

Half Yearly Life Insurance Financial Bulletin

Year Ending June 1999

The Australian Prudential Regulation Authority (“APRA”) collects these statistics from the financial services industry and publishes them to provide general information on industry trends. APRA uses its best endeavours to present the information that it receives accurately.

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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. The *Bulletin* contains company level abstracts on profit and loss, balance sheet, solvency, sources of profit and quarterly assets. Recent key enhancements that have been added to the *Bulletin* are a key statistics table and market statistics tables.

The *Bulletin* will primarily be available on the APRA website (<http://www.apra.gov.au>). Requests for hard copies should be referred to the Public Affairs Unit, GPO Box 9836, Sydney NSW 2011 on 02 9210 3255. A fee to cover administrative costs will be charged for hard copy distribution.

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.

The *Half Yearly Life Insurance Financial Bulletin* aims to provide the life insurance industry and all interested parties with statistical, financial and actuarial information about the industry. It is hoped that this, and other APRA publications, will continue to serve the same purpose, as well as provide a clear picture of the development of the life insurance industry in Australia.

Craig Thorburn
General Manager
Diversified Institutions

Introduction

The *Half Yearly Life Insurance Financial Bulletin* for June 1999 contains selected financial and market statistics of the life insurance companies, presented primarily at aggregate level for all companies balancing between 1 July 1998 to 30 June 1999. 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* is 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 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 *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.

Life Insurance Highlights

For companies balancing between 1st July 1998 and 30th June 1999

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) under the Main Features heading represent the equivalent values from the June 1998 Bulletin.

- Total life insurance statutory fund assets for companies balancing during the year ending 30 June 1999 were \$166.3 billion (\$169.2 billion). These assets were backing \$144.7 billion (\$139.9 billion) of Australian and overseas policy liabilities and bonuses.
- The industry aggregate solvency reserve percentage was 6.1% (8.9%). The corresponding solvency coverage ratio for companies balancing during the year ending 30 June 1999 was 1.74 (1.79).
- Life insurance premiums totalled \$37.2 billion (\$31.7 billion) for companies balancing during the year ending 30 June 1999. Investment linked business accounted for \$24.5 billion (\$20.9 billion), the remaining \$12.7 billion (\$10.8 billion) was non-investment linked business.
- Total life insurance policy payments were \$35.5 billion (\$26.3 billion) for companies balancing during the year ending 30 June 1999. Surrenders and terminations accounted for \$20.4 billion (\$16.3 billion) of all policy payments.
- Aggregate industry profits were \$3.0 billion (\$4.0 billion), of which \$1.4 billion (\$1.9 billion) was allocated to policy owners and \$1.6 billion (\$1.7 billion) to shareholders.
- Equities and unit trusts accounted for 55% of the investment assets of life insurance statutory funds.

While interest bearing securities and loans accounted for a further 39% 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 6.1%.

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 14.9%.

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 1.74. For investment linked business, the ratio was 2.07, while for non-investment linked business the solvency coverage ratio was 1.72.

Half of all life companies had a solvency coverage ratio between 1.5 and 3.0.

Industry Structure

Australian business accounted for almost 97% (\$140.0 billion) of the total policy liabilities and bonuses in the life insurance industry. The remaining 3% (\$4.8 billion) of liabilities and bonuses related to overseas business.

Superannuation business represented about 83% (\$115.6 billion) of Australian policy liabilities and bonuses. Superannuation participating policies represented 19% (\$21.7 billion) and non-participating policies 81% (\$93.9 billion) of the Superannuation total.

Ordinary business represented the remaining 17% (\$24.3 billion) of Australian policy liabilities and bonuses. About 53% (\$12.9 billion) of the ordinary total represented participating policies and 47% (\$11.3 billion) non-participating policies.

The proportion of superannuation business has increased by 6% (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 \$3.0 billion. Non-investment linked business accounted for \$2.5 billion of this, while the profit relating to investment linked business was \$0.5 billion.

The profit allocated to policy owners accounted for 46% (\$1.4 billion) of the total profit. The remaining 54% (\$1.6 billion) was allocated to shareholders.

Total industry profit can be divided into its different sources. Planned profits contributed 77% (\$2.3 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 35% (\$1.0 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 for companies balancing during the year ending 30 June 1999 were \$37.2 billion.

Investment linked business accounted for 66% (\$24.5 billion) of these premiums, with the remaining 34% (\$12.7 billion) relating to non-investment linked business.

Single premiums accounted for \$25.6 billion of the total premium amount, with a further \$6.7 billion due to regular premium policies. With the remaining 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 1999 were \$32.5 billion.

Payments for surrenders and terminations accounted for 63% (\$20.4 billion) of the total policy payments. Policy maturities represented a further 11% (\$3.5 billion).

Annuity payments and death and disability claims accounted for 12% (\$2.1 billion and \$1.8 billion respectively) of policy payments. A further 7% (\$2.3 billion) resulted from policy conversions and 4% (\$1.3 billion) from payments under continuing superannuation plans.

Total premiums received during the period exceeded total policy payments by \$4.7 billion.

Asset Allocation

The proportion of life insurance investment assets held in growth assets (ie equities, unit trusts and property) was 59% of total investment assets, compared to 54% for the previous year. While investments in more defensive assets (ie interest bearing securities, loans and cash) accounted for 39% of total investment assets, compared to 40% for the previous year.

Key Statistics

(\$ billion)

	1 st July 1998 to 30 th June 1999			
	Year Ending		Change	
	30 June 1999	30 June 1998	Amount	%
Assets				
Total statutory fund	166.3	169.2	-2.9	-1.7%
Backing Australian liabilities	160.3	154.9	5.4	3.5%
Liabilities				
Total statutory fund	154.4	151.6	2.8	1.8%
Australian liabilities	149.2	139.2	10.0	7.2%
Premiums				
Total statutory fund	37.2	31.7	5.5	17.4%
Policy payments				
Total statutory fund	32.5	26.2	6.3	24.0%
Operating expenses				
Total statutory fund	3.6	3.6	0.0	0.0%
Operating profit after income tax				
Total statutory fund	3.0	4.0	-1.0	-25.0%
Solvency reserve %	6.13	8.93	-2.8	-31.4%
Solvency coverage ratio	1.74	1.79	-0.05	-2.8%

Table 1. Profit and loss statement
(\$ million)

1st July 1998 to 30th June 1999

	Total Industry					
	Direct Insurers		Reinsurers		Total Industry	
	Statutory	Shareholders'	Statutory	Shareholders'	Statutory	Shareholders'
	funds	fund	funds	fund	funds	fund
Net insurance premiums	36,184	3	403	67	36,587	70
Investment revenue	13,009	148	100	20	13,110	168
Other revenues	175	33	10	1	185	34
Net income	49,369	184	514	88	49,882	272
Net claims	31,582	1	244	69	31,825	71
Operating expenses	3,488	122	143	30	3,631	153
Increase / (decrease) in policy liabilities	10,017	0	67	0	10,084	0
Net expenses	45,087	123	453	100	45,540	223
Operating profit before income tax	4,063	7	60	-12	4,123	-5
Income tax	1,128	-12	0	-9	1,128	-21
Operating profit after income tax	2,935	19	60	-3	2,994	16
Extraordinary items	7	-12	0	0	7	-12
Operating profit and extraordinary items after income tax	2,942	7	60	-3	3,002	4
Direct Insurers - Statutory Funds						
	Australian				Overseas	Total ^a
	Ordinary		Superannuation			
	Par	Non-Par	Par	Non-Par		
Net insurance premiums	572	3,771	4,254	27,184	565	36,184
Investment revenue	1,270	929	1,979	8,247	419	12,843
Other revenues	4	121	5	25	5	158
Net income	1,846	4,820	6,238	35,456	989	49,186
Net claims	1,337	3,015	3,705	22,935	752	31,582
Operating expenses	216	991	391	1,715	233	3,545
Increase / (decrease) in policy liabilities	-403	454	1,025	9,150	-241	9,984
Net expenses	1,149	4,459	5,121	33,800	744	45,111
Operating profit before income tax	696	361	1,118	1,651	244	4,070
Income tax	185	189	109	583	62	1,128
Operating profit and extraordinary items after income tax	511	173	1,009	1,068	182	2,942

^aDifferences may occur between Statutory fund total and sum of the details due to the elimination of interfund transactions

Table 2. Balance Sheet
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Funds						Shareholders' fund
	Australian				Overseas	Total ^a	
	Ordinary		Superannuation				
	Par	Non-Par	Par	Non-Par			
Total Industry							
Investment assets	14,742	14,552	22,943	98,665	5,412	156,314	5,047
Other assets					632	10,010	1,930
Total assets	14,742	14,552	22,943	98,665	6,044	166,324	6,978
Net policy liabilities ^b	12,618	11,239	20,779	93,834	4,746	143,216	0
Bonuses	321	74	883	106	79	1,462	0
Other liabilities					316	9,790	2,518
Total liabilities					5,142	154,369	2,518
Net assets					902	11,955	4,459
comprised of							
Policy owners retained profits						1,978	
Shareholders retained profits						6,115	1,552
Shareholders capital						3,338	2,907
Direct Insurers							
Investment assets	14,742	13,720	22,943	98,518	5,228	155,151	4,501
Other assets					604	9,777	1,210
Total sssets					5,831	164,928	5,711
Net policy liabilities ^b	12,618	10,857	20,779	93,715	4,660	142,629	0
Bonuses	321	74	883	106	79	1,462	0
Other liabilities					247	9,416	1,578
Total liabilities					4,986	153,403	1,578
Net assets					845	11,525	4,133
comprised of							
Policy owners retained profits						1,978	
Shareholders retained profits						5,712	1,435
Shareholders capital						3,312	2,697
Reinsurers							
Investment assets	0	831	0	146	185	1,162	547
Other assets					28	233	720
Total assets					213	1,396	1,266
Net policy liabilities ^b	0	382	0	120	86	587	0
Bonuses	0	0	0	0	0	0	0
Other liabilities					69	373	940
Total liabilities					155	966	940
Net assets					57	430	327
comprised of							
Policy owners retained profits						0	
Shareholders retained profits						404	117
Shareholders capital						27	210

^aCeded policy liabilities are deducted from gross policy liabilities in determining net policy liabilities

^bDifferences may occur between Statutory fund total and sum of the details due to the elimination of interfund transactions.

Table 3. Solvency
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Fund		Total ^b
	Investment Linked	Non-Investment Linked	
Total Industry			
Base liabilities	92,911	57,390	150,225
Solvency reserve	657	8,555	9,213
Solvency requirement	93,569	65,945	159,438
Total assets ^a	94,273	72,098	166,295
Assets available for solvency reserve	1,362	14,708	16,070
Solvency reserve %	0.71	14.91	6.13
Solvency coverage	2.07	1.72	1.74
Direct Insurers			
Base liabilities	92,911	56,361	149,198
Solvency reserve	657	8,328	8,985
Solvency requirement	93,569	64,689	158,183
Total assets ^a	94,273	70,702	164,901
Assetsavailable for solvency reserve	1,362	14,341	15,703
Solvency reserve %	0.71	14.78	6.02
Solvency coverage	2.07	1.72	1.75
Reinsurers			
Base liabilities	0	1,029	1,027
Solvency reserve	0	228	228
Solvency requirement	0	1,257	1,255
Total assets ^a	0	1,396	1,394
Assets available for solvency reserve	0	367	367
Solvency reserve %	-	22.11	22.15
Solvency coverage	-	1.61	1.61

^aTotal assets net of policy liabilities ceded

^bDifferences may occur between total and sum of the details due to the elimination of interfund transactions.

Table 4. Sources of Profit
(\$ million)

1st July 1998 to 30th June 1999

		Statutory Fund			Shareholders' Fund
		Investment Linked	Non-Investment Linked	Total	
Total Industry					
Investment earnings on retained profits & capital		167	875	1,042	
Emergence of planned profits					
- Policy owner		0	1,312	1,312	
- Shareholder		364	626	989	
Experience profit		-48	-112	-160	
Operating profit from other sources		0	-181	-181	
Operating profit after income tax		483	2,519	3,002	4
allocated to					
- Policy owner		0	1,392	1,392	0
- Shareholder		489	1,121	1,610	4
Return on capital (%) ^a		12%			

Direct Insurers					
Investment earnings on retained profits & capital		167	822	989	
Emergence of planned profits					
- Policy owner		0	1,312	1,312	
- Shareholder		364	588	952	
Experience profit		-48	-82	-130	
Operating profit from other sources		0	-181	-181	
Operating profit after income tax		483	2,459	2,942	7
allocated to					
- Policy owner		0	1,392	1,392	0
- Shareholder		489	1,061	1,551	7
Return on capital (%) ^a		12%			

Reinsurers					
Investment earnings on retained profits & capital		0	53	53	-
Emergence of planned profits					
Policy owner		0	0	0	-
- Shareholder		0	37	37	-
Experience profit		0	-30	-30	-
Operating profit from other sources		0	0	0	-
Operating profit after income tax		0	60	60	-3
allocated to					
- Policy owner		0	0	0	0
- Shareholder		0	60	60	-3
Return on capital (%) ^a		8%			

^aOperating profit after income tax (allocated to shareholders) / shareholders' capital and retained profits

Table 5. Premium Revenue
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Fund			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
	Total Industry			
Direct insurance premiums				
- Single	16,992	3,759	20,751	0
- Regular	2,202	4,523	6,725	0
- Contributions tax component	259	82	341	0
Total direct insurance premiums	19,454	8,364	27,818	0
Direct consideration for deferred annuities				
- Single amounts	476	147	624	0
- Regular amounts	0	0	0	0
- Rollover amounts	1,349	344	1,693	0
- Contributions tax component	2	1	3	0
Total direct consideration for deferred annuities	1,827	493	2,320	0
Direct consideration for immediate annuities				
- Single	1,483	2,741	4,224	0
- Other	188	4	192	0
- Contributions tax component	0	0	0	0
Total direct consideration for immediate annuities	1,671	2,745	4,416	0
Policy conversions	1,505	571	2,076	0
Direct insurance premiums	24,456	12,174	36,630	0
Inwards reinsurance premiums	16	569	585	269
Total non-life insurance premiums	0	0	0	3
Insurance premiums	24,472	12,742	37,215	273

Table 5. Premium Revenue
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Fund			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
	Direct Insurers			
Direct insurance premiums				
- Single	16,992	3,759	20,751	0
- Regular	2,202	4,490	6,693	0
- Contributions tax component	259	82	341	0
Total direct insurance premiums	19,454	8,331	27,785	0
Direct consideration for deferred annuities				
- Single amounts	476	147	624	0
- Regular amounts	0	0	0	0
- Rollover amounts	1,349	344	1,693	0
- Contributions tax component	2	1	3	0
Total direct consideration for deferred annuities	1,827	493	2,320	0
Direct consideration for immediate annuities				
- Single	1,483	2,741	4,224	0
- Other	188	4	192	0
- Contributions	0	0	0	0
Total direct consideration for immediate annuities	1,671	2,745	4,416	0
Policy conversions	1,505	571	2,076	0
Direct insurance premiums	24,456	12,141	36,597	0
Inwards reinsurance premiums	16	57	73	0
Total non-life insurance premiums	0	0	0	3
Insurance premiums	24,472	12,198	36,670	3

Table 5. Premium Revenue
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Fund			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
	Reinsurers			
Direct insurance premiums				
- Single	0	0	0	0
- Regular	0	33	33	0
- Contributions tax component	0	0	0	0
Total direct insurance premiums	0	33	33	0
Direct consideration for deferred annuities				
- Single amounts	0	0	0	0
- Regular amounts	0	0	0	0
- Rollover amounts	0	0	0	0
- Contributions tax component	0	0	0	0
Total direct consideration for deferred annuities	0	0	0	0
Direct consideration for immediate annuities				
- Single	0	0	0	0
- Other	0	0	0	0
- Contributions	0	0	0	0
Total direct consideration for immediate annuities	0	0	0	0
Policy conversions	0	0	0	0
Direct insurance premiums	0	33	33	0
Inwards reinsurance premiums	0	512	512	269
Total non-life insurance premiums	0	0	0	0
Insurance premiums	0	544	544	269

Table 6. Investment Revenue
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Funds			Shareholders' fund
	Investment Linked	Non-Investment Linked	Total	
	Total Industry			
Interest	1,963	2,419	4,383	77
Dividends	2,148	1,122	3,270	96
Net rents	111	269	380	1
Other investment income	373	318	692	25
Net realised and unrealised gain/loss	2,856	1,530	4,386	-24
Total investment income	7,451	5,659	13,110	175
	Direct Insurers			
Interest	1,963	2,368	4,331	66
Dividends	2,148	1,106	3,254	96
Net rents	111	265	376	1
Other investment income	373	318	691	25
Net realised and unrealised gain/loss	2,856	1,501	4,357	-32
Total investment income	7,451	5,558	13,009	155
	Reinsurers			
Interest	0	51	51	11
Dividends	0	16	16	0
Net rents	0	4	4	0
Other investment income	0	0	0	0
Net realised and unrealised gain/loss	0	29	29	9
Total investment income	0	100	100	20
	Investment Return (%) ^a			
Interest bearing securities, loans, convertible notes	8.26	10.47	9.35	10.55
Equities	7.32	6.87	7.16	2.95
Property	6.63	6.87	6.80	2.17
Other investment assets	1.24	2.73	1.66	11.38
Total investment assets	8.63	8.95	8.77	3.51

^aCalculated as investment revenue / [investment asset - (investment revenue / 2)]

Table 7. Policy Payments
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
	Total Industry			
Death and disability claims	234	1,536	1,770	1
Maturities	773	2,684	3,457	0
Annuities	908	1,218	2,126	0
Surrenders and terminations	15,425	4,971	20,396	0
Payments under continuing superannuation plans	720	528	1,248	0
Allocated annuities	8	11	19	0
Policy conversions	1,277	991	2,268	0
Other	728	88	816	0
Direct claims	20,074	12,027	32,101	1
Inwards reinsurance claims	326	327	653	189
Bonuses paid (from current year profit)	0	-260	-260	0
Policy payments	20,400	12,094	32,493	191
	Direct Insurers			
Death and disability claims	234	1,502	1,736	1
Maturities	773	2,684	3,457	0
Annuities	908	1,218	2,126	0
Surrenders and terminations	15,425	4,971	20,396	0
Payments under continuing superannuation plans	720	528	1,248	0
Allocated annuities	8	11	19	0
Policy conversions	1,277	991	2,268	0
Other	728	88	816	0
Direct claims	20,074	11,993	32,067	1
Inwards reinsurance claims	326	42	368	0
Bonuses paid (from current year profit)	0	-260	-260	0
Policy payments	20,400	11,775	32,174	2
	Reinsurers			
Death and disability claims	0	34	34	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	34	34	0
Inwards reinsurance claims	0	285	285	189
Bonuses paid (from current year profit)	0	0	0	0
Policy payments	0	319	319	189

Table 8. Operating Expenses
(\$ million)

1st July 1998 to 30th June 1999

1 July 1998 to 30 June 1999				
	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
Total Industry				
General administration expenses				
- Policy acquisition				
* Commission	262	379	640	1
* Other	359	490	849	7
- Policy maintenance				
* Commission	146	238	384	17
* Other	505	857	1,361	72
- Investment management	155	151	307	5
- Other	0	0	0	9
Interest				
- Subordinated debt	8	30	37	0
- Other borrowings	26	26	52	25
Total non-life operating expenses				22
Total operating expenses	1,460	2,171	3,631	158
Direct Insurers				
General administration expenses				
- Policy acquisition				
* Commission	262	335	596	1
* Other	359	480	838	4
- Policy maintenance				
* Commission	146	180	326	0
* Other	505	828	1,333	61
- Investment management	155	150	305	4
- Other	0	0	0	9
Interest				
- Subordinated debt	8	29	36	0
- Other borrowings	26	26	52	25
Total non-life operating expenses				22
Total operating expenses	1,460	2,028	3,488	127
Reinsurers				
General administration expenses				
- Policy acquisition				
* Commission	0	44	44	0
* Other	0	11	11	3
- Policy maintenance				
* Commission	0	58	58	17
* Other	0	28	28	10
- 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	143	143	30

Table 8. Operating Expenses
Net Margins (%)^a

1st July 1998 to 30th June 1999

	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
Direct insurers	6.04	16.68	9.64	4691.98
Reinsurers	-	35.38	35.38	45.50
Industry total	6.04	17.28	9.92	226.02

^aCalculated as operating expenses / net premiums

Table 8. Operating Expenses
Gross Margins (%)^a

1st July 1998 to 30th June 1999

	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
Direct Insurers	6.01	16.16	9.51	3969.58
Reinsurers	-	26.18	26.18	11.31
Industry Total	6.01	16.58	9.76	57.79

^aCalculated as operating expenses / gross premiums

Table 9. Investment Assets
(\$ million)

1st July 1998 to 30th June 1999

	Statutory Funds			Shareholders' Fund
	Investment Linked	Non-Investment Linked	Total	
	Total Industry			
Property	1,727	4,048	5,776	67
Equities	30,407	16,887	47,294	3,294
National government interest bearing securities	7,977	7,139	15,116	75
Other public sector interest bearing securities	5,787	7,600	13,387	181
Private sector interest bearing securities	10,888	9,400	20,288	509
Loans	2,841	9,034	11,874	724
Convertible notes	105	171	276	0
Other direct investments	697	1,221	1,917	85
Unit trusts	28,640	10,168	38,808	146
Partnerships and joint ventures	191	225	415	0
Other indirect investments	771	191	962	1
Total investment assets	90,031	66,083	156,114	5,082
	Direct Insurers			
Property	1,727	3,996	5,723	64
Equities	30,407	16,555	46,962	3,188
National government interest bearing securities	7,977	6,888	14,865	12
Other public sector interest bearing securities	5,787	7,360	13,147	28
Private sector interest bearing securities	10,888	9,185	20,073	435
Loans	2,841	9,018	11,858	595
Convertible notes	105	169	274	0
Other direct investments	697	1,190	1,886	70
Unit trusts	28,640	10,144	38,784	141
Partnerships and joint ventures	191	225	415	0
Other indirect investments	771	191	962	1
Total investment assets	90,031	64,921	154,951	4,535
	Reinsurers			
Property	0	53	53	4
Equities	0	332	332	107
National government interest bearing securities	0	251	251	62
Other public sector interest bearing securities	0	239	239	153
Private sector interest bearing securities	0	215	215	74
Loans	0	16	16	129
Convertible notes	0	2	2	0
Other direct investments	0	31	31	14
Unit trusts	0	24	24	5
Partnerships and joint ventures	0	0	0	0
Other indirect investments	0	0	0	0
Total investment assets	0	1,162	1,162	547

Market Statistics. Premium Income
(\$ thousands)

1st January 1999 to 30th June 1999

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 premium
			Claim	Maturity	Voluntary	Other			
					Discontinuance				
Total Industry									
Individual business									
Conventional	693,063	45,835	1,203	5,741	23,750	901	-1,486	705,817	334,461
Investment account	719,722	15,997	922	3,814	42,899	5,266	-1,950	680,868	1,000,850
Investment linked	1,839,898	96,057	1,228	5,948	104,354	85,109	3,993	1,743,308	5,005,276
Allocated annuity - Non-Inv linked	0	0	0	0	0	0	0	0	99,640
Allocated annuity - Inv linked	0	0	0	0	0	0	0	0	1,484,886
Other annuity - Lifetime	0	0	0	0	0	0	0	0	154,456
Other annuity - Term	0	0	0	0	0	0	0	0	1,170,407
Risk - Lump sum	1,190,411	130,531	1,378	234	78,825	-15,524	16,412	1,272,441	14,336
Risk - Income	623,634	71,989	107	21	45,329	3,589	7,554	654,130	296
Group business							0	0	0
Investment account	349,059	47,844	119	1,087	42,757	24,747	-370	327,823	1,175,973
Investment linked	867,163	154,804	173	474	50,518	102,255	-15,602	852,945	4,211,528
Non-Inv linked	0	0	0	0	0	0	0	0	21,030
Allocated annuity - Inv linked	0	0	0	0	0	0	0	0	5,456
Other annuity	5,357	0	0	0	0	0	-5,357	0	4,877
Risk	552,221	64,769	193	92	26,679	5,653	5,371	589,744	67,547
Total for class	6,840,528	627,826	5,323	17,410	415,111	211,995	8,564	6,827,078	14,751,019

Market Statistics. Premium Income
(\$ thousands)

1st January 1999 to 30th June 1999

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 premium
			Claim	Maturity	Voluntary	Other			
					Discontinuance				
Ordinary									
Individual business									
Conventional	477,701	44,583	1,022	4,168	15,995	585	-3,407	497,107	334,402
Investment account	83,783	1,812	67	559	9,632	-1,665	1,048	78,050	121,024
Investment linked	322,390	11,062	189	1,490	25,527	6,092	-70	300,084	229,044
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 - Lifetime	0	0	0	0	0	0	0	0	2,619
Other annuity - Term	0	0	0	0	0	0	0	0	784,864
Risk - Lump sum	904,674	103,864	1,138	139	59,611	-6,028	9,237	962,917	14,176
Risk - Income	617,070	71,935	105	13	45,217	1,596	7,711	649,786	296
Group business									
Investment account	2,419	543	0	0	71	18	-9	2,865	108
Investment linked	91	0	0	0	0	0	0	91	0
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	5,357	0	0	0	0	0	-5,357	0	1,126
Risk	125,771	13,456	22	0	8,286	1,190	-2,253	127,475	11,414
Total for class	2,539,256	247,256	2,543	6,368	164,340	1,788	6,901	2,618,374	1,499,072

Market Statistics. Premium Income
(\$ thousands)

1st January 1999 to 30th June 1999

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 premium
			Claim	Maturity	Voluntary Discontinuance	Other			
Superannuation									
Individual business									
Conventional	215,362	1,252	181	1,573	7,754	315	1,920	208,710	59
Investment account	635,939	14,185	856	3,255	33,267	6,931	-2,998	602,818	879,826
Investment linked	1,517,507	84,994	1,039	4,458	78,827	79,017	4,063	1,443,224	4,776,232
Allocated annuity - Non-Inv linked	0	0	0	0	0	0	0	0	99,640
Allocated annuity - Inv linked	0	0	0	0	0	0	0	0	1,484,886
Other annuity - Lifetime	0	0	0	0	0	0	0	0	151,838
Other annuity - Term	0	0	0	0	0	0	0	0	385,543
Risk - Lump sum	285,737	26,667	240	95	19,214	-9,496	7,175	309,525	160
Risk - Income	6,564	54	2	8	112	1,992	-157	4,345	0
Group business									
Investment account	346,640	47,301	119	1,087	42,686	24,730	-362	324,958	1,175,865
Investment linked	867,072	154,804	173	474	50,518	102,255	-15,602	852,854	4,211,528
Non-Inv linked	0	0	0	0	0	0	0	0	21,030
Allocated annuity - Inv linked	0	0	0	0	0	0	0	0	5,456
Other annuity	0	0	0	0	0	0	0	0	3,751
Risk	426,450	51,312	170	92	18,393	4,463	7,624	462,269	56,133
Total for class	4,301,272	380,569	2,781	11,042	250,771	210,207	1,663	4,208,704	13,251,947

Company Level Abstracts

(\$ thousands)

1st July 1998 to 30th June 1999

Company	Net Insurance Premiums	Investment Revenue	Other Revenues	Net Claims	Operating Expenses	Increase / Decrease in Liabilities	Operating Profit Income Tax ^a	Income Tax	Operating Profit After Income Tax ^b
Profit and Loss Statement									
AMP	8,613,000	4,565,000	7,000	6,648,000	902,000	3,979,000	1,473,000	293,000	1,180,000
MML	3,311,977	644,154	803	1,367,203	251,183	2,154,031	184,517	62,159	122,358
MLC	2,839,398	1,574,226	600	3,454,331	301,676	448,091	210,126	105,189	104,937
NMLA	2,668,200	767,800	5,600	3,320,800	461,100	-779,100	438,800	62,800	376,000
CLL	2,537,000	566,200	0	1,777,900	91,800	1,064,000	169,500	70,100	99,400
WEST	2,340,761	313,392	4,506	1,431,009	90,361	1,042,194	95,095	18,789	76,306
MLL	2,109,504	175,532	0	2,216,831	26,721	10,911	30,573	8,978	21,595
ANZ	1,378,889	215,759	112	1,287,917	55,802	174,093	76,948	39,041	37,907
NAFM	1,277,952	191,604	3,972	800,016	73,510	513,178	86,824	36,683	50,141
ZURI	1,269,637	496,051	0	579,698	97,058	964,165	124,767	60,676	64,091
CPSL	1,156,704	508,913	-288	2,056,350	159,393	-668,720	118,306	80,779	37,527
NULA	835,992	358,400	12,778	997,843	103,658	32,651	54,145	34,275	19,870
AML	633,221	183,798	745	172,383	6,118	625,702	13,561	10,698	2,863
GQLD	559,784	207,876	973	587,056	49,597	-1,078	133,058	33,291	99,767
CFCL	551,380	251,684	8,009	570,035	150,857	33,700	56,481	-3,501	59,982
CML	550,452	410,810	4,548	514,144	120,106	194,964	136,596	34,556	102,040
BTLL	539,555	208,396	551	391,377	24,024	282,462	50,639	29,359	21,280
CORP	534,152	194,773	0	1,038,200	49,967	-415,050	55,808	9,677	46,131
GIO	532,114	341,834	0	454,211	66,617	259,172	76,789	40,138	36,651
TOW	376,921	112,083	347	230,987	79,407	130,938	48,019	6,042	41,977
TLI	337,456	39,290	280	141,444	62,602	141,824	31,156	6,577	24,579
NRMA	210,483	76,738	61	158,607	19,770	81,095	27,810	12,192	15,618
SUN	192,045	71,305	0	119,453	67,945	70,341	5,611	2,741	2,870
SRLH	147,275	68,574	554	113,703	62,814	4,899	34,987	-1,438	36,425
AC&L	144,593	20,331	440	95,519	50,725	-6,539	25,658	6,034	19,624
DLL	141,263	8,774	160	23,782	2,319	123,470	626	0	626
HLRA	112,416	13,548	149	65,257	35,862	13,564	10,913	-397	11,310
CHLL	100,047	37,762	366	54,422	2,994	55,870	24,889	452	24,437
MLCL	99,431	311,618	122,905	427,061	33,939	-191,087	264,041	43,483	220,558
GSA	83,952	31,705	46	115,101	15,215	-17,811	3,198	4,085	-887
RACV	82,420	10,825	0	38,040	7,520	46,301	1,384	46	1,338
CLRE	57,929	3,210	22	8,856	3,962	46,007	2,336	0	2,336
CFML	55,234	88,774	-359	432,580	12,435	-320,950	19,584	17,547	2,037
GERL	39,980	3,197	0	23,122	8,774	5,560	5,721	124	5,597
LLL	26,134	5,524	0	17,160	22,778	-11,988	3,708	-976	4,684
HALL	24,874	3,476	0	12,808	6,130	-445	9,857	1,422	8,435
AIAA	24,598	5,555	43	10,446	14,990	3,545	1,215	-1,509	2,724
MNRE	24,089	11,301	28	24,500	11,387	-5,152	4,683	1,976	2,707
HCFL	22,042	5,026	0	24,578	2,846	-3,158	2,802	1,871	931
RGA	21,108	623	9,697	8,449	19,716	2,036	1,227	-71	1,298
CUNA	15,426	1,009	0	7,051	2,763	4,980	1,640	136	1,504
FORT	4,678	538	580	1,284	938	286	3,288	182	3,106
COMB	1,859	2,644	125	5,873	783	-3,707	1,679	852	827
SGL	1,169	194	0	52	423	-194	1,082	95	987
Total	36,587,094	13,109,825	185,353	31,825,438	3,630,586	10,084,052	4,122,647	1,128,153	2,994,494

^aIncludes abnormal items

^bBefore extraordinary

Company Level Abstracts

(\$ thousands)

1st July 1998 to 30th June 1999

Company	Investment Assets	Other Assets	Total Assets	Net Policy Liabilities ^a	Other Liabilities	Total Liabilities	Net Assets		
							Policy Owners Profits	Shareholders' Profits	Shareholders' Capital
Balance Sheet									
AMP	43,862,000	1,830,000	45,978,000	37,982,000	2,696,000	41,697,000	1,055,000	3,040,000	186,000
MLC	18,489,953	899,703	19,389,656	17,274,983	1,660,421	19,103,532	0	246,124	40,000
NMLA	15,100,800	528,100	15,646,300	12,866,600	1,341,000	14,450,800	393,800	637,600	164,100
MML	9,993,111	303,943	10,296,463	9,233,752	406,514	9,663,867	55,906	171,162	405,528
CLL	8,703,300	1,112,200	9,817,000	8,641,800	917,400	9,560,700	0	231,400	24,900
WEST	6,273,110	132,218	6,405,328	5,924,573	131,096	6,074,017	0	210,901	120,410
CPSL	5,713,957	236,990	5,968,643	5,355,991	269,427	5,695,173	-18,565	198,614	93,421
CML	4,728,279	394,831	5,139,553	4,298,625	401,031	4,737,986	-30,399	101,331	330,635
MLCL	3,996,678	339,593	4,336,271	3,357,351	522,942	4,137,467	165,766	33,038	0
ZURI	3,832,364	950,671	4,826,417	4,067,998	240,343	4,362,754	55,364	408,299	0
GIO	3,825,194	714,045	4,539,410	3,811,210	598,195	4,411,001	472	127,937	0
NULA	3,692,833	128,639	3,828,499	3,269,549	248,857	3,526,610	4,160	203,631	94,098
CFCL	3,234,634	234,290	3,464,491	2,893,536	235,619	3,131,749	1,581	262,297	68,864
NAFM	3,138,013	333,524	3,471,537	3,267,118	60,712	3,327,830	0	136,707	7,000
ANZ	3,130,483	538,306	3,670,873	3,327,741	142,321	3,473,223	820	196,830	0
MLL	2,915,634	155,859	3,071,493	2,994,217	57,608	3,051,825	0	8,668	11,000
AML	2,567,471	15,999	2,584,129	2,549,635	25,597	2,575,891	0	8,238	0
GQLD	2,474,060	66,991	2,553,151	2,054,323	90,599	2,226,238	229,343	67,804	29,766
CORP	2,108,322	134,217	2,254,557	1,874,824	9,559	1,896,401	0	358,156	0
BTLL	1,862,733	436,982	2,299,715	2,241,024	23,542	2,264,566	0	35,149	0
TOW	1,743,958	72,630	1,871,916	1,521,436	78,330	1,677,926	49,284	110,646	34,060
TLI	809,384	136,241	1,020,836	751,554	45,354	876,408	7,190	82,723	54,515
NRMA	789,846	36,307	823,776	715,594	47,960	761,177	0	50,599	12,000
SUN	756,188	43,236	799,424	762,706	50,208	684,270	-943	55,897	60,200
SRLH	664,086	66,436	731,168	333,135	171,979	505,760	0	225,408	0
AC&L	337,375	32,459	402,481	152,437	80,489	265,703	941	106,792	29,045
HLRA	220,903	36,518	337,925	77,166	73,036	230,706	0	107,219	0
CHLL	205,957	20,602	226,559	185,771	2,019	187,790	0	38,769	0
DLL	186,010	14,055	200,065	180,019	5,867	185,886	0	-208	14,387
MNRE	177,554	37,012	271,000	84,888	88,032	229,354	0	41,646	0
RACV	131,733	54,330	186,063	157,833	7,246	165,079	0	-778	21,762
LLL	112,801	10,103	149,759	87,927	8,213	124,155	649	14,875	10,080
HCFL	82,232	13,518	95,750	80,303	4,153	85,792	0	9,958	0
AIAA	55,432	11,979	67,411	29,261	7,292	42,288	141	13,027	11,955
CLRE	49,610	48,247	97,857	60,127	13,640	73,767	0	17,090	7,000
GERL	41,737	21,671	68,291	35,767	10,444	51,094	0	9,947	7,250
HALL	39,046	10,224	50,840	20,620	8,538	30,728	0	20,012	100
COMB	30,492	2,694	33,186	22,957	1,966	25,751	4,889	-5,454	8,000
CUNA	17,747	2,301	20,047	8,241	3,633	12,406	2,103	5,415	123
RGA	8,514	21,507	30,021	-3,726	14,245	15,433	0	2,338	12,250
FORT	6,867	5,550	14,589	5,255	6,506	13,933	0	656	0
SGL	3,480	667	6,955	-450	221	2,579	0	1,376	3,000
CFML	0	39,028	39,028	0	39,028	39,028	0	0	0
GSA	0	0	0	0	0	0	0	0	0
Total	156,113,881	10,224,416	167,086,433	142,555,671	10,847,183	155,655,644	1,977,502	7,591,839	1,861,449

^aCeded policy liabilities are deducted from gross policy liabilities in determining net policy liabilities

Company Level Abstracts

(\$ thousands)

1st July 1998 to 30th June 1999

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets ^a	Assets Available for Solvency	Solvency Reserve%	Solvency Coverage
Solvency by Solvency Coverage							
SGL	428	15	443	4,147	3,719	3.50	247.93
HALL	30,747	845	31,592	49,270	18,523	2.75	21.92
RACV	178,184	620	178,804	186,063	7,879	0.35	12.71
HCFL	89,107	739	89,846	95,750	6,643	0.83	8.99
WEST	6,177,943	28,339	6,206,282	6,405,329	227,386	0.46	8.02
HLRA	186,365	13,557	199,922	257,421	71,056	7.27	5.24
CORP	1,888,550	77,993	1,966,543	2,242,539	353,989	4.13	4.54
NRMA	795,459	7,167	802,626	826,153	30,694	0.90	4.28
BTLL	2,261,143	9,556	2,270,699	2,299,745	38,602	0.42	4.04
NAFM	3,364,716	32,859	3,397,575	3,471,537	106,821	0.98	3.25
NMLA	13,654,700	733,300	14,388,000	15,628,900	1,974,200	5.37	2.69
LLL	113,736	3,446	117,182	122,904	9,168	3.03	2.66
AC&L	309,648	22,973	332,620	369,835	60,187	7.42	2.62
COMB	21,124	4,626	25,750	33,186	12,062	21.90	2.61
ZURI	4,305,449	183,013	4,488,462	4,783,035	477,586	4.25	2.61
CML	4,534,331	247,958	4,782,289	5,123,109	588,778	5.47	2.37
RGA	24,664	2,285	26,949	30,021	5,357	9.26	2.34
CUNA	12,729	3,221	15,950	20,047	7,318	25.30	2.27
CLL	9,695,996	53,785	9,749,781	9,815,484	119,488	0.55	2.22
AIAA	39,741	13,392	53,133	67,411	27,670	33.70	2.07
CPSL	5,600,754	181,598	5,782,352	5,950,947	350,193	3.24	1.93
MML	9,416,502	490,141	9,906,643	10,297,054	880,552	5.21	1.80
GIO	4,423,668	64,535	4,488,203	4,539,239	115,571	1.46	1.79
GQLD	1,831,036	401,617	2,232,653	2,541,051	710,015	21.93	1.77
CLRE	89,645	4,684	94,330	97,857	8,212	5.23	1.75
MLC	19,162,330	129,964	19,292,294	19,389,656	227,326	0.68	1.75
TOW	1,585,055	132,043	1,717,097	1,816,588	231,533	8.33	1.75
MLL	3,057,298	8,991	3,066,289	3,072,534	15,236	0.29	1.69
NULA	3,644,424	107,227	3,751,651	3,821,472	177,048	2.94	1.65
GERL	46,141	10,695	56,836	63,408	17,267	23.18	1.61
ANZ	3,468,545	128,781	3,597,326	3,668,789	200,244	3.71	1.55
AMP	38,248,000	4,929,000	43,177,000	45,692,000	7,444,000	12.89	1.51
AML	2,575,035	5,663	2,580,698	2,583,470	8,435	0.22	1.49
MNRE	156,784	41,101	197,885	214,566	57,782	26.22	1.41
TLI	867,965	55,400	923,365	945,625	77,660	6.38	1.40
CFCL	3,303,198	121,336	3,424,534	3,468,924	165,726	3.67	1.37
SUN	753,019	34,215	787,234	799,424	46,405	4.54	1.36
DLL	177,844	13,639	191,483	196,088	18,244	7.67	1.34
SRLH	523,670	155,223	678,893	730,522	206,852	29.64	1.33
MLCL	3,418,997	718,470	4,137,467	4,336,271	917,274	21.01	1.28
CHLL	180,319	38,181	218,500	226,559	46,240	21.17	1.21
FORT	10,320	549	10,869	10,976	656	5.32	1.19
CFML	0	0	0	0	0	0.00	0.00
GSA	0	0	0	0	0	0.00	0.00
Total	150,225,309	9,212,742	159,438,050	166,294,906	16,069,597	6.13	1.74

^aTotal assets net of policy liabilities ceded

Company Level Abstracts

(\$ thousands)

1st July 1998 to 30th June 1999

Company	Base Liabilities	Solvency Reserve	Solvency Requirement	Total Assets ^a	Assets Available for Solvency	Solvency Reserve%	Solvency Coverage
Solvency by Reserve %							
AIAA	39,741	13,392	53,133	67,411	27,670	33.70	2.07
SRLH	523,670	155,223	678,893	730,522	206,852	29.64	1.33
MNRE	156,784	41,101	197,885	214,566	57,782	26.22	1.41
CUNA	12,729	3,221	15,950	20,047	7,318	25.30	2.27
GERL	46,141	10,695	56,836	63,408	17,267	23.18	1.61
GQLD	1,831,036	401,617	2,232,653	2,541,051	710,015	21.93	1.77
COMB	21,124	4,626	25,750	33,186	12,062	21.90	2.61
CHLL	180,319	38,181	218,500	226,559	46,240	21.17	1.21
MLCL	3,418,997	718,470	4,137,467	4,336,271	917,274	21.01	1.28
AMP	38,248,000	4,929,000	43,177,000	45,692,000	7,444,000	12.89	1.51
RGA	24,664	2,285	26,949	30,021	5,357	9.26	2.34
TOW	1,585,055	132,043	1,717,097	1,816,588	231,533	8.33	1.75
DLL	177,844	13,639	191,483	196,088	18,244	7.67	1.34
AC&L	309,648	22,973	332,620	369,835	60,187	7.42	2.62
HLRA	186,365	13,557	199,922	257,421	71,056	7.27	5.24
TLI	867,965	55,400	923,365	945,625	77,660	6.38	1.40
CML	4,534,331	247,958	4,782,289	5,123,109	588,778	5.47	2.37
NMLA	13,654,700	733,300	14,388,000	15,628,900	1,974,200	5.37	2.69
FORT	10,320	549	10,869	10,976	656	5.32	1.19
CLRE	89,645	4,684	94,330	97,857	8,212	5.23	1.75
MML	9,416,502	490,141	9,906,643	10,297,054	880,552	5.21	1.80
SUN	753,019	34,215	787,234	799,424	46,405	4.54	1.36
ZURI	4,305,449	183,013	4,488,462	4,783,035	477,586	4.25	2.61
CORP	1,888,550	77,993	1,966,543	2,242,539	353,989	4.13	4.54
ANZ	3,468,545	128,781	3,597,326	3,668,789	200,244	3.71	1.55
CFCL	3,303,198	121,336	3,424,534	3,468,924	165,726	3.67	1.37
SGL	428	15	443	4,147	3,719	3.50	247.93
CPSL	5,600,754	181,598	5,782,352	5,950,947	350,193	3.24	1.93
LLL	113,736	3,446	117,182	122,904	9,168	3.03	2.66
NULA	3,644,424	107,227	3,751,651	3,821,472	177,048	2.94	1.65
HALL	30,747	845	31,592	49,270	18,523	2.75	21.92
GIO	4,423,668	64,535	4,488,203	4,539,239	115,571	1.46	1.79
NAFM	3,364,716	32,859	3,397,575	3,471,537	106,821	0.98	3.25
NRMA	795,459	7,167	802,626	826,153	30,694	0.90	4.28
HCFL	89,107	739	89,846	95,750	6,643	0.83	8.99
MLC	19,162,330	129,964	19,292,294	19,389,656	227,326	0.68	1.75
CLL	9,695,996	53,785	9,749,781	9,815,484	119,488	0.55	2.22
WEST	6,177,943	28,339	6,206,282	6,405,329	227,386	0.46	8.02
BTLL	2,261,143	9,556	2,270,699	2,299,745	38,602	0.42	4.04
RACV	178,184	620	178,804	186,063	7,879	0.35	12.71
MLL	3,057,298	8,991	3,066,289	3,072,534	15,236	0.29	1.69
AML	2,575,035	5,663	2,580,698	2,583,470	8,435	0.22	1.49
CFML	0	0	0	0	0	0.00	0.00
GSA	0	0	0	0	0	0.00	0.00
Total	150,225,309	9,212,742	159,438,050	166,294,906	16,069,597	6.13	1.74

^aTotal assets net of policy liabilities ceded

Company Level Abstracts

(\$ Thousands)

1st July 1998 to 30th June 1999

Company	Investment Earnings on Retained Profits and Capital	Emergence of Planned Profits		Experience Profit	Operating Profit after Income Tax
		Policy Owner	Shareholder		
Sources of Profit					
AC&L	6,579	61	14,151	-3,073	19,624
AIAA	1,049	552	817	306	2,724
AML	509	0	2,539	-185	2,863
AMP	509,000	686,000	208,000	-40,000	1,180,000
ANZ	5,137	721	34,690	-2,641	37,907
BTLL	3,117	0	16,457	1,706	21,280
CFCL	19,615	5,224	21,189	13,954	59,982
CFML	4,621	2,913	1,269	-6,766	2,037
CHLL	22,513	0	957	967	24,437
CLL	6,859	0	82,497	10,010	99,367
CLRE	2,327	0	1,301	-1,292	2,336
CML	31,324	41,208	19,602	9,906	102,040
COMB	412	690	198	-473	827
CORP	24,129	0	22,839	-837	46,131
CPSL	20,396	58,238	26,842	-67,949	37,527
CUNA	597	419	255	234	1,504
DLL	663	0	260	-297	626
FORT	19	0	2,091	996	3,106
GERL	819	0	1,752	3,026	5,597
GIO	16,810	1,516	27,560	-9,235	36,651
GQLD	23,067	71,245	20,288	-14,833	99,767
GSA	0	0	-887	0	-887
HALL	904	0	6,183	1,348	8,435
HCFL	331	0	1,238	-638	931
HLRA	7,463	0	6,898	-3,051	11,310
LLL	1,082	1,027	1,836	739	4,684
MLC	18,780	0	104,193	-18,036	104,937
MLCL	14,028	153,215	49,392	3,923	220,558
MLL	3,833	0	17,762	0	21,595
MML	38,045	16,555	59,212	8,546	122,358
MNRE	4,127	0	2,687	-4,107	2,707
NAFM	9,457	0	11,413	29,271	50,141
NMLA	109,200	246,000	63,800	-35,800	383,200
NRMA	5,467	0	3,123	7,028	15,618
NULA	28,488	387	17,247	-26,252	19,870
RACV	1,349	0	383	-394	1,338
RGA	623	0	1,118	-443	1,298
SGL	118	0	633	236	987
SRLH	37,505	0	23,443	-24,523	36,425
SUN	5,708	808	9,281	-12,927	2,870
TLI	3,228	4,278	17,593	-520	24,579
TOW	10,864	17,182	15,736	-1,805	41,977
WEST	13,668	0	56,128	6,510	76,306
ZURI	27,711	3,921	15,364	17,095	64,091
Total	1,041,541	1,312,159	989,330	-160,275	3,001,661

Company Level Abstracts : Australian Business
(\$ thousands)

As at 30th June 1999

Company	Property	Interest Bearing			Cash	Other	All Assets
		Equities	Securities	Loans			
		All Assets					
AMP	7,077,629	13,778,660	13,454,400	3,232,565	223,659	6,177,439	43,944,352
MLC	1,303,916	6,848,403	4,405,241	257,954	196,684	6,290,011	19,302,209
NMLA	1,251,000	4,021,000	5,654,000	1,574,000	519,000	1,221,000	14,240,000
MML	652,304	3,086,859	6,720,133	207,492	223,468	1,898,296	12,788,552
CLL	394,801	2,026,735	5,429,510	7,172	338,562	1,608,711	9,805,491
WEST	389,114	1,485,344	2,872,623	1,360,042	329,375	1,155,893	7,592,391
CPSL	643,671	1,858,051	1,335,539	1,025,106	197,539	762,059	5,821,965
ZURI	282,841	1,342,229	2,089,969	56,289	76,774	1,119,343	4,967,445
CML	338,159	1,617,294	1,895,460	3,995	82,701	607,523	4,545,132
GIO	537,414	1,304,772	1,640,147	52,027	607,371	397,681	4,539,412
MLCL	312,461	927,908	1,234,709	47,732	79,533	1,725,327	4,327,670
NAFM	438,538	1,005,703	1,871,952	10,812	270,913	591,122	4,189,040
NULA	333,193	1,048,684	1,727,116	189,058	60,573	525,311	3,883,935
ANZ	136,399	399,471	2,053,757	101,319	467,864	721,670	3,880,480
CFCL	316,577	999,434	1,351,847	34,007	261,666	493,389	3,456,920
MLL	129,042	536,561	2,049,997	0	299,972	57,228	3,072,800
AML	31,908	556,902	969,223	0	263,474	742,908	2,564,415
GQLD	533,454	553,471	1,001,906	10,575	4,765	448,980	2,553,151
BTLL	174,844	729,010	898,252	0	67,258	453,367	2,322,731
TOW	101,486	579,778	846,965	18,490	261,407	291,046	2,099,172
CORP	0	0	0	1,960,761	79,579	16,661	2,057,001
TLI	60,648	385,746	370,269	4,769	165,393	45,755	1,032,580
FAI	57,227	388,133	232,972	431	176,410	18,963	874,136
NRMA	33,970	238,198	431,209	0	8,992	94,244	806,613
SUN	46,991	222,360	356,994	825	50,364	108,063	785,597
HLRA	0	0	162,979	0	2,500	460,517	625,996
SRLH	51,997	258,108	206,421	2,910	4,868	52,192	576,496
AC&L	53,235	52,498	109,313	0	13,914	62,329	291,289
DLL	0	0	112,551	115,745	7,181	11,643	247,120
MNRE	0	38,917	124,062	750	3,629	69,701	237,059
CHLL	56,050	19,225	109,056	6,915	18,176	12,236	221,658
RACV	10,479	47,985	116,536	0	24,591	0	199,591
LLL	64	12,232	87,179	1,917	13,111	23,316	137,819
CLRE	0	0	45,164	0	2,108	52,491	99,763
HCFL	0	12,216	70,016	0	12,395	1,214	95,841
GERL	0	0	33,857	0	12,217	22,430	68,504
AIAA	0	4,567	43,277	218	9,187	11,003	68,252
RGA	0	0	13,524	0	4,093	31,368	48,985
HALL	299	0	32,182	0	2,980	1,931	37,392
COMB	0	0	27,762	1,254	1,528	752	31,296
CUNA	0	1,664	14,854	0	1,661	3,058	21,237
SGL	0	0	0	0	12,657	4,747	17,404
FORT	0	0	3,894	0	3,411	1,938	9,243
Total	15,749,711	46,388,118	62,206,817	10,285,130	5,463,503	28,394,856	168,488,135

Company Level Abstracts : Australian Business
(\$ thousands)

As at 30th June 1999

Company	Property	Equities	Interest Bearing		Cash	Other	All Assets
			Securities	Loans			
			Investment Linked				
MLC	1,303,916	6,847,332	3,837,560	0	191,268	6,285,929	18,466,005
AMP	2,293,880	5,941,272	5,037,534	1,069,763	-3,787	2,967,801	17,306,463
CLL	394,801	2,026,735	5,073,769	0	312,377	1,607,134	9,414,816
MML	403,148	2,350,663	4,256,060	20,365	192,989	1,365,057	8,588,282
WEST	389,114	1,482,962	2,469,583	0	129,236	1,138,203	5,609,098
NMLA	457,000	1,883,000	2,205,000	236,000	304,000	453,000	5,538,000
GIO	537,414	1,304,772	1,473,169	50,669	524,760	372,468	4,263,252
NAFM	434,249	1,003,755	1,612,109	0	258,247	566,718	3,875,078
ZURI	245,820	1,175,623	1,397,984	-15	-6,843	1,022,860	3,835,429
CPSL	388,911	1,176,670	1,029,481	45,280	122,928	659,890	3,423,160
MLL	129,042	536,561	2,049,997	0	298,664	56,991	3,071,255
AML	31,908	556,902	968,920	0	263,357	740,806	2,561,893
BTLL	174,844	729,010	898,252	0	67,258	453,367	2,322,731
CFCL	206,076	741,315	851,927	0	51,557	298,556	2,149,431
NULA	131,675	762,256	753,213	0	38,635	449,147	2,134,926
CML	118,027	1,005,683	474,796	0	17,972	302,630	1,919,108
ANZ	123,294	377,619	629,279	0	27,769	684,119	1,842,080
TOW	46,035	421,607	383,583	23	88,900	172,286	1,112,434
FAI	56,121	372,839	220,222	205	156,568	12,690	818,645
NRMA	33,970	235,577	309,935	0	2,880	92,472	674,834
TLI	37,591	291,355	202,837	0	117,872	21,352	671,007
SUN	46,906	181,796	208,165	0	20,801	96,902	554,570
GQLD	96,340	169,474	200,547	0	-69,405	128,147	525,103
RACV	10,479	47,985	113,821	0	24,394	0	196,679
LLL	0	8,870	27,477	0	4,353	0	40,700
HCFL	0	10,509	18,303	0	3,566	303	32,681
CHLL	1,618	11,577	9,537	0	2,851	4,052	29,635
AIAA	0	1,843	12,501	0	-483	1,440	15,301
COMB	0	0	0	0	0	4	4
Total	8,092,179	31,655,562	36,725,561	1,422,290	3,142,684	19,954,324	100,992,600

Company Level Abstracts : Australian Business
(\$ thousands)

As at 30th June 1999

Company	Property	Equities	Interest Bearing Securities	Loans	Cash	Other	All Assets
Non-Investment Linked							
AMP	4,783,749	7,837,388	8,416,866	2,162,802	227,446	3,209,638	26,637,889
NMLA	794,000	2,138,000	3,449,000	1,338,000	215,000	768,000	8,702,000
MLCL	312,461	927,908	1,234,709	47,732	79,533	1,725,327	4,327,670
MML	249,156	736,196	2,464,073	187,127	30,479	533,239	4,200,270
CML	220,132	611,611	1,420,664	3,995	64,729	304,893	2,626,024
CPSL	254,760	681,381	306,058	979,826	74,611	102,169	2,398,805
CORP	0	0	0	1,960,761	79,579	16,661	2,057,001
ANZ	13,105	21,852	1,424,478	101,319	440,095	37,551	2,038,400
GQLD	437,114	383,997	801,359	10,575	74,170	320,833	2,028,048
WEST	0	2,382	403,040	1,360,042	200,139	17,690	1,983,293
NULA	201,518	286,428	973,903	189,058	21,938	76,164	1,749,009
CFCL	110,501	258,119	499,920	34,007	210,109	194,833	1,307,489
ZURI	37,021	166,606	691,985	56,304	83,617	96,483	1,132,016
TOW	55,451	158,171	463,382	18,467	172,507	118,760	986,738
MLC	0	1,071	567,681	257,954	5,416	4,082	836,204
HLRA	0	0	162,979	0	2,500	460,517	625,996
SRLH	51,997	258,108	206,421	2,910	4,868	52,192	576,496
CLL	0	0	355,741	7,172	26,185	1,577	390,675
TLI	23,057	94,391	167,432	4,769	47,521	24,403	361,573
NAFM	4,289	1,948	259,843	10,812	12,666	24,404	313,962
AC&L	53,235	52,498	109,313	0	13,914	62,329	291,289
GIO	0	0	166,978	1,358	82,611	25,213	276,160
DLL	0	0	112,551	115,745	7,181	11,643	247,120
MNRE	0	38,917	124,062	750	3,629	69,701	237,059
SUN	85	40,564	148,829	825	29,563	11,161	231,027
CHLL	54,432	7,648	99,519	6,915	15,325	8,184	192,023
NRMA	0	2,621	121,274	0	6,112	1,772	131,779
CLRE	0	0	45,164	0	2,108	52,491	99,763
LLL	64	3,362	59,702	1,917	8,758	23,316	97,119
GERL	0	0	33,857	0	12,217	22,430	68,504
HCFL	0	1,707	51,713	0	8,829	911	63,160
FAI	1,106	15,294	12,750	226	19,842	6,273	55,491
AIAA	0	2,724	30,776	218	9,670	9,563	52,951
RGAA	0	0	13,524	0	4,093	31,368	48,985
HALL	299	0	32,182	0	2,980	1,931	37,392
COMB	0	0	27,762	1,254	1,528	748	31,292
CUNA	0	1,664	14,854	0	1,661	3,058	21,237
SGL	0	0	0	0	12,657	4,747	17,404
FORT	0	0	3,894	0	3,411	1,938	9,243
RACV	0	0	2,715	0	197	0	2,912
AML	0	0	303	0	117	2,102	2,522
MLL	0	0	0	0	1,308	237	1,545
Total	7,657,532	14,732,556	25,481,256	8,862,840	2,320,819	8,440,532	67,495,535

List of Companies included in the Bulletin

Full Name	Short Name	Balance Date
Australian Casualty and Life Limited	AC&L	30 September
American International Assurance Company (Australia) Limited	AIAA	30 November
AM Life Limited	AML	30 June
AMP Life Limited (previously Australian Mutual Provident Society)	AMP	31 December
ANZ Life Assurance Company Limited	ANZ	30 September
Bankers Trust Life Limited	BTLL	31 December
Colonial Financial Corporation Limited (previously Legal & General Australia)	CFCL	31 December
Colonial Financial Management Limited	CFML	31 December
Challenger Life Limited (previously Equity Life Limited)	CHLL	30 June
Commonwealth Life Limited	CLL	30 June
Cologne Life Reinsurance Company of Australia Limited	CLRE	31 December
The Colonial Mutual Life Assurance Society Limited	CML	31 December
Combined Life Insurance Company of Australia Limited	COMB	31 December
Citicorp Life Insurance Limited	CORP	31 December
Colonial Portfolio Services Limited (previously Prudential Corporation Australia Ltd)	CPSL	31 December
Cuna Mutual Insurance Society	CUNA	31 December
Deutsche Life Limited	DLL	31 December
FAI Life Insurance Society Limited	FAI	30 September
Fortis Life Assurance Company Limited	FORT	31 December
Gerling Global Life Reinsurance Company of Australia Pty Limited	GERL	31 December
GIO Personal Investment Services Limited	GIO	30 June
Suncorp Life & Superannuation Limited	GQLD	30 June
SGIC Life Limited	GSA	31 December
Hallmark Life Insurance Company Limited	HALL	31 December
HCF Life Insurance Company Pty Limited	HCFL	30 June
Hannover Life Re of Australasia Limited	HLRA	31 December
Lumley Life Limited	LLL	30 June
MLC Limited	MLC	30 June
MLC Lifetime Company Limited	MLCL	30 June
Macquarie Life Limited	MLL	31 March
Mercantile Mutual Life Insurance Company Limited	MML	30 September
Munich Reinsurance Company of Australasia Limited	MNRE	31 December
National Australia Financial Management Limited	NAFM	30 September
The National Mutual Life Association of Australasia Limited	NMLA	30 September
NRMA Life Limited	NRMA	30 June
Norwich Union Life Australia Limited	NULA	31 December
RACV Financial Services Limited	RACV	28 February
RGA Reinsurance Company of Australia Limited	RGA	31 December
St George Life Limited	SGL	30 September
Swiss Re Life & Health Australia Limited	SLRH	31 December
Royal & Sun Alliance Life Assurance Australia Limited	SUN	31 December
Tyndall Life Insurance Company Limited	TLI	31 December

List of Companies included in the Bulletin

Full Name	Short Name	Balance Date
Tower Life Australia Limited	TOW	30 September
Westpac Life Insurance Services Limited	WEST	30 September
Zurich Australia Limited	ZURI	31December
Total	45 insurers	

Notes:

1. Colonial Financial Management Limited was deregistered March 1999 and business transferred to The Colonial Mutual Life Assurance Society Limited in December 1998.
2. SGIC Life Limited was deregistered March 1999 and business transferred to Legal and General Life of Australia Limited in December 1998.
3. Legal and General Life of Australia Limited changed its name to Colonial Financial Corporation Limited on 28 May 1999.
4. Prudential Corporation Australia Limited changed its name to Colonial Portfolio Services Limited on 28 May 1999.
5. FAI Life changed their balance date to 30 September (from 30 June).

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.

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)

- *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.

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.