	45	2%	9 Citicorp Life	448	21	469	2%
10 Aviva	15	22	37	2%	10 Aviva	372	84	456	2%
Top three groups (by total)	1,095	169	1,264	63%	Top three groups (by total)	17,958	123	18,081	68%
Top ten groups (by total)	1,286	531	1,817	91%	Top ten groups (by total)	24,197	460	24,657	93%
Foreign owned groups	766	314	1,080	54%	Foreign owned groups	6,248	400	6,648	25%
Bank owned groups	1,126	286	1,412	71%	Bank owned groups	10,972	193	11,165	42%
Total industry	1,359	635	1,994		Total industry	25,809	629	26,438	

Table 1. Premium income - total business

(\$ thousand)

Year ended 30 June 2005

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	444,597	17,497	1,880	12,812	27,819	1,467	-767	417,349	178
Investment account	250,861	10,143	600	3,947	27,142	-2,174	-15,985	215,504	240,159
Investment linked	932,028	35,167	1,459	7,099	100,676	5,178	-172,393	680,391	8,125,772
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	45,135
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	2,436,804
Other annuity - lifetime	0	0	0	0	0	0	0	0	328,249
Other annuity - term	0	0	0	0	0	0	0	0	2,921,832
Risk - lump sum	2,051,089	438,908	5,134	1,092	261,470	-778	66,016	2,289,095	55,257
Risk - income	939,119	198,411	372	980	136,173	1,997	24,843	1,022,853	14,591
Group business									
Investment account	315,593	48,406	121	686	42,752	7,424	-9,143	303,872	1,401,306
Investment linked	938,696	159,479	150	636	126,766	9,112	-90,950	870,560	10,970,752
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	103,530
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	374,919
Other annuity	0	0	0	0	0	0	0	0	0
Risk	1,025,450	355,525	552	110	154,079	28,729	-14,317	1,183,189	150,027
Total	6,897,433	1,263,537	10,267	27,362	876,877	50,954	-212,697	6,982,812	27,168,512

Table 2. Premium income - ordinary business

(\$ thousand)

Year ended 30 June 2005

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	332,417	17,257	1,621	7,406	21,406	1,288	-602	317,350	123
Investment account	33,971	677	34	445	3,007	43	-1,880	29,239	7,872
Investment linked	125,333	3,239	148	1,866	11,989	1,131	-7,483	105,955	127,754
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	10,710
Other annuity - term	0	0	0	0	0	0	0	0	1,082,887
Risk - lump sum	1,538,543	340,297	4,366	640	214,231	262	48,939	1,708,279	55,182
Risk - income	936,611	197,166	370	973	135,945	1,992	26,501	1,021,000	14,586
Group business									
Investment account	33	0	0	0	20	0	5	18	119
Investment linked	0	0	0	0	0	0	0	0	0
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	235,820	76,284	16	0	48,832	3,499	-2,512	257,245	60,071
Total	3,202,727	634,920	6,556	11,329	435,430	8,214	62,968	3,439,087	1,359,304



Table 3. Premium income - superannuation business

(\$ thousand)

Year ended 30 June 2005

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	112,180	240	258	5,406	6,414	179	-165	99,998	55
Investment account	216,891	9,466	565	3,502	24,136	-2,217	-14,106	186,265	232,287
Investment linked	806,695	31,928	1,311	5,233	88,687	4,047	-164,910	574,436	7,998,018
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	45,135
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	2,436,804
Other annuity - lifetime	0	0	0	0	0	0	0	0	317,539
Other annuity - term	0	0	0	0	0	0	0	0	1,838,944
Risk - lump sum	512,546	98,612	768	452	47,238	-1,040	17,077	580,816	75
Risk - income	2,508	1,245	2	7	228	5	-1,658	1,853	5
Group business									
Investment account	315,560	48,406	121	686	42,732	7,424	-9,148	303,854	1,401,187
Investment linked	938,696	159,479	150	636	126,766	9,112	-90,950	870,560	10,970,752
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	103,530
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	374,919
Other annuity	0	0	0	0	0	0	0	0	0
Risk	789,631	279,241	535	110	105,247	25,230	-11,806	925,944	89,956
Total	3,694,706	628,617	3,712	16,033	441,447	42,740	-275,666	3,543,726	25,809,208



Telephone  
1300 13 10 60

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

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

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