

**LIFE INSURANCE :
AUSTRALIA
Catalogue No. 5621.0**

JULY 1979

AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5621.0

NOON 29 NOVEMBER 1979

LIFE INSURANCE, AUSTRALIA JULY 1979

INQUIRIES

If you want to know more about these statistics ring Mr Paul Day on Canberra 525390 or our State office, or write to Information Services, ABS, P.O. Box 10, Belconnen, A.C.T. 2616

For copies of this publication contact Information Services, Canberra 526627 or State offices.

MAIN FEATURES

- Number of new policies issued in July 1979 was 54,396, a decrease of 191 from June 1979 and 371 from July 1978.
- The total sum insured under new policies issued in July 1979 was \$2,144.6 million, an increase of \$285.2 million over June 1979 and \$54.7 million over July 1978.
- Total premiums received during July 1979 was \$169.1 million, down \$13.3 million from June 1979 but up \$9.1 million over July 1978.
- Payments on claims, surrenders, annuities and cash bonuses amounted to \$142.6 million in July 1979, up \$27.7 million over June 1979 and \$19.1 million on July 1978.

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 1978-79 and policies in existence at 30 June 1979 were published in Tables 9 and 10 of the June issue of this publication. Table 11 of the same issue contained details of premiums received and claims, surrenders, etc. paid over in Australia in 1978-79. Similar details for the calendar year 1978 were published in the December 1978 issue.

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. The break in continuity of this series shown between 1976-77 and 1977-78 was due to a reconciliation of the January 1978 estimate of *Policies existing* with audited data supplied by each business at its annual balance date falling in the calendar year 1977.

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 (5622.0)

General Insurance: Australia (5620.0)

Housing Finance For Owner Occupation: Australia (5609.0)

Foreign Control of General Insurance Business (5326.0)

Foreign Control of Life Insurance Business (5325.0)

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

Symbols and other usages

- nil, or less than half the final digit shown.
- break in continuity of series

R. J. CAMERON
Australian Statistician

TABLE 1. ORDINARY, INDUSTRIAL AND SUPERANNUATION BUSINESS COMBINED

	NEW POLICIES ISSUED			POLICIES DISCONTINUED OR REDUCED			POLICIES EXISTING AT END OF PERIOD(A)		
	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									
1976-77	638132	18447.1	302.3	887634	8871.8	174.5	8262016	76689.0	1531.5
1977-78	618764	20782.4	324.3	802610	10043.6	202.4	8101122	87321.5	1653.9
1978-79	592828	22219.2	327.7	828432	10900.7	225.0	7865516	96634.5	1757.0
1978-									
JUNE	59974	2052.2	30.5	76362	976.0	16.5	8101122	87321.5	1653.9
JULY	54767	2089.9	31.8	87993	1000.4	22.0	8067896	88410.8	1662.7
AUGUST	57214	1808.3	27.3	62113	840.3	20.3	8062997	89371.0	1669.3
SEPTEMBER	55489	2192.2	36.0	73432	1135.9	17.9	8045054	90387.2	1687.4
OCTOBER	55451	1713.2	27.8	70339	952.5	20.3	8033166	91227.2	1695.0
NOVEMBER	51143	2116.2	33.0	66717	1066.1	16.3	8014592	92277.9	1709.7
DECEMBER	44975	2656.5	33.6	68746	381.0	23.8	7990821	94553.5	1720.3
1979-									
JANUARY	29569	1199.2	13.9	48401	876.9	15.8	7971969	94875.4	1718.5
FEBRUARY	37794	1316.1	19.5	68377	877.1	16.0	7941406	95314.5	1721.9
MARCH	51614	1737.4	24.9	65770	939.9	19.2	7927250	96111.9	1727.7
APRIL	44941	1542.8	22.3	64269	750.1	13.8	7907922	96905.7	1737.0
MAY	55284	1950.0	31.2	74633	1033.3	19.4	7888573	97828.0	1748.8
JUNE	54567	1853.4	26.2	77642	1053.2	16.2	7865516	96634.5	1757.0
JULY	54396	2144.6	30.7	70599	1000.3	19.3	7849405	99779.5	1768.7
STATES - JULY 1979									
N.S.W.	10593	302.8	3.3	18569	140.9	2.6	1984522	14249.4	228.8
VIC.	13677	602.6	9.6	19273	263.3	5.8	1900335	25819.7	484.8
QLD	8628	266.0	3.1	9764	104.0	2.0	1338992	12892.4	236.3
S.A.	5477	162.7	2.6	8354	85.2	1.6	824313	7305.4	141.7
W. A.	5638	166.1	2.3	6716	77.8	1.5	713876	7568.5	132.1
TAS.	1405	41.2	0.7	2046	21.0	0.6	217698	2135.6	42.9
N. T.	217	5.3	0.1	241	3.9	0.1	27375	399.1	6.9
A.C.T.	8561	597.9	9.0	5544	306.2	5.1	764794	29369.4	495.2

(A) FOR EXPLANATION OF BREAK IN SERIES SEE PARAGRAPH 7 OF EXPLANATORY NOTES

TABLE 2. ORDINARY AND INDUSTRIAL BUSINESS

	NEW POLICIES ISSUED			POLICIES DISCONTINUED OR REDUCED			POLICIES EXISTING AT END OF PERIOD(A)		
	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									
1976-77	520479	10354.0	112.7	715190	5670.6	82.3	7594010	44922.9	843.3
1977-78	513386	11994.5	116.5	731386	5679.1	91.9	7402190	55205.8	871.7
1978-79	498031	12773.6	123.2	742004	6081.8	100.9	7150217	61978.3	895.0
1978-									
JUNE	49637	1131.1	11.4	70254	610.3	9.4	7432190	55205.8	871.7
JULY	45798	1070.5	10.8	72480	631.7	11.2	7375506	55724.5	871.2
AUGUST	47886	1136.2	11.2	55962	443.2	6.6	7307432	56417.6	875.8
SEPTEMBER	45501	1070.4	10.9	64776	611.9	8.0	7346157	56870.1	876.1
OCTOBER	47106	1090.6	11.1	64567	520.5	8.4	7330696	57434.1	880.9
NOVEMBER	43132	1071.2	10.5	61762	573.4	8.1	7312066	57951.9	883.3
DECEMBER	37095	1446.8	10.3	64375	142.4	7.5	7204706	59541.3	888.7
1979-									
JANUARY	25153	700.6	6.7	43887	575.6	7.0	7266052	59732.0	886.5
FEBRUARY	32602	810.1	8.2	62651	573.1	8.7	7236003	59909.2	885.9
MARCH	43742	1044.6	10.5	59567	530.6	8.1	7220178	60470.9	888.4
APRIL	37493	959.0	9.4	50137	525.4	7.6	7199534	60911.1	890.5
MAY	46987	1142.0	11.9	64604	590.0	9.1	7181917	61456.6	893.2
JUNE	45536	1197.6	11.7	69236	630.6	10.0	7158217	61978.3	895.0
JULY	44584	1208.7	11.0	65947	607.0	9.2	7137254	62640.3	897.7
STATES - JULY 1979									
N.S.W.	9889	267.1	2.5	17569	129.1	2.2	1880812	12337.0	203.7
VIC.	12039	343.0	3.4	18075	156.7	2.5	1854204	16319.7	240.1
QLD	7690	209.0	1.9	9516	74.5	1.2	1263054	10078.4	149.1
S.A.	4854	108.0	1.1	8086	62.9	1.0	772933	5427.5	87.6
W.A.	4717	123.5	1.2	6331	57.7	0.9	639497	5649.5	81.6
TAS.	1105	26.7	0.3	1858	13.6	0.3	202613	1540.1	24.8
N.T.	208	5.0	0.1	220	3.5	0.1	25939	351.7	5.5
A.C.T.	4002	185.6	1.3	3892	110.0	1.0	492202	10936.4	108.3

(A) FOR EXPLANATION OF BREAK IN SERIES SEE PARAGRAPH 7 OF EXPLANATORY NOTES

TABLE 3. SUPERANNUATION BUSINESS

	NEW POLICIES ISSUED			POLICIES DISCONTINUED OR REDUCED			POLICIES EXISTING AT END OF PERIOD(A)		
	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									
1976-77	117653	8893.1	189.6	172444	3881.2	92.2	668006	27216.1	688.2
1977-78	105378	9187.9	207.8	71224	4364.5	110.5	695932	32835.7	782.2
1978-79	94797	9445.6	204.5	86428	4824.9	124.1	707301	36656.2	862.0
1978-									
JUNE	10337	861.1	19.1	6128	359.7	9.1	698932	32035.7	782.2
JULY	8969	1019.4	21.0	15513	368.7	10.8	692368	32686.3	791.5
AUGUST	9328	664.1	16.1	6151	397.1	13.7	695965	32953.4	793.5
SEPTEMBER	9988	1081.8	25.1	8656	524.0	9.3	696897	33511.1	809.3
OCTOBER	8345	694.6	16.7	5772	432.0	11.9	699470	33773.1	814.1
NOVEMBER	8011	1045.0	22.5	4955	492.7	10.2	702526	34326.0	826.4
DECEMBER	7889	1203.7	23.5	4371	523.4	16.3	708035	35012.2	833.6
1979-									
JANUARY	4416	432.6	7.2	4514	381.3	8.8	705937	35143.4	832.0
FEBRUARY	5192	506.0	11.3	5726	384.0	7.3	705403	35345.3	836.0
MARCH	7872	692.8	14.4	6203	483.1	11.1	707072	35635.0	839.3
APRIL	7448	563.8	12.9	6132	224.7	6.2	704388	35994.6	846.5
MAY	8297	814.0	19.3	10029	437.3	10.3	706656	36371.4	855.6
JUNE	9051	701.8	14.5	8486	410.6	8.2	707301	36656.2	862.0
JULY	9812	875.9	18.9	4962	393.3	10.1	712151	37139.2	871.0
STATES - JULY 1979									
N.S.W.	704	35.7	0.8	1000	11.8	0.4	97710	1912.4	28.1
VIC.	1838	259.6	6.2	1198	104.6	3.3	126631	9500.0	244.7
QLD	938	57.8	1.2	248	29.5	0.8	75938	2774.8	87.2
S.A.	623	53.9	1.5	268	23.3	0.6	51360	1937.9	54.1
W.A.	921	42.6	1.1	385	28.1	0.6	71379	1939.0	50.5
TAS.	220	14.5	0.4	190	7.4	0.3	15085	575.5	18.1
N.T.	9	0.3	-	21	0.4	-	1436	47.4	1.4
A.C.T.	4559	412.3	7.7	1652	196.2	4.1	272592	18433.0	386.9

(A) FOR EXPLANATION OF BREAK IN SERIES SEE PARAGRAPH 7 OF EXPLANATORY NOTES

TABLE 4. NEW LOANS EXCLUDING ADVANCES OF PREMIUMS PAID OVER
1970001

	ON MORTGAGE OF REAL ESTATE (a)				OTHER LOANS (b)				TOTAL LOANS
	GENERAL	HOUSING	OTHER	TOTAL	ON POLICIES (c)	ED BUILDING OR HOUSING SOCIETIES	OTHER	TOTAL	
AUSTRALIA									
1976-77	3514	34977	76794	113485	64314	2517	27441	29558	237910
1977-78	6097	62312	94003	160412	89976	1340	13162	90442	291440
1978-79	6094	61003	83592	170689	91976	534	61225	91599	276592
1978-									
JUNE	666	6946	7199	14811	6141	236	1599	1765	22457
JULY	735	6149	6271	13155	6271	1	1379	1377	23403
AUGUST	925	7281	13201	21407	9376	117	9141	9258	31840
SEPTEMBER	1156	6620	6387	14163	9390	131	9462	9613	23211
OCTOBER	43	7215	9676	17334	9013	158	10461	10571	29518
NOVEMBER	944	7731	9306	17723	9020	1	7692	7647	25435
DECEMBER	944	8941	7596	16681	9297	14	8846	8394	25332
1979-									
JANUARY	333	445	5623	10401	3634	1	1636	1636	16118
FEBRUARY	1011	5038	6323	12372	4653	1	1335	1376	14700
MARCH	831	6679	6393	13503	5838	14	2924	2938	25144
APRIL	767	5547	4239	10552	9386	1	3308	3309	15186
MAY	252	7174	9763	17189	9081	2	924	941	21259
JUNE	71	6794	9820	16685	9815	140	1846	1944	23559
JULY	404	5665	9577	15646	9192	1	1267	1267	28565
STATES - JULY 1979									
N.S.W.	51	2539	1651	4240	1207	-	768	768	6749
VIC.	242	2524	4797	7563	1772	-	213	213	9888
QLD	-	660	186	776	964	-	113	113	1893
S.A.	52	206	84	342	931	-	60	60	1472
W.A.	-	402	2218	2620	903	-	94	94	3397
TAS.	-	122	-	122	237	-	-	-	237
N.T.	-	11	-	11	16	-	-	-	16
A.C.T.	-	111	-	111	826	-	-	-	937

(a) STATE OR TERRITORY WHERE PROPERTY IS LOCATED; (b) STATE OR TERRITORY WHERE POLICY IS REGISTERED; (c) STATE OF RESIDENCE OF BORROWER.

TABLE 5. RATES OF INTEREST ON NEW LOANS (a)

	EFFECTIVE PER ANNUM			
	ON MORTGAGE OF REAL ESTATE			ON POLICIES
	GENERAL	HOUSING	OTHER	
1978-				
JUNE	11.50 - 13.00	8.00 - 14.00	11.50 - 14.00	9.00 - 12.50
JULY	11.50 - 13.00	8.00 - 14.00	11.50 - 14.00	9.00 - 12.50
AUGUST	11.50 - 13.00	8.00 - 14.00	11.50 - 14.00	9.00 - 12.50
SEPTEMBER	11.50 - 13.00	8.00 - 14.00	11.50 - 14.00	9.00 - 12.50
OCTOBER	11.50 - 13.00	8.00 - 14.00	11.50 - 14.00	9.00 - 12.50
NOVEMBER	11.50 - 13.00	8.00 - 14.00	11.50 - 14.00	9.00 - 12.50
DECEMBER	11.50 - 13.00	8.00 - 14.00	11.50 - 14.00	9.00 - 12.50
1979-				
JANUARY	11.00 - 13.00	9.00 - 14.00	11.50 - 14.00	9.00 - 13.00
FEBRUARY	11.00 - 13.00	9.00 - 14.00	11.00 - 14.00	9.00 - 13.00
MARCH	11.00 - 13.00	9.00 - 14.00	11.00 - 14.00	9.00 - 13.00
APRIL	11.00 - 13.00	9.00 - 14.00	11.00 - 14.00	9.00 - 13.00
MAY	11.00 - 13.00	9.00 - 14.00	11.00 - 14.00	9.00 - 13.00
JUNE	11.00 - 13.00	9.00 - 14.00	11.00 - 14.00	9.00 - 13.00
JULY	11.00 - 13.00	10.00 - 14.00	11.00 - 14.00	9.00 - 13.00

(a) RANGE OF INTEREST RATES QUOTED RELATIVE TO RATES ACTUALLY CHARGED BY COMPANIES WHICH ADVANCED LOANS DURING THE MONTH.

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
1976-77	860179	703459	1563638	600524	403542	1004066
1977-78	902662	856968	1759630	664774	456989	1121759
1978-79	921514	886085	1807599	697972	500575	1198547
1978-						
JUNE	97590	77488	175078	77602	42312	119914
JULY	81534	74448	155982	63938	59516	123454
AUGUST	78643	66399	145042	63661	46107	109768
SEPTEMBER	73421	72364	145785	59062	40174	99236
OCTOBER	76224	76543	152817	58552	35577	94129
NOVEMBER	74708	61790	136490	55879	41217	97096
DECEMBER	71473	72016	143489	50297	46763	97060
1979-						
JANUARY	68025	76940	145565	44727	38592	83319
FEBRUARY	69546	78222	147768	48790	40076	88866
MARCH	78723	68981	147704	56811	39524	96335
APRIL	69305	71252	140517	51749	39969	91718
MAY	85412	74506	159918	67669	34992	102661
JUNE	93848	88574	182422	76837	38066	114903
JULY	88152	88968	169120	67062	75539	142601

(A) INCLUDES CONSIDERATIONS FOR ANNUITIES, JULY 1979- \$2,130,877

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

	JULY 1979		
	ORDINARY AND INDUSTRIAL BUSINESS	SUPERANNUATION BUSINESS	TOTAL
CLAIMS	37458	39024	76482
SURRENDERS	29068	36159	65227
ANNUITIES	70	230	300
BONUSES PAID IN CASH	466	126	592
TOTAL	67062	75539	142601

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

	AT END OF-				
	JUNE 1978	SEPT 1978	DEC 1978	MAR 1979	JUNE 1979
ASSETS					
FIXED ASSETS-					
PROPERTY	2677.7	2737.2	2831.9	2865.9	2929.1
FURNITURE	31.6	31.2	30.5	27.5	31.4
TOTAL FIXED ASSETS	2709.3	2768.4	2862.4	2893.4	2960.5
LOANS(EXCLUDING ADVANCES OF PREMIUMS)-					
ON MORTGAGE-					
RURAL	80.2	79.3	76.8	78.4	78.0
HOUSING	502.7	501.6	501.8	500.8	508.3
OTHER	702.5	688.7	679.3	681.5	665.8
ON POLICIES	297.3	295.2	297.0	296.2	308.4
TO CONTROLLED COMPANIES	72.7	61.7	68.2	71.1	72.0
TO BUILDING OR HOUSING SOCIETIES	7.0	7.1	7.1	6.5	6.6
OTHER	25.7	42.4	41.6	48.1	41.7
TOTAL LOANS	1688.1	1676.2	1671.8	1667.8	1656.8
INVESTMENTS-					
GOVERNMENT SECURITIES	2560.6	2643.3	2706.9	2702.8	2734.0
LOCAL AND SEMI-GOVERNMENT SECURITIES	1961.2	1979.0	1121.1	1160.7	1176.7
DEBENTURES	709.7	789.4	800.9	800.7	803.6
SECURED OR UNSECURED NOTES	169.9	172.2	105.9	105.0	172.7
PREFERENCE SHARES	68.3	68.5	69.0	70.9	70.4
ORDINARY SHARES	1960.7	2022.5	2075.0	2129.6	2165.3
HOLDINGS IN CONTROLLED COMPANIES	87.4	97.3	127.4	125.8	127.6
OTHER	83.3	86.6	89.1	82.0	111.6
TOTAL INVESTMENTS	6741.1	6958.8	7152.3	7237.5	7361.5
CASH-					
ON DEPOSIT-					
BANKS	0.5	0.7	0.4	0.1	5.0
OTHER	128.5	95.3	87.5	214.1	304.5
ON CURRENT ACCOUNT AND IN HAND	12.8	14.8	12.2	24.7	38.3
TOTAL CASH	141.8	110.8	100.1	238.9	347.8
TOTAL SELECTED ASSETS	11280.3	11514.2	11786.6	12037.6	12326.6
LIABILITIES					
BANK OVERDRAFT	132.6	121.8	117.8	134.1	149.1
DEPOSITS	73.3	99.4	114.1	80.9	68.2

(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.