



**Half Yearly
Life
Insurance
Financial
Bulletin**

December 1997



Half Yearly Life Insurance Financial Bulletin

December 1997

**Financial Information for
Life Insurance Companies
Balancing Between
1 January 1997 to 31 December 1997**

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ISSN

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FOREWORD

Welcome to the first edition of the *Half Yearly Life Insurance Financial Bulletin*.

The new *Half Yearly Life Insurance Financial Bulletin* replaces the two previous publications produced by the Life Insurance Group – the *Half Yearly Financial Bulletin on Life Insurance* and the *Quarterly Statistical Bulletin*. With the full implementation of the various Commissioner's Rules governing submission of statutory returns and data collection, there was a need to develop a new publication.

The *Half Yearly Life Insurance Financial Bulletin* contains aggregate industry information, with emphasis on direct insurers and reinsurers, statutory funds and shareholders' funds. There is information on solvency, sources of profit and operating expenses that were not available in previous publications. The *Bulletin* also contains company level abstracts on profit and loss, balance sheet, solvency, sources of profit and quarterly assets.

The tables in this *Bulletin* have been prepared after consultation with all registered life insurance companies and other interested users of the data. I am grateful to those who participated actively in this consultative process.

For many years, the Life Insurance Group publications have provided the life insurance industry and all interested parties with statistical, financial and actuarial information about the industry. It is hoped that this new *Half Yearly Life Insurance Financial Bulletin* will continue to serve the same purpose, as well as provide a clear and better picture of the life insurance industry in Australia.

Craig Thorburn
Chief Manager
Life Insurance

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SUMMARY

Introduction

The *Half Yearly Life Insurance Financial Bulletin* for December 1997 contains selected financial data of the life insurance companies, presented primarily at aggregate level for all companies balancing between 1 January 1997 to 31 December 1997. The *Bulletin* also includes company level abstracts on profit and loss, balance sheet, solvency, sources of profit and assets.

Data in the *Half Yearly Life Insurance Financial Bulletin* are mainly sourced from the diskette version of the Financial Statements submitted by the life insurance companies in accordance with *Commissioner's Rules 21 (Financial Statements)*. Information on assets, on the other hand, is sourced from the quarterly diskette returns submitted by the life companies under *Commissioner's Rules 26 (Collection of Statistics)*.

Note, however, that where valid source data have not been received from a company by the publication dates, that company will be excluded from this issue of the *Bulletin*. Details of excluded companies will be included in subsequent issues.

An electronic version of the annual financial returns submitted on diskette by each of the life insurance companies under *Commissioner's Rules 21* is available for those parties interested in the unit-level data that produced the *Half Yearly Life Insurance Financial Bulletin*.

In addition, half yearly market statistics returns collected under *Commissioner's Rules 32 (Variation of Commissioner's Rules 26)* and selected quarterly asset information collected under *Commissioner's Rules 26* are also available on diskette. The information collected under *Commissioner's Rules 32* replaces the information from which the previous *Quarterly Statistical Bulletin* was based.

Both the Financial diskette and the Market Statistics and Assets diskette can be obtained from the Australian Prudential Regulation Authority. For more details, see the "Order Form" section at the end of the *Bulletin*.

Life Insurance Highlights -1 January 1997 to 31 December 1997

Note: Data in the highlights (and the subsequent tables) are primarily sourced from the diskette version of the Financial Statements submitted by the life insurance companies in accordance with Commissioner's Rules 21. No adjustment whatsoever has been made to address reporting differences and inconsistencies in the companies' diskette returns. Also, where figures have been rounded, discrepancies may occur between sums of the component items and totals.

Main Features

- Total life insurance statutory fund assets at 31 December 1997 were \$165.1 billion. These assets were backing \$136.3 billion of Australian and overseas policy liabilities and bonuses.
- The industry aggregate solvency reserve percentage was 9.5%. The corresponding solvency coverage ratio for the period was 1.76.
- Life insurance premiums totalled \$29.3 billion for the period. Investment linked business accounted for \$19.0 billion, the remaining \$10.3 billion was non-investment linked business.
- Total life insurance policy payments were \$25.5 billion during the period. Surrenders and terminations accounted for \$15.8 billion of all policy payments.
- Aggregate industry profits were \$4.4 billion, of which \$2.0 billion was allocated to policy owners and \$2.4 billion to shareholders.

- Equities and unit trusts accounted for 52% of the investment assets of life insurance statutory funds. With interest bearing securities and loans accounting for a further 42% of assets.

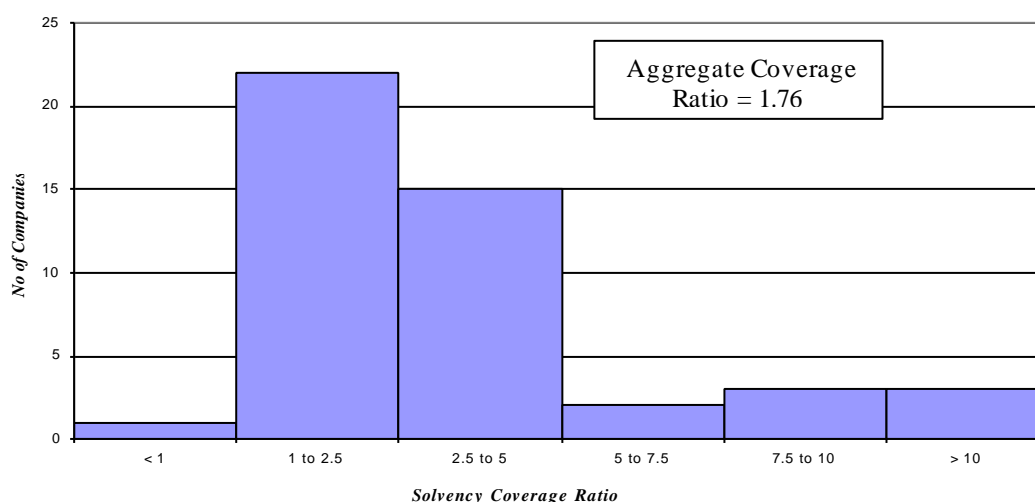
Solvency

There are two main measures referred to when examining the solvency position of a life insurance company. These measures are the *solvency reserve percentage* and the *solvency coverage ratio*.

The *solvency reserve percentage* measures the reserve required by the company to enable it to meet its obligations, under a prescribed set of adverse conditions, as a percentage of the company's base liabilities. This percentage will vary from company to company depending on the types of business the company writes and the types of assets it holds to back these liabilities.

The industry aggregate solvency reserve percentage for the period was 9.5%. For investment linked business, where the liabilities are linked to the value of the assets supporting them, the percentage was 0.7%. For non-investment linked business

Solvency Coverage Ratios



the solvency reserve percentage was 20.5%.

The *solvency coverage ratio* measures the number of times the company's excess assets are able to cover the required solvency reserve.

The industry aggregate solvency coverage ratio was 1.76. For investment linked business, the ratio was 2.63, while for non-investment linked business the solvency coverage ratio was 1.72.

Almost half (48%) of all life companies had a solvency coverage ratio between 1.0 and 2.5.

Industry Structure

Australian business accounted for about 91% (\$124.6 billion) of the total policy liabilities and bonuses in the life insurance industry. The remaining 9% (\$11.7 billion) of liabilities and bonuses related to overseas business.

Superannuation business represented about 81% (\$100.8 billion) of Australian policy liabilities and bonuses. Of this, participating policies represented 16% (\$19.9 billion) and non-participating policies 65% (\$80.9 billion).

Ordinary business represented the remaining 19% (\$23.8 billion) of Australian policy liabilities and bonuses. About 10% (\$13.1 billion) represented participating policies and 9% (\$10.7 billion) non-participating policies.

The proportion of superannuation business has increased by 4% (from 77%) since September 1996. This is consistent with the continuing trend within the life insurance industry towards superannuation products.

Profitability

Total profit, after tax and abnormals, was \$4.4 billion. Non-investment linked business accounted for \$4.0 billion of this, while the profit relating to investment linked business was \$0.4 billion.

The profit allocated to policy owners accounted for 45% (\$2.0 billion) of the total profit. The remaining 55% (\$2.4 billion) was allocated to shareholders.

Total industry profit can be divided into its different sources. Planned profits contributed 60% (\$2.6 billion) of total profits, while there was a 5% (-\$0.2 billion) experience loss. An experience profit/loss results from actual experience and assumed experience differing for the year.

Investment earnings on retained profits and capital contributed 38% (\$1.6 billion) of the total profit figure. This proportion can be expected to vary from year to year with changes in performance of investment markets.

Despite the proportions of investment linked and non-investment linked business being similar, almost all of the profits from the life insurance industry arose from non-investment linked business. This is the result of the different nature of the two types of business.

Investment management charges are the only potential source of profits from investment linked business. Non-investment linked business provides the opportunity for life insurance companies to make profits through the pooling and management of risks.

Premiums

Total life insurance premiums received during the period 1 January 1997 to 31 December 1997 were \$29.3 billion.

Investment linked business accounted for 65% (\$19.0 billion) of these premiums, with the remaining 35% (\$10.3 billion) relating to non-investment linked business.

Single premiums accounted for \$18.4 billion of the total premium amount, with a further \$7.5 billion due to regular premium policies. Small amounts of premiums resulted from policy conversions and superannuation rollover monies.

Policy Payments

Total industry policy payments during the period 1 January 1997 to 31 December 1997 were \$25.5 billion.

Payments for surrenders and terminations accounted for 62% (\$15.8 billion) of the total policy payments. Policy maturities represented a further 12% (\$3.1 billion).

Annuity payments and death and disability claims accounted for 14% (\$1.9 billion and \$1.7 billion respectively) of policy payments. A further 6% (\$1.6 billion) resulted from policy conversions and 4% (\$1.0 billion) from payments under continuing superannuation plans.

Total premiums received during the period exceeded total policy payments by \$3.8 billion.

Asset Allocation

Direct property accounted for 4% of total life insurance investment assets at 31 December 1997.

The proportion of life insurance investment assets held in equities and unit trusts was 52% while interest bearing securities and loans accounted for 42% of total investment assets.

TABLES

1 January 1997 to 31 December 1997

PROFIT AND LOSS STATEMENT

INDUSTRY TOTAL

TABLE 1A

(\$M)

	Direct Insurers		Reinsurers		Total Industry	
	Statutory	Shareholders'	Statutory	Shareholders'	Statutory	Shareholders'
	Funds	Fund	Funds	Fund	Funds	Fund
Net Insurance Premiums	28,895	3	291	71	29,186	73
Investment Revenue	19,915	130	104	21	20,019	151
Other Revenues	40	33	7	1	47	34
Net Claims	24,960	1	206	57	25,166	58
Operating Expenses	3,461	87	123	29	3,584	116
Increase / (Decrease) in Policy Liabilities	13,686	0	36	0	13,722	0
Operating Profit Before Income Tax	6,533	78	37	6	6,570	84
Income Tax	2,576	2	-3	6	2,573	8
Operating Profit After Income Tax	3,957	75	40	0	3,997	76
Extraordinary Items	355	-94	0	0	355	-94
Operating Profit and Extraordinary Items After Income Tax	4,312	-19	40	0	4,352	-18

1 January 1997 to 31 December 1997

PROFIT AND LOSS STATEMENT

DIRECT INSURERS

TABLE 1B

(\$M)

	Statutory Fund					Statutory Fund Total*
	Australian		Overseas			
	Ordinary	Non-Par	Superannuation	Non-Par		
	Par		Par			
Net Insurance Premiums	630	3,172	2,752	21,326	1,287	28,895
Investment Revenue	1,951	2,009	2,530	11,399	1,844	19,734
Other Revenues	4	389	2	174	8	502
Net Claims	1,403	2,760	3,349	16,762	958	24,960
Operating Expenses	239	991	353	1,694	266	3,541
Increase / (Decrease) in Policy Liabilities	-199	571	-32	12,225	1,112	13,676
Operating Profit Before Income Tax	1,142	1,238	1,614	2,147	803	6,944
Income Tax	449	437	352	1,196	198	2,632
Operating Profit and Extraordinary Items After Income Tax	694	802	1,262	950	605	4,312

*NB: Differences may occur between Statutory Fund Total and sum of the details due to the elimination of interfund transactions.

1 January 1997 to 31 December 1997

BALANCE SHEET
DIRECT INSURERS
(\$M)

TABLE 2A

	Statutory Fund				Overseas	Statutory Fund Total**	Shareholders' Fund
	Australian		Superannuation				
	Ordinary Par	Non-Par	Par	Non-Par			
Investment Assets	15,457	15,562	21,192	88,992	12,124	153,327	1,462
Other Assets					1,898	10,448	1,196
Total Assets					14,021	163,775	2,659
Net Policy Liabilities*	12,727	10,369	18,955	80,811	11,372	134,234	1
Bonuses	388	0	942	0	199	1,529	0
Other Liabilities					765	10,906	989
Total Liabilities					12,336	146,740	989
Net Assets					1,685	17,035	1,670
comprised of							
- Policy Owners Retained Profits						2,288	
- Shareholders Retained Profits						6,426	920
- Shareholders Capital						8,320	750

*NB: Ceded Policy Liabilities are deducted from Gross Policy Liabilities in determining Net Policy Liabilities

** Differences may occur between Statutory Fund Total and sum of the details due to the elimination of interfund transactions.

1 January 1997 to 31 December 1997

BALANCE SHEET
REINSURERS
(\$M)

TABLE 2B

	Statutory Fund				Overseas	Statutory Fund Total**	Shareholders' Fund
	Australian		Superannuation				
	Ordinary Par	Non-Par	Par	Non-Par			
Investment Assets	0	773	0	149	178	1,100	523
Other Assets					39	198	532
Total Assets					217	1,297	1,056
Net Policy Liabilities*	0	338	0	84	91	512	0
Bonuses	0	0	0	0	0	0	0
Other Liabilities					43	361	723
Total Liabilities					133	878	723
Net Assets					83	420	333
comprised of							
- Policy Owners Retained Profits						0	
- Shareholders Retained Profits						408	120
- Shareholders Capital						12	213

*NB: Ceded Policy Liabilities are deducted from Gross Policy Liabilities in determining Net Policy Liabilities

** Differences may occur between Statutory Fund Total and sum of the details due to the elimination of interfund transactions.

1 January 1997 to 31 December 1997

BALANCE SHEET
INDUSTRY TOTAL
(\$M)

TABLE 2C

	Statutory Fund				Overseas	Statutory Fund Total**	Shareholders' Fund
	Australian		Superannuation				
	Ordinary Par	Non-Par	Par	Non-Par			
Investment Assets	15,457	16,334	21,192	89,142	12,301	154,426	1,986
Other Assets					1,936	10,646	1,729
Total Assets					14,238	165,072	3,714
Net Policy Liabilities*	12,727	10,707	18,955	80,895	11,463	134,746	1
Bonuses	388	0	942	0	199	1,529	0
Other Liabilities					808	11,267	1,711
Total Liabilities					12,470	147,617	1,712
Net Assets					1,768	17,455	2,003
comprised of							
- Policy Owners Retained Profits						2,288	
- Shareholders Retained Profits						6,834	1,040
- Shareholders Capital						8,332	963

*NB: Ceded Policy Liabilities are deducted from Gross Policy Liabilities in determining Net Policy Liabilities

** Differences may occur between Statutory Fund Total and sum of the details due to the elimination of interfund transactions.

1 January 1997 to 31 December 1997

SOLVENCY
DIRECT INSURERS
(\$M)

TABLE 3A

	Statutory Fund		Total**
	Investment Linked	Non-Investment Linked	
Base Liabilities	78,838	61,973	140,587
Solvency Reserve	545	12,722	13,267
Solvency Requirement	79,382	74,695	153,854
Total Assets*	80,271	83,725	163,773
Assets Available for Solvency Reserve	1,433	21,752	23,185
Solvency Reserve %	0.69	20.53	9.44
Solvency Coverage	2.63	1.71	1.75

*NB: Total Assets net of Policy Liabilities ceded

** Differences may occur between Total and sum of the details due to the elimination of interfund transactions.

1 January 1997 to 31 December 1997

SOLVENCY
REINSURERS
(\$M)

TABLE 3B

	Statutory Fund		Total**
	Investment Linked	Non-Investment Linked	
Base Liabilities	0	914	913
Solvency Reserve	0	144	144
Solvency Requirement	0	1,058	1,057
Total Assets*	0	1,297	1,296
Assets Available for Solvency Reserve	0	384	384
Solvency Reserve %	#DIV/0!	15.77	15.79
Solvency Coverage	#DIV/0!	2.66	2.66

*NB: Total Assets net of Policy Liabilities ceded

** Differences may occur between Total and sum of the details due to the elimination of interfund transactions.

1 January 1997 to 31 December 1997

SOLVENCY
INDUSTRY TOTAL
(\$M)

TABLE 3C

	Statutory Fund		Total**
	Investment Linked	Non-Investment Linked	
Base Liabilities	78,838	62,886	141,500
Solvency Reserve	545	12,866	13,411
Solvency Requirement	79,382	75,753	154,911
Total Assets*	80,271	85,022	165,069
Assets Available for Solvency Reserve	1,433	22,136	23,569
Solvency Reserve %	0.69	20.46	9.48
Solvency Coverage	2.63	1.72	1.76

*NB: Total Assets net of Policy Liabilities ceded

** Differences may occur between Total and sum of the details due to the elimination of interfund transactions.

1 January 1997 to 31 December 1997

SOURCES OF PROFIT
DIRECT INSURERS
(\$M)

TABLE 4A

	Investment Linked	Statutory Fund Non-Investment Linked	Total	Shareholders' Fund
Investment Earnings on Retained Profits & Capital	153	1,443	1,597	
Emergence of Planned Profits				
- Policy Owner	0	1,677	1,677	
- Shareholder	293	613	906	
Experience Profit	-105	-96	-201	
Operating Profit from Other Sources	0	333	333	
Operating Profit after Income Tax allocated to	341	3,971	4,312	-19
- Policy Owner	0	1,971	1,971	0
- Shareholder	354	1,987	2,341	-19

1 January 1997 to 31 December 1997

SOURCES OF PROFIT
REINSURERS
(\$M)

TABLE 4B

	Investment Linked	Statutory Fund Non-Investment Linked	Total	Shareholders' Fund
Investment Earnings on Retained Profits & Capital	0	38	38	
Emergence of Planned Profits				
- Policy Owner	0	0	0	
- Shareholder	0	35	35	
Experience Profit	0	-33	-33	
Operating Profit from Other Sources	0	0	0	
Operating Profit after Income Tax allocated to	0	40	40	0
- Policy Owner	0	0	0	0
- Shareholder	0	40	40	0

1 January 1997 to 31 December 1997

SOURCES OF PROFIT
INDUSTRY TOTAL
(\$M)

TABLE 4C

	Investment Linked	Statutory Fund Non-Investment Linked	Total	Shareholders' Fund
Investment Earnings on Retained Profits & Capital	153	1,481	1,635	
Emergence of Planned Profits				
- Policy Owner	0	1,677	1,677	
- Shareholder	293	648	941	
Experience Profit	-105	-129	-234	
Operating Profit from Other Sources	0	333	333	
Operating Profit after Income Tax allocated to	341	4,011	4,352	-18
- Policy Owner	0	1,971	1,971	0
- Shareholder	354	2,027	2,381	-18

1 January 1997 to 31 December 1997

PREMIUM REVENUES
DIRECT INSURERS
(\$M)

TABLE 5

	Investment Linked	Statutory Funds Non-Investment Linked	Total	Shareholders' Fund
Direct Insurance Premiums				
- Single	11,548	2,164	13,712	0
- Regular	2,888	4,520	7,407	0
- Contributions Tax Component	212	66	278	0
Total Direct Insurance Premiums	14,647	6,750	21,397	0
Direct Consideration for Deferred Annuities				
- Single Amounts	1,224	242	1,466	0
- Regular Amounts	66	0	66	0
- Rollover Amounts	505	406	911	0
- Contributions Tax Component	7	2	10	0
Total Direct Consideration for Deferred Annuities	1,803	650	2,454	0
Direct Consideration for Immediate Annuities				
- Single	892	2,350	3,242	0
- Other	0	0	0	0
- Contributions Tax Component	0	0	1	0
Total Direct Consideration for Immediate Annuities	892	2,350	3,242	0
Policy Conversions	1,042	586	1,628	0
Direct Insurance Premiums	18,385	10,336	28,721	0
Inwards Reinsurance Premiums	573	8	581	0
Total Non-Life Insurance Premiums				3
Insurance Premiums	18,958	10,343	29,302	3

1 January 1997 to 31 December 1997

INVESTMENT REVENUE
DIRECT INSURERS
(\$M)

TABLE 6A

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Interest	1,939	2,602	4,541	36
Dividends	1,372	999	2,371	42
Net Rents	170	337	508	1
Other Investment Income	310	253	563	3
Net Realised and Unrealised Gain/Loss	6,837	5,096	11,933	47
Total Investment Income	10,628	9,287	19,915	129

1 January 1997 to 31 December 1997

INVESTMENT REVENUE
REINSURERS
(\$M)

TABLE 6B

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Interest	0	49	49	11
Dividends	0	12	12	0
Net Rents	0	3	3	0
Other Investment Income	0	2	2	0
Net Realised and Unrealised Gain/Loss	0	37	37	9
Total Investment Income	0	104	104	21

1 January 1997 to 31 December 1997

INVESTMENT REVENUE
INDUSTRY TOTAL
(\$M)

TABLE 6C

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Interest	1,939	2,650	4,590	47
Dividends	1,372	1,011	2,383	43
Net Rents	170	341	511	1
Other Investment Income	310	255	565	3
Net Realised and Unrealised Gain/Loss	6,837	5,133	11,970	57
Total Investment Income	10,628	9,391	20,019	150

1 January 1997 to 31 December 1997

INVESTMENT REVENUE
INVESTMENT RETURN (%)*

TABLE 6D

	Investment Linked	Statutory Funds Non-Investment Linked	Total	Shareholders' Fund
Interest Bearing Securities, Loans, Convertible Notes	7.14	7.54	7.37	5.97
Equities	4.74	3.77	4.28	4.77
Property	10.86	7.95	8.73	4.13
Other Investment Assets	1.71	3.10	2.15	1.37
Total Investment Assets	14.70	13.06	13.88	7.92

*NB: Calculated as investment revenue / [investment asset - (investment revenue / 2)]

1 January 1997 to 31 December 1997

POLICY PAYMENTS

DIRECT INSURERS

TABLE 7A

	(\$M)			Shareholders' Fund
	Investment Linked	Statutory Funds Non-Investment Linked	Total	
Death and Disability Claims	237	1,437	1,674	1
Maturities	813	2,245	3,058	0
Annuities	679	1,263	1,942	0
Surrenders and Terminations	10,202	5,567	15,769	0
Payments under Continuing Superannuation Plans	586	375	961	0
Allocated Annuities	0	0	0	0
Policy Conversions	964	664	1,628	0
Other	392	89	481	0
Direct Claims	13,874	11,639	25,513	1
Inwards Reinsurance Claims	36	-1	35	0
Bonuses Paid (from current year profit)	0	-365	-365	0
Policy Payments	13,909	11,273	25,182	1

1 January 1997 to 31 December 1997

POLICY PAYMENTS

REINSURERS

TABLE 7B

	(\$M)			Shareholders' Fund
	Investment Linked	Statutory Funds Non-Investment Linked	Total	
Death and Disability Claims	0	11	11	0
Maturities	0	0	0	0
Annuities	0	0	0	0
Surrenders and Terminations	0	0	0	0
Payments under Continuing Superannuation Plans	0	0	0	0
Allocated Annuities	0	0	0	0
Policy Conversions	0	0	0	0
Other	0	0	0	0
Direct Claims	0	11	11	0
Inwards Reinsurance Claims	0	269	269	156
Bonuses Paid (from current year profit)	0	0	0	0
Policy Payments	0	280	280	156

1 January 1997 to 31 December 1997

POLICY PAYMENTS
INDUSTRY TOTAL
(\$M)

TABLE 7C

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Death and Disability Claims	237	1,448	1,685	1
Maturities	813	2,245	3,058	0
Annuities	679	1,263	1,942	0
Surrenders and Terminations	10,202	5,567	15,769	0
Payments under Continuing Superannuation Plans	586	375	961	0
Allocated Annuities	0	0	0	0
Policy Conversions	964	664	1,628	0
Other	392	89	481	0
Direct Claims	13,874	11,650	25,524	1
Inwards Reinsurance Claims	36	268	304	156
Bonuses Paid (from current year profit)	0	-365	-365	0
Policy Payments	13,909	11,553	25,462	157

1 January 1997 to 31 December 1997

OPERATING EXPENSES

DIRECT INSURERS

TABLE 8A

		(\$M)			
		Investment	Statutory Funds	Total	Shareholders'
		Linked	Non-Investment		Fund
			Linked		
General Administration Expenses					
	- Policy Acquisition				
	* Commission	221	300	521	2
	* Other	328	506	835	4
	- Policy Maintenance				
	* Commission	117	184	301	-1
	* Other	547	851	1,398	27
	- Investment Management	150	162	312	1
	- Other	0	0	0	37
Interest	- Subordinated Debt	5	36	41	0
	- Other Borrowings	20	34	53	12
Total Non-Life Operating Expenses					4
Total Operating Expenses		1,389	2,072	3,461	86

1 January 1997 to 31 December 1997

OPERATING EXPENSES

REINSURERS

TABLE 8B

		(\$M)			
		Investment	Statutory Funds	Total	Shareholders'
		Linked	Non-Investment		Fund
			Linked		
General Administration Expenses					
	- Policy Acquisition				
	* Commission	0	35	35	0
	* Other	0	7	7	2
	- Policy Maintenance				
	* Commission	0	49	49	19
	* Other	0	30	30	8
	- Investment Management	0	1	1	0
	- Other	0	0	0	0
Interest	- Subordinated Debt	0	1	1	0
	- Other Borrowings	0	0	0	0
Total Non-Life Operating Expenses					0
Total Operating Expenses		0	123	123	29

1 January 1997 to 31 December 1997

OPERATING EXPENSES
INDUSTRY TOTAL
(\$M)

TABLE 8C

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
General Administration Expenses				
- Policy Acquisition				
* Commission	221	335	556	2
* Other	328	513	842	6
- Policy Maintenance				
* Commission	117	232	349	18
* Other	547	881	1,428	35
- Investment Management	150	163	313	2
- Other	0	0	0	37
Interest				
- Subordinated Debt	5	37	42	0
- Other Borrowings	20	34	53	12
Total Non-Life Operating Expenses				4
Total Operating Expenses	1,389	2,195	3,584	115

1 January 1997 to 31 December 1997

OPERATING EXPENSES
NET MARGINS (%)*

TABLE 8D

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Direct Insurers	7.70	18.61	11.98	3325.70
Reinsurers	#DIV/0!	42.08	42.08	40.72
Industry Total	7.70	19.21	12.28	157.12

*NB: Calculated as operating expenses / net premiums

1 January 1997 to 31 December 1997

OPERATING EXPENSES
GROSS MARGINS (%)*

TABLE 8E

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Direct Insurers	7.64	18.18	11.81	2871.44
Reinsurers	#DIV/0!	27.67	27.67	11.76
Industry Total	7.64	18.54	12.05	46.48

*NB: Calculated as operating expenses / gross premiums

1 January 1997 to 31 December 1997

INVESTMENT ASSETS
DIRECT INSURERS
(\$M)

TABLE 9A

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Property	1,651	4,409	6,060	31
Equities	29,596	27,020	56,616	737
National Government Interest Bearing Securities	8,128	7,859	15,987	20
Other Public Sector Interest Bearing Securities	5,557	7,720	13,277	27
Private Sector Interest Bearing Securities	13,319	11,299	24,618	288
Loans	1,031	8,693	9,724	144
Convertible Notes	98	184	283	0
Other Direct Investments	779	1,177	1,956	79
Unit Trusts	17,010	6,711	23,721	109
Partnerships and Joint Ventures	248	408	656	7
Other Indirect Investments	216	24	240	9
Total Investment Assets	77,634	75,504	153,138	1,449

1 January 1997 to 31 December 1997

INVESTMENT ASSETS
REINSURERS
(\$M)

TABLE 9B

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Property	0	48	48	4
Equities	0	295	295	177
National Government Interest Bearing Securities	0	311	311	59
Other Public Sector Interest Bearing Securities	0	148	148	28
Private Sector Interest Bearing Securities	0	229	229	182
Loans	0	17	17	55
Convertible Notes	0	4	4	0
Other Direct Investments	0	29	29	14
Unit Trusts	0	20	20	5
Partnerships and Joint Ventures	0	0	0	0
Other Indirect Investments	0	0	0	0
Total Investment Assets	0	1,100	1,100	523

1 January 1997 to 31 December 1997

INVESTMENT ASSETS
INDUSTRY TOTAL
(\$M)

TABLE 9C

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Property	1,651	4,457	6,108	34
Equities	29,596	27,314	56,910	913
National Government Interest Bearing Securities	8,128	8,170	16,298	79
Other Public Sector Interest Bearing Securities	5,557	7,868	13,426	55
Private Sector Interest Bearing Securities	13,319	11,528	24,847	470
Loans	1,031	8,709	9,741	198
Convertible Notes	98	188	287	0
Other Direct Investments	779	1,206	1,985	92
Unit Trusts	17,010	6,731	23,741	114
Partnerships and Joint Ventures	248	408	656	7
Other Indirect Investments	216	24	240	9
Total Investment Assets	77,634	76,604	154,238	1,973

1 January 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
PROFIT AND LOSS STATEMENT
(\$'000)

TABLE 10A

Company	Net Insurance Premiums	Investment Revenue	Other Revenues	Net Claims	Operating Expenses	Increase / (Decrease) in Policy Liabilities	Operating Profit Before Income Tax *	Income Tax	Operating Profit After Income Tax **
AC&L	139,326	50,064	512	90,976	53,259	6,032	39,635	14,284	25,351
AEL	136,198	255,541	0	179,915	30,501	122,505	58,818	23,813	35,005
AIAA	16,068	4,698	3	9,031	9,374	978	1,386	0	1,386
AML	222,642	189,520	636	115,468	8,035	279,613	9,682	7,880	1,802
AMP	6,259,000	6,301,000	1,000	4,710,000	996,000	3,831,000	2,791,000	983,000	1,808,000
ANZ	907,828	411,571	903	940,662	48,567	181,982	149,091	62,465	86,626
BTLL	585,978	202,541	498	307,287	23,447	413,001	45,282	23,305	21,977
CFML	149,866	114,185	-622	154,657	6,975	79,242	22,555	18,402	4,153
CHLL	15,971	26,797	98	62,114	3,456	-27,646	4,942	441	4,501
CLL	1,842,796	788,898	216	1,447,488	79,002	947,660	157,760	100,740	57,020
CLRE	6,007	4,395	272	10,817	3,846	-7,573	3,585	0	3,585
CML	520,252	425,246	5,916	776,499	135,908	-94,141	133,148	33,193	99,955
COMB	2,400	3,314	250	4,392	450	-1,487	2,609	982	1,627
CORP	837,747	266,995	0	1,299,513	61,667	-331,229	74,791	16,170	58,621
CUNA	10,234	876	0	5,196	3,545	-76	2,446	-193	2,639
DLL	49,055	2,655	59	3,260	316	48,537	-344	0	-344
FAI	148,862	100,596	907	66,972	54,023	102,623	26,747	14,221	12,526
FORT	5,304	1,225	317	3,954	1,211	290	1,391	279	1,112
GERL	33,356	2,383	0	10,514	5,872	16,979	2,374	-1,284	3,658
GIO	503,306	524,791	0	531,842	63,293	298,843	134,119	86,712	47,407
GQLD	219,176	195,380	6	245,862	37,189	15,902	115,609	35,498	80,111
GSA	115,157	51,695	50	191,891	12,633	-51,061	13,439	6,939	6,500
HALL	27,689	3,814	7	12,453	6,635	2,967	9,455	1,743	7,712
HCFL	17,567	8,354	0	14,093	2,847	5,790	3,191	2,083	1,108
HLRA	95,734	15,791	170	71,472	34,875	638	4,710	-191	4,901
L&G	533,236	341,385	4,949	523,854	123,827	119,939	111,950	42,781	69,169
LLL	16,778	17,058	-3	21,366	15,102	-7,735	5,100	2,129	2,971

1 January 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
PROFIT AND LOSS STATEMENT
(\$'000)

TABLE 10A

Company	Net Insurance Premiums	Investment Revenue	Other Revenues	Net Claims	Operating Expenses	Increase / (Decrease) in Policy Liabilities	Operating Profit Before Income Tax *	Income Tax	Operating Profit After Income Tax **
MLC	2,561,037	2,812,919	0	2,845,595	295,495	1,804,514	428,352	166,259	262,093
MLCL	43,337	291,235	0	136,305	16,696	-8,933	190,504	63,244	127,260
MLL	596,924	188,272	0	312,236	24,972	430,103	17,885	5,230	12,655
MML	1,875,217	1,112,039	245	1,082,289	190,434	1,475,730	239,048	141,592	97,456
MNRE	31,650	9,626	18	27,419	12,515	26,269	-24,909	-12,977	-11,932
NAFM	996,858	344,496	3,486	716,503	53,578	491,240	83,519	44,445	39,074
NMLA	3,169,000	2,205,000	5,000	3,494,000	503,000	469,000	932,000	331,000	601,000
NRMA	71,754	119,584	4	154,806	13,254	-8,792	32,074	20,388	11,686
NULA	992,288	365,816	9,975	964,003	107,336	225,813	75,082	39,049	36,033
PCAL	1,107,872	697,527	4,320	1,915,166	158,851	-471,109	206,811	95,540	111,271
RACV	44,689	6,334	7	8,208	4,720	37,220	883	461	422
RGA	7,682	422	5,735	1,228	11,310	363	938	117	821
SGL	148	113	0	0	96	-256	421	32	389
SRLH	116,783	70,897	325	84,350	54,132	-955	50,478	11,572	38,906
SUN	127,456	76,868	0	114,632	63,313	27,007	-628	4,759	-5,387
TLI	190,048	89,848	212	74,256	42,202	120,574	43,076	20,707	22,369
TOW	325,091	230,928	333	245,812	67,624	146,383	96,533	24,240	72,293
WEST	3,061,347	570,998	911	727,695	67,753	2,696,162	141,646	78,973	62,673
ZURI	449,013	514,815	0	449,750	74,605	307,765	131,708	62,985	68,723
TOTAL	29,185,727	20,018,505	46,716	25,165,801	3,583,740	13,721,670	6,569,891	2,573,007	3,996,884

*NB: Includes abnormal items

** Before extraordinary

1 January 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS

BALANCE SHEET

TABLE 10B

(\$'000)

Company	Investment Assets	Other Assets	Total Assets	Net Policy Liabilities*	Other Liabilities	Total Liabilities	Policy Ow ners Retained Profits	Net Assets Shareholders Retained Profits	Shareholders Capital
AC&L	346,240	65,672	439,266	158,838	120,456	306,786	866	122,939	8,675
AEL	1,487,109	108,446	1,598,896	1,415,639	115,906	1,536,346	8,759	53,791	0
AIAA	45,023	5,745	50,768	21,557	5,192	35,567	180	12,241	2,780
AML	1,306,689	3,527	1,310,597	1,288,505	18,150	1,307,036	0	3,561	0
AMP	51,183,000	2,733,000	54,219,000	39,698,000	3,626,000	44,477,000	1,252,000	8,490,000	0
ANZ	3,160,944	546,062	3,709,249	3,157,910	121,194	3,282,660	752	425,837	0
BTLL	1,966,172	66,517	2,032,689	1,958,562	42,258	2,000,820	0	31,869	0
CFML	940,478	28,432	969,263	883,674	34,541	920,057	-1,767	50,973	0
CHLL	139,632	52,121	191,753	174,279	5,990	180,269	0	11,484	0
CLL	6,893,039	355,314	7,249,925	6,872,425	205,843	7,079,840	0	145,185	24,900
CLRE	41,736	8,870	50,606	14,120	21,732	35,852	0	14,754	0
CML	4,033,848	277,925	4,621,403	3,560,800	269,536	4,161,506	-33,404	66,524	426,777
COMB	34,911	1,066	35,977	25,412	1,670	28,334	4,956	-5,313	8,000
CORP	2,496,512	128,498	2,638,777	2,289,874	22,824	2,326,465	0	312,312	0
CUNA	9,666	3,011	12,677	2,531	2,645	6,030	2,211	4,314	123
DLL	62,217	9,072	71,289	56,549	1,187	57,736	0	-834	14,387
FAI	544,184	124,842	669,025	485,946	45,795	544,220	296	24,227	100,282
FORT	2,184	10,088	15,250	4,969	6,753	14,700	0	550	0
GERL	29,273	15,943	47,430	30,207	5,659	38,080	0	4,350	5,000
GIO	3,227,979	746,443	3,974,495	3,268,587	504,222	3,774,078	373	200,044	0
GQLD	2,478,547	48,301	2,528,884	2,010,459	128,975	2,196,754	221,038	53,092	58,000
GSA	526,125	27,601	553,726	484,656	47,820	532,476	0	0	21,250
HALL	37,971	16,892	56,341	21,184	8,499	31,161	0	25,080	100
HCFL	72,382	26,252	98,634	84,222	4,478	89,878	0	8,756	0
HLRA	233,018	25,159	317,794	63,657	94,682	217,956	0	99,838	0
L&G	2,723,991	98,829	2,817,860	2,383,639	119,731	2,507,762	3,376	271,722	35,000
LLL	127,311	10,904	153,360	112,551	5,926	135,179	519	8,332	9,330

1 January 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS

BALANCE SHEET

TABLE 10B

(\$'000)

Company	Investment Assets	Other Assets	Total Assets	Net Policy Liabilities*	Other Liabilities	Total Liabilities	Policy Owners Retained Profits	Net Assets Shareholders Retained Profits	Shareholders Capital
MLC	14,570,735	1,208,507	15,780,487	14,370,774	1,149,900	15,521,919	0	218,568	40,000
MLCL	4,186,018	356,442	4,555,076	3,747,857	488,097	4,413,468	120,577	21,031	0
MLL	1,896,929	283,345	2,180,274	2,108,131	52,605	2,160,736	0	8,538	11,000
MML	7,630,831	409,268	8,033,352	7,054,105	421,390	7,494,363	62,232	71,229	405,528
MNRE	157,887	57,560	270,261	90,260	86,248	231,322	0	38,939	0
NAFM	2,636,048	292,333	2,928,381	2,753,940	80,875	2,834,815	0	86,566	7,000
NMLA	16,417,000	614,000	17,056,000	13,488,000	1,689,000	15,482,000	476,000	960,000	138,000
NRMA	702,065	162,535	862,790	625,018	148,514	771,722	0	91,068	0
NULA	3,565,811	207,580	3,782,890	3,219,293	269,417	3,499,465	3,969	185,358	94,098
PCAL	6,496,200	336,985	6,843,264	5,960,040	418,758	6,453,549	-8,658	398,373	0
RACV	50,021	36,638	86,659	66,537	3,291	69,829	0	-3,110	19,940
RGA	3,070	13,726	16,796	-5,200	9,604	8,756	0	1,040	7,000
SGL	3,227	12	3,859	-256	105	470	0	389	3,000
SRLH	634,661	75,546	720,509	318,942	142,282	471,526	0	248,983	0
SUN	602,029	102,753	704,782	541,188	44,069	607,010	-625	58,197	40,200
TLI	565,901	219,235	785,136	596,224	51,966	661,695	10,070	67,856	45,515
TOW	1,571,033	269,893	1,901,342	1,361,465	263,292	1,715,058	54,192	98,032	34,060
WEST	5,168,111	189,303	5,357,414	4,882,563	201,682	5,102,409	0	168,055	86,950
ZURI	3,230,131	451,063	3,725,254	3,038,341	154,086	3,250,264	110,504	364,486	0
TOTAL	154,237,889	10,831,255	166,029,460	134,745,975	11,262,847	148,574,924	2,288,416	13,519,225	1,646,895

*NB: Ceded Policy Liabilities are deducted from Gross Policy Liabilities in determining Net Policy Liabilities

1 January 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS

SOLVENCY

TABLE 10C

(\$'000)

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets*	Assets Available for Solvency Reserve	Solvency Reserve %	Solvency Coverage
AC&L	346,742	27,347	374,089	411,912	65,170	7.89	2.38
AEL	1,552,725	13,903	1,566,628	1,595,555	42,830	0.90	3.08
AIAA	41,519	2,302	43,821	50,768	9,249	5.54	4.02
AML	1,305,279	3,368	1,308,647	1,308,855	3,576	0.26	1.06
AMP	40,244,000	8,532,000	48,776,000	53,916,000	13,672,000	21.20	1.60
ANZ	3,257,723	113,396	3,371,119	3,707,006	449,283	3.48	3.96
BTLL	1,999,081	7,665	2,006,746	2,033,255	34,174	0.38	4.46
CFML	907,592	19,277	926,869	968,910	61,318	2.12	3.18
CHLL	173,107	24,774	197,881	193,073	19,966	14.31	0.81
CLL	7,160,973	45,995	7,206,968	7,248,354	87,381	0.64	1.90
CLRE	44,575	1,334	45,909	50,606	6,031	2.99	4.52
CML	3,664,193	356,376	4,020,569	4,311,773	647,580	9.73	1.82
COMB	23,565	4,790	28,355	35,977	12,412	20.33	2.59
CORP	2,237,292	171,756	2,409,048	2,625,010	387,718	7.68	2.26
CUNA	6,231	2,413	8,644	12,677	6,446	38.72	2.67
DLL	54,702	12,702	67,404	71,037	16,335	23.22	1.29
FAI	593,584	20,109	613,692	669,025	75,442	3.39	3.75
FORT	11,453	282	11,735	12,272	819	2.46	2.90
GERL	36,197	4,886	41,083	45,218	9,021	13.50	1.85
GIO	3,795,301	38,402	3,833,703	3,974,422	179,121	1.01	4.66
GQLD	1,698,229	503,899	2,202,128	2,526,848	828,619	29.67	1.64
GSA	528,742	16,070	544,811	553,726	24,984	3.04	1.55
HALL	31,908	964	32,872	54,863	22,955	3.02	23.81
HCFL	93,155	527	93,682	98,634	5,479	0.57	10.40
HLRA	192,653	7,994	200,647	258,177	65,524	4.15	8.20
L&G	2,641,088	85,739	2,726,828	2,822,820	181,732	3.25	2.12
LLL	130,782	1,297	132,079	138,215	7,433	0.99	5.73
MLC	15,652,714	97,229	15,749,943	15,779,242	126,528	0.62	1.30

1 January 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS

SOLVENCY

TABLE 10C

(\$'000)

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets*	Assets Available for Solvency Reserve	Solvency Reserve %	Solvency Coverage
MLCL	3,432,000	969,000	4,401,000	4,542,000	1,110,000	28.23	1.15
MLL	2,163,155	5,376	2,168,531	2,180,274	17,119	0.25	3.18
MML	7,203,257	442,302	7,645,559	8,040,099	836,842	6.14	1.89
MINRE	175,367	24,982	200,349	215,447	40,080	14.25	1.60
NAFM	2,862,067	26,197	2,888,264	2,928,381	66,314	0.92	2.53
NMLA	14,503,000	1,055,000	15,558,000	17,031,000	2,528,000	7.27	2.40
NRMA	794,555	11,244	805,799	864,600	70,045	1.42	6.23
NULA	3,576,478	104,376	3,680,854	3,773,391	196,913	2.92	1.89
PCAL	6,394,162	187,470	6,581,632	6,833,185	439,023	2.93	2.34
RACV	75,953	1,099	77,052	86,659	10,706	1.45	9.74
RGA	14,350	300	14,650	16,796	2,446	2.09	8.15
SGL	170	6	176	3,238	3,068	3.56	506.33
SRLH	449,422	104,590	554,012	710,207	260,785	23.27	2.49
SUN	676,687	15,439	692,126	704,782	28,095	2.28	1.82
TLI	701,531	54,532	756,063	785,136	83,605	7.77	1.53
TOW	1,641,397	107,835	1,749,232	1,840,926	199,529	6.57	1.85
WEST	5,165,444	56,473	5,221,917	5,357,414	191,970	1.09	3.40
ZURI	3,245,771	128,173	3,373,944	3,681,194	435,423	3.95	3.40
TOTAL	141,499,870	13,411,191	154,911,061	165,068,959	23,569,089	9.48	1.76

*NB: Total Assets net of Policy Liabilities ceded

1 January 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
SOURCES OF PROFIT
(\$'000)

TABLE 10D

Company	Investment Earnings on Retained Profits and Capital	Emergence of Planned Profits		Experience Profit	Operating Profit after Income Tax
		Policy Ow ner	Shareholder		
AC&L	18,412	51	8,852	139	19,948
AEL	9,909	1,546	12,089	11,461	35,005
AIAA	797	300	581	626	2,304
AML	81	0	1,846	-125	1,802
AMP	951,000	879,000	241,000	-263,000	1,808,000
ANZ	57,409	803	30,438	-2,024	86,626
BTLL	6,359	0	17,366	-1,748	21,977
CFML	6,615	2,807	1,626	-6,895	4,153
CHLL	948	0	56	3,497	4,501
CLL	4,272	0	53,847	17,545	75,664
CLRE	3,055	0	1,136	-607	3,585
CML	32,927	48,739	21,385	-3,096	99,955
COMB	511	890	307	-81	1,627
CORP	24,335	0	35,928	-1,642	58,621
CUNA	759	423	384	1,073	2,639
DLL	531	0	82	-957	-344
FAI	15,193	492	3,411	-6,569	12,526
FORT	1,112	0	0	0	1,112
GERL	1,862	0	1,103	693	3,658
GIO	27,572	1,272	27,003	-8,440	47,407
GQLD	18,743	57,594	15,337	-11,563	80,111
GSA	1,848	0	4,182	470	6,500
HALL	904	0	5,157	1,651	7,712
HCFL	518	0	1,220	-630	1,108
HLRA	9,611	0	7,802	-12,512	4,901
L&G	16,117	9,371	16,188	27,495	69,171
LLL	1,317	1,224	1,398	-968	2,971
MLC	31,838	136,962	100,295	-7,002	603,093
MLCL	14,175	89,008	21,377	2,700	127,260
MLL	1,237	0	11,418	0	12,655
MML	24,189	17,723	57,772	-2,228	97,456
MNRE	4,995	0	7,040	-23,967	-11,932
NAFM	8,000	0	18,029	13,045	39,074
NMLA	152,000	331,000	54,000	64,000	601,000
NRMA	7,651	0	2,860	1,175	11,686
NULA	23,632	625	15,869	-4,093	36,033
PCAL	38,648	70,252	29,702	-27,331	111,271
RACV	1,164	0	106	-848	422
RGA	423	0	478	-80	821
SGL	69	0	74	246	389
SRLH	18,095	0	17,076	3,735	38,906
SUN	4,848	899	9,062	-20,196	-5,387
TLI	15,235	2,659	8,975	-4,500	22,369
TOW	19,987	18,483	11,226	22,597	72,293
WEST	17,819	0	45,194	-340	62,673
ZURI	38,122	4,893	20,287	5,421	68,723
TOTAL	1,634,844	1,677,016	940,564	-233,874	4,352,045

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
ALL ASSETS - AUSTRALIAN BUSINESS TOTAL
(\$'000)

TABLE 10E - 1A

Company	Property	Equities	Asset Class				All Assets
			Interest Bearing Securities	Loans	Cash	Other	
AC&L	65,652	59,671	194,862	456	48,253	21,375	390,269
AEL	95,920	662,377	705,925	1,858	66,778	26,872	1,559,730
AIAA	0	6,297	38,725	157	3,212	2,377	50,768
AML	24,264	554,653	643,689	0	131,264	160,343	1,514,213
AMP	5,852,676	20,480,156	13,088,853	2,296,120	548,914	987,780	43,254,499
ANZ	52,182	408,985	2,593,014	4,131	432,807	21,848	3,512,967
BTLL	166,378	939,354	845,936	6,065	44,720	30,799	2,033,252
CFML	66,930	454,664	383,828	4,506	51,004	7,933	968,865
CHLL	4,856	19,141	91,793	2,261	37,118	1,900	157,069
CLL	322,912	1,729,179	5,084,854	17,772	215,517	18,088	7,388,322
CLRE	0	0	41,736	0	6,794	2,076	50,606
CML	354,472	1,193,772	1,823,473	66,075	151,827	84,934	3,674,553
COMB	0	0	28,893	1,021	5,231	832	35,977
CORP	0	0	0	2,496,512	108,178	34,087	2,638,777
CUNA	0	1,571	6,852	613	2,425	1,216	12,677
DLL	0	0	62,948	0	7,919	171	71,038
FAI	70,756	268,728	256,340	200	74,771	14,570	685,365
FORT	0	2,184	100	0	8,112	4,854	15,250
GERL	0	0	32,814	0	5,371	2,926	41,111
GIO	378,982	1,388,239	1,603,767	66,589	524,213	22,047	3,983,837
GQLD	510,560	692,803	1,157,707	219	65,154	15,054	2,441,497
GSA	7,387	84,842	341,500	0	96,262	23,735	553,726
HALL	369	0	32,435	0	13,451	2,065	48,320
HCFL	0	9,838	63,495	0	24,533	1,188	99,054
HLRA	0	0	217,155	651	1,005	79,438	298,249
L&G	253,126	1,052,164	931,963	70,611	430,049	84,907	2,822,820
LICA	0	0	0	0	452	759	1,211
LLL	1,427	17,401	87,652	1,834	18,238	16,612	143,164
MLC	1,449,549	8,254,076	5,838,140	22,343	427,145	280,247	16,271,500
MLCL	195,396	1,503,364	1,879,198	272,685	159,518	122,423	4,132,584
MLL	105,900	549,973	2,125,570	0	154,389	15,465	2,951,297
MML	421,856	2,441,070	4,464,439	371,461	269,322	258,336	8,226,484
MNRE	0	28,693	126,579	2,339	14	85,292	242,917
NAFM	260,750	963,503	827,737	33,859	892,740	17,197	2,995,786
NMLA	1,360,000	5,246,000	5,392,000	1,683,000	270,000	208,000	14,159,000
NRMA	15,767	285,605	342,019	0	89,184	5,347	737,922
NULA	357,416	1,032,714	1,898,930	275,195	69,058	128,445	3,761,758
OLL	0	0	0	4,000	635	13,900	18,535
PCAL	808,838	2,283,407	2,509,231	913,146	79,441	266,402	6,860,465
RACV	2,461	23,458	43,252	0	53,953	1,127	124,251
RGA	0	0	3,070	0	3,814	12,936	19,820
SGL	0	0	0	0	3,405	866	4,271
SRLH	47,690	232,587	184,971	3,093	25,978	56,882	551,201
SUN	60,287	231,142	306,567	1,552	83,484	21,749	704,781
TLI	24,449	267,204	241,224	900	201,471	49,887	785,135
TOW	83,406	603,769	803,180	18,838	74,554	117,736	1,701,483

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
ALL ASSETS - AUSTRALIAN BUSINESS TOTAL
(%)

TABLE 10E - 1B

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
AC&L	16.82	15.29	49.93	0.12	12.36	5.48	100.00
AEL	6.15	42.47	45.26	0.12	4.28	1.72	100.00
AIAA	0.00	12.40	76.28	0.31	6.33	4.68	100.00
AML	1.60	36.63	42.51	0.00	8.67	10.59	100.00
AMP	13.53	47.35	30.26	5.31	1.27	2.28	100.00
ANZ	1.49	11.64	73.81	0.12	12.32	0.62	100.00
BTLL	8.18	46.20	41.61	0.30	2.20	1.51	100.00
CFML	6.91	46.93	39.62	0.47	5.26	0.82	100.00
CHLL	3.09	12.19	58.44	1.44	23.63	1.21	100.00
CLL	4.37	23.40	68.82	0.24	2.92	0.24	100.00
CLRE	0.00	0.00	82.47	0.00	13.43	4.10	100.00
CML	9.65	32.49	49.62	1.80	4.13	2.31	100.00
COMB	0.00	0.00	80.31	2.84	14.54	2.31	100.00
CORP	0.00	0.00	0.00	94.61	4.10	1.29	100.00
CUNA	0.00	12.39	54.05	4.84	19.13	9.59	100.00
DLL	0.00	0.00	88.61	0.00	11.15	0.24	100.00
FAI	10.32	39.21	37.40	0.03	10.91	2.13	100.00
FORT	0.00	14.32	0.66	0.00	53.19	31.83	100.00
GERL	0.00	0.00	79.82	0.00	13.06	7.12	100.00
GIO	9.51	34.85	40.26	1.67	13.16	0.55	100.00
GQLD	20.91	28.38	47.42	0.01	2.67	0.62	100.00
GSA	1.33	15.32	61.67	0.00	17.38	4.29	100.00
HALL	0.76	0.00	67.13	0.00	27.84	4.27	100.00
HCFL	0.00	9.93	64.10	0.00	24.77	1.20	100.00
HLRA	0.00	0.00	72.81	0.22	0.34	26.63	100.00
L&G	8.97	37.27	33.02	2.50	15.23	3.01	100.00
LICA	0.00	0.00	0.00	0.00	37.32	62.68	100.00
LLL	1.00	12.15	61.22	1.28	12.74	11.60	100.00
MLC	8.91	50.73	35.88	0.14	2.63	1.72	100.00
MLCL	4.73	36.38	45.47	6.60	3.86	2.96	100.00
MLL	3.59	18.63	72.02	0.00	5.23	0.52	100.00
MML	5.13	29.67	54.27	4.52	3.27	3.14	100.00
MNRE	0.00	11.81	52.11	0.96	0.01	35.11	100.00
NAFM	8.70	32.16	27.63	1.13	29.80	0.57	100.00
NMLA	9.61	37.05	38.08	11.89	1.91	1.47	100.00
NRMA	2.14	38.70	46.35	0.00	12.09	0.72	100.00
NULA	9.50	27.45	50.48	7.32	1.84	3.41	100.00
OLL	0.00	0.00	0.00	21.58	3.43	74.99	100.00
PCAL	11.79	33.28	36.58	13.31	1.16	3.88	100.00
RACV	1.98	18.88	34.81	0.00	43.42	0.91	100.00
RGA	0.00	0.00	15.49	0.00	19.24	65.27	100.00
SGL	0.00	0.00	0.00	0.00	79.72	20.28	100.00
SRLH	8.65	42.20	33.56	0.56	4.71	10.32	100.00
SUN	8.55	32.80	43.50	0.22	11.85	3.09	100.00
TLI	3.11	34.03	30.72	0.11	25.66	6.35	100.00
TOW	4.90	35.48	47.20	1.11	4.38	6.92	100.00

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
 ALL ASSETS - AUSTRALIAN BUSINESS TOTAL
 (\$'000)

TABLE 10E - 1A

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
WEST	206,808	1,988,323	2,124,567	714,682	125,085	90,968	5,250,433
ZURI	163,469	1,748,875	1,438,034	45,264	206,245	79,308	3,681,195
TOTAL	13,792,891	57,709,782	60,909,017	9,400,008	6,313,007	3,503,299	151,628,004

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
 ALL ASSETS - AUSTRALIAN BUSINESS TOTAL
 (%)

TABLE 10E - 1B

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
WEST	3.94	37.87	40.46	13.61	2.38	1.73	100.00
ZURI	4.44	47.51	39.06	1.23	5.60	2.15	100.00
TOTAL	9.10	38.06	40.17	6.20	4.16	2.31	100.00

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
ALL ASSETS - AUSTRALIAN BUSINESS INVESTMENT LINKED
(\$'000)

TABLE 10E - 2A

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
AC&L	1,495	3,008	3,142	0	1,538	66	9,249
AEL	91,876	654,025	545,768	0	31,155	20,150	1,342,974
AIAA	0	5,058	14,823	0	846	8	20,735
AML	24,264	554,653	643,608	0	131,198	157,749	1,511,472
AMP	1,531,466	6,532,156	4,607,250	759,556	262,830	302,686	13,995,944
ANZ	26,822	402,400	553,908	0	38,755	7,613	1,029,498
BTLL	166,378	939,354	845,936	6,065	44,720	30,799	2,033,252
CFML	53,577	394,646	281,145	0	42,061	5,465	776,894
CHLL	3,440	16,118	9,295	0	6,215	96	35,164
CLL	322,912	1,729,101	4,566,812	0	188,574	16,068	6,823,467
CML	83,608	376,783	397,776	0	72,846	17,352	948,365
COMB	0	0	2,286	0	2,847	41	5,174
FAI	66,583	255,900	249,830	0	60,551	13,981	646,845
GIO	378,982	1,388,233	1,383,779	64,494	447,995	4,542	3,668,025
GQLD	104,092	255,707	221,096	37	21,215	-1,628	600,519
GSA	7,387	22,795	14,617	0	66,634	3,401	114,834
HCFL	0	8,702	13,858	0	10,809	225	33,594
L&G	154,057	732,350	577,489	0	429,495	15,642	1,909,033
LLL	1,427	9,444	38,677	0	2,157	38	51,743
MLC	1,394,841	8,236,896	5,157,642	5,332	381,220	153,572	15,329,503
MLL	105,900	549,973	2,124,882	0	153,419	15,465	2,949,639
MML	250,807	1,743,443	2,765,856	52,041	173,975	78,768	5,064,890
NAFM	260,750	963,473	478,550	0	820,905	1,337	2,525,015
NMLA	538,000	2,474,000	1,937,000	39,000	164,000	5,000	5,157,000
NRMA	15,767	264,371	227,754	0	49,188	3,921	561,001
NULA	216,321	819,271	727,310	15,336	22,234	43,568	1,844,040
OLL	0	0	0	0	2	-521	-519
PCAL	513,616	1,772,362	1,557,534	75,336	74,738	215,286	4,208,872
RACV	2,461	23,458	43,252	0	51,345	1,113	121,629
SUN	60,287	208,125	234,457	0	40,043	5,750	548,662
TLI	13,642	180,396	111,344	0	119,576	8,314	433,272
TOW	40,323	375,835	256,819	3,693	34,645	21,607	732,922
WEST	206,808	1,983,654	1,986,832	19,830	90,515	67,764	4,355,403
ZURI	110,426	1,488,560	767,916	0	152,633	26,048	2,545,583
TOTAL	6,748,315	35,364,250	33,348,243	1,040,720	4,190,879	1,241,286	81,933,693

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
ALL ASSETS - AUSTRALIAN BUSINESS INVESTMENT LINKED
(%)

TABLE 10E - 2B

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
AC&L	16.16	32.52	33.97	0.00	16.63	0.71	100.00
AEL	6.84	48.70	40.64	0.00	2.32	1.50	100.00
AIAA	0.00	24.39	71.49	0.00	4.08	0.04	100.00
AML	1.61	36.70	42.58	0.00	8.68	10.44	100.00
AMP	10.94	46.67	32.92	5.43	1.88	2.16	100.00
ANZ	2.61	39.09	53.80	0.00	3.76	0.74	100.00
BTLL	8.18	46.20	41.61	0.30	2.20	1.51	100.00
CFML	6.90	50.80	36.19	0.00	5.41	0.70	100.00
CHLL	9.78	45.84	26.43	0.00	17.67	0.27	100.00
CLL	4.73	25.34	66.93	0.00	2.76	0.24	100.00
CML	8.82	39.73	41.94	0.00	7.68	1.83	100.00
COMB	0.00	0.00	44.18	0.00	55.03	0.79	100.00
FAI	10.29	39.56	38.62	0.00	9.36	2.16	100.00
GIO	10.33	37.85	37.73	1.76	12.21	0.12	100.00
GQLD	17.33	42.58	36.82	0.01	3.53	-0.27	100.00
GSA	6.43	19.85	12.73	0.00	58.03	2.96	100.00
HCFL	0.00	25.90	41.25	0.00	32.18	0.67	100.00
L&G	8.07	38.36	30.25	0.00	22.50	0.82	100.00
LLL	2.76	18.25	74.75	0.00	4.17	0.07	100.00
MLC	9.10	53.73	33.65	0.03	2.49	1.00	100.00
MLL	3.59	18.65	72.04	0.00	5.20	0.52	100.00
MML	4.95	34.42	54.61	1.03	3.43	1.56	100.00
NAFM	10.33	38.16	18.95	0.00	32.51	0.05	100.00
NMLA	10.43	47.97	37.56	0.76	3.18	0.10	100.00
NRMA	2.81	47.12	40.60	0.00	8.77	0.70	100.00
NULA	11.73	44.43	39.44	0.83	1.21	2.36	100.00
OLL	0.00	0.00	0.00	0.00	-0.39	100.39	100.00
PCAL	12.20	42.11	37.01	1.79	1.78	5.12	100.00
RACV	2.02	19.29	35.56	0.00	42.21	0.92	100.00
SUN	10.99	37.93	42.73	0.00	7.30	1.05	100.00
TLI	3.15	41.64	25.70	0.00	27.60	1.92	100.00
TOW	5.50	51.28	35.04	0.50	4.73	2.95	100.00
WEST	4.75	45.54	45.62	0.46	2.08	1.56	100.00
ZURI	4.34	58.48	30.17	0.00	6.00	1.02	100.00
TOTAL	8.24	43.16	40.70	1.27	5.11	1.51	100.00

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
ALL ASSETS - AUSTRALIAN BUSINESS NON-INVESTMENT LINKED
(\$'000)

TABLE 10E - 3A

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
AC&L	64,157	56,663	191,720	456	46,715	21,309	381,020
AEL	4,044	8,352	160,157	1,858	35,623	6,722	216,756
AIAA	0	1,239	23,902	157	2,366	2,369	30,033
AML	0	0	81	0	66	2,594	2,741
AMP	4,321,210	13,948,000	8,481,603	1,536,564	286,084	685,094	29,258,555
ANZ	25,360	6,585	2,039,106	4,131	394,052	14,235	2,483,469
CFML	13,353	60,018	102,683	4,506	8,943	2,468	191,971
CHLL	1,416	3,023	82,498	2,261	30,903	1,804	121,905
CLL	0	78	518,042	17,772	26,943	2,020	564,855
CLRE	0	0	41,736	0	6,794	2,076	50,606
CML	270,864	816,989	1,425,697	66,075	78,981	67,582	2,726,188
COMB	0	0	26,607	1,021	2,384	791	30,803
CORP	0	0	0	2,496,512	108,178	34,087	2,638,777
CUNA	0	1,571	6,852	613	2,425	1,216	12,677
DLL	0	0	62,948	0	7,919	171	71,038
FAI	4,173	12,828	6,510	200	14,220	589	38,520
FORT	0	2,184	100	0	8,112	4,854	15,250
GERL	0	0	32,814	0	5,371	2,926	41,111
GIO	0	6	219,988	2,095	76,218	17,505	315,812
GQLD	406,468	437,096	936,611	182	43,939	16,682	1,840,978
GSA	0	62,047	326,883	0	29,628	20,334	438,892
HALL	369	0	32,435	0	13,451	2,065	48,320
HCFL	0	1,136	49,637	0	13,724	963	65,460
HLRA	0	0	217,155	651	1,005	79,438	298,249
L&G	99,069	319,814	354,474	70,611	554	69,265	913,787
LICA	0	0	0	0	452	759	1,211
LLL	0	7,957	48,975	1,834	16,081	16,574	91,421
MLC	54,708	17,180	680,498	17,011	45,925	126,675	941,997
MLCL	195,396	1,503,364	1,879,198	272,685	159,518	122,423	4,132,584
MLL	0	0	688	0	970	0	1,658
MML	171,049	697,627	1,698,583	319,420	95,347	179,568	3,161,594
MNRE	0	28,693	126,579	2,339	14	85,292	242,917
NAFM	0	30	349,187	33,859	71,835	15,860	470,771
NMLA	822,000	2,772,000	3,455,000	1,644,000	106,000	203,000	9,002,000
NRMA	0	21,234	114,265	0	39,996	1,426	176,921
NULA	141,095	213,443	1,171,620	259,859	46,824	84,877	1,917,718
OLL	0	0	0	4,000	633	14,421	19,054
PCAL	295,222	511,045	951,697	837,810	4,703	51,116	2,651,593
RACV	0	0	0	0	2,608	14	2,622
RGA	0	0	3,070	0	3,814	12,936	19,820
SGL	0	0	0	0	3,405	866	4,271
SRLH	47,690	232,587	184,971	3,093	25,978	56,882	551,201
SUN	0	23,017	72,110	1,552	43,441	15,999	156,119
TLI	10,807	86,808	129,880	900	81,895	41,573	351,863
TOW	43,083	227,934	546,361	15,145	39,909	96,129	968,561
WEST	0	4,669	137,735	694,852	34,570	23,204	895,030

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
ALL ASSETS - AUSTRALIAN BUSINESS NON-INVESTMENT LINKED

TABLE 10E - 3B

(%)

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
AC&L	16.84	14.87	50.32	0.12	12.26	5.59	100.00
AEL	1.87	3.85	73.89	0.86	16.43	3.10	100.00
AIAA	0.00	4.13	79.59	0.52	7.88	7.89	100.00
AML	0.00	0.00	2.96	0.00	2.41	94.64	100.00
AMP	14.77	47.67	28.99	5.25	0.98	2.34	100.00
ANZ	1.02	0.27	82.11	0.17	15.87	0.57	100.00
CFML	6.96	31.26	53.49	2.35	4.66	1.29	100.00
CHLL	1.16	2.48	67.67	1.85	25.35	1.48	100.00
CLL	0.00	0.01	91.71	3.15	4.77	0.36	100.00
CLRE	0.00	0.00	82.47	0.00	13.43	4.10	100.00
CML	9.94	29.97	52.30	2.42	2.90	2.48	100.00
COMB	0.00	0.00	86.38	3.31	7.74	2.57	100.00
CORP	0.00	0.00	0.00	94.61	4.10	1.29	100.00
CUNA	0.00	12.39	54.05	4.84	19.13	9.59	100.00
DLL	0.00	0.00	88.61	0.00	11.15	0.24	100.00
FAI	10.83	33.30	16.90	0.52	36.92	1.53	100.00
FORT	0.00	14.32	0.66	0.00	53.19	31.83	100.00
GERL	0.00	0.00	79.82	0.00	13.06	7.12	100.00
GIO	0.00	0.00	69.66	0.66	24.13	5.54	100.00
GQLD	22.08	23.74	50.88	0.01	2.39	0.91	100.00
GSA	0.00	14.14	74.48	0.00	6.75	4.63	100.00
HALL	0.76	0.00	67.13	0.00	27.84	4.27	100.00
HCFL	0.00	1.74	75.83	0.00	20.97	1.47	100.00
HLRA	0.00	0.00	72.81	0.22	0.34	26.63	100.00
L&G	10.84	35.00	38.79	7.73	0.06	7.58	100.00
LICA	0.00	0.00	0.00	0.00	37.32	62.68	100.00
LLL	0.00	8.70	53.57	2.01	17.59	18.13	100.00
MLC	5.81	1.82	72.24	1.81	4.88	13.45	100.00
MLCL	4.73	36.38	45.47	6.60	3.86	2.96	100.00
MLL	0.00	0.00	41.50	0.00	58.50	0.00	100.00
MML	5.41	22.07	53.73	10.10	3.02	5.68	100.00
MNRE	0.00	11.81	52.11	0.96	0.01	35.11	100.00
NAFM	0.00	0.01	74.17	7.19	15.26	3.37	100.00
NMLA	9.13	30.79	38.38	18.26	1.18	2.26	100.00
NRMA	0.00	12.00	64.59	0.00	22.61	0.81	100.00
NULA	7.36	11.13	61.09	13.55	2.44	4.43	100.00
OLL	0.00	0.00	0.00	20.99	3.32	75.68	100.00
PCAL	11.13	19.27	35.89	31.60	0.18	1.93	100.00
RACV	0.00	0.00	0.00	0.00	99.47	0.53	100.00
RGA	0.00	0.00	15.49	0.00	19.24	65.27	100.00
SGL	0.00	0.00	0.00	0.00	79.72	20.28	100.00
SRLH	8.65	42.20	33.56	0.56	4.71	10.32	100.00
SUN	0.00	14.74	46.19	0.99	27.83	10.25	100.00
TLI	3.07	24.67	36.91	0.26	23.27	11.82	100.00
TOW	4.45	23.53	56.41	1.56	4.12	9.92	100.00
WEST	0.00	0.52	15.39	77.63	3.86	2.59	100.00

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
 ALL ASSETS - AUSTRALIAN BUSINESS NON-INVESTMENT LINKED
 (\$'000)

TABLE 10E - 3A

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
ZURI	53,043	260,315	670,118	45,264	53,612	53,260	1,135,612
TOTAL	7,044,576	22,345,532	27,560,774	8,359,288	2,122,128	2,262,013	69,694,311

1 October 1997 to 31 December 1997

COMPANY LEVEL ABSTRACTS
 ALL ASSETS - AUSTRALIAN BUSINESS NON-INVESTMENT LINKED
 (%)

TABLE 10E - 3B

Company	Asset Class						All Assets
	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	
ZURI	4.67	22.92	59.01	3.99	4.72	4.69	100.00
TOTAL	10.11	32.06	39.55	11.99	3.04	3.25	100.00

LIST OF COMPANIES INCLUDED IN THE BULLETIN

<i>Full Name</i>	<i>Short Name</i>
Australian Casualty and Life Limited	AC&L
Australian Eagle Life Limited	AEL
American International Assurance Company (Australia) Limited	AIAA
AM Life Limited	AML
AMP Life Limited	AMP
ANZ Life Assurance Company Limited	ANZ
Bankers Trust Life Limited	BTLL
Colonial Financial Management Limited	CFML
Challenger Life Limited	CHLL
Commonwealth Life Limited	CLL
Cologne Life Reinsurance Company of Australia Limited	CLRE
The Colonial Mutual Life Assurance Society Limited	CML
Combined Life Insurance Company of Australia Limited	COMB
Citicorp Life Insurance Limited	CORP
Cuna Mutual Insurance Society	CUNA
Deutsche Life Limited	DLL
FAI Life Insurance Society Limited	FAI
Fortis Life Assurance Company Limited	FORT
Gerling Global Life Reinsurance Company of Australia Pty Limited	GERL
GIO Personal Investment Services Limited	GIO
Suncorp Life & Superannuation Limited	GOLD
SGIC Life Limited	GSA
Hallmark Life Insurance Company Limited	HALL
HCF Life Insurance Company Pty Limited	HCFL
Hannover Life Re of Australasia Limited	HLRA
Legal and General Life of Australia Limited	L&G
The Life Insurance Company of Australia Limited	LICA
Lumley Life Limited	LLL
MLC Limited	MLC
MLC Lifetime Company Limited	MLCL
Macquarie Life Limited	MLL
Mercantile Mutual Life Insurance Company Limited	MML
Munich Reinsurance Company of Australasia Limited	MNRE
National Australia Financial Management Limited	NAFM
The National Mutual Life Association of Australasia Limited	NMLA
NRMA Life Limited	NRMA
Norwich Union Life Australia Limited	NULA
Oceanic Life Limited	OLL
Prudential Corporation Australia Limited	PCAL
RACV Financial Services Limited	RACV

<i>Full Name</i>	<i>Short Name</i>
RGA Reinsurance Company of Australia Limited	<i>RGA</i>
St George Life Limited	<i>SGL</i>
Swiss Re Life & Health Australia Limited	<i>SRLH</i>
Royal & Sun Alliance Life Assurance Australia Limited	<i>SUN</i>
Tyndall Life Insurance Company Limited	<i>TLI</i>
Tower Life Australia Limited	<i>TOW</i>
Westpac Life Insurance Services Limited	<i>WEST</i>
Zurich Australia Limited	<i>ZURI</i>
Total	48 insurers

Notes:

- The business of Oceanic Life Limited and The Life Insurance Company of Australia Limited were transferred to Tyndall Life Insurance Company Limited in December 1997. Only quarterly asset data for these companies are available (Table 10E).
- The following companies are not included in the *Bulletin* either due to their being deregistered or in the process of being deregistered in the given period:

Advance Life Insurance Limited	▪ Deregistered in October 1997
Armstrong Jones Life Assurance Limited	▪ Awaiting deregistration; business transferred to Mercantile Mutual Life Insurance Company Limited
Heritage Life Insurance Limited	▪ Deregistered in January 1998 but business was transferred to Hallmark Life Insurance Company Limited in December 1997
Swiss Re Australia Limited	▪ Deregistered in April 1998 but business transferred to Swiss Re Life & Health Australia Limited in December 1997
Swiss Reinsurance Company	▪ Deregistered in April 1998 but business transferred to Swiss Re Life & Health Australia Limited in December 1997

- Since the last life insurance publication, the following companies have changed their registered name under the Life Insurance Act 1995:

<i>Old Name and Short Name</i>	<i>New Name and Short Name</i>
Australian Mutual Provident Society (AMP)	AMP Life Limited (AMP)
Equity Life Limited (ELL)	Challenger Life Limited (CHLL)
Munich Reinsurance Company of Australia Limited (MNRE)	Munich Reinsurance Company of Australasia Limited (MNRE)
Zurich Australian Life Insurance Limited (ZURI)	Zurich Australia Limited (ZURI)

DEFINITIONS

The following definitions and explanations are prepared for the information of those who are not familiar with certain terms and expressions used in life insurance.

Actuarial Standards Legislative requirements made under the *Life Insurance Act 1995* which prescribe the actuarial principles and methodologies for particular actuarial calculations required to be made by the legislation.

Allocated Annuity An annuity which operates similarly to an allocated pension except that it is not paid from superannuation monies.

Allocated Pension A pension where a member has his or her own account against which variable pension payments are debited and to which any investment earnings are credited. The pension continues until the death of the pensioner or until the account is exhausted. Upon death, any balance remaining in the account will be paid to a designated beneficiary as a lump sum or further pension payments.

Annual Premium The amount of premium which must be paid annually to meet the contractual requirements of a policy and keep it fully in force.

Annuity A contract that provides for an income for a term dependent upon human life.

Assets Available for Solvency Assets available to meet the Solvency Reserve. This equals Total Assets less Gross Policy Liabilities Ceded under Reinsurance less Base Liabilities.

Base Liabilities Liabilities figure used for calculating the Solvency Reserve Percentage and Solvency Coverage Ratio. This equals Minimum Termination Value plus Other Liabilities excluding Subordinated Debt.

Bonus Registered life insurance companies in Australia issue policies which are either participating or non-participating. The form of participation usually adopted is the grant of a reversionary bonus, ie a guaranteed addition to the sum insured which is payable when the sum insured is payable.

Claim Notification to an insurance company that payment of an amount is due under the terms of the policy.

Classes of Life Insurance Business The *Life Insurance Act 1995* provides for the following classes of life insurance business:

- *Superannuation Business* - life insurance business that consists of:
 - (a) the issuing of superannuation policies or the undertaking of liability under superannuation policies; or
 - (b) any business that relates to business referred to in paragraph (a);
- *Ordinary Business* - life insurance business other than superannuation business.

Commissioner's Rules Section 252 of the *Life Insurance Act 1995* provides that APRA (previously, the Insurance and Superannuation Commissioner) may make rules (previously called Commissioner's rules) for the prudent management of life companies and for their supervision by APRA (previously the Insurance and Superannuation Commissioner). A number of these rules have been released and fully implemented. Among these are:

- *Commissioner's Rules 21* - incorporate the broad principles, concepts and structure for financial reporting for life insurance companies;
- *Commissioner's Rules 26* - relate to the collection of quarterly, half yearly and annual statistics and prescribe the forms and schedules required;
- *Commissioner's Rules 32* - variation of *Commissioner's Rules 26*, specifically relating to the collection of half yearly market statistics.

Conversion Change from one type of policy to another.

Deferred Annuity An annuity under which periodic payments do not commence until a future date or event (eg retirement age).

Endowment Insurance A contract made by a life insurance company to pay the insured a sum of money at the end of a fixed period or death, whichever is earlier.

Experience Profit The profit arising from the difference between actual experience and expected experience.

Forfeiture The termination of a policy due to non-payment of premiums before the policy has acquired a surrender value.

Group Life Insurance which provides death and disability cover for a group of persons.

Investment Account A contract providing a death benefit plus some type of identifiable savings account or investment account, the balance of which usually becomes the benefit payable in certain circumstances, most commonly after a number of years when a balance has accumulated in the account.

Investment Linked A contract providing a death benefit and an investment account the value of which is directly linked to the performance of a specific investment portfolio. The value of the policyholder's interest will rise and fall with the movements in the value of the portfolio.

Investment Management Administration Expenses The fixed and variable costs of managing the investment portfolio.

Life Insurance Actuarial Standards Board The Board responsible for developing actuarial standards required for the Life Insurance Act 1995.

Loan on Policy A loan made by an insurance company to a policyholder on the security of the surrender value of the policy.

Minimum Termination Value The base figure upon which reserves against liability and asset risks are layered in determining the solvency requirement. This value is determined in accordance with the Solvency Standard.

Non-participating Benefit Benefit that does not include any entitlement to share in any distribution by the life company of profits and surplus and the amount of which is specified in the policy document or is calculated according to a formula that is set in the policy document and does not include any element that is in any way dependent on, or to be ascertained according to, a decision of the life company concerned.

Ordinary Policy A policy other than a superannuation policy.

Paid-up Policy A life insurance policy on which no further premiums are due. The term is frequently used when the sum insured under a policy has been reduced so that future premiums can be waived, but also includes a policy issued on payment of a single premium.

Participating Benefit Any benefit other than a non-participating benefit.

Policy A contractual document issued by an insurance company stating the terms and conditions of its contract with the policyholder.

Policy Acquisition Administration Expenses The fixed and variable costs of acquiring new business.

Policy Liabilities Amounts required to be held now which, together with future premiums and interest earnings, will enable the company to pay all future claims.

Policy Maintenance Administration Expenses The fixed and variable costs of administering policies subsequent to their sale and administering the general operations of the life company. These include all normal operating costs and expenses other than acquisition and investment management expenses.

Premium The amount paid by a policyholder for an insurance policy either as a single payment or a stream of regular payments.

Regular Premium The premium is paid on a regular basis such as monthly, quarterly or annually, until the policy is paid out or matures.

Reinsurance An agreement made by one insurance company (the ceding company) with another company (the reinsurance company) under which the reinsurance company will accept part of the liability to pay benefits under certain policies issued by the ceding company. The type of reinsurance may be:

- (a) coinsurance or proportional reinsurance, in which case the reinsurance company and the ceding company share premium and benefit payments on a fixed proportion; or
- (b) risk premium or non-proportional reinsurance, in which the ceding company pays a premium to the reinsurance company to cover a specified part of the amount payable only on death or disability under the policy.

Reinsurer Any company providing reinsurance cover, whether a parent life company, direct writing company or reinsurance company.

Risk Business Life business which does not include any investment component.

Single Premium The first and only premium required to provide the insurance benefits in a policy.

Solvency The ability of the life company to meet its liabilities as they fall due. Life companies must meet minimum solvency standards set out in prudential legislation which aim to ensure that policy liabilities will be met.

Solvency Coverage Ratio Measures the number of times the life company's excess assets are able to cover the required solvency reserve. Calculated as Assets available for Solvency Reserve divided by Solvency Reserve.

Solvency Requirement The capital requirement calculated in accordance with the Solvency Standard, as prescribed by the Life Insurance Actuarial Standards Board.

Solvency Reserve Calculated as Solvency Requirement less the sum of Minimum Termination Value and Other Liabilities excluding Approved Subordinated Debt.

Solvency Reserve Percentage Measures the reserve required by the life company to enable it to meet its obligations, under a prescribed set of adverse conditions, as a percentage of the company's base liabilities.

Solvency Standard An actuarial standard for the solvency of a statutory fund as prescribed by the Life Insurance Actuarial Standards Board.

Statutory Fund A fund that is established in the records of a life company and relates solely to the life insurance business of the company or a particular part of that business.

Under the *Life Insurance Act 1995*, the principal requirements in relation to statutory funds are as follows:

- (a) all amounts received by a life company in respect of the business of a fund must be credited to the fund;
- (b) all assets and investments related to the business of a fund must be included in the fund;
- (c) all liabilities (including policy liabilities) of the company arising out of the conduct of the business of a fund must be treated as liabilities of the fund;
- (d) the assets of a fund are only available for expenditure related to the conduct of the business of the fund.

Subordinated Debt Unsecured bonds which are long term in nature that rank behind other debt, but ahead of shareholders, in the event of liquidation. In life insurance context, this basically means that policy owner interests would need to be satisfied before the subordinated debt could be repaid to the lender.

Sum Insured The total amount payable on death or disablement.

Superannuation Policy A life policy that is maintained for the purposes of a superannuation or retirement scheme and is owned by the trustee under the scheme; or a life policy included in a class of policies declared by the regulations to be superannuation policies.

Surrender Returning a life insurance policy to the issuing life office for cancellation prior to its maturity date or the death of the life insured in return for the payment of its surrender value.

Surrender Value The amount of cash which may be realised by an insured or annuitant, holding a life insurance policy or annuity contract with a life insurance company if it is voluntarily surrendered prior to its maturity or the death of the insured.

Term Insurance Insurance payable on death within a specified period.

Unit Trust A form of collective investment that is usually a trust fund divided into a large number of equal parts called "units". The price of these units is dependent on the total assets of the trust fund.

Whole of Life Insurance Insurance payable on death when this may occur.