



Statistics

Life Office Market Report

June 2007 (issued 16 October 2007)



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Source

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Notes

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

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Contents

Life insurance market statistics highlights - June 2007	Highlights	4
Life insurance industry at a glance - year ended June 2007	At a glance	5
Premium income - total business	Table 1	7
Premium income - ordinary business	Table 2	8
Premium income - superannuation business	Table 3	9

Life insurance market statistics highlights - June 2007

As at 30 June 2007 there were 34 life insurance companies operating in Australia. They managed around \$256.6 billion in assets (backing both Australian and overseas policyholders) and received \$41.5 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 2007.

Superannuation business made up 90 per cent of life insurance office assets (backing Australian policyholder liabilities) and accounted for 88 per cent of premiums. Ordinary business of life insurance companies accounted for the remainder of premiums. Around 20 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 82 per cent of life insurance premiums, of which, 97 per cent relates to superannuation business.

The top three life insurance groups accounted for 64 per cent of total industry assets backing Australian policyholder liabilities. They also accounted for 75 per cent of new business premiums and 68 per cent of total premiums received. In the same context, the top ten life insurance groups represented 94 per cent of total assets backing Australian policyholders, 96 per cent of new premiums and 94 per cent of total premiums.

Foreign owned life insurance companies accounted for 27 per cent of total life office assets backing Australian policyholder liabilities. The foreign owned companies also accounted for 26 per cent of new business premiums relating to Australian policyholders and 29 per cent of total Australian business premiums. Bank owned life insurance companies accounted for 37 per cent of total assets backing Australian policyholders, 38 per cent of new business premiums and 37 per cent of total Australian business premiums.

Life insurance industry at a glance - year ended 30 June 2007

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	3,703	779	12	15	466	11	28	4,006	1,086
Super	3,482	762	4	13	620	40	-81	3,486	32,926
Total	7,185	1,540	16	28	1,085	51	-53	7,492	34,013

Industry structure

Group	Statutory fund assets *					Total premiums - Australian business ^		
	Backing Australian liabilities			Backing total liabilities		Group	(\$ million)	Industry share
	(\$ billion)	Annual change	Industry share	(\$ billion)	Industry share			
1 AMP	75.5	12%	30%	77.9	30%	1 AMP	11,515	28%
2 National Aust / MLC	55.4	17%	22%	55.4	22%	2 National Aust / MLC	9,120	22%
3 ING / ANZ	31.0	16%	12%	31.0	12%	3 ING / ANZ	7,449	18%
4 Colonial / CBA	21.0	-5%	8%	21.3	8%	4 Westpac	2,503	6%
5 National Mutual / AXA	17.7	6%	7%	20.0	8%	5 Colonial / CBA	2,177	5%
6 Westpac	14.5	8%	6%	14.5	6%	6 National Mutual / AXA	1,726	4%
7 Suncorp Life and Super	8.9	94%	4%	8.9	3%	7 Suncorp Life and Super	1,521	4%
8 Aviva	5.6	9%	2%	5.6	2%	8 Macquarie Life	1,398	3%
9 Zurich Life	4.2	-9%	2%	4.2	2%	9 Tower Life	853	2%
10 Tower Life	3.2	-2%	1%	3.2	1%	10 Aviva	785	2%
Top three groups	162.0	15%	64%	164.3	64%	Top three groups	28,084	68%
Top ten groups	237.1	12%	94%	242.0	94%	Top ten groups	39,048	94%
Foreign owned groups	68.1	9%	27%	70.7	28%	Foreign owned groups	12,133	29%
Bank owned groups	94.1	10%	37%	94.4	37%	Bank owned groups	15,355	37%
Total industry	251.3	11%		256.6		Total industry	41,505	
<i>of which: overseas assets</i>	32.6	0%	13%	37.7	15%			

Notes:

Details on table may not add up to totals due to rounding of figures.

* Statutory fund assets are reported at Fair Value.

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

Life insurance industry at a glance - year ended 30 June 2007 (cont.)

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

	Assets under management			Premium income		Policy payments	
	Superannuation	Ordinary	Total	Superannuation	Ordinary	Superannuation	Ordinary
Individual business							
Investment account	6,820	1,427	8,248	399	38	1,172	188
Investment linked	89,177	4,482	93,659	15,410	258	15,441	615
Allocated annuity - Non-inv. linked	874	0	874	153	0	138	0
Allocated annuity - Inv. linked	25,274	0	25,274	5,060	0	4,382	0
Market-linked annuity	167	0	167	77	0	21	0
Other annuity - lifetime	3,497	519	4,016	20	4	280	42
Other annuity - term	5,462	2,275	7,737	944	475	1,340	721
Group Business							
Investment account	10,116	3	10,120	1,723	0	1,843	0
Investment linked	58,344	226	58,570	12,813	210	11,487	12
Allocated annuity - Non-inv. linked	326	0	326	53	0	150	0
Allocated annuity - Inv. linked	811	0	811	46	0	70	0
Market-linked annuity	12	0	12	0	0	2	0
Other annuity	102	0	102	0	0	7	0

New business premium - Australian business

Group	Ordinary				Group	Superannuation			
	Single	Regular (\$ million)	Total	Industry share		Single	Regular (\$ million)	Total	Industry share
1 Westpac	366	41	407	22%	1 AMP	10,656	52	10,707	32%
2 Colonial / CBA	248	104	352	19%	2 National Aust / MLC	8,315	41	8,356	25%
3 ING / ANZ	207	130	336	18%	3 ING / ANZ	6,520	75	6,595	20%
4 National Aust / MLC	4	113	117	6%	4 Westpac	1,840	5	1,845	5%
5 MetLife	88	13	101	5%	5 Macquarie Life	1,391	3	1,394	4%
6 Tower Life	1	92	92	5%	6 Colonial / CBA	862	219	1,081	3%
7 National Mutual / AXA	31	61	92	5%	7 Suncorp Life and Super	885	55	939	3%
8 St Andrew's Life	53	3	56	3%	8 MBF Life	629	0	629	2%
9 AMP	19	35	55	3%	9 National Mutual / AXA	538	78	616	2%
10 Suncorp Life and Super	12	41	53	3%	10 Aviva	365	114	479	1%
Top three groups (by total)	821	275	1,096	59%	Top three groups (by total)	25,490	168	25,658	76%
Top ten groups (by total)	1,028	634	1,663	89%	Top ten groups (by total)	32,000	641	32,641	97%
Foreign owned groups	435	409	844	45%	Foreign owned groups	7,956	388	8,344	25%
Bank owned groups	671	292	962	52%	Bank owned groups	12,431	279	12,710	38%
Total industry	1,086	779	1,865		Total industry	32,926	762	33,688	

Notes: # Details on table may not add up to totals due to rounding of figures.

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

Table 1. Premium income - total business

(\$ thousand)

Year ended 30 June 2007

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	390,929	9,835	1,647	11,365	23,086	3,905	3,016	363,777	0
Investment account	173,559	4,771	215	3,463	19,399	1,948	2,254	155,560	279,623
Investment linked	582,548	41,828	566	1,096	54,602	7,418	3,980	564,674	12,714,351
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	135,422
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	5,116,264
Market-linked annuity	0	0	0	0	0	0	0	0	76,687
Other annuity - lifetime	0	0	0	0	0	0	0	0	26,280
Other annuity - term	0	0	0	0	0	0	0	0	1,419,327
Risk - lump sum	2,563,373	603,608	11,508	6,144	323,161	6,364	25,324	2,845,126	120,406
Risk - income	1,108,033	228,864	1,545	1,142	139,184	-464	4,989	1,200,479	29,485
Group business									
Investment account	284,619	46,190	24	1,159	70,820	1,000	3,002	260,808	1,482,290
Investment linked	740,601	139,834	543	3,748	311,788	1,992	-64,423	497,940	12,353,414
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	45,708
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	40,822
Market-linked annuity	0	0	0	0	0	0	0	0	0
Other annuity	0	0	0	0	0	0	0	0	0
Risk	1,341,753	465,109	201	0	143,026	28,711	-31,079	1,603,845	172,516
Total	7,185,414	1,540,038	16,248	28,116	1,085,067	50,874	-52,938	7,492,209	34,012,596

Note: Details on table may not add up to totals due to rounding of figures.

Table 2. Premium income - ordinary business

(\$ thousand)

Year ended 30 June 2007

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	301,551	9,692	1,398	7,790	17,970	3,768	3,668	283,985	0
Investment account	24,967	344	13	193	2,997	891	860	22,077	5,964
Investment linked	94,337	3,587	66	1,143	8,429	996	-148	87,143	183,206
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	150
Market-linked annuity	0	0	0	0	0	0	0	0	0
Other annuity - lifetime	0	0	0	0	0	0	0	0	3,882
Other annuity - term	0	0	0	0	0	0	0	0	475,207
Risk - lump sum	1,915,334	473,871	8,936	5,160	257,969	1,470	16,193	2,131,863	120,344
Risk - income	1,104,097	220,859	1,529	1,142	137,470	-464	5,986	1,191,265	29,485
Group business									
Investment account	18	0	0	0	0	0	0	18	106
Investment linked	0	0	0	0	0	0	0	0	209,500
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
Market-linked annuity	0	0	0	0	0	0	0	0	0
Other annuity	0	0	0	0	0	0	0	0	0
Risk	263,128	70,182	20	0	40,697	4,157	1,280	289,715	58,530
Total	3,703,432	778,534	11,963	15,427	465,531	10,818	27,839	4,006,067	1,086,374

Note: Details on table may not add up to totals due to rounding of figures.

Table 3. Premium income - superannuation business

(\$ thousand)

Year ended 30 June 2007

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	89,378	143	249	3,576	5,116	137	-652	79,791	0
Investment account	148,592	4,427	202	3,270	16,402	1,057	1,394	133,483	273,659
Investment linked	488,211	38,241	500	-47	46,173	6,423	4,128	477,530	12,531,146
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	135,422
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	5,116,114
Market-linked annuity	0	0	0	0	0	0	0	0	76,687
Other annuity - lifetime	0	0	0	0	0	0	0	0	22,398
Other annuity - term	0	0	0	0	0	0	0	0	944,120
Risk - lump sum	648,039	129,737	2,572	984	65,193	4,894	9,131	713,263	62
Risk - income	3,936	8,005	16	0	1,714	0	-997	9,214	0
Group business									
Investment account	284,601	46,190	24	1,159	70,820	1,000	3,002	260,790	1,482,184
Investment linked	740,601	139,834	543	3,748	311,788	1,992	-64,423	497,940	12,143,914
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	45,708
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	40,822
Market-linked annuity	0	0	0	0	0	0	0	0	0
Other annuity	0	0	0	0	0	0	0	0	0
Risk	1,078,625	394,927	181	0	102,329	24,554	-32,359	1,314,130	113,986
Total	3,481,981	761,504	4,285	12,690	619,536	40,057	-80,777	3,486,142	32,926,222

Note: Details on table may not add up to totals due to rounding of figures.



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