

Life Insurance Premium Inflows fell 24.1% over the year from \$44.6bn to \$33.9bn.

1. Overview of Life Insurance Premium Inflows: 12 months to September 2009

Overall Premium Inflows dropped by almost a quarter, down by 24.1%, over the year to the end of September 2009. All sub-markets recorded substantial falls in their annual Inflows except Risk Insurance which continued to demonstrate healthy growth up 15.1% year on year. However Retirement Income Inflows more than halved dropping 53.8%. Individual and Group Superannuation were also down by 27.5% and 19.6% respectively while Ordinary (Non Superannuation) Investment Inflows fell by 15.0%.

AIA Australia (70.0%) was the only company to record any significant growth in its Inflows. AXA Australia (3.7%), MetLife Insurance (0.7%) and TOWER (-2.4%) reported little change year on year in theirs however most of the rest experienced significant falls with some of the largest being by suffered Macquarie (-45.1%), National Australia / MLC (-35.3%) and MBF Life (-33.4%).

2.1 Retirement Income

Premium Inflows into Retirement Income products fell dramatically by 53.8% over the past twelve months. All companies reported double digit percentage falls in business with the better performers, that is companies reporting the lowest percentage falls, being Challenger (-12.3%) and MBF (-23.6%). Most of the rest saw their Inflows more or less halve year on year, or worse, with the sharpest declines being suffered by AXA (-83.4%), National Australia / MLC (-74.5%), Suncorp (-73.1%) and BT / Westpac (-69.7%). This market is comprised of Short Term Annuities, Complying Longer Term Annuities and Allocated Annuities/Pensions.

2.2 Individual Superannuation Investment

Overall Inflows into this sub-market dived by more than a quarter, down 27.5%. Again, similar to the situation with the Retirement Income market, no company reported any growth, rather large percentage falls were the norm. The best results, although still negative, were in fact reported by TOWER (-4.4%), AXA (-8.1%) and Aviva (-12.4%). The Individual Super Investment sub-market comprises mainly of Single Premium Bonds and more recently Master Funds together with some older products.

2.3 Group Superannuation Investment

Group Super Premium Inflows dropped significantly by 19.6%. AXA (8.2%) went against this overall negative trend to be the only company to report any growth in its Inflows year on year. On the other hand the largest percentage decreases in business were recorded by TOWER (-70.6%) and Macquarie (-47.0%). This market category includes a large amount of older (pre 1970) products.

2.4 Ordinary (Non Superannuation) Investment

The long term decline in Ordinary (Non Superannuation) Investment business continues unabated with Inflows into that sub-market down by a further 15.0% over the last twelve months. Nevertheless two companies National Australia / MLC (4.9%) and CommInsure (1.8%) managed to buck this generally negative trend and report positive results even if they were admittedly fairly modest/marginal. By contrast both ING Australia (-43.1%) and Aviva (-37.3%) reported very substantial percentage falls in business year on year.

2.5 Risk Business

The Risk Market continues to enjoy solid growth and experienced a 15.1% increase in Inflows over the past twelve months with the highest growth rates being achieved by AIA (84.2%), BT / Westpac (21.7%), Aviva (18.8%), ING (13.6%), AMP (13.5%), CommInsure (12.9%) and National Australia / MLC (12.8%).

TABLES SECTION

1.1 Total Inflows By Life Insurance Market

\$millions	Year Ended Sep-09	Annual Growth	Year Ended Sep-08	Annual Growth	Year Ended Sep-07
Retirement Income	4,564.2	-53.8%	9,879.2	5.7%	9,342.7
Individual Superannuation Investment	9,774.7	-27.5%	13,486.6	-12.1%	15,348.0
Group Superannuation Investment	10,938.3	-19.6%	13,600.7	-6.6%	14,567.9
Ordinary (Non Superannuation) Investment	538.0	-15.0%	632.9	-25.8%	853.2
Risk Insurance	8,045.6	15.1%	6,990.3	12.6%	6,209.3
Total	33,860.9	-24.1%	44,589.7	-3.7%	46,321.2

1.2 Total Inflows By Life Insurance Market

\$millions	Year Ended Sep-09	Annual Growth	Market Share	Year Ended Sep-08	Market Share	Year Ended Sep-07	Market Share
AMP Group	9,590.9	-26.0%	28.3%	12,963.9	29.1%	13,037.4	28.1%
National Australia / MLC Group	7,080.1	-35.3%	20.9%	10,941.9	24.5%	10,968.1	23.7%
ING Australia Group	5,438.6	-27.4%	16.1%	7,487.3	16.8%	8,224.7	17.8%
AXA Australia Group	2,148.1	3.7%	6.3%	2,072.1	4.6%	1,817.0	3.9%
CommInsure Group	2,123.4	-13.3%	6.3%	2,448.6	5.5%	2,319.1	5.0%
BT / Westpac Group	1,746.4	-21.9%	5.2%	2,235.5	5.0%	2,717.4	5.9%
Suncorp Group	1,239.9	-15.6%	3.7%	1,469.4	3.3%	1,572.3	3.4%
TOWER Group	909.6	-2.4%	2.7%	932.4	2.1%	877.4	1.9%
AIA Australia	739.4	70.0%	2.2%	434.9	1.0%	362.5	0.8%
Aviva	739.1	-5.5%	2.2%	782.4	1.8%	806.0	1.7%
Challenger Financial Group	547.2	-11.1%	1.6%	615.5	1.4%	565.6	1.2%
Macquarie Life	458.1	-45.1%	1.4%	835.1	1.9%	1,423.7	3.1%
MBF Life	449.8	-33.4%	1.3%	675.2	1.5%	731.0	1.6%
Zurich Group	294.6	-15.8%	0.9%	350.0	0.8%	462.4	1.0%
MetLife Insurance	256.2	0.7%	0.8%	254.4	0.6%	350.4	0.8%
Hallmark Group	35.0	11.2%	0.1%	31.5	0.1%	31.1	0.1%
Allianz Australia Life	27.9	20.4%	0.1%	23.2	0.1%	20.1	0.0%
HCF Life	19.8	-5.0%	0.1%	20.8	0.0%	19.1	0.0%
Cuna Mutual	15.2	8.5%	0.0%	14.0	0.0%	14.2	0.0%
IOOF Life	0.8	2.4%	0.0%	0.8	0.0%	0.7	0.0%
Others	0.7	-7.4%	0.0%	0.7	0.0%	0.8	0.0%
Total	33,860.9	-24.1%	100.0%	44,589.7	100.0%	46,321.2	100.0%

* Life Insurance Groups only refers to the Life Insurance Business of these groups and specifically excludes their non-life businesses

2.1 Retirement Income Inflows

\$millions	Year Ended Sep-09	Annual Growth	Market Share	Year Ended Sep-08	Market Share	Year Ended Sep-07	Market Share
AMP Group	1,511.4	-48.2%	33.1%	2,920.5	29.6%	2,574.3	27.6%
ING Australia Group	1,218.3	-47.1%	26.7%	2,301.3	23.3%	2,203.9	23.6%
National Australia / MLC Group	753.1	-74.5%	16.5%	2,951.5	29.9%	2,362.5	25.3%
Challenger Financial Group	493.3	-12.3%	10.8%	562.5	5.7%	562.3	6.0%
CommInsure Group	257.2	-44.1%	5.6%	459.8	4.7%	463.2	5.0%
MBF Life	206.8	-23.6%	4.5%	270.8	2.7%	257.1	2.8%
Suncorp Group	52.2	-73.1%	1.1%	193.8	2.0%	258.0	2.8%
BT / Westpac Group	50.5	-69.7%	1.1%	166.7	1.7%	298.0	3.2%
Zurich Group	18.1	-50.1%	0.4%	36.3	0.4%	49.3	0.5%
AXA Australia Group	1.6	-83.4%	0.0%	9.5	0.1%	144.0	1.5%
Others	1.8	-71.9%	0.0%	6.4	0.1%	170.1	1.8%
Total	4,564.2	-53.8%	100.0%	9,879.2	100.0%	9,342.7	100.0%

2.2 Individual Superannuation Investment Inflows

\$millions	Year Ended Sep-09	Annual Growth	Market Share	Year Ended Sep-08	Market Share	Year Ended Sep-07	Market Share
AMP Group	4,272.0	-22.6%	43.7%	5,520.7	40.9%	5,113.6	33.3%
ING Australia Group	2,094.4	-28.9%	21.4%	2,946.2	21.8%	3,962.9	25.8%
National Australia / MLC Group	1,898.9	-32.8%	19.4%	2,824.5	20.9%	3,788.4	24.7%
CommInsure Group	368.7	-39.9%	3.8%	613.1	4.5%	652.4	4.3%
AXA Australia Group	330.2	-8.1%	3.4%	359.2	2.7%	422.7	2.8%
Aviva	213.3	-12.4%	2.2%	243.4	1.8%	204.8	1.3%
MBF Life	202.0	-44.9%	2.1%	366.9	2.7%	439.3	2.9%
BT / Westpac Group	105.1	-41.9%	1.1%	180.9	1.3%	370.5	2.4%
TOWER Group	99.7	-4.4%	1.0%	104.3	0.8%	117.2	0.8%
Zurich Group	75.0	-29.8%	0.8%	106.9	0.8%	153.7	1.0%
Others	115.5	-47.7%	1.2%	220.6	1.6%	122.6	0.8%
Total	9,774.7	-27.5%	100.0%	13,486.6	100.0%	15,348.0	100.0%

2.3 Group Superannuation Investment Inflows

\$millions	Year Ended Sep-09	Annual Growth	Market Share	Year Ended Sep-08	Market Share	Year Ended Sep-07	Market Share
National Australia / MLC Group	3,430.6	-19.8%	31.4%	4,279.4	31.5%	3,989.7	27.4%
AMP Group	2,939.4	-21.3%	26.9%	3,733.2	27.4%	4,598.2	31.6%
BT / Westpac Group	1,180.1	-23.4%	10.8%	1,539.7	11.3%	1,468.6	10.1%
AXA Australia Group	1,099.6	8.2%	10.1%	1,015.9	7.5%	592.7	4.1%
ING Australia Group	1,036.5	-14.4%	9.5%	1,211.3	8.9%	1,126.4	7.7%
Suncorp Group	479.9	-10.4%	4.4%	535.5	3.9%	643.6	4.4%
Macquarie Life	409.6	-47.0%	3.7%	773.3	5.7%	1,398.9	9.6%
Aviva	225.1	-18.8%	2.1%	277.2	2.0%	344.6	2.4%
CommInsure Group	108.3	-16.3%	1.0%	129.4	1.0%	189.1	1.3%
TOWER Group	22.6	-70.6%	0.2%	76.9	0.6%	90.8	0.6%
Others	6.5	-77.5%	0.1%	29.1	0.2%	125.4	0.9%
Total	10,938.3	-19.6%	100.0%	13,600.7	100.0%	14,567.9	100.0%

2.4 Ordinary (Non Superannuation) Investment Inflows

\$millions	Year Ended Sep-09	Annual Growth	Market Share	Year Ended Sep-08	Market Share	Year Ended Sep-07	Market Share
CommInsure Group	158.2	1.8%	29.4%	155.5	24.6%	80.1	9.4%
AMP Group	130.0	-6.5%	24.2%	139.1	22.0%	151.1	17.7%
ING Australia Group	79.3	-43.1%	14.7%	139.2	22.0%	159.5	18.7%
AIA Australia	56.9	-11.6%	10.6%	64.4	10.2%	64.0	7.5%
AXA Australia Group	53.6	-8.7%	10.0%	58.8	9.3%	64.7	7.6%
National Australia / MLC Group	28.6	4.9%	5.3%	27.2	4.3%	32.0	3.7%
Suncorp Group	12.2	-8.5%	2.3%	13.4	2.1%	15.5	1.8%
Aviva	5.4	-37.3%	1.0%	8.6	1.4%	5.8	0.7%
Zurich Group	5.3	-16.5%	1.0%	6.4	1.0%	7.7	0.9%
TOWER Group	3.5	-10.1%	0.7%	3.9	0.6%	4.9	0.6%
Others	4.9	-70.0%	0.9%	16.4	2.6%	268.0	31.4%
Total	538.0	-15.0%	100.0%	632.9	100.0%	853.2	100.0%

2.5 Risk Business Inflows

\$millions	Year Ended Sep-09	Annual Growth	Market Share	Year Ended Sep-08	Market Share	Year Ended Sep-07	Market Share
CommInsure Group	1,231.0	12.9%	15.3%	1,090.7	15.6%	934.3	15.0%
ING Australia Group	1,010.2	13.6%	12.6%	889.3	12.7%	772.1	12.4%
National Australia / MLC Group	968.9	12.8%	12.0%	859.3	12.3%	795.5	12.8%
TOWER Group	783.8	4.9%	9.7%	747.4	10.7%	664.4	10.7%
AMP Group	738.2	13.5%	9.2%	650.4	9.3%	600.2	9.7%
AIA Australia	682.5	84.2%	8.5%	370.5	5.3%	298.5	4.8%
AXA Australia Group	663.1	5.5%	8.2%	628.8	9.0%	592.9	9.5%
Suncorp Group	642.8	6.4%	8.0%	604.3	8.6%	553.2	8.9%
BT / Westpac Group	408.2	21.7%	5.1%	335.5	4.8%	315.8	5.1%
Aviva	294.0	18.8%	3.7%	247.4	3.5%	208.6	3.4%
Others	623.0	9.9%	7.7%	566.6	8.1%	473.7	7.6%
Total	8,045.6	15.1%	100.0%	6,990.3	100.0%	6,209.3	100.0%

3. Premium Inflows Relationship to In-Force Annual Premiums and New Single and Annual Premiums

Premium Inflows, which combines both the In-Force Annual Premium and New Single Premium statistics, is we believe a simple yet very illustrative measure of business growth and market share trends.

New Annual Premiums (which also effectively form part of Premium Inflows) is becoming a less and less relevant statistical measure of business growth, particularly in respect of investment/savings business where Companies have difficulty distinguishing between New Annual and Single Premiums.

The following table provides a means of comparing the size of each of the statistics, both old and new. As can be seen from the table below, many companies now count much of their New Business as Single Premium rather than Annual Premium.

Although we will increasingly foster the preferred use of Premium Inflows, we will still provide source material, which has the "old" parameters of New Single Premiums, New Annual Premiums and In-Force Annual Premiums for those analysts who find them useful.

Life Insurance Market In-Force & New Premium Statistics - Year Ended September 2009

\$millions	Total Inflows	In-Force Annual Premiums	New Single Premiums	New Annual Premiums
AMP Group	9,590.9	947.1	8,643.8	136.9
National Australia / MLC Group	7,080.1	999.7	6,080.4	264.6
ING Australia Group	5,438.6	975.6	4,463.0	222.0
AXA Australia Group	2,148.1	1,197.1	951.0	159.0
CommInsure Group	2,123.4	1,410.5	712.8	357.9
BT / Westpac Group	1,746.4	395.5	1,350.9	79.5
Suncorp Group	1,239.9	735.5	504.4	70.8
TOWER Group	909.6	842.2	67.4	214.1
AIA Australia	739.4	738.7	0.7	334.0
Aviva	739.1	516.8	222.3	150.5
Challenger Financial Group	547.2	-	547.2	-
Macquarie Life	458.1	39.3	418.8	23.1
MBF Life	449.8	39.7	410.1	2.2
Zurich Group	294.6	192.1	102.5	27.1
MetLife Insurance	256.2	255.7	0.5	25.4
Hallmark Group	35.0	3.4	31.6	0.0
Allianz Australia Life	27.9	12.3	15.6	2.6
HCF Life	19.8	19.5	0.3	2.9
Cuna Mutual	15.2	5.9	9.3	1.1
IOOF Life	0.8	0.8	-	-
Others	0.7	0.7	0.0	0.0
Total	33,860.9	9,328.3	24,532.6	2,073.7

Media Release

Life Insurance Premium Inflows for Year Ended September 2009



Release Date: 21 January 2010

About the Media Release

Plan for Life Pty Ltd, Actuaries and Researchers, are pleased to provide the Media Release on Life Insurance Industry Premium Inflows for the year to September 2009, based on data sourced from Life Insurance Companies.

The Life Insurance Industry is analysed using the statistic; Premium Inflow, 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 (ie 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 directly from the various Life Companies; prior to 1998, a part of the data is based on that collected by the Insurance and Superannuation Commission (now APRA), to whom acknowledgment is given. The majority of Companies now provide data to Plan for Life at least 6 monthly, as well as 3 monthly in the case of the major Companies. Where Companies no longer maintain quarterly statistics, estimates based on previous trends have been used; these have no material affect on the overall quality of the data.

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Plan for Life Pty Ltd has taken all reasonable care to ensure that data contained in this Report is accurate, fair, reasonable and balanced; no responsibility is taken for the manner in which the statistics and analysis are subsequently used. This Report is provided as an information service to Companies and Advisers in the Financial Services industry and is not suitable to be acted upon as investment advice. It is advisable to obtain investment advice before making any investment decisions relying on the information provided. Reference to this Report may be made provided the source is clearly indicated as follows: "Media Release Life Insurance Industry Results - September 2009, Plan For Life Pty Ltd".

Products and Services

Plan For Life provides a number of different data applications and analyses based on the quarterly data collection.

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