

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

AUGUST 1979

AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5621.0

NOON 5 DECEMBER 1979

LIFE INSURANCE, AUSTRALIA AUGUST 1979

INQUIRIES

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MAIN FEATURES

- Number of new policies issued in August 1979 was 57,477 an increase of 3,081 over July 1979 and 263 over August 1978.
- The total sum insured under new policies issued in August 1979 was \$2,227.0 million, an increase of \$82.4 million over July 1979 and \$426.7 million over August 1978.
- Total premiums received during August 1979 was \$172.1 million, up \$3.0 million over July 1979 and \$27.1 million over August 1978.
- Payments on claims, surrenders, annuities and cash bonuses amounted to \$149.6 million in August 1979, up \$7.0 million over July 1979 and \$39.8 million over August 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)

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	16447.1	302.3	887634	8671.8	174.5	8262016	76489.0	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	10906.7	225.0	7865518	88634.5	1757.0
1978-									
JULY	54767	2069.9	31.8	87993	1000.4	22.0	6067696	68410.6	1662.7
AUGUST	57214	1800.3	27.3	62113	840.3	20.3	6062997	69371.0	1669.3
SEPTEMBER	55489	2152.2	36.0	73432	1139.9	17.9	6049054	90367.2	1587.4
OCTOBER	55451	1793.2	27.8	70339	952.5	20.3	6030166	91227.2	1595.0
NOVEMBER	51143	2116.2	33.0	66717	1066.1	18.3	6014592	92277.9	1709.7
DECEMBER	44975	2656.5	33.8	68746	361.0	23.8	7990821	94553.5	1720.3
1979-									
JANUARY	29569	1199.2	13.9	48481	676.9	15.8	7971989	94875.4	1718.5
FEBRUARY	37794	1316.1	19.5	60377	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	1542.6	22.3	64269	750.1	13.8	7907922	96905.7	1737.0
MAY	55204	1950.0	31.2	74633	1033.3	19.4	7888573	97828.0	1746.8
JUNE	54587	1859.4	26.2	77642	1053.2	18.2	7865518	98634.5	1757.0
JULY	54395	2144.6	30.7	70509	1000.3	19.3	7849405	99779.5	1766.7
AUGUST	57477	2227.8	32.6	73741	1039.1	19.9	7833141	100967.1	1781.1
STATES - AUGUST 1979									
N.S.W.	11393	292.7	3.3	21880	178.2	3.0	1974035	14363.9	229.0
VIC.	14538	529.2	7.3	18467	263.1	6.0	1978966	26085.8	486.1
QLD	9447	240.8	3.5	9493	97.6	1.9	1330946	13003.6	237.8
S.A.	5885	156.4	2.3	8748	83.9	1.6	621450	7437.8	142.3
N.M.A.	6135	176.2	2.4	6830	83.9	1.4	710161	7660.7	133.1
TAS.	1451	44.5	0.6	2099	21.7	0.4	217050	2156.2	43.2
N.T.	196	5.3	0.1	276	5.8	0.1	27293	396.6	6.8
A.C.T.	8432	773.9	13.1	5946	304.9	5.5	767260	29016.5	502.8

(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	5070.6	62.3	7594010	49192.9	843.3
1977-78	513386	11594.5	116.5	731386	5679.1	91.9	7402190	55265.6	871.7
1978-79	498031	12773.6	123.2	742004	6061.8	100.9	7150217	61978.3	895.0
1978-									
JULY	45798	1070.9	10.8	72480	631.7	11.2	7375508	55724.5	871.2
AUGUST	47886	1130.2	11.2	55962	443.2	6.6	7367432	56417.6	875.8
SEPTEMBER	45901	1070.4	10.9	64776	611.9	8.6	7348157	56876.1	878.1
OCTOBER	47106	1098.6	11.1	64567	520.5	8.4	7330696	57454.1	880.9
NOVEMBER	43132	1071.2	10.5	61762	573.4	8.1	7312066	57951.9	883.3
DECEMBER	37095	146.8	10.3	64375	142.4	7.5	7264786	59541.3	886.7
1979-									
JANUARY	25153	766.6	6.7	43887	575.6	7.0	7260052	59732.0	886.5
FEBRUARY	32602	811.1	8.2	62651	573.1	8.7	7236003	59969.2	885.9
MARCH	43742	1044.6	10.5	59567	536.8	8.1	7220178	60476.9	888.4
APRIL	37493	959.0	9.4	58137	525.4	7.6	7199534	60911.1	890.5
MAY	46987	1142.0	11.9	64604	596.0	9.1	7181917	61456.6	893.2
JUNE	45536	1157.6	11.7	69236	635.6	10.0	7158217	61978.3	895.0
JULY	44584	1268.7	11.8	65547	607.0	9.2	7137254	62640.3	897.7
AUGUST	47859	1310.7	12.3	66486	670.2	9.6	7118627	63200.6	900.4
STATES - AUGUST 1979									
N.S.W.	10701	259.7	2.6	18947	149.6	2.6	1678566	12447.0	200.7
VIC.	12740	334.7	3.3	17313	162.1	2.4	1649071	10486.3	241.0
QLD	8052	198.7	2.0	9102	77.7	1.2	1262004	10191.4	149.8
S.A.	5310	114.9	1.2	8099	66.0	1.1	770144	5475.4	87.7
W.A.	5135	125.1	1.3	6411	61.2	0.9	638221	5713.4	82.0
TAS.	1268	27.1	0.3	1959	10.6	0.1	201082	1580.4	24.9
N.T.	188	4.8	0.1	260	4.3	0.1	29667	352.3	5.5
A.C.T.	4425	258.7	1.5	4355	132.7	1.0	492272	11062.4	108.8

(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	8093.1	189.6	172444	3801.2	92.2	668006	27216.1	668.2
1977-78	106378	9187.9	207.8	71224	4364.5	110.5	698932	32035.7	782.2
1978-79	94797	9449.6	204.5	86428	4624.9	124.1	707301	36656.2	862.0
1978-									
JULY	8969	1019.4	21.0	15513	368.7	10.4	692308	32686.3	791.5
AUGUST	9328	664.1	16.1	8151	397.1	13.7	699865	32953.4	793.5
SEPTEMBER	9988	1081.8	25.1	8656	924.0	9.3	698897	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	820.4
DECEMBER	7880	1209.7	23.5	4371	523.4	16.3	708035	35012.2	833.6
1979-									
JANUARY	4416	432.6	7.2	4514	301.3	8.8	705937	35143.4	832.8
FEBRUARY	5192	508.8	11.3	5726	304.0	7.3	705403	35345.3	836.0
MARCH	7872	692.8	16.4	8203	403.1	11.1	707072	35635.0	839.3
APRIL	7448	563.8	12.9	6132	224.7	6.2	708368	35994.6	846.5
MAY	8297	814.0	19.3	10029	437.3	10.3	708656	36371.4	859.6
JUNE	9051	701.8	14.5	8486	416.6	8.2	707301	36656.2	862.0
JULY	9812	875.9	18.9	4962	393.3	10.1	712151	37139.2	871.0
AUGUST	9618	916.3	20.3	7255	368.9	10.3	714514	37686.5	880.7
STATES - AUGUST 1979									
N.S.W.	692	33.0	0.7	2933	28.6	0.4	95469	1918.9	28.3
VIC.	1758	198.5	4.0	1154	101.0	3.6	127235	9597.5	245.1
QLD	58.1	58.1	1.5	391	19.9	0.7	76942	2812.2	88.0
S.A.	575	42.5	1.1	649	17.9	0.5	51306	1962.4	54.6
W.A.	1000	51.1	1.1	419	22.7	0.5	71960	1967.3	51.1
TAS.	183	17.4	0.3	180	5.1	0.1	15168	607.8	18.3
N.C.T.	8	0.5	-	18	1.5	-	1426	48.3	1.3
A.C.T.	4007	515.2	11.6	1591	172.2	4.5	275008	18776.1	394.0

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

TABLE 4. NEW LOANS EXCLUDING ADVANCES OF PRINCIPAL PAID OVER
(£'000)

	ON MORTGAGE OF REAL ESTATE (A)				ON POLICIES (B)	OTHER LOANS (C)			TOTAL LOANS
	RURAL	HOUSING	OTHER	TOTAL		TO BUILDING OR HOUSING SOCIETIES	OTHER	TOTAL	
AUSTRALIA									
1976-77	3512	66577	79755	135944	64314	2517	27441	29556	257616
1977-78	6457	82312	9668	149429	65976	1349	49192	66447	216445
1978-79	6894	81081	81592	171927	61476	569	41820	41849	274592
1978-									
JULY	735	6149	6271	13159	6271	1	1376	1377	29603
AUGUST	929	7281	11281	21097	5378	117	5161	5259	31640
SEPTEMBER	1156	6620	1352	12788	4598	131	5982	6113	22211
OCTOBER	43	7215	3676	12934	5013	190	18421	18971	28510
NOVEMBER	686	771	936	17723	5025	-	2692	2692	29639
DECEMBER	544	6541	759	16081	4297	14	4448	4354	25332
1979-									
JANUARY	323	4898	5623	10854	3634	-	1630	1630	16118
FEBRUARY	1911	1483	6223	13172	4453	49	1335	1379	19208
MARCH	831	6679	5083	12513	5836	14	2824	2836	28709
APRIL	797	6647	4218	10992	5086	-	3310	3308	19386
MAY	252	7174	6763	14108	6861	2	979	981	21208
JUNE	71	6754	1020	15795	5618	100	1942	1942	23595
JULY	484	6665	3577	16646	6152	-	1267	1267	24059
AUGUST	1929	7481	576	15112	5978	-	1978	1978	29688
STATES - AUGUST 1979									
N.S.W.	1598	3214	555	5359	1332	-	1087	1687	9208
VIC.	258	2430	1641	6369	1616	-	2062	2957	10247
QLD	-	993	36	629	606	-	92	92	1927
S.A.	77	216	274	569	56	-	96	96	1276
W.A.	-	646	1160	1806	639	-	93	93	7504
TAS.	-	141	-	141	171	-	28	28	340
N.T.	-	-	-	-	26	-	-	-	26
A.C.T.	-	139	-	139	889	-	-	-	1028

(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 OF NEW LOANS (A)
(PER CENT PER ANNUM)

	ON MORTGAGE OF REAL ESTATE			ON POLICIES
	RURAL	HOUSING	OTHER	
1978-				
JULY	11.50 - 13.00	9.50 - 14.00	11.50 - 14.00	6.40 - 13.00
AUGUST	11.50 - 13.00	8.00 - 14.00	9.50 - 14.00	6.00 - 13.00
SEPTEMBER	11.50 - 13.50	8.50 - 13.50	11.50 - 14.00	6.00 - 13.00
OCTOBER	11.50 - 13.00	9.50 - 14.00	10.50 - 14.00	6.00 - 13.00
NOVEMBER	11.50 - 13.00	8.00 - 14.00	7.50 - 14.00	9.50 - 13.00
DECEMBER	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
1979-				
JANUARY	11.80 - 17.00	9.50 - 14.00	11.50 - 14.00	9.50 - 13.00
FEBRUARY	11.50 - 13.00	9.50 - 14.00	11.00 - 14.50	9.50 - 13.00
MARCH	11.00 - 13.00	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
APRIL	11.50 - 13.00	9.00 - 14.00	11.00 - 14.00	9.50 - 13.00
MAY	11.50 - 13.00	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
JUNE	11.50 - 13.00	9.50 - 14.00	10.00 - 14.00	9.50 - 13.00
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

(A) RANGE OF INTEREST RATES QUOTED RELATE 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	456985	1121759
1978-79	921514	886085	1807599	697972	500575	1198547
1978-						
JULY	81534	78448	159982	63938	59516	123454
AUGUST	78643	66399	145042	63661	46107	109768
SEPTEMBER	73421	72364	145785	59062	40174	99236
OCTOBER	76224	76593	152817	58552	35577	94129
NOVEMBER	74700	61790	136490	55879	41217	97096
DECEMBER	71473	72016	143489	50297	46763	97060
1979-						
JANUARY	68625	76940	145565	44727	38592	83319
FEBRUARY	69546	78222	147768	48790	40078	88868
MARCH	78723	68961	147684	56611	39524	96335
APRIL	69365	71252	140617	51749	39963	91712
MAY	85412	74506	159918	67669	34992	102661
JUNE	93848	88574	182422	76837	38066	114903
JULY	88152	80968	169120	67062	75539	142601
AUGUST	84686	87418	172104	66731	82863	149594

(A) INCLUDES CONSIDERATIONS FOR ANNUITIES, AUGUST 1979- \$3,024,669

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

	AUGUST 1979		
	ORDINARY AND INDUSTRIAL BUSINESS	SUPERANNUATION BUSINESS	TOTAL
CLAIMS	36049	28009	64058
SURRENDERS	30160	54257	84417
ANNUITIES	70	477	547
BONUSES PAID IN CASH	452	120	572
TOTAL	66731	82863	149594

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

	AT END OF-				
	JUNE 1976	SEPT 1976	DEC 1976	MAR 1979	JUNE 1979
ASSETS					
FIXED ASSETS-					
PROPERTY	2677.7	2737.2	2631.9	2665.9	2929.1
FURNITURE	31.6	31.2	30.5	27.5	31.4
TOTAL FIXED ASSETS	2709.3	2768.4	2662.4	2693.4	2960.5
LOANS (EXCLUDING ADVANCES OF PREMIUMS)-					
ON MORTGAGE-					
RURAL	80.2	79.3	76.8	78.4	78.0
HOUSING	502.7	501.8	501.8	500.0	503.3
OTHER	792.5	668.7	679.3	681.5	665.8
ON POLICIES	297.3	295.2	297.0	296.2	300.4
TO CONTROLLED COMPANIES	72.7	61.7	66.2	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	40.1	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	1061.2	1079.0	1171.1	1160.7	1176.7
DEBENTURES	769.7	789.4	800.9	800.7	803.0
SECURED OR UNSECURED NOTES	169.9	172.2	165.9	165.0	172.7
PREFERENCE SHARES	68.3	68.5	69.0	70.9	70.4
ORDINARY SHARES	1940.7	2022.5	2079.0	2129.6	2169.3
HOLDINGS IN CONTROLLED COMPANIES	87.4	97.3	127.4	125.8	127.6
OTHER	83.3	86.6	86.1	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	126.5	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	347.6
TOTAL SELECTED ASSETS	11280.3	11514.2	11786.6	12037.6	12326.0
LIABILITIES					
BANK OVERDRAFT	132.6	121.8	117.8	134.1	149.1
DEPOSITS	73.3	39.4	114.1	80.9	66.2

(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.