Reference No. 5.49 5310.0

FOREIGN OWNERSHIP AND CONTROL OF LIFE INSURANCE BUSINESS, 1973

(ADVANCE RELEASE)

Introduction

This bulletin summarises the major results of a recently completed study of Foreign Ownership and Control of Life Insurance Business in Australia in 1973. Detailed results of this study will be released shortly.

2. The scope of this study is the same as that of the Bureau's annual *Life Insurance* collection (Ref. No. 5.32) and relates to the life insurance business of enterprises in Australia.

3. The conceptual basis of this study is the same as that of the study, *Foreign Ownership and Control of General Insurance Business, 1972-73*, (Ref. No. 5.48), major results of which were released recently.

4. Broadly, an enterprise conducting life insurance business was regarded as *foreign controlled* if the major foreign investor held at least 25% of the equity and an Australian investor did not have a larger holding.

Main Features

5. The major results of the study (based on ownership and control characteristics at 30 June 1973 and life insurance premiums for 1973) are :

- The level of *foreign ownership* of life insurance business in Australia was 36.8%, comprising 19.6% from the United Kingdom, 11.1% from New Zealand, 2.0% from the United States and 4.2% from other foreign countries.
- Of the 36.8% foreign ownership, *direct* foreign ownership comprised 18.8% and *other* identified foreign ownership 18.0%.
- The level of *foreign control* was 19.4% and *Australian control* 80.6%.
- Foreign control was highest for the United Kingdom at 13.9%, followed by the United States with 2.1% and other foreign countries with 3.4%.
- Australian control comprised 63.3% on account of mutual life insurance enterprises and 17.3% on account of other life insurance enterprises.
- A comparison of the levels of foreign ownership and control in several sectors, is given below :

	Ownership (%)		*Control (%)*	
	Foreign	*Australian*	*Foreign*	*Australian*
Mining Industry, 1972-73 (a)	49.6	50.4	57.2	42.8
Finance Companies, 1973 (b)	48.0	52.0	41.5	58.5
General Insurance Business, 1972-73 (c)	45.7	54.3	45.0	55.0
Life Insurance Business, 1973 (d)	36.8	63.2	19.4	80.6

(a) Based on ownership and control characteristics at 30 June 1973 and value added for 1972-73.

(b) Based on ownership and control characteristics at 30 June 1973 and balances outstanding on finance agreements at 31 December 1973.

(c) Based on ownership and control characteristics at 30 June 1973 and general insurance premiums for 1972-73.

(d) Based on ownership and control characteristics at 30 June 1973 and life insurance premiums for 1973.

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