

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

OCTOBER 1979

AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5621.0

NOON 12 MARCH 1980

LIFE INSURANCE, AUSTRALIA OCTOBER 1979

INQUIRIES

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MAIN FEATURES

The number of new policies issued in October 1979 was 53,169, an increase of 3,316 over September 1979 but a decrease of 2,282 from October 1978.

The total sum insured under new policies issued in October 1979 was \$2,336.7 million, a decrease of \$127.3 million from September 1979 but an increase of \$543.5 million over October 1978.

Total premiums received during October 1979 was \$163.6 million, up \$14.2 million over September 1979 and \$10.8 million over October 1978.

Payments on claims, surrenders, annuities and cash bonuses amounted to \$118.3 million, up \$12.5 million over September 1979 and \$24.2 million over October 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	18447.1	302.3	887634	8871.8	174.5	8262016	76409.0	1531.5
1977-78	618764	20732.4	324.3	882610	10845.6	202.4	8101122	87321.5	1653.9
1978-79	592630	22217.3	327.6	828674	10908.5	224.9	7865078	96530.9	1757.1
1978-									
SEPTEMBER	55489	2152.2	35.0	73432	1135.9	17.9	8045054	90387.2	1667.4
OCTOBER	55451	1793.2	27.8	70339	952.5	20.3	8030166	91227.2	1645.0
NOVEMBER	51143	2116.2	33.0	66717	1066.1	18.3	8014592	92277.9	1709.7
DECEMBER	44754	2653.2	33.8	69000	382.9	23.9	7990346	94546.3	1720.2
1979-									
JANUARY	29569	1199.2	13.9	48481	876.9	15.8	7971514	94870.3	1718.4
FEBRUARY	37794	1316.1	19.5	68377	877.1	16.0	7940931	95309.3	1721.8
MARCH	51614	1737.4	24.9	65770	939.3	19.2	7926775	96106.7	1727.6
APRIL	44941	1542.8	22.3	64269	750.1	13.8	7907447	96899.6	1736.9
MAY	55284	1956.0	31.2	74633	1033.3	19.4	7888998	97822.6	1748.7
JUNE	54610	1800.8	25.1	77630	1053.1	18.0	7865078	9850.9	1757.1
JULY	54395	2144.6	30.7	70509	1000.3	19.3	7844965	99775.4	1768.9
AUGUST	57477	2227.0	32.6	73741	1039.1	19.9	7832701	100963.0	1761.1
SEPTEMBER	45653	2464.0	34.4	72311	1160.6	19.6	7810243	102267.4	1796.6
OCTOBER	53169	2336.7	27.2	75538	1119.9	17.9	7787874	103484.2	1805.7
STATES - OCTOBER 1979									
N.S.W.	11772	313.4	3.2	21530	173.0	2.7	1952763	14596.4	230.1
VIC.	13003	489.4	7.0	19287	257.1	4.5	1963164	26621.9	492.9
QLD	6668	334.0	3.0	11565	129.4	2.5	1334323	13612.0	240.5
S.A.	5155	156.0	2.3	7975	101.4	1.5	815739	7554.6	163.4
W.A.	5148	146.9	1.9	6975	90.6	1.5	706516	7811.3	134.5
TAS.	1149	30.7	0.4	2144	19.8	0.3	219180	2202.7	44.8
N.T.	187	6.9	0.2	300	7.4	0.1	27202	400.1	7.0
A.C.T.	8087	859.4	9.2	5762	341.2	4.8	772967	30833.0	512.5

(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	82.3	7594010	49192.9	843.3
1977-78	513386	11594.5	116.5	731386	5679.1	91.9	7402190	55285.8	871.7
1978-79	497926	12773.0	123.1	742134	6083.2	101.0	7157982	61976.1	894.8
1978-									
SEPTEMBER	45501	1070.4	10.9	64776	611.9	8.6	7348157	56876.1	876.1
OCTOBER	47106	1096.6	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	36968	1444.8	10.3	64506	142.0	7.6	7284528	59538.9	886.6
1979-									
JANUARY	25153	766.6	6.7	43887	575.6	7.0	7265794	59729.6	886.4
FEBRUARY	32602	810.1	8.2	62651	573.1	8.7	7235745	59906.7	885.8
MARCH	43742	1044.6	10.5	59567	536.4	8.1	7214928	60474.4	888.3
APRIL	37433	959.0	9.4	58137	525.4	7.6	7199276	60908.1	890.4
MAY	46987	1142.0	11.9	64604	596.0	9.1	7181659	61454.4	893.1
JUNE	45558	1159.0	11.6	69235	637.6	10.0	7157982	61976.1	894.8
JULY	44584	1268.7	11.8	65547	607.0	9.2	7137019	62637.9	897.6
AUGUST	47859	1310.7	12.3	66486	670.2	9.6	7116392	63276.2	900.3
SEPTEMBER	41046	1223.0	11.1	64326	643.9	8.2	7095112	63857.8	903.6
OCTOBER	44304	1501.0	12.2	78848	761.1	9.6	7068576	64597.7	906.1
STATES - OCTOBER 1979									
N.S.W.	10995	275.2	2.7	20754	161.0	2.4	1860513	12633.7	201.2
VIC.	11560	327.0	3.4	18269	181.8	2.6	1839705	16796.0	242.6
QLD	7582	282.3	1.8	10856	98.3	1.4	1256598	10433.6	151.2
S.A.	4599	98.6	1.1	7679	68.9	1.0	764243	5541.2	87.9
N.A.	4205	104.7	1.0	6571	69.4	1.0	633792	5794.5	82.5
TAS.	1003	23.1	0.2	2026	16.9	0.2	199973	1564.4	25.0
N.T.	176	4.5	0.1	295	5.7	0.1	25757	352.4	5.6
A.C.T.	4184	385.4	1.9	4390	159.1	0.9	491995	11421.9	110.1

(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	8693.1	189.6	172444	3801.2	92.2	668006	27216.1	688.2
1977-78	105378	9187.9	207.8	71224	4364.5	110.5	694932	32035.7	762.2
1978-79	94704	9444.3	204.5	86540	4825.3	123.9	707096	36654.8	862.3
1978-									
SEPTEMBER	9988	1051.8	25.1	8656	524.0	9.3	696897	33511.1	809.3
OCTOBER	8345	634.6	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	7786	1208.4	23.5	4494	524.9	16.3	705818	35009.4	833.6
1979-									
JANUARY	4416	432.6	7.2	4514	301.3	8.8	705720	35140.7	832.0
FEBRUARY	5192	506.0	11.3	5726	304.0	7.3	705166	35342.6	836.0
MARCH	7872	692.8	14.4	6203	403.1	11.1	706655	35632.3	839.3
APRIL	7448	583.8	12.9	6132	224.7	6.2	708171	35931.5	846.5
MAY	8297	814.0	19.3	10029	437.3	10.3	706439	36368.2	859.6
JUNE	9052	791.8	14.5	8355	415.5	8.0	707096	36654.8	862.3
JULY	9812	875.9	18.9	4962	393.3	10.1	711946	37137.5	871.3
AUGUST	9618	916.3	20.3	7255	368.9	10.3	714389	37684.8	880.8
SEPTEMBER	8807	1241.0	23.3	7985	516.7	11.6	715131	38409.6	893.0
OCTOBER	8865	835.7	15.0	4698	398.8	8.3	719298	38886.5	899.6
STATES - OCTOBER 1979									
N.S.W.	777	38.2	0.5	776	12.0	0.3	92250	1964.7	28.9
VIC.	1443	152.4	3.6	1018	75.3	1.9	127459	9825.9	250.3
QLD	1086	51.7	1.2	709	31.1	1.1	77725	2918.4	89.3
S.A.	556	57.2	1.2	256	32.5	0.5	51496	2013.6	55.9
W.A.	943	42.2	0.9	404	21.2	0.5	72724	2016.0	52.0
TAS.	146	7.6	0.2	118	2.9	0.1	15207	638.3	19.8
N.T.	11	2.4	0.1	5	1.7	-	1445	47.7	1.4
A.C.T.	3903	474.0	7.3	1372	182.1	3.9	280992	19461.1	402.4

(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									
1976-77	3512	86677	75755	163944	64316	2517	27041	29558	25816
1977-78	6457	82312	56659	145428	65576	1340	39102	40442	291445
1978-79	6894	81081	83552	171927	81343	509	41026	41589	274459
1978-									
SEPTEMBER	1156	6828	4532	12586	4598	131	3982	4113	23211
OCTOBER	48	7215	1676	12934	5813	190	18421	18711	28516
NOVEMBER	686	7731	3306	11723	5828	-	2692	28516	25435
DECEMBER	544	8941	7996	16881	4164	14	4348	4354	25199
1979-									
JANUARY	333	4898	5823	10854	3634	-	1638	1638	18114
FEBRUARY	1811	5838	6323	13172	4653	-	1335	1375	19200
MARCH	831	6679	5883	12513	5838	48	2024	2038	20384
APRIL	707	6047	4238	10992	5886	14	3508	3508	19386
MAY	252	7178	6763	14193	6081	2	929	931	21205
JUNE	71	6794	9820	13795	5618	189	1862	1944	23355
JULY	434	6665	9577	16846	6152	-	1267	1267	24865
AUGUST	1925	7481	5766	15112	5978	-	3978	3978	29886
SEPTEMBER	622	6854	5714	13190	5379	288	6458	6748	25219
OCTOBER	754	7662	17560	25976	6328	122	9875	9997	41993
STATES - OCTOBER 1979									
N.S.W.	188	3834	4439	7573	1297	2	764	766	2636
VIC.	613	2825	8827	12669	1533	-	8930	8930	22332
QLD	-	412	976	1388	987	128	91	211	2486
S.A.	41	679	-	520	397	-	35	35	952
N.H.	-	695	1538	2233	711	-	44	44	2888
Tas.	-	172	-	172	212	-	11	11	345
N.T.	-	-	-	-	28	-	-	-	26
A.C.T.	-	91	1959	2071	1937	-	-	-	3188
(A) STATE OR TERRITORY WHERE PROPERTY IS LOCATED. (B) STATE OR TERRITORY WHERE POLICY IS REGISTERED. (C) STATE OF RESIDENCE OF BORROWERS.									

(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
1978-				
SEPTEMBER	11.50 - 13.50	9.00 - 13.50	11.50 - 16.00	6.00 - 13.00
OCTOBER	11.50 - 13.50	9.50 - 14.00	10.50 - 16.00	8.00 - 13.00
NOVEMBER	11.50 - 13.50	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	11.50 - 13.50	9.50 - 14.00	11.50 - 14.00	9.50 - 13.00
FEBRUARY	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
MARCH	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
APRIL	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
MAY	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
JUNE	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
JULY	11.50 - 13.50	10.00 - 14.00	10.00 - 14.00	9.50 - 13.00
AUGUST	11.50 - 13.50	10.00 - 14.00	11.00 - 14.00	9.50 - 13.00
SEPTEMBER	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	9.50 - 13.00
OCTOBER	11.50 - 13.50	9.50 - 14.00	11.00 - 14.00	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
(\$'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	919707	884073	1803780	695578	499393	1194971
1978-						
SEPTEMBER	73421	72364	145785	59062	40174	99236
OCTOBER	76224	76593	152817	58552	35577	94129
NOVEMBER	74700	61790	136490	55879	41217	97096
DECEMBER	71473	72038	143511	50479	46797	97276
1979-						
JANUARY	68625	76940	145565	44727	38592	83319
FEBRUARY	69546	78222	147768	48790	40078	88868
MARCH	78723	68981	147704	56811	39524	96335
APRIL	69365	71252	140617	51749	39969	91718
MAY	85412	74506	159918	67669	34992	102661
JUNE	92041	86540	178581	74261	36850	111111
JULY	88152	80968	169120	67062	75539	142601
AUGUST	84686	87418	172104	68731	62863	149594
SEPTEMBER	73333	75455	148788	58306	47527	105833
OCTOBER	78893	84714	163607	64326	53977	118303

(A) INCLUDES CONSIDERATIONS FOR ANNUITIES, OCTOBER 1979- \$3,166,516

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

	OCTOBER 1979		
	ORDINARY AND INDUSTRIAL BUSINESS	SUPERANNUATION BUSINESS	TOTAL
CLAIMS	33997	20395	54392
SURRENDERS	28456	32583	61041
ANNUITIES	441	596	1037
BONUSES PAID IN CASH	1432	401	1833
TOTAL	64326	53977	118303

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

	AT END OF -				
	SEPT 1976	DEC 1976	MAR 1979	JUNE 1979	SEPT 1979
ASSETS					
FIXED ASSETS-					
PROPERTY	2737.2	2641.9	2665.9	2929.1	3001.1
FURNITURE	31.2	30.9	27.5	31.4	41.2
TOTAL FIXED ASSETS	2768.4	2672.4	2693.4	2960.5	3042.3
LOANS (EXCLUDING ADVANCES OF PREMIUMS)-					
ON MORTGAGE-					
RURAL					
HOUSING	79.3	76.8	78.4	78.0	69.2
OTHER	501.8	501.8	500.0	500.3	490.3
ON POLICIES	880.7	679.3	681.5	665.8	665.0
TO CONTROLLED COMPANIES	295.2	293.2	296.2	300.4	299.6
TO BUILDING OR HOUSING SOCIETIES	61.7	68.2	71.1	72.0	59.2
OTHER	7.1	7.1	5.5	8.6	8.4
OTHER	42.4	43.8	49.1	41.7	49.7
TOTAL LOANS	1676.2	1676.2	1667.8	1656.8	1639.4
INVESTMENTS-					
GOVERNMENT SECURITIES					
LOCAL AND SEMI-GOVERNMENT SECURITIES	2643.3	2706.9	2702.8	2735.8	2841.1
DEBENTURES	1879.0	1121.1	1160.7	1170.7	1187.7
SECURED OR UNSECURED NOTES	719.4	808.9	808.7	804.3	817.3
PREFERENCE SHARES	172.2	105.9	105.8	172.7	109.7
ORDINARY SHARES	68.5	81.5	78.9	78.4	71.3
HOLDINGS IN CONTROLLED COMPANIES	2022.5	2080.9	2123.6	2109.3	2266.9
OTHER	97.3	127.4	125.8	127.6	128.7
OTHER	86.6	86.2	82.8	111.6	59.7
TOTAL INVESTMENTS	6958.8	7104.8	7237.5	7364.8	7563.4
CASH-					
ON DEPOSIT-					
BANKS	8.7	8.4	0.1	5.0	1.0
OTHER	95.3	87.5	214.1	304.8	229.8
ON CURRENT ACCOUNT AND IN HAND	14.8	12.6	24.7	30.3	18.0
TOTAL CASH	118.8	108.1	238.9	340.1	248.8
TOTAL SELECTED ASSETS	11514.2	11813.5	12037.6	12329.4	12465.5
LIABILITIES					
BANK OVERDRAFT	121.8	117.8	134.1	140.1	96.2
DEPOSITS	99.4	114.1	88.9	86.2	72.7

FIGURES 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.