

AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 8621.0

NOON 27 JANUARY 1981

LIFE INSURANCE, AUSTRALIA AUGUST 1980

INQUIRIES

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MAIN FEATURES

The number of new policies issued in August 1980 was 50,913, a decrease of 2,354 from July 1980 and 6,564 from August 1979.

The total sum insured under new policies issued in August 1980 was \$2,373.8 million, a decrease of \$111.0 million from July 1980 but an increase of \$147.1 million over August 1979.

The total value of premiums received during August 1980 was \$172.7 million, a decrease of \$29.0 million from July 1980 but an increase of \$0.6 million over August 1979.

Payments on claims, surrenders, annuities and cash bonuses amounted to \$119.6 million in August 1980, down \$50.8 million from July 1980 and \$30.0 million from August 1979.

EXPLANATORY NOTES

Introduction

The information in this publication has been compiled from returns supplied to the Life Insurance Commissioner by life insurance businesses registered under the *Life Insurance Act 1945* and returns supplied voluntarily by the State Government Insurance Offices. Copies of these returns are made available to the Bureau for aggregation and publication.

Areas covered

2. State or Territory refers to the State or Territory where the policy is registered, and is not necessarily the State or Territory of residence of the insured person.

3. State details of new policies issued, policies discontinued or reduced and new loans paid over during the financial year 1979-80 and policies in existence at 30 June 1980 were published in Tables 9 and 10 of the June 1980 issue of this publication. Table 11 of the same issue contained details of premiums received and claims, surrenders, etc. paid over in Australia in 1979-80. Similar details for the calendar year 1979 were published in the December 1979 publication.

Time of recording

4. Details of new policies issued and policies discontinued or reduced are shown in the period during which they were recorded in life insurance companies' registers maintained in each State and Territory. For monthly statistics in particular, such periods may be subsequent to those during which the policies were actually written or matured, surrendered, etc.

Treatment of particular items and classes of business

5. In accordance with the *Life Insurance Act 1945*, businesses are required to maintain separate registers for Ordinary, Industrial and Superannuation classes of insurance business. With the consent of the Life Insurance Commissioner, however, transfers between registers can occur. As the significance of industrial insurance has been declining, and as more businesses have been transferring it to the Ordinary registers only a few businesses now maintain registers of industrial insurance. In order to preserve the confidentiality of these businesses' operations it has become necessary to combine the details of ordinary and industrial business in this publication.

6. *Policies discontinued or reduced* includes policies matured, surrendered or forfeited. In addition, this item includes transfers to and from registers within and between States and Territories and between Australia and overseas and revaluations of sums insured under existing policies. These transfers and revaluations may result in either negative or positive changes to values in the policies discontinued item.

7. *Policies existing at end of each period* are estimated from the details of *New policies issued* and *Policies discontinued or reduced* supplied on monthly returns in conjunction with the annual details of *New policies issued* and *Policies discontinued or reduced* as reported by the companies.

8. Annuities, re-insurance of risks of the companies, bonus additions, benefits (other than the basic sum insured) attaching to family income policies, benefits payable on death by accident or specified sickness, and continuous disability benefits are excluded.

9. A policy insuring more than one life, i.e. a *blanket* policy, is treated as one policy in the figures shown for *Number of policies* when the policy is issued or discontinued. Variations in the number of lives covered under a *blanket* policy have no effect on the figures shown for *Number of policies*. However, any increases in sums insured or in annual premiums are included in the figures shown for *Sum insured* and *Annual premiums* for *New policies issued*. Similarly, decreases are reflected in the figures shown for *Sum insured* and *Annual premiums* for *Policies discontinued or reduced*. *Blanket* policies are frequently used for superannuation business.

Revisions

10. This publication incorporates revisions made to previous statistics in this series.

Related publications

11. Users may also wish to refer to the following ABS publications which are available on request:

Life Insurance, Australia, 1978 (5622.0)

General Insurance, Australia, 1977-78 (5620.0)

Housing Finance For Owner Occupation, Australia (5609.0)—issued monthly.

12. Users are also referred to the annual reports of the Insurance Commissioner and the Life Insurance Commissioner which contain, in addition to statistical information, considerable descriptive material.

13. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0) which is available free of charge from any ABS office.

Symbols and other usages

— nil or rounded to zero.

A. R. BAGNALL
Acting Australian Statistician

TABLE 1. ORDINARY INDUSTRIES AND SUPER-INDUSTRIES COMBINED

	NEW POLICIES ISSUED			POLICIES WITHDRAWN OR SLOTTED			POLICIES EXISTING AT END OF PERIOD		
	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)
AUSTRALIA									
1977-78	618008	20778.3	224.2	802575	10504.6	232.4	818193	87296.4	1653.8
1978-79	591799	22275.3	329.2	804624	10790.8	218.3	7888308	98846.0	1764.4
1979-80	577938	26964.1	380.4	833305	13041.9	233.3	7632533	112117.5	1912.2
1980-									
JULY	54396	2144.7	30.7	70509	1080.1	19.3	7872255	99950.6	1770.1
AUGUST	57477	2220.7	32.6	73741	1039.1	19.9	7895991	101137.9	1786.6
SEPTEMBER	50340	2403.6	28.4	72260	1173.1	19.9	7834079	102374.9	1797.8
OCTOBER	93241	2334.6	27.2	75527	1119.4	17.9	7811793	103590.1	1800.8
NOVEMBER	47662	2478.6	30.6	67638	1167.7	19.1	7791817	104881.8	1826.5
DECEMBER	43126	2959.5	43.6	68943	1394.1	19.3	7706400	106448.7	1850.7
1980-									
JANUARY	32774	1318.7	18.0	59286	1040.1	16.7	7739088	106721.9	1852.8
FEBRUARY	41321	2109.1	35.8	61740	998.9	19.1	7719469	107900.0	1899.4
MARCH	44772	2054.7	25.3	66264	1082.5	19.2	7697977	108843.0	1875.7
APRIL	43468	2005.3	27.9	62156	1014.7	18.3	7679289	109803.6	1885.2
MAY	93590	2310.1	36.4	71466	1175.9	21.2	7661411	110998.0	1908.8
JUNE	95355	2558.6	37.9	84233	1430.2	24.0	7632533	112117.5	1912.2
JULY	53267	2404.0	37.5	71756	1309.1	16.1	7614064	113236.8	1933.3
AUGUST	50911	2373.8	34.2	68089	1240.6	21.4	7596268	114358.4	1946.4
STATES - AUGUST 1980									
N.S.W.	10167	302.1	3.5	17618	182.1	3.2	1888585	15586.2	236.7
VIC.	12368	552.5	8.3	19362	287.6	6.1	1898730	29046.6	521.1
QLD	8250	274.0	3.5	9134	125.9	1.9	1318599	14025.4	258.6
S.A.	5076	171.8	2.9	7350	81.1	1.0	787157	8113.2	152.3
WA	4751	186.2	2.6	7367	95.5	1.5	685822	8381.0	142.5
Tas.	1271	88.7	0.9	2056	20.8	0.3	208626	2352.2	45.9
N.T.	207	6.2	0.1	279	4.9	0.1	26626	419.1	6.6
A.C.T.	8823	852.3	12.8	5523	590.3	0.8	796323	35540.7	562.7

TABLE 2. QUINJARY AND INDUSTRIAL BUSINESS

	NEW POLICIES ISSUED			POLICIES DISCONTINUED OR REDUCED			POLICIES EXISTING AT END OF PERIOD		
	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)
AUSTRALIA									
1977-78	512404	11592.4	110.5	731435	5608.5	91.9	7402159	55275.3	871.7
1978-79	497301	12752.5	122.0	717227	6069.3	97.6	7182233	61950.4	897.1
1979-80	473587	14493.4	129.9	757305	8375.4	100.6	6898515	68077.3	919.1
1979-									
JULY	44564	1268.8	11.0	65547	607.0	9.2	7161270	62620.3	899.0
AUGUST	47859	1310.4	12.3	60480	676.2	9.6	7142643	63260.3	902.6
SEPTEMBER	41848	1221.0	11.1	64294	658.7	9.2	7119397	63425.0	905.9
OCTOBER	44376	1498.8	12.2	70829	700.6	9.6	7092944	64562.3	908.2
NOVEMBER	38232	1114.7	10.3	61735	671.9	9.0	7069441	65006.0	909.4
DECEMBER	35059	1415.0	10.3	59449	790.9	7.4	7045051	65638.2	912.2
1980-									
JANUARY	28212	761.0	7.3	53708	685.5	8.5	7019555	65705.8	911.6
FEBRUARY	33981	907.6	9.1	56312	647.3	8.4	6997224	66047.5	912.4
MARCH	36682	1211.1	10.2	61332	677.7	8.9	6973574	66583.2	913.7
APRIL	35372	1382.1	9.0	60906	663.3	8.4	6951986	67041.0	915.0
MAY	43245	1255.0	11.0	64339	709.5	9.3	6930892	67587.2	917.8
JUNE	44937	1363.1	13.7	77314	872.8	12.1	6898515	68077.3	919.1
JULY	42381	1338.6	13.1	65425	693.2	8.3	6875771	68714.6	923.6
AUGUST	48576	1230.9	11.7	62616	709.6	9.2	6853531	69235.8	926.1
STATES - AUGUST 1980									
N.S.W.	9415	243.2	2.9	10670	140.1	2.2	1789923	13400.8	204.7
VIC.	10760	308.7	3.1	17893	175.0	2.6	1772630	17840.6	247.0
QLD	7907	193.5	2.0	8075	98.5	1.2	1245242	11373.2	150.1
S.A.	4381	185.7	1.1	6576	61.2	1.0	734556	5021.4	80.5
W.A.	3943	105.9	1.2	6751	74.3	1.0	612369	6112.9	84.8
TAS.	1077	26.3	0.3	1969	17.0	0.2	192983	1546.6	25.4
N.T.	192	5.6	0.1	262	4.3	0.1	25237	367.9	5.0
N.C.T.	3793	252.4	1.4	3820	131.2	0.9	490381	12672.0	114.6

TABLE 3- SUPERANNUATION BUSINESS

	NEW POLICIES ISSUED			POLICIES DISCONTINUED OR REDUCED			POLICIES EXISTING AT END OF PERIOD		
	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUM (\$'M)	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)	NUMBER OF POLICIES	SUM INSURED (\$'M)	ANNUAL PREMIUMS (\$'M)
AUSTRALIA									
1977-78	105396	9184.9	207.7	71140	4376.1	110.5	699034	32021.1	782.1
1978-79	94498	9522.8	206.4	87397	4727.8	120.7	700139	36847.6	867.3
1979-80	103943	12470.7	250.5	76860	9266.5	125.3	734016	44940.2	993.1
1979-									
JULY	9812	875.9	18.9	6902	393.3	10.1	710985	37330.3	876.3
AUGUST	9618	916.3	20.3	7255	300.9	10.3	713448	37877.6	885.3
SEPTEMBER	9300	1100.6	17.3	7966	514.4	11.7	714682	38549.9	851.9
OCTOBER	8865	835.7	15.0	4698	358.0	8.3	716844	39026.4	858.5
NOVEMBER	9430	1303.9	28.3	5903	495.0	10.1	722376	39075.8	917.1
DECEMBER	8067	1544.5	33.3	9094	683.2	11.9	721349	40010.5	930.5
1980-									
JANUARY	4562	556.9	10.7	5578	360.6	8.2	720333	41915.1	941.2
FEBRUARY	7340	1181.5	26.7	5420	343.6	10.7	722245	41803.1	957.0
MARCH	8090	841.6	15.1	5932	440.8	10.3	724403	42289.8	962.0
APRIL	8096	923.2	18.1	2196	391.4	9.9	727343	42621.8	970.2
MAY	10345	1055.1	22.6	7129	460.0	11.9	730519	43510.8	981.0
JUNE	10418	1199.5	24.2	6919	565.7	11.9	734016	44040.2	993.1
JULY	10886	1154.2	24.4	6431	675.9	7.8	733473	44518.2	1009.7
AUGUST	10337	1142.9	22.5	6873	538.8	12.2	742737	45122.6	1020.3
STATES - AUGUST 1980									
N.S.W.	752	58.9	1.0	948	34.2	1.0	90652	2189.4	32.0
VIC.	1660	243.6	5.2	1469	112.6	3.5	125900	11200.0	274.1
QLD	1243	60.5	1.5	459	27.4	0.6	83157	3552.0	102.5
S.A.	695	66.1	1.4	774	19.9	0.6	52081	2291.4	68.8
W.A.	808	60.7	1.4	616	21.2	0.5	73453	2268.1	57.7
TAS.	194	22.4	0.6	87	3.6	0.1	15643	705.6	20.5
N.T.	15	0.6	-	17	0.6	-	1389	51.2	1.6
A.C.T.	5030	609.9	11.4	1703	319.1	5.9	299942	22868.7	468.1

TABLE 4. NEW LAND INCLUDING SUBSIDIES OF FARMERS' PRICES
(1960)

	ON MORTGAGE OF REAL ESTATE				OTHER LOANS				TOTAL LOANS
	TOTAL	HOUSING	OTHER	TOTAL	On Public estate	TO BUILDING OR HOUSING SOCIETIES		TOTAL	
						OTHER	TOTAL		
AUSTRALIA									
1977-78	6057	82312	96668	145429	65576	1368	39182	66007	211445
1978-79	6894	81281	83952	171927	61263	569	41828	61959	276499
1979-80	11614	98867	113619	219147	78666	6697	76377	81676	366627
1979-									
JULY	486	6665	9577	16666	6192	-	1267	1267	26666
AUGUST	1929	7481	9786	19112	5978	-	3978	3978	29666
SEPTEMBER	822	6896	5711	11188	6379	200	6450	6650	29219
OCTOBER	796	7662	17568	29776	6620	122	6675	6697	11993
NOVEMBER	650	7360	8966	17596	5551	538	6696	7626	26229
DECEMBER	248	6317	11929	21726	6727	551	6668	6689	31162
1980-									
JANUARY	380	7316	9186	13880	6668	660	3596	4260	22366
FEBRUARY	567	7621	12886	20962	5627	761	17677	18237	46726
MARCH	930	7750	6655	15515	7286	1138	9589	6769	49932
APRIL	755	6867	9866	16788	5929	579	4601	5180	26617
MAY	736	6993	11658	21387	6303	770	6125	6895	36586
JUNE	1561	6653	12327	18681	7286	1255	9677	9622	32767
JULY	767	9516	16896	26377	7899	695	1072	9627	36663
AUGUST	810	6866	13817	25575	6226	598	1781	2371	32180
STATES - AUGUST 1980									
N.S.W.	350	6924	2393	7667	1215	-	858	858	9760
VIC.	150	2301	2597	5048	1779	-	756	756	7961
Q.L.D.	-	269	317	666	896	590	60	670	1450
W.A.	-	612	169	681	667	-	36	36	1688
T.A.S.	310	136	110	556	622	-	60	60	2190
N.T.	-	62	-	62	156	-	19	19	731
ACT.	-	183	7569	7672	111	-	-	-	8762

FIGURES ON TERRITORY HOME PROPERTY IS CALCULATED BASED ON TERRITORY HOME POLICY IS MULTIDISTRICT OF RESIDENCE OF OWNERS.

TABLE 5. RATES OF INTEREST OF NEW LOANING

SPECIFIC PER ANNUM

ON MORTGAGE OF REAL ESTATE

	ON MORTGAGE OF REAL ESTATE			ON PUBLIC ESTATE
	TOTAL	HOUSING	OTHER	
1979.				
JULY	11.50 - 13.00	10.00 - 14.00	11.00 - 14.00	9.50 - 13.00
AUGUST	11.50 - 13.00	9.50 - 14.00	11.00 - 14.00	9.50 - 12.00
SEPTEMBER	11.50 - 13.00	10.00 - 14.00	11.00 - 14.00	9.50 - 12.50
OCTOBER	11.50 - 13.00	9.50 - 14.00	11.00 - 14.00	9.50 - 12.50
NOVEMBER	11.50 - 13.00	9.50 - 14.00	11.00 - 14.00	9.50 - 12.50
DECEMBER	11.50 - 13.00	9.50 - 14.00	10.00 - 14.00	9.50 - 13.00
1980-				
JANUARY	11.50 - 13.00	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
FEBRUARY	11.50 - 13.00	9.50 - 14.00	11.00 - 14.00	10.00 - 12.50
MARCH	11.50 - 13.00	9.50 - 14.00	10.00 - 14.00	10.00 - 12.50
APRIL	11.50 - 13.00	9.50 - 14.00	10.00 - 14.00	10.00 - 12.50
MAY	11.50 - 13.00	9.50 - 14.00	10.00 - 14.00	10.00 - 12.50
JUNE	11.50 - 13.00	11.00 - 14.00	10.00 - 14.00	10.00 - 12.50
JULY	11.50 - 13.00	9.50 - 14.00	10.00 - 14.00	10.00 - 12.50
AUGUST	11.50 - 13.00	11.00 - 14.00	10.00 - 14.00	10.00 - 12.50

INCREASE OF INTEREST RATE, BASED RELATE TO RATES ACTUALLY CHARGED BY LENDERS WITH ADJUSTED LOANS USING THE RMIN.

TABLE 6. PREMIUMS RECEIVED AND CLAIMS, SURRENDERS, ETC., PAID
(\$'000)

	PREMIUMS RECEIVED (A)			CLAIMS, SURRENDERS, ETC., PAID		
	ORDINARY AND INDUSTRIAL BUSINESS	SUPER- ANNUATION BUSINESS	TOTAL	ORDINARY AND INDUSTRIAL BUSINESS	SUPER- ANNUATION BUSINESS	TOTAL
1977-78	902662	827627	1730289	664774	456985	1121759
1978-79	919707	864073	1803780	695578	499393	1194971
1979-80	954157	1055387	2009544	744284	671429	1415713
1979-						
JULY	88152	80968	169120	67862	75539	142601
AUGUST	84686	87418	172104	66731	82863	149594
SEPTEMBER	75935	75455	149390	58306	47527	105833
OCTOBER	78893	84714	163607	64326	53977	118303
NOVEMBER	75095	79325	154420	60415	46760	107175
DECEMBER	71523	82249	153772	51432	59320	110752
1980-						
JANUARY	73231	88666	161897	49065	45051	94716
FEBRUARY	74521	85910	160431	55502	70130	125632
MARCH	77261	86092	163353	61707	47746	109453
APRIL	73654	115080	188734	58532	51771	110303
MAY	84690	87929	172619	66514	45619	112133
JUNE	98516	101581	200097	84092	44526	128618
JULY	94780	106914	201694	80747	63728	144475
AUGUST	82631	90033	172664	66971	52660	119631

(A) INCLUDES CONSIDERATIONS FOR ANNUITIES, AUGUST 1980- 12,075,237

TABLE 7. CLAIMS, SURRENDERS, ETC., PAID BY TYPE OF BUSINESS
(\$'000)

	AUGUST 1980		
	ORDINARY AND INDUSTRIAL BUSINESS	SUPERANNUATION BUSINESS	TOTAL
CLAIMS	35932	25247	61179
SURRENDERS	30477	26834	57311
ANNUITIES	49	252	301
BONUSES PAID IN CASH	513	327	840
TOTAL	66971	52660	119631

TABLE 8. SELECTED ASSETS AND LIABILITIES HELD IN AUSTRALIA BY
LIFE INSURANCE COMPANIES (a)
(\$'m)

	AT END OF-				
	JUNE 1979	SEPT 1979	DEC 1979	MAR 1980	JUNE 1980
ASSETS					
FIXED ASSETS-					
PROPERTY	2929.1	3001.1	3124.8	3168.8	3218.6
FURNITURE	31.4	41.2	34.2	40.3	48.8
TOTAL FIXED ASSETS	2960.5	3042.3	3159.0	3209.1	3267.4
LOANS EXCLUDING ADVANCES OF PREMIUMS:-					
ON MORTGAGE-					
RURAL	70.0	69.2	72.1	67.7	66.9
HOUSING	508.3	490.3	486.2	489.0	488.3
OTHER	665.8	665.0	673.6	677.2	688.8
ON POLICIES	380.4	298.6	301.5	307.6	312.1
TO CONTROLLED COMPANIES	72.0	59.2	78.3	91.9	93.2
TO BUILDING OR HOUSING SOCIETIES	6.6	8.4	6.8	6.4	8.4
OTHER	41.7	45.7	49.3	59.4	64.5
TOTAL LOANS	1656.8	1635.4	1667.8	1699.2	1728.2
INVESTMENTS-					
GOVERNMENT SECURITIES	2735.0	2841.1	2887.3	2824.2	2873.3
LOCAL AND SEMI-GOVERNMENT SECURITIES	1170.7	1187.7	1199.2	1226.0	1264.3
DEBENTURES	804.3	817.3	827.1	817.8	819.1
SECURED OR UNSECURED NOTES	172.7	169.7	169.8	185.3	200.1
PREFERENCE SHARES	70.6	71.3	70.1	70.8	63.9
ORDINARY SHARES	2165.3	2262.9	2496.8	2640.8	2791.6
HOLDINGS IN CONTROLLED COMPANIES	127.8	123.7	128.2	139.3	141.8
OTHER	111.6	89.7	94.2	94.2	110.7
TOTAL INVESTMENTS	7364.0	7563.4	7869.9	7994.4	8264.8
CASH-					
ON DEPOSIT-					
BANKS	5.0	1.6	0.2	1.3	3.8
OTHER	304.8	225.8	169.3	285.8	347.7
ON CURRENT ACCOUNT AND IN HAND	38.3	18.0	51.6	28.2	48.3
TOTAL CASH	348.1	245.4	221.1	315.3	399.8
TOTAL SELECTED ASSETS	12329.4	12486.5	12922.8	13218.8	13652.2
LIABILITIES					
BANK OVERDRAFT	149.1	96.2	111.5	98.0	145.8
DEPOSITS	86.2	72.7	110.5	76.9	110.5

(a) ITEMS SHOWN ARE THE BALANCES ACCORDING TO THE COMPANIES' LEDGERS IN RESPECT OF THE STATUTORY FUNDS AS AT THE DATE FOR WHICH THE INFORMATION WAS SUPPLIED, WITHOUT ADJUSTMENT FOR ANY ACCRUED OR OUTSTANDING INTEREST OR OTHER ITEMS WHICH HAD NOT BEEN BROUGHT INTO ACCOUNT AS AT THAT DATE.