

Life Insurance Risk Premium Inflows & Sales for Year Ended June 2019

Release Date: 31 October 2019

Life Insurance Risk Market Inflows were fairly flat in 2018/19, up 0.8% to \$16.5bn.

Overview of Life Insurance Risk Market Inflows & Sales: 12 months to June 2019

The Life Insurance Risk Market is comprised of both Individual Risk Lump Sum & Risk Income Insurances plus Group Risk Insurance.

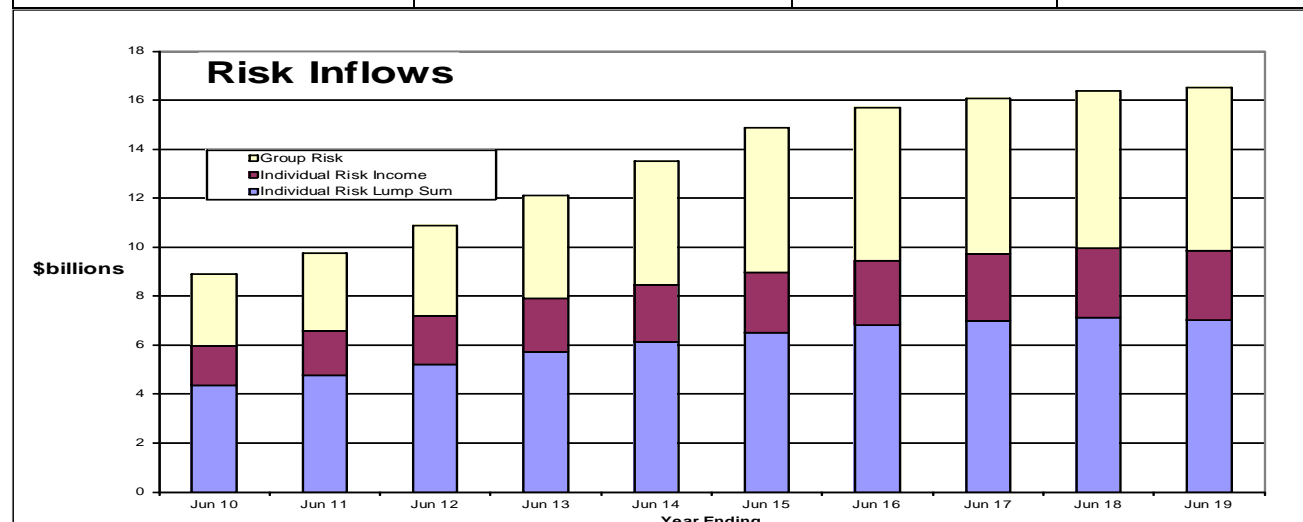
Growth in Risk Inflows almost ground to a halt over the past year, only increasing by a relatively marginal 0.8%. While MetLife (23.8%), ClearView (12.4%), AIA (6.1%), and to a lesser degree, TAL (3.3%) and Zurich (1.3%) all managed to report increases in their annual Risk Inflows, those of both CommInsure (-11.1%) and AMP (-10.6%) were significantly lower.

Total reported Premium Sales dropped by close to a quarter, or 24.0%, with all markets substantially lower in particular Group Risk where sales almost halved year on year. Most companies reported lower Risk sales led down by BT/Westpac (-62.5%), AIA (-51.1%), CommInsure (-32.7%), AMP (-25.0%) and TAL (-20.4%) that posted double digit percentage falls. In contrast to this negative trend MetLife (173.0%) saw its sales jump thanks to a recovery in its Group Risk business while Zurich (4.1%) was also higher year on year.

Total Risk Premium Inflows

\$millions	Year Ended Jun-19	Annual Growth	Market Share	Year Ended Jun-18	Market Share	Year Ended Jun-17	Market Share
TAL Group	3,857.1	3.3%	23.4%	3,734.2	22.8%	3,643.9	22.7%
AIA Australia	2,682.0	6.1%	16.3%	2,527.8	15.4%	2,332.2	14.5%
Zurich Australia Group	2,359.2	1.3%	14.3%	2,329.3	14.2%	2,278.4	14.2%
MLC Life Insurance	1,920.3	-1.2%	11.6%	1,943.6	11.9%	1,924.1	12.0%
AMP Group	1,669.0	-10.6%	10.1%	1,866.0	11.4%	1,929.9	12.0%
BT / Westpac Group	1,256.4	-0.9%	7.6%	1,268.0	7.7%	1,053.3	6.6%
CommInsure Group	1,168.0	-11.1%	7.1%	1,314.2	8.0%	1,587.1	9.9%
MetLife Insurance	815.3	23.8%	4.9%	658.6	4.0%	660.8	4.1%
ClearView Life	252.6	12.4%	1.5%	224.8	1.4%	189.5	1.2%
Others	517.5	3.6%	3.2%	499.6	3.0%	471.8	2.9%
Total	16,497.3	0.8%	100.0%	16,366.2	100.0%	16,070.9	100.0%

\$millions	Year Ended Jun-19	Annual Growth	Year Ended Jun-18	Annual Growth	Year Ended Jun-17
Individual Risk Lump Sum	7,014.6	-1.7%	7,133.1	2.0%	6,992.7
Individual Risk Income	2,839.6	0.9%	2,814.1	3.4%	2,720.3
Group Risk	6,643.2	3.5%	6,419.0	1.0%	6,357.9
Total	16,497.3	0.8%	16,366.2	1.8%	16,070.9



Release Date: 31 October 2019

About the Media Release

The Media Release is provided by Plan For Life, Actuaries and Researchers. Plan For Life are specialists in providing accurate statistical information and analyses covering the financial services, funds management and life insurance markets. This Media Release is designed to give managing directors, marketing managers and other senior managers a timely and comprehensive overview of the performance of individual companies and the overall market.

The Life Insurance Industry is analysed using the statistic "Premium Inflows", which is defined as In Force Premium at the end of the reported period, plus Single Premiums during the reported period. This is very similar to the statistic "New Inflows", used in the Funds Management Industry, and means that Life Insurance Companies can be assessed in a similar fashion to other fund managers.

The Statistics provided in this Report represent funds that flow through Life Companies' Statutory Funds, and as such exclude funds that flow through Unit Trusts and Master Funds. Consequently this Report concentrates on the market shares held within the Life Industry Funds, and not the overall Retail Funds Industry.

For the balance of this report it is important not to read too much into some of the reductions in business as some companies may have a deliberate strategy of getting rid of unprofitable business and moving funds from Life Office products to Trust based products (i.e. non-life insurance based). We can provide more details, in specific cases, on request.

Data Collection and Estimation Techniques

This Report is based wherever possible on data collected from the various Life Companies; prior to 1998, a part of the data was based on that collected by the Insurance and Superannuation Commission (now APRA), to whom acknowledgment is given. However, for many years now (10 plus) the vast majority of Companies have been providing their actual quarterly data directly to Plan For Life. When actual reported data is not available, estimates based on previous trends and/or Companies' annual reports to APRA, suitably extrapolated and/or interpolated as appropriate have been used; these have no material effect on the overall quality of the data.

Disclaimer and Conditions of Use

This report and material has been prepared by Plan For Life, an ISS Market Intelligence brand (Asset International Australia Pty Ltd, ACN 147 440 140, ABN 42 147 440 140) ("Vendor").

Vendor has taken all reasonable care in preparing this Report and takes no responsibility for inadvertent errors and omissions, or those due to information received from other parties. If any errors or omissions are found, these should be brought to our attention so that appropriate corrective action can be taken. Vendor takes no responsibility for the subsequent use of the material provided.

Vendor, its employees and associated persons make no recommendations, representations, warranties nor provide opinions, implied or otherwise about the suitability in general terms of a particular asset type or insurance and its suitability for any particular individual or organization. This report is provided as an information service and is not suitable to be acted upon as life insurance advice without additional input from an Authorised Representative of an Australian Financial Services Licence Holder. In particular, Vendor advises that in preparing this report it did not take into account the individual goals and objectives, anticipated resources, current situation, attitudes or other circumstances of any particular person. In this regard any such user must consult with an appropriate Authorised Representative of an Australian Financial Services Licence Holder. The information provided on financial products does not constitute financial product advice and users of this information should obtain independent advice before making any financial decision.

Vendor is an Australian Financial Services Licence Holder; none of its employees and associated persons are currently Authorised Representatives of a Licence Holder. Vendor is a research company. Actuarial services are provided by and under the independent control of Somari Systems Pty Ltd ABN 97 006 233 923 (Simon Solomon & Associates). No part of this publication may be reproduced or distributed in any form without express prior written consent from Vendor. Acknowledgement is given to APRA for cross-reference to items appearing in its Annual and Half-annual Reports on Life Companies.

Products and Services

Simfund Dash Australia is an online interactive reporting and analysis tool designed to support the financial industry in its product, marketing, distribution, benchmarking and research efforts covering Australian superannuation and investment markets with data provided by Plan For Life. It combines a web-based database with a powerful analytical application that generates professional, presentation-ready fund industry analyses and reports in seconds. www.simfunddash.com

Further Information:

Daniel Morris

Senior Manager

Email: Daniel.Morris@issgovernance.com

Tel: +61 3 9886 4400

Address: 217 Blackburn Road, Mt Waverley VIC 3149

Website: www.pflresearch.com.au