

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

JANUARY 1979

AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5621.0

NOON 8 AUGUST 1979

LIFE INSURANCE, AUSTRALIA JANUARY 1979

INQUIRIES

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MAIN FEATURES

- Number of new policies issued in January 1979 was 29,569, a decrease of 15,406 from December 1978 and an increase of 1,127 over January 1978.
- The total sum insured under new policies issued in January 1979 was \$1,199.2 million, a decrease of \$1,457.3 million from December 1978 and an increase of \$232.4 million over January 1978.
- Total premiums received during January 1979 was \$145.6 million, up \$2.1 million on December 1978 and \$18.3 million on January 1978.
- Payments on claims, surrenders, annuities and cash bonuses amounted to \$83.3 million in January 1979, down \$13.8 million from December 1978 but up \$13.4 million on January 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 calendar year 1978 and policies in existence at 31 December 1978 were published in Tables 9 and 10 of the December issue of this publication. Details of premiums received and claims, surrenders, etc. paid over in Australia in 1978 were published in Table 11 of the December issue. Similar details for the financial year 1977-78 were published in the June 1978 issue.

Time of recordings

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 December 1977 and January 1978 is due to a reconciliation of the January 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 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									
1975-76	647637	16886.1	268.2	739517	6490.1	145.9	8511917	66833.1	1484.1
1976-77	636132	18447.1	302.3	667634	8671.8	174.9	8262016	76489.1	1931.7
1977-78	618764	20782.4	324.3	602610	10843.0	202.4	8101122	87321.7	1694.0
1977- DECEMBER	49943	2076.9	31.4	70324	914.8	20.3	8172403	82063.6	1617.2
1978- JANUARY	28442	906.0	13.4	57160	742.1	14.3	8163017	83262.0	1614.9
FEBRUARY	42013	1433.9	20.4	50037	769.4	14.8	8190193	81850.9	1620.2
MARCH	46524	1931.7	28.9	65516	777.1	19.5	8139401	84509.7	1629.6
APRIL	51778	1984.8	23.4	60871	823.3	17.7	8130308	89306.3	1631.4
MAY	96958	1824.6	27.0	71736	972.9	16.4	8117530	86245.2	1640.6
JUNE	59974	2052.2	30.5	76362	970.3	18.9	8101122	87321.7	1654.0
JULY	54767	2089.9	31.8	87993	1000.4	22.0	8067896	86410.9	1662.7
AUGUST	97212	1887.8	27.3	62113	643.3	20.3	8062995	89375.0	1669.9
SEPT-4967	95711	2152.2	35.9	73421	1600.2	18.9	8049285	90458.7	1686.1
OCTOBER	95451	1794.2	27.8	70339	952.9	20.3	8030397	91249.3	1694.1
NOVEMBER	90953	2112.1	33.0	65840	1064.9	18.3	8019516	92346.5	1709.2
DECEMBER	44975	2026.5	33.8	67446	361.0	22.2	7991739	94042.9	1720.4
1979- JANUARY	29269	1199.2	13.9	60401	670.9	15.8	7972907	94944.4	1716.3
STATES - JANUARY 1979									
N.S.W.	6429	106.6	1.9	11034	110.8	1.9	2030395	13036.3	226.2
VIC.	6178	299.8	3.6	14137	240.3	9.9	2624940	24534.4	467.9
QLD	4914	159.3	1.6	6865	119.3	2.0	1347707	12041.0	227.5
S.A.	2493	74.2	1.1	6484	72.8	1.2	645542	7035.3	159.3
W.A.	3364	64.7	1.2	4727	74.3	1.2	71110	7291.4	129.0
TAS.	744	19.5	0.3	1313	17.4	0.4	222387	2062.1	42.4
N.T.	178	5.0	0.1	262	5.0	0.1	27709	32.7	0.8
A.C.T.	4705	338.1	3.9	3679	230.0	3.9	790437	27941.2	479.0

(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									
1975-76	527282	8600.9	104.3	667318	3362.9	69.6	7768721	43909.4	813.6
1976-77	520479	10354.8	112.7	715190	5070.6	82.3	7594810	42132.9	843.3
1977-78	513386	11594.5	116.5	731386	5679.1	91.3	7402190	55206.0	871.7
1977- DECEMBER	40249	1034.2	10.2	66691	457.7	6.8	7482954	52528.8	860.8
1978- JANUARY	23818	580.3	5.3	49777	418.7	6.5	7483175	52837.8	862.1
FEBRUARY	35752	882.1	8.6	49764	499.1	7.0	7469143	53200.9	863.9
MARCH	39447	893.5	8.8	50162	644.5	7.5	7452470	53709.9	865.1
APRIL	43606	944.4	9.8	50563	482.2	7.5	7439221	54171.2	867.2
MAY	49867	1079.0	11.2	60581	539.3	9.1	7422867	54710.7	869.7
JUNE	49637	1131.1	11.4	70254	616.3	9.4	7402190	55206.0	871.7
JULY	45798	1070.5	10.8	72480	631.7	11.2	7375506	55724.0	871.1
AUGUST	47064	1143.7	11.2	55962	440.6	6.6	7367430	56421.6	875.9
SEPTEMBER	45724	1070.4	10.8	64767	501.5	8.7	7346387	56930.6	878.0
OCTOBER	47106	1098.6	11.1	64567	520.5	8.4	7330926	57508.6	880.6
NOVEMBER	42978	1089.8	10.5	60394	572.1	8.1	7313810	58006.4	883.3
DECEMBER	37095	1440.8	10.3	64375	5142.4	6.2	7285730	59595.8	887.1
1979- JANUARY	25153	700.6	6.7	43867	579.8	7.0	7280996	59736.4	888.0
STATES - JANUARY 1979									
N.S.W.	6070	146.6	1.5	10092	98.4	1.5	1932750	11761.7	149.6
VIC.	6070	146.6	1.6	13018	148.7	2.0	1891539	19527.1	237.9
QLD.	4392	124.0	1.1	9167	80.4	1.0	1275100	9461.4	144.9
S.A.	2750	54.9	0.6	6136	56.3	0.8	734419	2252.7	87.9
W.A.	2687	62.1	0.7	4240	55.6	0.7	644554	5336.6	81.0
TAS.	711	14.7	0.2	1215	13.6	0.2	207001	1487.6	24.7
N.T.	172	4.6	0.1	260	4.9	0.1	20217	345.5	9.4
A.C.T.	2700	188.8	0.9	2745	109.9	0.7	490270	10531.8	106.0

(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		
	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									
1975-76	120355	7497.2	163.9	72199	2927.2	76.3	722776	22463.7	590.9
1976-77	117653	6073.1	159.6	172444	3001.2	92.2	609006	27210.2	666.4
1977-78	109376	9197.9	207.6	71224	4364.3	110.5	698932	32039.7	762.3
1977- DECEMBER	9644	492.7	21.2	6633	497.1	13.9	692444	30302.0	757.2
1978- JANUARY	4624	496.5	9.1	7403	323.4	6.4	686442	30304.4	752.4
FEBRUARY	681	491.6	11.6	6253	266.3	7.4	686400	30300.0	750.3
MARCH	7027	654.2	12.1	7194	332.6	6.0	686423	30305.0	760.5
APRIL	6172	643.4	13.6	4308	341.1	10.2	690797	31130.1	763.9
MAY	4091	775.6	16.4	6195	430.1	9.3	694723	31534.9	770.9
JUNE	10337	661.1	19.1	6128	399.7	9.1	693332	32039.7	762.3
JULY	6763	1013.4	21.0	13913	366.7	10.4	692306	32666.3	791.0
AUGUST	9324	664.1	16.1	6191	397.1	13.7	695965	32933.4	794.0
SEPTEMBER	9967	1031.6	25.1	6694	506.7	9.6	696998	33926.1	806.1
OCTOBER	6345	694.6	16.7	5772	432.3	11.3	699471	33700.7	813.6
NOVEMBER	7975	1042.3	22.5	4946	492.7	10.2	702900	34340.1	829.9
DECEMBER	7890	1209.7	23.5	4371	523.4	16.3	706069	35026.7	833.3
1979- JANUARY	4416	452.6	7.2	4914	381.3	6.3	709911	35100.0	831.7
STATES - JANUARY 1979									
N.S.W.	359	22.0	0.4	442	12.4	0.4	102045	1974.6	26.0
VIC.	507	96.9	2.0	1119	91.6	3.9	133001	1907.3	230.0
QLD	526	31.3	0.7	370	30.9	1.0	72527	2579.6	62.6
S.A.	243	19.3	0.5	354	16.3	0.4	51177	1432.6	51.6
W.A.	647	26.6	0.5	447	14.7	0.9	69996	1952.6	46.0
TAS.	73	4.6	0.1	96	4.2	0.2	19300	974.9	17.7
N.T.	0	0.4	-	2	3.1	-	1492	47.2	1.4
A.U.T.	2065	229.3	3.0	1134	127.3	2.3	200147	17497.4	373.0

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

TABLE 4. NEW LOANS (EXCLUDING ADVANCES OF PREMIUMS) 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									
1975-76	9657	65620	54212	125489	56112	1243	21180	22551	203952
1976-77	3512	64077	79759	163948	64314	2517	27861	29556	257616
1977-78	6457	62312	96008	165429	69574	1340	49182	40442	251445
1977- DECEMBER	367	8367	6550	15304	4906	0	2210	2216	22466
1978- JANUARY	144	4595	2688	6739	3749	680	1666	2246	12792
FEBRUARY	213	6709	5475	12417	4633	290	1917	2167	19272
MARCH	994	7076	3947	12017	5801	-	15494	15494	38272
APRIL	654	8312	4486	11634	8930	2	3127	3129	28029
MAY	1429	7269	4827	12525	9548	-	1823	1823	21086
JUNE	446	6940	7165	14551	6141	20	1559	1765	22457
JULY	739	6149	6271	13159	6271	1	1376	1377	20603
AUGUST	925	7261	13281	21567	5375	117	5141	5258	31643
SEPTEMBER	1156	6620	4532	12310	12580	131	9462	6113	23211
OCTOBER	43	7219	5676	12934	5013	150	10421	10571	28918
NOVEMBER	666	7731	7336	17723	5020	-	2692	2692	29439
DECEMBER	944	8941	7996	16961	4297	14	4348	4354	25332
1978- JANUARY	333	4898	5423	10654	3634	-	1630	1630	16116
STATES - JANUARY 1979									
N.S.W.	287	1841	212	2340	746	-	1832	1332	4468
VIC.	-	1586	1895	3493	952	-	138	138	5563
Q.L.D.	6	603	724	1333	920	-	74	74	1987
S.A.	36	429	240	705	265	-	20	20	1912
W.A.	-	253	2292	2545	424	-	94	94	3023
TAS.	-	46	290	296	193	-	12	12	463
N.T.	-	-	-	-	32	-	-	-	32
A.C.T.	-	136	-	136	444	-	-	-	580

(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			
	RURAL	HOUSING	OTHER	ON POLICIES
1977- DECEMBER	12.00 - 15.50	9.50 - 14.00	11.50 - 16.00	6.00 - 12.50
1978- JANUARY	12.00 - 15.50	9.50 - 14.00	12.00 - 16.00	6.00 - 13.00
FEBRUARY	11.50 - 15.00	9.50 - 14.00	11.50 - 16.00	6.00 - 13.00
MARCH	11.50 - 15.00	9.50 - 14.00	11.50 - 16.00	6.00 - 13.00
APRIL	11.50 - 15.00	9.50 - 14.00	11.50 - 16.00	6.00 - 13.00
MAY	11.50 - 15.00	9.50 - 14.00	11.50 - 16.00	6.00 - 13.00
JUNE	11.50 - 15.00	9.50 - 14.00	11.50 - 16.00	6.00 - 12.50
JULY	11.50 - 15.00	9.50 - 14.00	11.50 - 16.00	6.00 - 13.00
AUGUST	11.50 - 15.00	9.50 - 14.00	9.50 - 14.00	6.00 - 13.00
SEPTEMBER	11.50 - 15.00	9.50 - 13.50	11.50 - 16.00	6.00 - 13.00
OCTOBER	11.50 - 15.00	9.50 - 14.00	10.50 - 16.00	6.00 - 13.00
NOVEMBER	11.50 - 15.00	9.50 - 14.00	7.50 - 16.00	9.50 - 13.00
DECEMBER	11.50 - 15.00	9.50 - 14.00	11.00 - 16.00	9.50 - 13.00
1978- JANUARY	11.00 - 13.00	9.50 - 14.00	11.50 - 16.00	9.50 - 13.00

(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 (A)
(\$'000)

	PREMIUMS RECEIVED (B)			CLAIMS, SURRENDERS, ETC., PAID		
	ORDINARY AND INDUSTRIAL BUSINESS	SUPER- ANNUATION BUSINESS	TOTAL	ORDINARY AND INDUSTRIAL BUSINESS	SUPER- ANNUATION BUSINESS	TOTAL
1975-76	648367	517400	1165773	32220	329653	361873
1976-77	608179	703459	1311638	300524	463542	764066
1977-78	402652	690908	1093560	304774	460985	765759
1977- DECEMBER	73849	69009	138858	21051	40496	61547
1978- JANUARY	61054	69009	127203	37146	32700	69846
FEBRUARY	64451	71700	142951	48622	34307	82929
MARCH	70144	62761	132905	51663	36361	88024
APRIL	72666	136239	208905	52170	33390	85560
MAY	84419	73072	157491	65136	44006	109142
JUNE	97539	77436	175075	77602	42312	119914
JULY	81934	76448	158382	63936	59916	123852
AUGUST	76633	66339	142972	63661	60107	123768
SEPTEMBER	72421	72504	144925	59662	60174	119836
OCTOBER	76224	70593	146817	58529	35577	94106
NOVEMBER	74700	61730	136430	55674	41217	96891
DECEMBER	71473	72016	143489	50297	60763	111060
1978- JANUARY	69025	76940	145965	44727	36592	81319

(A) INCLUDES PAPUA AND NEW GUINEA BUSINESS FOR PERIODS PRIOR TO SEPTEMBER 1975.
 (B) INCLUDES CONTRIBUTIONS FOR ANNUITIES, JANUARY 1979: \$2,084,473

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

	JANUARY 1979		
	ORDINARY AND INDUSTRIAL BUSINESS	SUPERANNUATION BUSINESS	TOTAL
CLAIMS	23222	19008	42230
SURRENDERS	21118	13382	34500
ANNUITIES	89	60	149
BONUSES PAID IN CASH	298	122	420
TOTAL	44727	36592	81319

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

	AT END OF -				
	DEC 1977	MAR 1978	JUNE 1978	SEPT 1978	DEC 1978
ASSETS					
FIXED ASSETS-					
PROPERTY	2442.1	2612.4	2677.7	2757.2	2631.9
FURNITURE	30.5	30.1	31.6	31.2	30.5
TOTAL FIXED ASSETS	2573.2	2642.5	2709.3	2788.4	2662.4
LOANS(EXCLUDING ADVANCES OF PREMIUMS)-					
ON MORTGAGE-					
RURAL	63.6	62.1	60.2	79.3	76.6
HOUSING	585.4	589.6	582.7	581.8	581.6
OTHER	700.7	703.7	702.5	698.7	679.3
ON POLICIES	292.0	294.9	297.5	299.2	297.0
TO CONTROLLED COMPANIES	54.3	71.7	72.7	61.7	66.2
TO BUILDING OR HOUSING SOCIETIES	6.2	6.7	7.0	7.1	7.1
OTHER	24.3	25.0	25.7	42.4	41.6
TOTAL LOANS	1675.3	1691.7	1668.1	1670.2	1671.6
INVESTMENTS-					
GOVERNMENT SECURITIES	2507.0	2584.8	2580.6	2643.3	2706.9
LOCAL AND SEMI-GOVERNMENT SECURITIES	955.5	1043.7	1061.2	1079.0	1121.1
DEBENTURES	755.7	788.3	769.7	759.4	688.9
SECURED OR UNSECURED NOTES	164.5	165.8	169.3	172.2	165.9
PREFERENCE SHARES	69.4	70.3	68.3	68.5	69.0
ORDINARY SHARES	1631.5	1900.8	1948.7	2022.5	2075.0
HOLDINGS IN CONTROLLED COMPANIES	70.7	61.6	37.4	37.3	127.4
OTHER	85.6	83.6	83.3	80.5	80.1
TOTAL INVESTMENTS	6487.2	6619.1	6741.1	6990.8	7192.3
CASH-					
ON DEPOSIT-					
BANKS	0.4	7.6	8.5	0.7	8.4
OTHER	59.7	92.6	126.5	19.3	87.5
ON CURRENT ACCOUNT AND IN HAND	0.1	9.1	12.8	14.8	12.2
TOTAL CASH	62.2	109.3	147.8	110.8	108.1
TOTAL SELECTED ASSETS	10797.9	11062.6	11260.3	11914.2	11780.6
LIABILITIES					
BANK OVERDRAFT	117.5	117.0	132.6	121.8	117.0
DEPOSITS	92.5	100.6	73.3	99.4	114.1

(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.