



**Half Yearly
Life
Insurance
Financial
Bulletin**

June 1998



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Life
Insurance
Financial
Bulletin**

For the year ending June 1998

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FOREWORD

The Australian Prudential Regulation Authority *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. Key enhancements that have been added to this *Bulletin* are a key statistics table and market statistics tables. Also, this edition of the *Bulletin* sees the introduction of a changed sorting policy for the company level abstract tables. These tables are now sorted by the size of the relevant statistic for each table. For example the balance sheet abstract table is sorted by decreasing total 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 *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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Introduction

The *Half Yearly Life Insurance Financial Bulletin* for June 1998 contains selected financial and market statistics of the life insurance companies, presented primarily at aggregate level for all companies balancing between 1 July 1997 to 30 June 1998. 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 *Prudential Rules 21 (Financial Statements)*. Information on assets, on the other hand, is sourced from the quarterly diskette returns submitted by the life companies under *Prudential Rules 26 (Collection of Statistics)*, while information on premium income is sourced from the half yearly market statistical returns, *Prudential Rules 32*.

Note, however, that where valid source data has 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 *Prudential 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 *Prudential Rules 32 (Variation of Prudential Rules 26)* and selected quarterly asset information collected under *Prudential Rules 26* are also available on diskette. The information collected under *Prudential 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

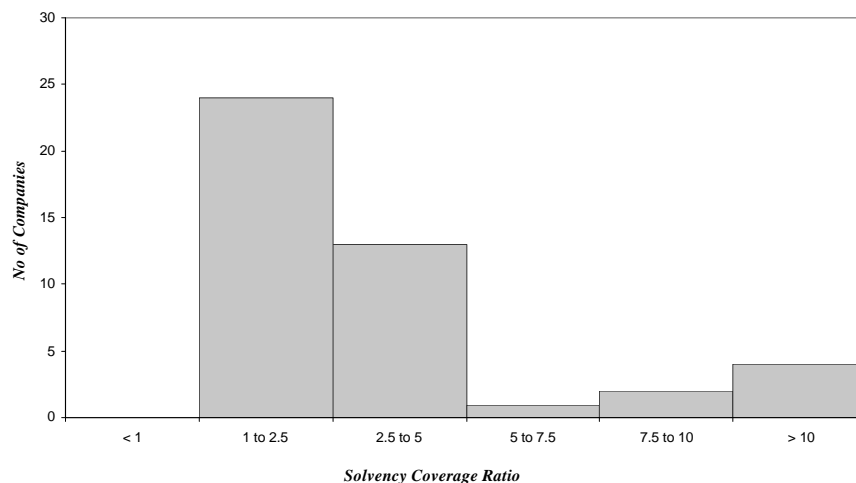
Note: Data in the highlights (and the subsequent tables) are primarily sourced from the diskette version of the Financial Statements submitted by the life insurance companies in accordance with Prudential Rules 21. No adjustment whatsoever has been made to address reporting differences and inconsistencies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

Main Features

Figures in brackets represent the equivalent values from the December 1997 Bulletin.

- Total life insurance statutory fund assets for companies balancing during the year ending 30 June 1998 were \$169.2 billion (\$165.1 billion). These assets were backing \$139.9 billion (\$136.3 billion) of Australian and overseas policy liabilities and bonuses.
- The industry aggregate solvency reserve percentage was 8.9% (9.5%). The corresponding solvency coverage ratio for companies balancing during the year ending 30 June 1998 was 1.79 (1.76).
- Life insurance premiums totalled \$31.7 billion (\$29.3 billion) for companies balancing during the year ending 30 June 1998. Investment linked business accounted for \$20.9 billion (\$19.0 billion), the remaining \$10.8 billion (\$10.3 billion) was non-investment linked business.
- Total life insurance policy payments were \$26.3 billion (\$25.5 billion) for companies balancing during the year ending 30 June 1998. Surrenders and terminations accounted for \$16.3 billion (\$15.8 billion) of all policy payments.
- Aggregate industry profits were \$4.0 billion (\$4.4 billion), of which \$1.9 billion (\$2.0 billion) was allocated to policy owners and \$1.7 billion (\$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.

Figure 1: Solvency Coverage Ratios



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 8.9%.

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 the solvency reserve percentage was 20.0%.

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 1.79. For investment linked business, the ratio was 2.59, while for non-investment linked business the solvency coverage ratio was 1.76.

Over half (53%) of all life companies had a solvency coverage ratio between 1.5 and 3.0.

Industry Structure

Australian business accounted for about 92% (\$128.2 billion) of the total policy liabilities and bonuses in the life insurance industry. The remaining 8% (\$11.7 billion) of liabilities and bonuses related to overseas business.

Superannuation business represented about 82% (\$104.6 billion) of Australian policy liabilities and bonuses. Superannuation participating policies represented 15% (\$19.8 billion) and non-participating policies 66% (\$84.8 billion) of the total Australian policy liabilities and bonuses.

Ordinary business represented the remaining 18% (\$23.6 billion) of Australian policy liabilities and bonuses. About 10% (\$13.0 billion) represented participating policies and 8% (\$10.6 billion) non-participating policies.

The proportion of superannuation business has increased by 5% (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 \$4.0 billion. Non-investment linked business accounted for \$3.6 billion of this, while the profit relating to investment linked business was \$0.3 billion.

The profit allocated to policy owners accounted for 48% (\$1.9 billion) of the total profit. The remaining 52% (\$2.1 billion) was allocated to shareholders.

Total industry profit can be divided into its different sources. Planned profits contributed 66% (\$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 40% (\$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.

Expense 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 all risks.

Premiums

Total life insurance premiums received for companies balancing during the year ending 30 June 1998 were \$31.7 billion.

Investment linked business accounted for 66% (\$20.9 billion) of these premiums, with the remaining 34% (\$10.8 billion) relating to non-investment linked business.

Single premiums accounted for \$20.3 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 for companies balancing during the year ending 30 June 1998 were \$26.3 billion.

Payments for surrenders and terminations accounted for 62% (\$16.3 billion) of the total policy payments. Policy maturities represented a further 12% (\$3.2 billion).

Annuity payments and death and disability claims accounted for 14% (\$2.0 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 \$4.9 billion.

Asset Allocation

The proportion of life insurance investment assets held in equities and unit trusts was 54% while interest bearing securities and loans accounted for 40% of total investment assets.

In contrast, direct property accounted for 4% of total life insurance investment assets at 30 June 1998.

Key Statistics

	Year ending	Year ending	Change	
	30 June 1998	31 December 1997	amount	%
	- (\$ billion) -		- (\$ billion) -	
Assets				
Total statutory fund	169.2	165.1	4.1	2.5%
Backing Australian liabilities	154.9	150.8	4.1	2.7%
Liabilities				
Total statutory fund	151.6	147.6	4.0	2.7%
Australian liabilities	139.2	135.1	4.1	3.0%
Premiums				
Total statutory fund	31.7	29.7	2.0	6.6%
Policy payments				
Total statutory fund	26.2	25.5	0.8	2.9%
Operating expenses				
Total statutory fund	3.6	3.6	0.0	0.2%
Operating profit after income tax				
Total statutory fund	4.0	4.4	-0.4	-8.4%
Solvency Reserve %	8.93	9.48	-0.55	-5.8%
Solvency Coverage ratio	1.79	1.76	0.03	1.7%

Table 1: Profit and Loss Statement

Industry Total

1 July 1997 to 30 June 1998

	Direct Insurers		Reinsurers		Total Industry	
	Statutory Shareholders'	Statutory Shareholders'	Statutory Shareholders'	Statutory Shareholders'	Statutory Shareholders'	Statutory Shareholders'
	Funds	Fund	Funds	Fund	Funds	Fund
	- (\$ million) -					
Net insurance premiums	30,829	3	291	71	31,120	73
Investment revenue	17,923	110	104	21	18,026	131
Other revenues	113	40	7	1	119	40
<i>Net Income</i>	<i>48,865</i>	<i>153</i>	<i>401</i>	<i>92</i>	<i>49,266</i>	<i>245</i>
Net claims	25,672	1	206	57	25,878	58
Operating expenses	3,469	96	123	29	3,592	125
Increase/(decrease) in policy liabilities	13,067	0	36	0	13,103	0
<i>Net Expenses</i>	<i>42,208</i>	<i>97</i>	<i>364</i>	<i>86</i>	<i>42,572</i>	<i>183</i>
Operating Profit Before Income Tax	6,374	56	37	6	6,411	62
Income tax	2,423	8	-3	6	2,420	14
Operating Profit After Income Tax	3,951	47	40	0	3,991	48
Extraordinary items	-4	28	0	0	-4	28
Operating Profit and Extraordinary Items After Income Tax	3,946	75	40	0	3,986	76

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Fund					Statutory Fund Total*
	Australian				Overseas	
	Ordinary		Superannuation			
	Par	Non-Par	Par	Non-Par		
	- (\$million) -					
Net insurance premiums	614	3,248	2,844	23,110	1,287	30,831
Investment revenue	1,774	1,846	2,446	9,944	1,844	17,854
Other revenues	4	134	2	34	8	107
<i>Net Income</i>	<i>2,391</i>	<i>5,227</i>	<i>5,293</i>	<i>33,088</i>	<i>3,138</i>	<i>48,792</i>
Net claims	1,219	2,754	3,447	17,567	958	25,672
Operating expenses	222	1,000	352	1,709	266	3,550
Increase/(decrease) in policy liabilities	-171	477	-118	11,756	1,112	13,057
<i>Net Expenses</i>	<i>1,270</i>	<i>4,232</i>	<i>3,682</i>	<i>31,032</i>	<i>2,336</i>	<i>42,279</i>
Operating Profit Before Income Tax	1,121	891	1,611	2,007	803	6,433
Income tax	487	391	338	1,072	198	2,486
Operating Profit and Extraordinary Items After Income Tax	633	500	1,273	935	605	3,946

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

Table 2: Balance Sheet

Industry Total

1 July 1997 to 30 June 1998

	Statutory Fund					Statutory Fund Total**	Shareholders' Fund
	Australian				Overseas		
	Ordinary		Superannuation				
Par	Non-Par	Par	Non-Par				
	- (\$million) -						
Investment Assets	15,416	16,310	21,067	94,123	12,301	159,218	2,049
Other Assets	-	-	-	-	1,936	9,953	1,644
Total Assets	-	-	-	-	14,238	169,171	3,693
Net Policy Liabilities*	12,644	10,611	18,823	84,825	11,463	138,365	1
Bonuses	362	0	928	3	199	1,492	0
Other Liabilities	-	-	-	-	808	11,713	1,700
Total Liabilities	-	-	-	-	12,470	151,631	1,701
Net Assets	-	-	-	-	1,768	17,539	1,992
comprised of							
Policy Owners Retained Profits		-	-	-	-	2,317	-
Shareholders Retained Profits		-	-	-	-	6,923	1,030
Shareholders Capital		-	-	-	-	8,300	962

* 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.

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Fund					Statutory Fund Total**	Shareholders' Fund
	Australian				Overseas		
	Ordinary		Superannuation				
Par	Non-Par	Par	Non-Par				
	- (\$million) -						
Investment Assets	15,416	15,537	21,067	93,974	12,124	158,118	1,525
Other Assets	-	-	-	-	1,898	9,755	1,112
Total Assets	-	-	-	-	14,021	167,873	2,637
Net Policy Liabilities*	12,644	10,273	18,823	84,741	11,372	137,853	1
Bonuses	362	0	928	3	199	1,492	0
Other Liabilities	-	-	-	-	765	11,352	978
Total Liabilities	-	-	-	-	12,336	150,754	978
Net Assets	-	-	-	-	1,685	17,120	1,659
comprised of							
Policy Owners Retained Profits		-	-	-	-	2,317	-
Shareholders Retained Profits		-	-	-	-	6,515	910
Shareholders Capital		-	-	-	-	8,288	749

* 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.

Table 2: Balance Sheet

Reinsurers

1 July 1997 to 30 June 1998

	Statutory Fund					Statutory Fund Total**	Shareholders' Fund
	Australian		Overseas		Ordinary		
	Par	Non-Par	Par	Non-Par			
	- (\$million) -						
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.

Table 3: Solvency

Industry Solvency

1 July 1997 to 30 June 1998

	Statutory Fund		Total**
	Investment Linked	Non-Investment Linked	
	- (\$million) -		
Base Liabilities	83,317	62,739	145,827
Solvency Reserve	554	12,465	13,019
Solvency Requirement	83,871	75,204	158,846
Total Assets*	84,754	84,645	169,170
Assets Available for Solvency Reserve	1,436	21,907	23,343
Solvency Reserve %	0.66	19.87	8.93
Solvency Coverage	2.59	1.76	1.79

*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.

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Fund		Total**
	Investment Linked	Non-Investment Linked	
	- (\$million) -		
Base Liabilities	83,317	61,825	144,914
Solvency Reserve	554	12,321	12,875
Solvency Requirement	83,871	74,146	157,789
Total Assets*	84,754	83,348	167,874
Assets Available for Solvency Reserve	1,436	21,523	22,959
Solvency Reserve %	0.66	19.93	8.88
Solvency Coverage	2.59	1.75	1.78

*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.

Reinsurers

1 July 1997 to 30 June 1998

	Statutory Fund		Total**
	Investment Linked	Non-Investment Linked	
	- (\$million) -		
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 %	-	15.77	15.79
Solvency Coverage	-	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.

Table 4: Sources of Profit

Industry Total

1 July 1997 to 30 June 1998

	Statutory Fund		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Investment Earnings on Retained Profits & Capital	135	1,457	1,592	-
Emergence of Planned Profits				
- Policy Owner	0	1,646	1,646	-
- Shareholder	312	659	971	-
Experience Profit	-105	-111	-215	-
Operating Profit from Other Sources	0	-8	-8	-
Operating Profit after Income Tax	342	3,644	3,986	76
allocated to				
- Policy Owner	0	1,930	1,930	0
- Shareholder	356	1,700	2,056	76

Return on Capital (%)* 12%

*NB: Operating profit after income tax (allocated to shareholders) / shareholders' capital and retained profits

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Fund		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Investment Earnings on Retained Profits & Capital	135	1,419	1,554	-
Emergence of Planned Profits				
- Policy Owner	0	1,646	1,646	-
- Shareholder	312	625	936	-
Experience Profit	-105	-78	-182	-
Operating Profit from Other Sources	0	-8	-8	-
Operating Profit after Income Tax	342	3,604	3,946	75
allocated to				
- Policy Owner	0	1,930	1,930	0
- Shareholder	356	1,660	2,016	75

Return on Capital (%)* 13%

*NB: Operating profit after income tax (allocated to shareholders) / shareholders' capital and retained profits

Table 4: Sources of Profit

Reinsurers

1 July 1997 to 30 June 1998

	Statutory Fund		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
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	0	40	40	0
allocated to				
- Policy Owner	0	0	0	0
- Shareholder	0	40	40	0

Return on Capital (%)* 5%

*NB: Operating profit after income tax (allocated to shareholders) / shareholders' capital and retained profits

Table 5: Premium Revenue

Industry Total

1 July 1997 to 30 June 1998

	Statutory Fund		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Direct Insurance Premiums				
- Single	13,717	2,207	15,924	0
- Regular	2,850	4,582	7,431	0
- Contributions Tax Component	213	80	293	0
Total Direct Insurance Premiums	16,780	6,868	23,648	0
Direct Consideration for Deferred Annuities				
- Single Amounts	570	244	814	0
- Regular Amounts	66	0	66	0
- Rollover Amounts	521	407	928	0
- Contributions Tax Component	0	3	3	0
Total Direct Consideration for Deferred Annuities	1,157	654	1,811	0
Direct Consideration for Immediate Annuities				
- Single	1,417	2,178	3,595	0
- Other	0	0	0	0
- Contributions Tax Component	0	0	1	0
Total Direct Consideration for Immediate Annuities	1,418	2,178	3,596	0
Policy Conversions	1,017	614	1,631	0
Direct Insurance Premiums	20,372	10,314	30,686	0
Inwards Reinsurance Premiums	573	458	1,031	245
Total Non-Life Insurance Premiums	-	-	-	3
Insurance Premiums	20,946	10,772	31,718	248

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Fund		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Direct Insurance Premiums				
- Single	13,717	2,207	15,924	0
- Regular	2,850	4,582	7,431	0
- Contributions Tax Component	213	80	293	0
Total Direct Insurance Premiums	16,780	6,868	23,648	0
Direct Consideration for Deferred Annuities				
- Single Amounts	570	244	814	0
- Regular Amounts	66	0	66	0
- Rollover Amounts	521	407	928	0
- Contributions Tax Component	0	3	3	0
Total Direct Consideration for Deferred Annuities	1,157	654	1,811	0
Direct Consideration for Immediate Annuities				

Table 5: Premium Revenue

- Single	1,417	2,178	3,595	0
- Other	0	0	0	0
- Contributions Tax Component	0	0	1	0
<i>Total Direct Consideration for Immediate Annuities</i>	<i>1,418</i>	<i>2,178</i>	<i>3,596</i>	<i>0</i>
Policy Conversions	1,017	614	1,631	0
Direct Insurance Premiums	20,372	10,314	30,686	0
Inwards Reinsurance Premiums	573	15	589	0
Total Non-Life Insurance Premiums	-	-	-	3
Insurance Premiums	20,946	10,329	31,275	3

Table 6: Investment Revenue

Industry Total

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Interest	1,972	2,625	4,597	46
Dividends	1,480	1,015	2,495	13
Net Rents	119	315	434	1
Other Investment Income	283	276	559	4
Net Realised and Unrealised Gain/Loss	5,148	4,794	9,942	66
Total Investment Income	9,002	9,025	18,026	130

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Interest	1,972	2,576	4,548	35
Dividends	1,480	1,003	2,483	13
Net Rents	119	312	431	1
Other Investment Income	283	273	557	4
Net Realised and Unrealised Gain/Loss	5,148	4,756	9,904	57
Total Investment Income	9,002	8,921	17,923	109

Reinsurers

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
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

*Investment Return (%)**

1 July 1997 to 30 June 1998

Table 6: Investment Revenue

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
Interest Bearing Securities, Loans and Convertible Notes	7.36	7.48	7.43	6.31
Equities	5.02	3.85	4.47	1.37
Property	7.52	7.34	7.39	4.13
Other Investment Assets	1.23	3.31	1.78	1.31
Total Investment Assets	11.50	12.58	12.02	6.61

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

Table 7: Policy Payments

Industry Total

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Death and Disability Claims	228	1,483	1,711	1
Maturities	817	2,334	3,150	0
Annuities	773	1,272	2,045	0
Surrenders and Terminations	10,889	5,381	16,270	0
Payments under Continuing Superannuation Plans	586	375	961	0
Allocated Annuities	0	0	0	0
Policy Conversions	945	687	1,631	0
Other	385	100	486	0
<i>Direct Claims</i>	<i>14,623</i>	<i>11,632</i>	<i>26,255</i>	<i>1</i>
Inwards Reinsurance Claims	36	289	325	156
Bonuses Paid (from current year profit)	0	-357	-357	0
Policy Payments	14,659	11,563	26,223	157

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Death and Disability Claims	228	1,472	1,700	1
Maturities	817	2,334	3,150	0
Annuities	773	1,272	2,045	0
Surrenders and Terminations	10,889	5,381	16,270	0
Payments under Continuing Superannuation Plans	586	375	961	0
Allocated Annuities	0	0	0	0
Policy Conversions	945	687	1,631	0
Other	385	100	486	0
<i>Direct Claims</i>	<i>14,623</i>	<i>11,621</i>	<i>26,244</i>	<i>1</i>
Inwards Reinsurance Claims	36	20	55	0
Bonuses Paid (from current year profit)	0	-357	-357	0
Policy Payments	14,659	11,283	25,943	1

Table 7: Policy Payments

Reinsurers

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	<i>-\$million-</i>			
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
<i>Direct Claims</i>	<i>0</i>	<i>11</i>	<i>11</i>	<i>0</i>
Inwards Reinsurance Claims	0	269	269	156
Bonuses Paid (from current year profit)	0	0	0	0
Policy Payments	0	280	280	156

Table 8: Operating Expenses

Industry Total

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
General Administration Expenses				
- Policy Acquisition				
I Commission	233	329	562	2
I Other	327	515	842	6
- Policy Maintenance				
I Commission	127	237	364	18
I Other	547	876	1,423	45
- Investment Management	147	162	309	2
- Other	0	0	0	37
Interest				
- Subordinated Debt	7	36	43	0
- Other Borrowings	20	30	50	14
Total Non-Life Operating Expenses				1
Total Operating Expenses	1,407	2,185	3,592	124

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
General Administration Expenses				
- Policy Acquisition				
I Commission	233	294	527	2
I Other	327	508	835	4
- Policy Maintenance				
I Commission	127	188	315	-1
I Other	547	846	1,393	37
- Investment Management	147	161	308	1
- Other	0	0	0	37
Interest				
- Subordinated Debt	7	35	42	0
- Other Borrowings	20	30	50	14
Total Non-Life Operating Expenses				1
Total Operating Expenses	1,407	2,062	3,469	95

Table 8: Operating Expenses

Reinsurers

1 July 1997 to 30 June 1998

	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
	- (\$million) -			
General Administration Expenses				
- Policy Acquisition				
I Commission	0	35	35	0
I Other	0	7	7	2
- Policy Maintenance				
I Commission	0	49	49	19
I 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

Net Margins (%)*

1 July 1997 to 30 June 1998

	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
Direct Insurers	7.03	18.62	11.25	3649.91
Reinsurers	-	42.08	42.08	40.72
Industry Total	7.03	19.22	11.54	168.61

*NB: Calculated as operating expenses / net premiums

Gross Margins (%)*

1 July 1997 to 30 June 1998

	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
Direct Insurers	6.97	18.13	11.09	3151.37
Reinsurers	-	27.67	27.67	11.76
Industry Total	6.97	18.49	11.32	49.88

*NB: Calculated as operating expenses / gross premiums

Table 9: Investment Assets

Industry Total

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Property	1,641	4,450	6,090	34
Equities	30,217	26,892	57,109	953
National Government Interest Bearing Securities	8,556	8,020	16,575	77
Other Public Sector Interest Bearing Securities	5,356	7,682	13,038	58
Private Sector Interest Bearing Securities	11,077	11,878	22,955	418
Loans	2,696	8,636	11,332	198
Convertible Notes	99	203	302	0
Other Direct Investments	792	1,203	1,995	93
Unit Trusts	21,895	6,844	28,739	196
Partnerships and Joint Ventures	248	408	656	7
Other Indirect Investments	216	24	240	1
Total Investment Assets	82,792	76,238	159,029	2,036

Direct Insurers

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	- (\$million) -			
Property	1,641	4,402	6,043	31
Equities	30,217	26,597	56,814	777
National Government Interest Bearing Securities	8,556	7,709	16,265	18
Other Public Sector Interest Bearing Securities	5,356	7,534	12,889	30
Private Sector Interest Bearing Securities	11,077	11,648	22,726	236
Loans	2,696	8,619	11,315	144
Convertible Notes	99	199	298	0
Other Direct Investments	792	1,174	1,966	79
Unit Trusts	21,895	6,824	28,719	191
Partnerships and Joint Ventures	248	408	656	7
Other Indirect Investments	216	24	240	1
Total Investment Assets	82,792	75,138	157,930	1,512

Table 9: Investment Assets

Reinsurers

1 July 1997 to 30 June 1998

	Statutory Funds		Total	Shareholders' Fund
	Investment Linked	Non-Investment Linked		
	<i>-\$million-</i>			
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

Market Statistics : Premium Income

Total Business

1 January 1998 to 30 June 1998

Product Type	Contractual Regular Premium Business						Other Business		
	In Force at Beginning of Period	Increases in the Period	Decreases in the Period				Other Movements	In Force at End of Period	New Single Premiums
			Claim	Maturity	Voluntary Discontinuance	Other			
(\$'000)									
<i>Individual Business</i>									
Conventional	739,049	12,122	1,508	6,523	26,180	4,067	2,036	714,931	1,487
Investment Account	812,048	14,295	809	4,072	46,510	8,387	-921	765,645	724,201
Investment Linked	1,886,790	85,797	1,493	8,020	112,718	12,628	-3,933	1,833,792	4,412,072
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	56,560
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	1,311,946
Other Annuity - Lifetime	0	0	0	0	0	0	0	0	55,818
Other Annuity - Term	0	0	0	0	0	0	0	0	699,964
Risk - Lump Sum	989,698	105,340	1,422	385	63,962	149	18,503	1,047,626	10,384
Risk - Income	503,906	64,525	188	208	40,940	-2,254	6,476	535,823	43,304
<i>Group Business</i>									
Investment Account	402,707	50,247	126	2,271	35,987	12,611	-5,697	396,261	916,610
Investment Linked	807,484	151,785	235	1,233	65,651	85,786	-15,739	790,625	2,640,198
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	53,635
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	17,314
Other Annuity	0	0	0	0	0	0	0	0	0
Risk	394,604	37,650	307	210	20,243	2,571	12,655	421,580	63,803
Total for Class	6,536,286	521,761	6,088	22,922	412,191	123,945	13,380	6,506,283	11,007,296

Market Statistics : Premium Income

Ordinary Business

1 January 1998 to 30 June 1998

Product Type	Contractual Regular Premium Business						Other Business		
	In Force at Beginning of Period	Increases in the Period	Decreases in the Period				Other Movements	In Force at End of Period	New Single Premiums
			Claim	Maturity	Voluntary Discontinuance	Other			
(\$'000)									
<i>Individual Business</i>									
Conventional	512,017	10,390	1,280	4,800	18,165	3,500	-1,255	493,408	1,484
Investment Account	99,203	1,176	57	417	6,588	375	-323	92,620	178,706
Investment Linked	368,170	12,951	401	2,688	35,744	2,758	-591	338,937	237,264
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	1,123
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	1,684
Other Annuity - Lifetime	0	0	0	0	0	0	0	0	2,377
Other Annuity - Term	0	0	0	0	0	0	0	0	383,438
Risk - Lump Sum	755,546	83,869	917	170	52,370	-367	13,573	799,900	10,383
Risk - Income	497,613	63,927	145	147	40,720	-2,304	6,395	529,226	118
<i>Group Business</i>									
Investment Account	2,095	140	0	3	20	10	-5	2,196	1,115
Investment Linked	0	98	0	0	0	0	0	98	4,186
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	0
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	0
Other Annuity	0	0	0	0	0	0	0	0	0
Risk	106,213	8,517	31	22	6,330	654	2,323	110,017	9,512
Total for Class	2,340,857	181,068	2,831	8,247	159,937	4,626	20,117	2,366,402	831,390

Market Statistics : Premium Income

Superannuation Business

1 January 1998 to 30 June 1998

Product Type	Contractual Regular Premium Business						Other Business		
	In Force at Beginning of Period	Increases in the Period	Decreases in the Period				Other Movements	In Force at End of Period	New Single Premiums
			Claim	Maturity	Voluntary Discontinuance	Other			
(\$'000)									
<i>Individual Business</i>									
Conventional	227,032	1,732	228	1,723	8,015	567	3,291	221,523	3
Investment Account	712,845	13,119	752	3,655	39,922	8,012	-598	673,025	545,495
Investment Linked	1,518,620	72,846	1,092	5,332	76,974	9,870	-3,342	1,494,855	4,174,808
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	55,437
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	1,310,262
Other Annuity - Lifetime	0	0	0	0	0	0	0	0	53,441
Other Annuity - Term	0	0	0	0	0	0	0	0	316,526
Risk - Lump Sum	234,152	21,471	505	215	11,592	516	4,930	247,726	1
Risk - Income	6,293	598	43	61	220	50	81	6,597	43,186
<i>Group Business</i>									
Investment Account	400,612	50,107	126	2,268	35,967	12,601	-5,692	394,065	915,495
Investment Linked	807,484	151,687	235	1,233	65,651	85,786	-15,739	790,527	2,636,012
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	53,635
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	17,314
Other Annuity	0	0	0	0	0	0	0	0	0
Risk	288,391	29,133	276	188	13,913	1,917	10,332	311,563	54,291
Total for Class	4,195,429	340,693	3,257	14,675	252,254	119,319	-6,737	4,139,881	10,175,906

Market Statistics : Premium Income

Total Business

1 January 1998 to 30 June 1998

Product Type	Contractual Regular Premium Business						Other Business		
	In Force at Beginning of Period	Increases in the Period	Decreases in the Period				Other Movements	In Force at End of Period	New Single Premiums
			Claim	Maturity	Voluntary Discontinuance	Other			
(\$'000)									
<i>Individual Business</i>									
Conventional	739,049	12,122	1,508	6,523	26,180	4,067	2,036	714,931	1,487
Investment Account	812,048	14,295	809	4,072	46,510	8,387	-921	765,645	724,201
Investment Linked	1,886,790	85,797	1,493	8,020	112,718	12,628	-3,933	1,833,792	4,412,072
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	56,560
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	1,311,946
Other Annuity - Lifetime	0	0	0	0	0	0	0	0	55,818
Other Annuity - Term	0	0	0	0	0	0	0	0	699,964
Risk - Lump Sum	989,698	105,340	1,422	385	63,962	149	18,503	1,047,626	10,384
Risk - Income	503,906	64,525	188	208	40,940	-2,254	6,476	535,823	43,304
<i>Group Business</i>									
Investment Account	402,707	50,247	126	2,271	35,987	12,611	-5,697	396,261	916,610
Investment Linked	807,484	151,785	235	1,233	65,651	85,786	-15,739	790,625	2,640,198
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	53,635
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	17,314
Other Annuity	0	0	0	0	0	0	0	0	0
Risk	394,604	37,650	307	210	20,243	2,571	12,655	421,580	63,803
Total for Class	6,536,286	521,761	6,088	22,922	412,191	123,945	13,380	6,506,283	11,007,296

Market Statistics : Premium Income

Ordinary Business

1 January 1998 to 30 June 1998

Product Type	Contractual Regular Premium Business						Other Business		
	In Force at Beginning of Period	Increases in the Period	Decreases in the Period				Other Movements	In Force at End of Period	New Single Premiums
			Claim	Maturity	Voluntary Discontinuance	Other			
(\$'000)									
<i>Individual Business</i>									
Conventional	512,017	10,390	1,280	4,800	18,165	3,500	-1,255	493,408	1,484
Investment Account	99,203	1,176	57	417	6,588	375	-323	92,620	178,706
Investment Linked	368,170	12,951	401	2,688	35,744	2,758	-591	338,937	237,264
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	1,123
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	1,684
Other Annuity - Lifetime	0	0	0	0	0	0	0	0	2,377
Other Annuity - Term	0	0	0	0	0	0	0	0	383,438
Risk - Lump Sum	755,546	83,869	917	170	52,370	-367	13,573	799,900	10,383
Risk - Income	497,613	63,927	145	147	40,720	-2,304	6,395	529,226	118
<i>Group Business</i>									
Investment Account	2,095	140	0	3	20	10	-5	2,196	1,115
Investment Linked	0	98	0	0	0	0	0	98	4,186
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	0
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	0
Other Annuity	0	0	0	0	0	0	0	0	0
Risk	106,213	8,517	31	22	6,330	654	2,323	110,017	9,512
Total for Class	2,340,857	181,068	2,831	8,247	159,937	4,626	20,117	2,366,402	831,390

Market Statistics : Premium Income

Superannuation Business

1 January 1998 to 30 June 1998

Product Type	Contractual Regular Premium Business						Other Business		
	In Force at Beginning of Period	Increases in the Period	Decreases in the Period				Other Movements	In Force at End of Period	New Single Premiums
			Claim	Maturity	Voluntary Discontinuance	Other			
(\$'000)									
<i>Individual Business</i>									
Conventional	227,032	1,732	228	1,723	8,015	567	3,291	221,523	3
Investment Account	712,845	13,119	752	3,655	39,922	8,012	-598	673,025	545,495
Investment Linked	1,518,620	72,846	1,092	5,332	76,974	9,870	-3,342	1,494,855	4,174,808
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	55,437
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	1,310,262
Other Annuity - Lifetime	0	0	0	0	0	0	0	0	53,441
Other Annuity - Term	0	0	0	0	0	0	0	0	316,526
Risk - Lump Sum	234,152	21,471	505	215	11,592	516	4,930	247,726	1
Risk - Income	6,293	598	43	61	220	50	81	6,597	43,186
<i>Group Business</i>									
Investment Account	400,612	50,107	126	2,268	35,967	12,601	-5,692	394,065	915,495
Investment Linked	807,484	151,687	235	1,233	65,651	85,786	-15,739	790,527	2,636,012
Allocated Annuity - Non-Inv Linked	0	0	0	0	0	0	0	0	53,635
Allocated Annuity - Inv Linked	0	0	0	0	0	0	0	0	17,314
Other Annuity	0	0	0	0	0	0	0	0	0
Risk	288,391	29,133	276	188	13,913	1,917	10,332	311,563	54,291
Total for Class	4,195,429	340,693	3,257	14,675	252,254	119,319	-6,737	4,139,881	10,175,906

Company Level Abstracts : Profit and Loss Statement

1 July 1997 to 30 June 1998

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 **
- (\$ thousand) -									
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
NMLA	3,169,000	2,205,000	5,000	3,494,000	503,000	469,000	932,000	331,000	601,000
MLCL	150,393	357,510	0	527,999	29,088	-389,973	268,200	14,480	253,720
PCAL	1,107,872	697,527	4,320	1,915,166	158,851	-471,109	206,811	95,540	111,271
GQLD	387,357	173,256	393	458,439	53,033	-78,732	128,266	22,655	105,611
CML	520,252	425,246	5,916	776,499	135,908	-94,141	133,148	33,193	99,955
MLC	2,568,919	1,530,167	72,589	2,372,375	286,110	1,233,359	279,831	182,227	97,604
MML	1,875,217	1,112,039	245	1,082,289	190,434	1,475,730	239,048	141,592	97,456
ANZ	907,828	411,571	903	940,662	48,567	181,982	149,091	62,465	86,626
CLL	2,280,074	604,203	237	1,940,661	82,076	705,354	156,423	82,122	74,301
TOW	325,091	230,928	333	245,812	67,624	146,383	96,533	24,240	72,293
L&G	533,236	341,385	4,949	523,854	123,827	119,939	111,950	42,781	69,169
ZURI	449,013	514,815	0	449,750	74,605	307,765	131,708	62,985	68,723
WEST	3,061,347	570,998	911	727,695	67,753	2,696,162	141,646	78,973	62,673
CORP	837,747	266,995	0	1,299,513	61,667	-331,229	74,791	16,170	58,621
GIO	573,539	217,073	0	366,593	60,500	280,761	82,758	42,478	40,280
NAFM	996,858	344,496	3,486	716,503	53,578	491,240	83,519	44,445	39,074
SRLH	116,783	70,897	325	84,350	54,132	-955	50,478	11,572	38,906
NULA	992,288	365,816	9,975	964,003	107,336	225,813	75,082	39,049	36,033
AC&L	139,326	50,064	512	90,976	53,259	6,032	39,635	14,284	25,351
AEL	85,018	122,826	0	114,517	18,975	30,234	44,118	19,427	24,691
TLI	190,048	89,848	212	74,256	42,202	120,574	43,076	20,707	22,369
BTLL	585,978	202,541	498	307,287	23,447	413,001	45,282	23,305	21,977
MLL	1,292,778	250,994	0	617,412	20,739	875,175	30,446	12,411	18,035
NRMA	171,623	63,475	0	188,685	15,862	9,481	21,070	6,957	14,113

Company Level Abstracts : Profit and Loss Statement

1 July 1997 to 30 June 1998

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 **
- (\$ thousand) -									
FAI	169,555	41,896	964	61,785	52,852	86,753	11,025	-423	11,448
HALL	27,689	3,814	7	12,453	6,635	2,967	9,455	1,743	7,712
GSA	115,157	51,695	50	191,891	12,633	-51,061	13,439	6,939	6,500
HLRA	95,734	15,791	170	71,472	34,875	638	4,710	-191	4,901
LLL	20,139	9,435	34	22,989	18,446	-15,351	3,524	-912	4,436
CFML	149,866	114,185	-622	154,657	6,975	79,242	22,555	18,402	4,153
GERL	33,356	2,383	0	10,514	5,872	16,979	2,374	-1,284	3,658
CLRE	6,007	4,395	272	10,817	3,846	-7,573	3,585	0	3,585
CUNA	10,234	876	0	5,196	3,545	-76	2,446	-193	2,639
AML	580,945	143,070	365	83,776	8,195	635,428	-3,019	-5,583	2,564
COMB	2,400	3,314	250	4,392	450	-1,487	2,609	982	1,627
HCFL	16,890	3,759	0	15,973	2,777	-603	2,502	1,031	1,471
AIAA	16,068	4,698	3	9,031	9,374	978	1,386	0	1,386
CHLL	13,199	4,643	32	59,994	1,550	-44,378	708	-453	1,161
FORT	5,304	1,225	317	3,954	1,211	290	1,391	279	1,112
RACV	64,842	10,951	10	23,414	6,482	44,995	912	-82	994
RGA	7,682	422	5,735	1,228	11,310	363	938	117	821
SGL	148	113	0	0	96	-256	421	32	389
DLL	49,055	2,655	59	3,260	316	48,537	-344	0	-344
SUN	127,456	76,868	0	114,632	63,313	27,007	-628	4,759	-5,387
MNRE	31,650	9,626	18	27,419	12,515	26,269	-24,909	-12,977	-11,932
Total	31,119,961	18,026,484	119,469	25,878,143	3,591,841	13,102,507	6,410,990	2,420,243	3,990,747

*NB: Includes abnormal items

** Before extraordinaries

Company Level Abstracts : Balance Sheet

1 July 1997 to 30 June 1998

Company	Investment Assets	Other Assets	Total Assets	Net Policy Liabilities*	Other Liabilities	Total Liabilities	Net Assets Policy Owners Retained Profits	Net Assets Shareholders Retained Profits	Net Assets Shareholders Capital
<i>-\$ thousand -</i>									
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
MLC	17,961,276	882,202	18,791,882	16,995,020	1,538,334	18,481,758	0	270,124	40,000
NMLA	16,417,000	614,000	17,056,000	13,488,000	1,689,000	15,482,000	476,000	960,000	138,000
CLL	7,699,630	365,301	8,065,092	7,577,778	277,761	7,855,700	0	184,492	24,900
MML	7,630,831	409,268	8,033,352	7,054,105	421,390	7,494,363	62,232	71,229	405,528
PCAL	6,496,200	336,985	6,843,264	5,960,040	418,758	6,453,549	-8,658	398,373	0
WEST	5,168,111	189,303	5,357,414	4,882,563	201,682	5,102,409	0	168,055	86,950
CML	4,033,848	277,925	4,621,403	3,560,800	269,536	4,161,506	-33,404	66,524	426,777
MLCL	4,258,246	254,728	4,525,254	3,588,567	634,581	4,348,750	148,793	27,711	0
GIO	3,614,669	695,628	4,310,771	3,550,544	550,065	4,102,577	484	207,710	0
NULA	3,565,811	207,580	3,782,890	3,219,293	269,417	3,499,465	3,969	185,358	94,098
ZURI	3,230,131	451,063	3,725,254	3,038,341	154,086	3,250,264	110,504	364,486	0
ANZ	3,160,944	546,062	3,709,249	3,157,910	121,194	3,282,660	752	425,837	0
MLL	2,757,354	302,442	3,059,796	2,983,306	60,917	3,044,223	0	4,573	11,000
NAFM	2,636,048	292,333	2,928,381	2,753,940	80,875	2,834,815	0	86,566	7,000
L&G	2,723,991	98,829	2,817,860	2,383,639	119,731	2,507,762	3,376	271,722	35,000
CORP	2,496,512	128,498	2,638,777	2,289,874	22,824	2,326,465	0	312,312	0
GQLD	2,398,510	85,763	2,486,613	1,987,011	110,327	2,168,068	228,542	60,237	29,766
BTLL	1,966,172	66,517	2,032,689	1,958,562	42,258	2,000,820	0	31,869	0
AML	1,929,356	25,809	1,955,691	1,923,933	25,857	1,950,316	0	5,375	0
TOW	1,571,033	269,893	1,901,342	1,361,465	263,292	1,715,058	54,192	98,032	34,060
CFML	940,478	28,432	969,263	883,674	34,541	920,057	-1,767	50,973	0
NRMA	771,684	32,388	802,243	634,499	64,392	697,062	0	105,181	0
TLI	565,901	219,235	785,136	596,224	51,966	661,695	10,070	67,856	45,515
FAI	669,576	83,041	737,772	585,177	35,603	606,045	1,374	30,071	100,282

Company Level Abstracts : Balance Sheet

1 July 1997 to 30 June 1998

Company	Investment Assets	Other Assets	Total Assets	Net Policy Liabilities*	Other Liabilities	Total Liabilities	Net Assets Policy Owners Retained Profits	Net Assets Shareholders Retained Profits	Net Assets Shareholders Capital
<i>-\$ thousand -</i>									
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
GSA	526,125	27,601	553,726	484,656	47,820	532,476	0	0	21,250
AC&L	346,240	65,672	439,266	158,838	120,456	306,786	866	122,939	8,675
HLRA	233,018	25,159	317,794	63,657	94,682	217,956	0	99,838	0
MNRE	157,887	57,560	270,261	90,260	86,248	231,322	0	38,939	0
CHLL	128,980	17,588	146,568	129,901	2,435	132,336	0	12,645	1,587
LLL	120,848	9,012	144,413	98,758	8,536	123,004	528	11,551	9,330
RACV	84,363	53,528	137,891	111,532	7,872	119,404	0	-2,116	20,603
HCFL	79,548	19,171	98,719	83,773	4,195	88,992	0	9,727	0
DLL	62,217	9,072	71,289	56,549	1,187	57,736	0	-834	14,387
AIAA	45,023	5,745	50,768	21,557	5,192	35,567	180	12,241	2,780
CLRE	41,736	8,870	50,606	14,120	21,732	35,852	0	14,754	0
HALL	37,971	16,892	56,341	21,184	8,499	31,161	0	25,080	100
COMB	34,911	1,066	35,977	25,412	1,670	28,334	4,956	-5,313	8,000
GERL	29,273	15,943	47,430	30,207	5,659	38,080	0	4,350	5,000
CUNA	9,666	3,011	12,677	2,531	2,645	6,030	2,211	4,314	123
SGL	3,227	12	3,859	-256	105	470	0	389	3,000
RGA	3,070	13,726	16,796	-5,200	9,604	8,756	0	1,040	7,000
FORT	2,184	10,088	15,250	4,969	6,753	14,700	0	550	0
Total	159,029,289	10,134,240	170,051,310	138,364,844	11,706,029	152,511,885	2,316,575	13,601,939	1,620,911

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

Company Level Abstracts : Solvency

1 July 1997 to 30 June 1998

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets*	Assets Available for Solvency Reserve	Solvency Reserve %	Solvency Coverage
- (\$ thousand) -							
CUNA	6,231	2,413	8,644	12,677	6,446	38.72	2.67
SRLH	449,422	104,590	554,012	710,207	260,785	23.27	2.49
DLL	54,702	12,702	67,404	71,037	16,335	23.22	1.29
AMP	40,244,000	8,532,000	48,776,000	53,916,000	13,672,000	21.20	1.60
COMB	23,565	4,790	28,355	35,977	12,412	20.33	2.59
MLCL	3,607,875	728,596	4,336,471	4,512,974	905,099	20.19	1.24
GQLD	1,828,883	350,534	2,179,417	2,484,273	655,390	19.17	1.87
MNRE	175,367	24,982	200,349	215,447	40,080	14.25	1.60
GERL	36,197	4,886	41,083	45,218	9,021	13.50	1.85
CML	3,664,193	356,376	4,020,569	4,311,773	647,580	9.73	1.82
CHLL	133,873	12,008	145,881	147,073	13,200	8.97	1.10
AC&L	346,742	27,347	374,089	411,912	65,170	7.89	2.38
TLI	701,531	54,532	756,063	785,136	83,605	7.77	1.53
CORP	2,237,292	171,756	2,409,048	2,625,010	387,718	7.68	2.26
NMLA	14,503,000	1,055,000	15,558,000	17,031,000	2,528,000	7.27	2.40
TOW	1,641,397	107,835	1,749,232	1,840,926	199,529	6.57	1.85
MML	7,203,257	442,302	7,645,559	8,040,099	836,842	6.14	1.89
AIAA	41,519	2,302	43,821	50,768	9,249	5.54	4.02
LLL	119,953	5,131	125,084	129,860	9,907	4.28	1.93
HLRA	192,653	7,994	200,647	258,177	65,524	4.15	8.20
ZURI	3,245,771	128,173	3,373,944	3,681,194	435,423	3.95	3.40
FAI	660,502	24,981	685,483	752,618	92,116	3.78	3.69
SGL	170	6	176	3,238	3,068	3.56	506.33
ANZ	3,257,723	113,396	3,371,119	3,707,006	449,283	3.48	3.96
L&G	2,641,088	85,739	2,726,828	2,822,820	181,732	3.25	2.12
GSA	528,742	16,070	544,811	553,726	24,984	3.04	1.55

Company Level Abstracts : Solvency

1 July 1997 to 30 June 1998

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets*	Assets Available for Solvency Reserve	Solvency Reserve %	Solvency Coverage
HALL	31,908	964	32,872	54,863	22,955	3.02	23.81
CLRE	44,575	1,334	45,909	50,606	6,031	2.99	4.52
PCAL	6,394,162	187,470	6,581,632	6,833,185	439,023	2.93	2.34
NULA	3,576,478	104,376	3,680,854	3,773,391	196,913	2.92	1.89
FORT	11,453	282	11,735	12,272	819	2.46	2.90
SUN	676,687	15,439	692,126	704,782	28,095	2.28	1.82
CFML	907,592	19,277	926,869	968,910	61,318	2.12	3.18
RGA	14,350	300	14,650	16,796	2,446	2.09	8.15
RACV	128,389	1,721	130,110	137,891	9,502	1.34	5.52
GIO	4,130,249	54,094	4,184,343	4,310,297	180,048	1.31	3.33
WEST	5,165,444	56,473	5,221,917	5,357,414	191,970	1.09	3.40
NRMA	724,318	7,815	732,133	804,072	79,754	1.08	10.21
NAFM	2,862,067	26,197	2,888,264	2,928,381	66,314	0.92	2.53
HCFL	92,717	566	93,283	98,719	6,002	0.61	10.60
CLL	7,963,508	46,722	8,010,230	8,064,931	101,423	0.59	2.17
MLC	18,554,840	100,007	18,654,847	18,843,478	288,638	0.54	2.89
BTLL	1,999,081	7,665	2,006,746	2,033,255	34,174	0.38	4.46
MLL	3,053,700	8,036	3,061,736	3,065,625	11,925	0.26	1.48
AML	1,949,768	3,787	1,953,555	1,955,165	5,397	0.19	1.43
Total	145,371,280	12,911,964	158,283,244	168,447,295	23,076,015	8.88	1.79

*NB: Total Assets net of Policy Liabilities ceded

Company Level Abstracts : Solvency by Solvency Coverage

1 July 1997 to 30 June 1998

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets*	Assets Available for Solvency Reserve	Solvency Reserve %	Solvency Coverage
- (\$ thousand) -							
SGL	170	6	176	3,238	3,068	3.56	506.33
HALL	31,908	964	32,872	54,863	22,955	3.02	23.81
HCFL	92,717	566	93,283	98,719	6,002	0.61	10.60
NRMA	724,318	7,815	732,133	804,072	79,754	1.08	10.21
HLRA	192,653	7,994	200,647	258,177	65,524	4.15	8.20
RGA	14,350	300	14,650	16,796	2,446	2.09	8.15
RACV	128,389	1,721	130,110	137,891	9,502	1.34	5.52
CLRE	44,575	1,334	45,909	50,606	6,031	2.99	4.52
BTLL	1,999,081	7,665	2,006,746	2,033,255	34,174	0.38	4.46
AIAA	41,519	2,302	43,821	50,768	9,249	5.54	4.02
ANZ	3,257,723	113,396	3,371,119	3,707,006	449,283	3.48	3.96
FAI	660,502	24,981	685,483	752,618	92,116	3.78	3.69
ZURI	3,245,771	128,173	3,373,944	3,681,194	435,423	3.95	3.40
WEST	5,165,444	56,473	5,221,917	5,357,414	191,970	1.09	3.40
GIO	4,130,249	54,094	4,184,343	4,310,297	180,048	1.31	3.33
CFML	907,592	19,277	926,869	968,910	61,318	2.12	3.18
FORT	11,453	282	11,735	12,272	819	2.46	2.90
MLC	18,554,840	100,007	18,654,847	18,843,478	288,638	0.54	2.89
CUNA	6,231	2,413	8,644	12,677	6,446	38.72	2.67
COMB	23,565	4,790	28,355	35,977	12,412	20.33	2.59
NAFM	2,862,067	26,197	2,888,264	2,928,381	66,314	0.92	2.53
SRLH	449,422	104,590	554,012	710,207	260,785	23.27	2.49
NMLA	14,503,000	1,055,000	15,558,000	17,031,000	2,528,000	7.27	2.40
AC&L	346,742	27,347	374,089	411,912	65,170	7.89	2.38
PCAL	6,394,162	187,470	6,581,632	6,833,185	439,023	2.93	2.34
CORP	2,237,292	171,756	2,409,048	2,625,010	387,718	7.68	2.26

Company Level Abstracts : Solvency by Solvency Coverage

1 July 1997 to 30 June 1998

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets*	Assets Available for Solvency Reserve	Solvency Reserve %	Solvency Coverage
CLL	7,963,508	46,722	8,010,230	8,064,931	101,423	0.59	2.17
L&G	2,641,088	85,739	2,726,828	2,822,820	181,732	3.25	2.12
LLL	119,953	5,131	125,084	129,860	9,907	4.28	1.93
MML	7,203,257	442,302	7,645,559	8,040,099	836,842	6.14	1.89
NULA	3,576,478	104,376	3,680,854	3,773,391	196,913	2.92	1.89
GQLD	1,828,883	350,534	2,179,417	2,484,273	655,390	19.17	1.87
GERL	36,197	4,886	41,083	45,218	9,021	13.50	1.85
TOW	1,641,397	107,835	1,749,232	1,840,926	199,529	6.57	1.85
CML	3,664,193	356,376	4,020,569	4,311,773	647,580	9.73	1.82
SUN	676,687	15,439	692,126	704,782	28,095	2.28	1.82
AMP	40,244,000	8,532,000	48,776,000	53,916,000	13,672,000	21.20	1.60
MNRE	175,367	24,982	200,349	215,447	40,080	14.25	1.60
GSA	528,742	16,070	544,811	553,726	24,984	3.04	1.55
TLI	701,531	54,532	756,063	785,136	83,605	7.77	1.53
MLL	3,053,700	8,036	3,061,736	3,065,625	11,925	0.26	1.48
AML	1,949,768	3,787	1,953,555	1,955,165	5,397	0.19	1.43
DLL	54,702	12,702	67,404	71,037	16,335	23.22	1.29
MLCL	3,607,875	728,596	4,336,471	4,512,974	905,099	20.19	1.24
CHLL	133,873	12,008	145,881	147,073	13,200	8.97	1.10
Total	145,794,855	13,017,996	158,812,851	169,112,078	23,317,222	8.93	1.79

*NB: Total Assets net of Policy Liabilities ceded

Company Level Abstracts: Sources of Profit

1 July 1997 to 30 June 1998

Company	Investment Earnings on Retained Profits and Capital	Emergence of Planned Profits		Experience Profit	Operating Profit after Income Tax
		Policy Owner	Shareholder		
- (\$ thousand) -					
AMP	951,000	879,000	241,000	-263,000	1,808,000
NMLA	152,000	331,000	54,000	64,000	601,000
MLCL	14,000	168,340	47,228	24,152	253,720
PCAL	38,648	70,252	29,702	-27,331	111,271
GQLD	16,869	83,528	22,782	-17,568	105,611
CML	32,927	48,739	21,385	-3,096	99,955
MLC	22,445	0	85,583	-10,424	97,604
MML	24,189	17,723	57,772	-2,228	97,456
ANZ	57,409	803	30,438	-2,024	86,626
CLL	6,935	0	56,705	10,661	74,301
TOW	19,987	18,483	11,226	22,597	72,293
L&G	16,117	9,371	16,188	27,495	69,171
ZURI	38,122	4,893	20,287	5,421	68,723
WEST	17,819	0	45,194	-340	62,673
CORP	24,335	0	35,928	-1,642	58,621
GIO	8,998	1,980	27,908	1,394	40,280
NAFM	8,000	0	18,029	13,045	39,074
SRLH	18,095	0	17,076	3,735	38,906
NULA	23,632	625	15,869	-4,093	36,033
AEL	3,406	1,469	15,332	4,484	24,691
TLI	15,235	2,659	8,975	-4,500	22,369
BTLL	6,359	0	17,366	-1,748	21,977
AC&L	18,412	51	8,852	139	19,948
MLL	3,446	0	14,589	0	18,035
NRMA	3,902	0	3,340	6,871	14,113
FAI	6,791	303	3,826	529	11,448
HALL	904	0	5,157	1,651	7,712
GSA	1,848	0	4,182	470	6,500
HLRA	9,611	0	7,802	-12,512	4,901
LLL	2,671	1,066	1,695	-996	4,436
CFML	6,615	2,807	1,626	-6,895	4,153
GERL	1,862	0	1,103	693	3,658
CLRE	3,055	0	1,136	-607	3,585
CUNA	759	423	384	1,073	2,639
AML	325	0	2,230	9	2,564
AIAA	797	300	581	626	2,304
COMB	511	890	307	-81	1,627
HCFL	145	0	1,241	85	1,471
CHLL	401	0	185	575	1,161
FORT	1,112	0	0	0	1,112
RACV	1,665	0	73	-744	994

Company Level Abstracts: Sources of Profit

1 July 1997 to 30 June 1998

Company	Investment Earnings	Emergence of Planned Profits		Experience Profit	Operating Profit after Income Tax
	on Retained Profits and Capital	Policy Owner	Shareholder		
	- (\$ thousand) -				
RGA	423	0	478	-80	821
SGL	69	0	74	246	389
DLL	531	0	82	-957	-344
SUN	4,848	899	9,062	-20,196	-5,387
MNRE	4,995	0	7,040	-23,967	-11,932
Total	1,592,226	1,645,603	971,018	-215,078	3,986,263

Company Level Abstracts: Assets

Australian Business : All Assets

As at 30 June 1998

Company	Property	Equities	Interest Bearing			Cash	Other	All Assets
			Securities	Loans				
- (\$ thousand) -								
AMP	6,466,975	16,824,641	11,468,778	2,234,163	804,874	1,038,015	38,837,446	
MLC	1,647,465	9,448,569	6,849,956	14,471	231,859	599,562	18,791,882	
NMLA	1,347,000	4,946,000	5,338,000	1,878,000	295,000	474,000	14,278,000	
MML	396,809	2,909,551	5,408,588	361,678	312,994	307,514	9,697,134	
CLL	385,162	1,918,035	5,382,500	13,934	312,662	41,640	8,053,933	
PCAL	705,334	2,062,174	2,229,315	832,968	284,631	379,731	6,494,153	
WEST	229,351	1,891,778	2,629,249	8,254	61,290	216,824	5,036,746	
MLCL	195,377	1,540,605	2,253,794	258,239	45,305	231,934	4,525,254	
GIO	457,529	1,406,642	1,698,695	56,006	615,409	76,490	4,310,771	
ZURI	320,102	1,610,594	1,861,048	44,334	232,517	218,089	4,286,684	
NULA	359,354	1,160,565	1,853,883	276,791	45,299	175,289	3,871,181	
CML	356,406	1,090,130	1,979,824	73,309	79,259	89,490	3,668,418	
ANZ	90,487	505,784	2,182,467	15,646	537,252	45,165	3,376,801	
NAFM	298,270	1,236,364	883,444	30,147	859,838	23,029	3,331,092	
MLL	118,513	538,588	1,824,806	0	583,908	28,120	3,093,935	
L&G	304,298	978,548	908,805	27,134	452,557	215,326	2,886,668	
GQLD	543,681	613,384	1,230,276	11,169	34,401	53,702	2,486,613	
CORP	0	0	0	2,285,083	68,205	22,330	2,375,618	
BTLL	176,477	992,459	845,226	0	139,886	14,929	2,168,977	
AML	25,819	683,494	853,521	0	121,896	270,961	1,955,691	
TOW	106,282	675,295	875,595	14,201	49,018	92,580	1,812,971	
CFML	61,044	443,664	380,345	4,246	8,354	4,367	902,020	
TLI	32,082	341,320	307,657	839	132,398	52,353	866,649	
NRMA	23,383	301,242	437,218	0	17,903	22,497	802,243	
FAI	61,177	315,627	290,871	272	77,955	12,828	758,730	
SUN	50,828	242,036	359,547	1,520	39,183	18,283	711,397	
SR LH	47,691	248,592	194,606	3,092	8,779	48,556	551,316	
GSA	8,914	90,966	322,045	0	73,577	25,815	521,317	
AC&L	69,543	96,830	152,377	440	36,866	23,830	379,886	
HLRA	0	0	173,486	0	1,725	92,199	267,410	
MNRE	0	31,266	128,611	335	9,127	76,707	246,046	
RACV	3,892	29,367	59,443	0	54,974	1,252	148,928	
CHLL	13,582	19,634	91,480	4,288	13,802	4,278	147,064	
LLL	1,238	15,488	99,172	1,821	8,536	18,155	144,410	
DLL	0	0	89,896	0	11,131	213	101,240	
HCFL	0	9,633	69,915	0	17,957	1,214	98,719	
AIAA	0	7,537	44,626	171	1,956	4,804	59,094	
HALL	369	0	43,319	0	6,517	2,405	52,610	
CLRE	0	0	41,626	0	6,250	3,581	51,457	
GERL	0	0	40,062	0	1,284	1,247	42,593	
COMB	0	0	28,659	1,005	5,854	788	36,306	

Company Level Abstracts: Assets

Australian Business : All Assets

As at 30 June 1998

Company	Property	Equities	Interest Bearing			Cash	Other	All Assets
			Securities	Loans				
CUNA	0	1,652	6,971	0	3,539	1,092	13,254	
FORT	0	0	6,240	0	1,646	1,005	8,891	
SGL	0	0	0	0	3,784	1,927	5,711	
Total	14,904,434	55,228,054	61,934,447	8,453,556	6,715,425	5,040,453	152,276,369	

Company Level Abstracts: Assets

Australian Business : Non-Investment Linked

As at 30 June 1998

Company	Property	Interest Bearing			Cash	Other	All Assets
		Equities	Securities	Loans			
- (\$ thousand) -							
AMP	4,552,013	9,920,657	7,366,150	1,274,014	501,718	813,180	24,427,732
NMLA	822,000	2,623,000	3,203,000	1,843,000	128,000	384,000	9,003,000
MLCL	195,377	1,540,605	2,253,794	258,239	45,305	231,934	4,525,254
MML	163,286	651,091	2,143,449	290,141	136,019	186,068	3,570,054
CML	277,659	718,052	1,511,549	73,309	54,341	83,319	2,718,229
PCAL	267,395	501,374	772,499	808,874	104,022	77,145	2,531,309
CORP	0	0	0	2,285,083	68,205	22,330	2,375,618
ANZ	17,721	20,102	1,635,627	15,646	433,340	23,424	2,145,860
NULA	201,585	259,236	1,071,034	261,470	10,370	107,265	1,910,960
GQLD	428,215	373,497	990,182	11,151	24,733	33,211	1,860,989
ZURI	84,153	173,445	735,196	44,334	101,900	151,378	1,290,406
TOW	55,170	242,657	546,424	14,178	27,570	77,026	963,025
MLC	60,000	137	636,016	14,471	65,449	173,111	949,184
L&G	114,278	289,040	324,875	27,134	33,883	87,539	876,749
SRLH	47,691	248,592	194,606	3,092	8,779	48,556	551,316
CLL	0	80	453,293	13,934	6,077	1,052	474,436
NAFM	3,007	30	299,873	30,147	44,239	23,728	401,024
GSA	0	64,133	306,504	0	4,577	21,607	396,821
AC&L	68,279	92,231	150,563	440	35,749	23,807	371,069
TLI	11,502	114,010	125,211	839	59,177	35,306	346,045
GIO	0	7	242,174	1,965	60,333	23,262	327,741
HLRA	0	0	173,486	0	1,725	92,199	267,410
MNRE	0	31,266	128,611	335	9,127	76,707	246,046
CFML	11,575	59,363	117,784	4,246	-317	1,064	193,715
NRMA	0	20,268	152,086	0	6,927	901	180,182
SUN	0	22,913	112,555	1,520	5,066	11,301	153,355
WEST	0	4,119	124,026	880	6,660	3,246	138,932
CHLL	9,821	5,659	81,910	4,288	9,741	4,140	115,559
DLL	0	0	89,896	0	11,131	213	101,240
LLL	0	4,133	63,882	1,821	9,377	18,155	97,368
HCFL	0	993	53,809	0	9,818	901	65,521
HALL	369	0	43,319	0	6,517	2,405	52,610
CLRE	0	0	41,626	0	6,250	3,581	51,457
FAI	2,761	11,839	24,631	67	7,230	1,904	48,432
GERL	0	0	40,062	0	1,284	1,247	42,593
AIAA	0	3,765	29,467	171	1,242	4,786	39,431
COMB	0	0	26,432	1,005	3,197	715	31,349
RGA	0	0	8,505	0	4,268	6,337	19,110
CUNA	0	1,652	6,971	0	3,539	1,092	13,254
FORT	0	0	6,240	0	1,646	1,005	8,891
SGL	0	0	0	0	3,784	1,927	5,711

Company Level Abstracts: Assets

Australian Business : Non-Investment Linked

As at 30 June 1998

Company	Property	Interest Bearing			Cash	Other	All Assets
		Equities	Securities	Loans			
- (\$ thousand) -							
AML	0	0	1	0	117	2,804	2,922
RACV	0	0	0	0	2,227	6	2,233
MLL	0	0	0	0	1,301	0	1,301
Total	7,393,857	17,997,946	26,287,318	7,285,794	2,065,643	2,864,884	63,895,443

Company Level Abstracts: Assets

Australian Business : Investment Linked

As at 30 June 1998

Company	Property	Interest Bearing			Cash	Other	All Assets
		Equities	Securities	Loans			
- (\$ thousand) -							
MLC	1,587,465	9,448,432	6,213,940	0	166,410	426,451	17,842,698
AMP	1,914,962	6,903,984	4,102,628	960,149	303,156	224,835	14,409,714
CLL	385,162	1,917,955	4,929,207	0	306,585	40,588	7,579,497
MML	233,523	2,258,460	3,265,139	71,537	176,975	121,446	6,127,080
NMLA	525,000	2,323,000	2,135,000	35,000	167,000	90,000	5,275,000
WEST	229,351	1,887,659	2,505,223	7,373	54,630	213,578	4,897,814
GIO	457,529	1,406,635	1,456,521	54,041	555,076	53,228	3,983,030
PCAL	437,939	1,560,800	1,456,816	24,094	180,609	302,586	3,962,844
MLL	118,513	538,588	1,824,806	0	582,607	28,120	3,092,634
ZURI	235,949	1,437,149	1,125,852	0	130,617	66,711	2,996,278
NAFM	295,263	1,236,334	583,571	0	815,599	-699	2,930,068
BTLL	176,477	992,459	845,226	0	139,886	14,929	2,168,977
L&G	190,020	689,508	583,930	0	418,674	127,787	2,009,919
NULA	157,769	901,329	782,849	15,321	34,929	68,024	1,960,221
AML	25,819	683,494	853,520	0	121,779	268,157	1,952,769
ANZ	72,766	485,682	546,840	0	103,912	21,741	1,230,941
CML	78,747	372,078	468,275	0	24,918	6,171	950,189
TOW	51,112	432,638	329,171	23	21,448	15,554	849,946
FAI	58,416	303,788	266,240	205	70,725	10,924	710,298
CFML	49,469	384,301	262,561	0	8,671	3,303	708,305
GQLD	115,466	239,887	240,094	18	9,668	20,491	625,624
NRMA	23,383	280,974	285,132	0	10,976	21,596	622,061
SUN	50,828	219,123	246,992	0	34,117	6,982	558,042
TLI	20,580	227,310	182,446	0	73,221	17,047	520,604
RACV	3,892	29,367	59,443	0	52,747	1,246	146,695
GSA	8,914	26,833	15,541	0	69,000	4,208	124,496
LLL	1,238	11,355	35,290	0	-841	0	47,042
HCFL	0	8,640	16,106	0	8,139	313	33,198
CHLL	3,761	13,975	9,570	0	4,061	138	31,505
AIAA	0	3,772	15,159	0	714	18	19,663
AC&L	1,264	4,599	1,814	0	1,117	23	8,817
COMB	0	0	2,227	0	2,657	73	4,957
Total	7,510,577	37,230,108	35,647,129	1,167,761	4,649,782	2,175,569	88,380,926

Appendices

List of Companies included in the Bulletin

<i>Full Name</i>	<i>Short Name</i>	<i>Balance Date</i>
Australian Casualty and Life Limited	<i>AC&L</i>	<i>30 September</i>
Australian Eagle Life Limited	<i>AEL</i>	<i>30 June</i>
American International Assurance Company (Australia) Limited	<i>AIAA</i>	<i>30 November</i>
AM Life Limited	<i>AML</i>	<i>30 June</i>
AMP Life Limited	<i>AMP</i>	<i>31 December</i>
ANZ Life Assurance Company Limited	<i>ANZ</i>	<i>30 September</i>
Bankers Trust Life Limited	<i>BTLL</i>	<i>31 December</i>
Colonial Financial Management Limited	<i>CFML</i>	<i>31 December</i>
Challenger Life Limited	<i>CHLL</i>	<i>30 June</i>
Commonwealth Life Limited	<i>CLL</i>	<i>30 June</i>
General and Cologne Life Re Australasia Ltd	<i>CLRE</i>	<i>31 December</i>
The Colonial Mutual Life Assurance Society Limited	<i>CML</i>	<i>31 December</i>
Combined Life Insurance Company of Australia Limited	<i>COMB</i>	<i>31 December</i>
Citicorp Life Insurance Limited	<i>CORP</i>	<i>31 December</i>
Cuna Mutual Insurance Society	<i>CUNA</i>	<i>31 December</i>
Deutsche Life Limited	<i>DLL</i>	<i>31 December</i>
FAI Life Insurance Society Limited	<i>FAI</i>	<i>30 June</i>
Fortis Life Assurance Company Limited	<i>FORT</i>	<i>31 December</i>
Gerling Global Life Reinsurance Company of Australia Pty Limited	<i>GERL</i>	<i>31 December</i>
GIO Personal Investment Services Limited	<i>GIO</i>	<i>30 June</i>
Suncorp Life & Superannuation Limited	<i>GQLD</i>	<i>30 June</i>
SGIC Life Limited	<i>GSA</i>	<i>31 December</i>
Hallmark Life Insurance Company Limited	<i>HALL</i>	<i>31 December</i>
HCF Life Insurance Company Pty Limited	<i>HCFL</i>	<i>30 June</i>

List of Companies included in the Bulletin

<i>Full Name</i>	<i>Short Name</i>	<i>Balance Date</i>
Hannover Life Re of Australasia Limited	<i>HLRA</i>	<i>31 December</i>
Legal and General Life of Australia Limited	<i>L&G</i>	<i>31 December</i>
Lumley Life Limited	<i>LLL</i>	<i>30 June</i>
MLC Limited	<i>MLC</i>	<i>30 June</i>
MLC Lifetime Company Limited	<i>MLCL</i>	<i>30 June</i>
Macquarie Life Limited	<i>MLL</i>	<i>31 March</i>
Mercantile Mutual Life Insurance Company Limited	<i>MML</i>	<i>30 September</i>
Munich Reinsurance Company of Australasia Limited	<i>MNRE</i>	<i>31 December</i>
National Australia Financial Management Limited	<i>NAFM</i>	<i>30 September</i>
The National Mutual Life Association of Australasia Limited	<i>NMLA</i>	<i>30 September</i>
NRMA Life Limited	<i>NRMA</i>	<i>30 June</i>
Norwich Union Life Australia Limited	<i>NULA</i>	<i>31 December</i>
Prudential Corporation Australia Limited	<i>PCAL</i>	<i>31 December</i>
RACV Financial Services Limited	<i>RACV</i>	<i>28 February</i>
RGA Reinsurance Company of Australia Limited	<i>RGA</i>	<i>31 December</i>
St George Life Limited	<i>SGL</i>	<i>30 September</i>
Swiss Re Life & Health Australia Limited	<i>SLRH</i>	<i>31 December</i>
Royal & Sun Alliance Life Assurance Australia Limited	<i>SUN</i>	<i>31 December</i>
Tyndall Life Insurance Company Limited	<i>TLI</i>	<i>31 December</i>
Tower Life Australia Limited	<i>TOW</i>	<i>30 September</i>
Westpac Life Insurance Services Limited	<i>WEST</i>	<i>30 September</i>
Zurich Australia Limited	<i>ZURI</i>	<i>31 December</i>
Total	46 insurers	

List of Companies included in the Bulletin

Notes:

1. 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.
2. 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:

Armstrong Jones Life Assurance Limited	▪ Awaiting deregistration; business transferred the 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
Australian Eagle Life Limited	▪ Deregistered July 1998 but business transferred to MLC Limited and MLC Lifetime Company Limited in April 1998
Swiss Reinsurance Company	▪ Deregistered in April 1998 but business transferred to Swiss Re Life & Health Australia Limited in December 1997

3. 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)
Cologne Life Reinsurance Company of Australia Limited	General & Cologne Life Re Australasia Limited (CLRE)

Glossary of Terms

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.

Glossary of Terms

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.

Glossary of Terms

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.

Prudential 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:

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

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

Glossary of Terms

- (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;

Glossary of Terms

- (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.