



Statistics

Life Office Market Report

December 2006 (issued 30 April 2007)



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Source

APRA Life Insurance Market Statistics and Assets Diskette and *Life Insurance Trends, December 2006*.

Notes

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

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Life insurance market statistics highlights - December 2006

As at 31 December 2006 there were 35 life insurance companies operating in Australia. They managed around \$244.8 billion in assets (backing both Australian and overseas policyholders) and received \$37.6 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 31 December 2006.

Superannuation business made up 89^a per cent of life insurance office assets (backing Australian policyholder liabilities) and accounted for 87 per cent of premiums. Ordinary business of life insurance companies accounted for the remainder of premiums. Around 21^a 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 which, 97 per cent relates to superannuation business.

The top three life insurance groups accounted for 63 per cent of total industry assets backing Australian policyholder liabilities. They also accounted for 75 per cent of new business premiums and 67 per cent of total premiums received. In the same context, the top ten life insurance groups represented 93 per cent of total assets backing Australian policyholders, 95 per cent of new premiums and 92 per cent of total premiums.

Foreign owned life insurance companies accounted for 28 per cent of total life office assets backing Australian policyholder liabilities. The foreign owned companies also accounted for 25 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 38 per cent of total assets backing Australian policyholders, 36 per cent of new business premiums and 35 per cent of total Australian business premiums.

^a Sourced from the Life Insurance Trends December 2006.

Life insurance industry at a glance - year ended 31 December 2006

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	3,585	713	8	11	450	6	38	3,861	931
Super	3,582	651	4	10	406	28	-144	3,642	29,136
Total	7,167	1,364	11	22	856	33	-106	7,503	30,067

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	70.3	12%	29%	72.6	30%	1 AMP	11,438	30%
2 National Aust / MLC	51.8	12%	22%	51.8	21%	2 National Aust / MLC	7,477	20%
3 ING / ANZ	28.8	13%	12%	28.8	12%	3 ING / ANZ	6,206	17%
4 Colonial / CBA	22.1	-3%	9%	22.4	9%	4 Colonial / CBA	2,331	6%
5 National Mutual / AXA	17.3	4%	7%	19.5	8%	5 Westpac	2,184	6%
6 Westpac	14.0	7%	6%	14.0	6%	6 National Mutual / AXA	1,736	5%
7 Aviva	5.4	3%	2%	5.4	2%	7 Macquarie Life	952	3%
8 Suncorp Life and Super	4.9	17%	2%	4.9	2%	8 Tower Life	843	2%
9 Zurich Life	4.9	9%	2%	4.9	2%	9 Promina	703	2%
10 Tower Life	3.4	26%	1%	3.4	1%	10 Suncorp Life and Super	632	2%
Top three groups	150.9	12%	63%	153.1	63%	Top three groups	25,121	67%
Top ten groups	222.9	9%	93%	227.7	93%	Top ten groups	34,501	92%
Foreign owned groups	66.1	8%	28%	68.7	28%	Foreign owned groups	10,787	29%
Bank owned groups	90.4	7%	38%	90.7	37%	Bank owned groups	13,082	35%
Total industry	239.7	9%		244.8		Total industry	37,570	
<i>of which: overseas assets</i>	31.0	-4%	13%	36.0	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 31 December 2006 (cont.)

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

	Assets under management			Premium income		Policy payments	
	Superannuation	Ordinary	Total	Superannuation	Ordinary	Superannuation	Ordinary
Individual business							
Investment account	7,155	1,421	8,576	355	29	1,120	158
Investment linked	85,139	4,718	89,857	13,752	335	13,649	508
Allocated annuity - Non-inv. linked	743	0	743	74	0	242	0
Allocated annuity - Inv. linked	22,423	0	22,423	4,263	0	3,865	0
Market-linked annuity	121	0	121	64	0	9	0
Other annuity - lifetime	3,684	541	4,225	33	4	290	48
Other annuity - term	5,579	2,307	7,886	927	487	1,435	752
Group Business							
Investment account	9,726	5	9,731	1,531	0	2,042	0
Investment linked	54,468	21	54,489	11,958	0	11,290	2
Allocated annuity - Non-inv. linked	367	0	367	138	0	133	0
Allocated annuity - Inv. linked	729	0	729	68	0	106	0
Market-linked annuity	0	0	0	0	0	0	0
Other annuity	105	0	105	0	0	6	0

New business premium - Australian business

Group	Ordinary				Group	Superannuation			
	Single	Regular (\$ million)	Total	Industry share		Single	Regular (\$ million)	Total	Industry share
1 Westpac	278	33	311	19%	1 AMP	10,573	48	10,621	36%
2 Colonial / CBA	206	98	304	18%	2 National Aust / MLC	6,707	37	6,744	23%
3 ING / ANZ	173	112	284	17%	3 ING / ANZ	5,350	72	5,422	18%
4 MetLife	121	14	135	8%	4 Westpac	1,621	5	1,626	5%
5 National Aust / MLC	4	108	112	7%	5 Colonial / CBA	860	196	1,056	4%
6 National Mutual / AXA	31	58	89	5%	6 Macquarie Life	947	2	949	3%
7 Tower Life	1	78	79	5%	7 National Mutual / AXA	530	80	610	2%
8 St Andrew's Life	49	4	53	3%	8 MBF Life	532	0	532	2%
9 AMP	16	35	51	3%	9 Suncorp Life and Super	407	35	442	1%
10 Aviva	2	36	38	2%	10 Challenger Life	421	0	421	1%
Top three groups (by total)	656	242	899	55%	Top three groups (by total)	22,629	158	22,787	76%
Top ten groups (by total)	881	575	1,456	89%	Top ten groups (by total)	27,946	475	28,422	95%
Foreign owned groups	425	362	787	48%	Foreign owned groups	6,732	321	7,054	24%
Bank owned groups	537	274	810	49%	Bank owned groups	10,153	242	10,395	35%
Total industry	931	713	1,644		Total industry	29,136	651	29,788	

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 31 December 2006

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	403,556	10,288	1,440	12,024	21,878	947	2,685	380,239	0
Investment account	181,596	5,590	266	3,556	22,091	1,777	5,355	164,850	206,479
Investment linked	600,199	25,816	515	1,673	49,057	6,718	1,505	569,557	10,972,280
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	77,240
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	4,499,126
Market-linked annuity	0	0	0	0	0	0	0	0	64,338
Other annuity - lifetime	0	0	0	0	0	0	0	0	28,949
Other annuity - term	0	0	0	0	0	0	0	0	1,424,151
Risk - lump sum	2,440,655	552,782	8,330	1,612	304,812	4,519	35,781	2,709,946	107,977
Risk - income	1,071,170	214,416	420	1,087	138,277	-81	9,428	1,155,312	26,023
Group business									
Investment account	302,999	51,350	41	1,085	73,519	1,000	2,430	281,135	1,330,266
Investment linked	854,501	116,618	172	554	133,777	2,048	-130,731	703,837	10,997,000
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	123,699
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	58,921
Market-linked annuity	0	0	0	0	0	0	0	0	0
Other annuity	0	0	0	0	0	0	0	0	0
Risk	1,312,159	387,511	299	48	112,858	16,440	-32,037	1,537,987	150,693
Total	7,166,837	1,364,371	11,484	21,639	856,269	33,368	-105,585	7,502,863	30,067,141

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

Table 2. Premium income - ordinary business

(\$ thousand)

Year ended 31 December 2006

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	309,451	10,144	1,223	8,211	16,844	811	3,243	295,748	0
Investment account	26,304	510	31	169	2,231	871	540	24,052	4,361
Investment linked	98,704	2,727	71	1,077	7,760	1,047	-375	91,100	259,012
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	3,407
Other annuity - term	0	0	0	0	0	0	0	0	487,690
Risk - lump sum	1,815,933	432,444	6,080	814	245,167	2,449	28,415	2,022,284	107,920
Risk - income	1,069,309	209,510	415	1,087	137,449	-81	9,229	1,149,179	26,023
Group business									
Investment account	18	0	0	0	0	0	0	18	112
Investment linked	0	0	0	0	0	0	0	0	4
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	265,221	57,580	19	0	40,499	709	-3,014	278,560	41,992
Total	3,584,941	712,914	7,839	11,357	449,950	5,806	38,038	3,860,941	930,671

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

Table 3. Premium income - superannuation business

(\$ thousand)

Year ended 31 December 2006

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	94,105	144	217	3,813	5,034	136	-558	84,491	0
Investment account	155,293	5,080	235	3,387	19,860	906	4,815	140,798	202,118
Investment linked	501,495	23,089	444	596	41,297	5,671	1,880	478,457	10,713,268
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	77,240
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	4,498,976
Market-linked annuity	0	0	0	0	0	0	0	0	64,338
Other annuity - lifetime	0	0	0	0	0	0	0	0	25,542
Other annuity - term	0	0	0	0	0	0	0	0	936,461
Risk - lump sum	624,722	120,338	2,250	798	59,645	2,071	7,366	687,662	57
Risk - income	1,861	4,906	5	0	828	0	199	6,133	0
Group business									
Investment account	302,981	51,350	41	1,085	73,519	1,000	2,430	281,117	1,330,154
Investment linked	854,501	116,618	172	554	133,777	2,048	-130,731	703,837	10,996,996
Allocated annuity - Non-inv. linked	0	0	0	0	0	0	0	0	123,699
Allocated annuity - Inv. linked	0	0	0	0	0	0	0	0	58,921
Market-linked annuity	0	0	0	0	0	0	0	0	0
Other annuity	0	0	0	0	0	0	0	0	0
Risk	1,046,938	329,931	281	48	72,359	15,731	-29,024	1,259,427	108,701
Total	3,581,896	651,456	3,645	10,281	406,318	27,563	-143,623	3,641,922	29,136,471

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



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