



Release Date: 16 July 2010

Life Insurance Risk Market Inflows rose 10.8% over the year from \$7.6bn to \$8.4bn.

1. Overview of Life Insurance Risk Market Inflows & Sales: 12 months to March 2010

Premium Inflows were up by a further 10.8% year on year. TOWER (33.2%), National Australia / MLC (13.4%), AMP (12.2%), ING Australia (11.0%), BT / Westpac (11.0%) and AIA Australia (10.8%) all recorded double digit percentage growth.

Overall sales in the Risk market however actually fell slightly by 6.7% with TOWER (80.1%), National Australia / MLC (19.6%), BT / Westpac (15.6%) and Hallmark (14.1%) achieving the best results. It is worth noting that the main cause of this apparent fall in overall Risk sales was in fact the sharp 31.9% decline in Group Risk sales which by their very nature can tend to be volatile and cyclical being largely dependent on the number and size of the various Group Insurance mandates that are up for their regular remarketing at any point in time.

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

2. Individual Risk Lump Sum Market - Term Life, Total & Permanent Disablement and Trauma Insurance

Inflows into this sub-market grew by 12.1%. All companies reported significant Inflow growth with the highest annual percentage rates reported by AIA (19.7%), TOWER (14.5%), ING Australia (13.2%), CommInsure (12.6%), National Australia / MLC (11.6%), Zurich (11.3%), AXA Australia (10.8%) and AMP (10.1%).

Sales of Individual Risk Lump Sum business were up by 8.6% year on year. AXA (16.3%), TOWER (15.6%), Hallmark (14.1%), AMP (14.0%), ING (13.9%), BT / Westpac (13.0%) and National Australia / MLC (10.5%) achieved the best results.

It is worth noting that the Individual Insurance Lump Sum market has over recent years been significantly impacted by the unabated growth in the Housing market which is a significant factor in the source of new insurance.

3. Individual Risk Income Market – Income Protection or Sickness & Accident and Business Expenses Insurance

Risk Income Inflows increased by 11.5% with BT / Westpac (25.2%), AIA (17.1%), ING (15.5%) and CommInsure (12.3%) reporting above average increases in their business.

Sales in this market were similarly up by 10.7%. Macquarie Life (85.1%), off a relatively low base, AXA (26.7%), BT / Westpac (24.5%), ING (24.2%) and TOWER (14.2%) reported the highest growth.

The Individual Insurance Income market is affected by both price and the profitability of the small business sector. This market supports small businesses and professionals by providing income replacement insurance in the event of Sickness or Accident.

4. Group Risk Market – Insurance component of Super Funds, Master Funds, Wrap Accounts also Credit Risk Insurance

Premium Inflows rose 8.5% with large percentage increases reported by TOWER (77.8%), Macquarie (58.1%), again off a low base, National Australia / MLC (22.7%) and AMP (21.3%).

Overall Group Risk sales dropped sharply by almost a third, down by 31.9% year on year although it is likely that much of this apparent fall, if not all of it, is due the cyclical remarketing nature of this business. This cyclical nature of Group Risk is also reflected in the results of the individual companies active in this sub-market with TOWER (245.7%), National Australia / MLC (56.6%) and Macquarie (52.4%) posting large percentage increases in their Group Risk sales in the latest year while by contrast AMP (-90.4%), AIA (-78.8%) and MetLife Insurance (-50.8%), CommInsure (-40.8%) and ING (-31.3%) all experienced significant falls.

This market is affected by trends in the stand-alone Corporate Superannuation market as well as Master Funds and Other Investment Platforms extending their services by providing risk insurance services.



Release Date: 16 July 2010

TABLES SECTION

1.1 Total Inflows By Risk Market

| \$millions | Year Ended Mar-10 | Annual Growth | Year Ended Mar-09 | Annual Growth | Year Ended Mar-08 |
|--------------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Individual Risk Lump Sum | 4,229.4 | 12.1% | 3,773.5 | 13.7% | 3,320.1 |
| Individual Risk Income | 1,563.9 | 11.5% | 1,402.0 | 11.2% | 1,260.9 |
| Group Risk | 2,634.5 | 8.5% | 2,429.1 | 23.0% | 1,974.7 |
| Total | 8,427.8 | 10.8% | 7,604.7 | 16.0% | 6,555.7 |

1.2 Total Sales By Risk Market

| \$millions | Year Ended Mar-10 | Annual Growth | Year Ended Mar-09 | Annual Growth | Year Ended Mar-08 |
|--------------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Individual Risk Lump Sum | 1,099.0 | 8.6% | 1,011.6 | 19.1% | 849.5 |
| Individual Risk Income | 354.4 | 10.7% | 320.0 | 18.4% | 270.3 |
| Group Risk | 568.5 | -31.9% | 835.0 | 33.8% | 624.0 |
| Total | 2,021.9 | -6.7% | 2,166.6 | 24.2% | 1,743.9 |

1.3 Total Risk Premium Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| National Australia / MLC Group | 1,333.8 | 13.4% | 15.8% | 1,176.1 | 15.5% | 1,048.5 | 16.0% |
| CommInsure Group | 1,163.6 | -0.9% | 13.8% | 1,174.0 | 15.4% | 999.3 | 15.2% |
| ING Australia Group | 1,069.4 | 11.0% | 12.7% | 963.2 | 12.7% | 834.6 | 12.7% |
| TOWER Group | 946.3 | 33.2% | 11.2% | 710.4 | 9.3% | 693.8 | 10.6% |
| AMP Group | 766.5 | 12.2% | 9.1% | 683.3 | 9.0% | 611.4 | 9.3% |
| AIA Australia | 728.8 | 10.8% | 8.6% | 657.8 | 8.6% | 340.1 | 5.2% |
| AXA Australia Group | 682.9 | 6.3% | 8.1% | 642.2 | 8.4% | 603.1 | 9.2% |
| Suncorp Group | 661.1 | 5.7% | 7.8% | 625.3 | 8.2% | 588.6 | 9.0% |
| BT / Westpac Group | 424.2 | 11.0% | 5.0% | 382.3 | 5.0% | 323.5 | 4.9% |
| MetLife Insurance | 251.4 | -1.0% | 3.0% | 253.8 | 3.3% | 222.4 | 3.4% |
| Others | 399.8 | 18.9% | 4.7% | 336.4 | 4.4% | 290.6 | 4.4% |
| Total | 8,427.8 | 10.8% | 100.0% | 7,604.7 | 100.0% | 6,555.7 | 100.0% |

1.4 Total Risk Premium Sales

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| National Australia / MLC Group | 376.9 | 19.6% | 18.6% | 315.1 | 14.5% | 280.9 | 16.1% |
| TOWER Group | 344.9 | 80.1% | 17.1% | 191.5 | 8.8% | 174.7 | 10.0% |
| CommInsure Group | 297.6 | -15.5% | 14.7% | 352.4 | 16.3% | 262.0 | 15.0% |
| ING Australia Group | 274.4 | 2.0% | 13.6% | 269.0 | 12.4% | 225.9 | 13.0% |
| AXA Australia Group | 147.7 | 7.1% | 7.3% | 137.9 | 6.4% | 119.5 | 6.9% |
| AMP Group | 141.9 | -40.3% | 7.0% | 237.9 | 11.0% | 225.9 | 13.0% |
| BT / Westpac Group | 117.4 | 15.6% | 5.8% | 101.5 | 4.7% | 81.2 | 4.7% |
| AIA Australia | 100.2 | -69.7% | 5.0% | 331.0 | 15.3% | 101.1 | 5.8% |
| Suncorp Group | 61.3 | -15.2% | 3.0% | 72.4 | 3.3% | 108.2 | 6.2% |
| Hallmark Group | 33.5 | 14.1% | 1.7% | 29.3 | 1.4% | 28.5 | 1.6% |
| Others | 126.2 | -1.9% | 6.2% | 128.6 | 5.9% | 135.9 | 7.8% |
| Total | 2,021.9 | -6.7% | 100.0% | 2,166.6 | 100.0% | 1,743.9 | 100.0% |



Release Date: 16 July 2010

2.1 Individual Risk Lump Sum Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| National Australia / MLC Group | 718.9 | 11.6% | 17.0% | 644.4 | 17.1% | 581.5 | 17.5% |
| CommInsure Group | 647.9 | 12.6% | 15.3% | 575.3 | 15.2% | 501.4 | 15.1% |
| ING Australia Group | 530.5 | 13.2% | 12.5% | 468.6 | 12.4% | 413.9 | 12.5% |
| AMP Group | 483.7 | 10.1% | 11.4% | 439.2 | 11.6% | 372.0 | 11.2% |
| TOWER Group | 426.3 | 14.5% | 10.1% | 372.5 | 9.9% | 324.6 | 9.8% |
| BT / Westpac Group | 345.4 | 8.5% | 8.2% | 318.3 | 8.4% | 272.5 | 8.2% |
| Suncorp Group | 329.8 | 8.5% | 7.8% | 303.9 | 8.1% | 273.6 | 8.2% |
| AXA Australia Group | 311.2 | 10.8% | 7.4% | 280.8 | 7.4% | 256.5 | 7.7% |
| Zurich Group | 144.8 | 11.3% | 3.4% | 130.1 | 3.4% | 118.6 | 3.6% |
| AIA Australia | 118.0 | 19.7% | 2.8% | 98.6 | 2.6% | 77.9 | 2.3% |
| Others | 172.9 | 21.9% | 4.1% | 141.8 | 3.8% | 127.5 | 3.8% |
| Total | 4,229.4 | 12.1% | 100.0% | 3,773.5 | 100.0% | 3,320.1 | 100.0% |

2.2 Individual Risk Lump Sum Sales

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| National Australia / MLC Group | 185.3 | 10.5% | 16.9% | 167.8 | 16.6% | 142.2 | 16.7% |
| CommInsure Group | 183.8 | -4.8% | 16.7% | 193.0 | 19.1% | 151.3 | 17.8% |
| ING Australia Group | 172.9 | 13.9% | 15.7% | 151.8 | 15.0% | 134.7 | 15.9% |
| TOWER Group | 128.4 | 15.6% | 11.7% | 111.1 | 11.0% | 97.0 | 11.4% |
| AMP Group | 98.8 | 14.0% | 9.0% | 86.7 | 8.6% | 67.5 | 7.9% |
| BT / Westpac Group | 89.3 | 13.0% | 8.1% | 79.0 | 7.8% | 63.8 | 7.5% |
| AXA Australia Group | 72.9 | 16.3% | 6.6% | 62.7 | 6.2% | 52.5 | 6.2% |
| Suncorp Group | 33.6 | -17.1% | 3.1% | 40.5 | 4.0% | 33.1 | 3.9% |
| Hallmark Group | 33.5 | 14.1% | 3.0% | 29.3 | 2.9% | 28.5 | 3.4% |
| AIA Australia | 27.0 | -21.6% | 2.5% | 34.5 | 3.4% | 27.6 | 3.3% |
| Others | 73.6 | 33.0% | 6.7% | 55.3 | 5.5% | 51.3 | 6.0% |
| Total | 1,099.0 | 8.6% | 100.0% | 1,011.6 | 100.0% | 849.5 | 100.0% |



Release Date: 16 July 2010

3.1 Individual Risk Income Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| National Australia / MLC Group | 354.9 | 11.0% | 22.7% | 319.7 | 22.8% | 281.9 | 22.4% |
| AXA Australia Group | 198.3 | 4.8% | 12.7% | 189.2 | 13.5% | 185.6 | 14.7% |
| CommInsure Group | 197.6 | 12.3% | 12.6% | 175.9 | 12.5% | 155.0 | 12.3% |
| Suncorp Group | 170.5 | 6.0% | 10.9% | 160.9 | 11.5% | 156.4 | 12.4% |
| ING Australia Group | 162.4 | 15.5% | 10.4% | 140.7 | 10.0% | 123.4 | 9.8% |
| AMP Group | 135.5 | 10.5% | 8.7% | 122.6 | 8.7% | 110.3 | 8.7% |
| TOWER Group | 134.2 | 10.9% | 8.6% | 121.0 | 8.6% | 109.7 | 8.7% |
| BT / Westpac Group | 75.9 | 25.2% | 4.9% | 60.6 | 4.3% | 48.3 | 3.8% |
| AIA Australia | 69.7 | 17.1% | 4.5% | 59.5 | 4.2% | 49.2 | 3.9% |
| Zurich Group | 49.6 | 10.5% | 3.2% | 44.9 | 3.2% | 39.3 | 3.1% |
| Others | 15.2 | 119.2% | 1.0% | 7.0 | 0.5% | 1.9 | 0.1% |
| Total | 1,563.9 | 11.5% | 100.0% | 1,402.0 | 100.0% | 1,260.9 | 100.0% |

3.2 Individual Risk Income Sales

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| National Australia / MLC Group | 90.1 | 9.1% | 25.4% | 82.6 | 25.8% | 73.8 | 27.3% |
| ING Australia Group | 47.1 | 24.2% | 13.3% | 37.9 | 11.9% | 31.3 | 11.6% |
| CommInsure Group | 44.9 | 4.3% | 12.7% | 43.0 | 13.4% | 34.3 | 12.7% |
| AXA Australia Group | 34.1 | 26.7% | 9.6% | 26.9 | 8.4% | 24.9 | 9.2% |
| AMP Group | 31.4 | 5.7% | 8.9% | 29.7 | 9.3% | 29.3 | 10.9% |
| TOWER Group | 30.3 | 14.2% | 8.6% | 26.6 | 8.3% | 20.4 | 7.5% |
| BT / Westpac Group | 28.1 | 24.5% | 7.9% | 22.5 | 7.0% | 16.8 | 6.2% |
| Suncorp Group | 16.4 | -3.7% | 4.6% | 17.0 | 5.3% | 15.9 | 5.9% |
| AIA Australia | 14.5 | -26.0% | 4.1% | 19.6 | 6.1% | 15.4 | 5.7% |
| Macquarie Life | 8.7 | 85.1% | 2.4% | 4.7 | 1.5% | 0.6 | 0.2% |
| Others | 8.8 | -6.5% | 2.5% | 9.4 | 2.9% | 7.7 | 2.8% |
| Total | 354.4 | 10.7% | 100.0% | 320.0 | 100.0% | 270.3 | 100.0% |



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4.1 Group Risk Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| AIA Australia | 541.1 | 8.3% | 20.5% | 499.7 | 20.6% | 212.9 | 10.8% |
| TOWER Group | 385.8 | 77.8% | 14.6% | 217.0 | 8.9% | 259.4 | 13.1% |
| ING Australia Group | 376.4 | 6.4% | 14.3% | 353.9 | 14.6% | 297.3 | 15.1% |
| Commlnsure Group | 318.1 | -24.8% | 12.1% | 422.8 | 17.4% | 343.0 | 17.4% |
| National Australia / MLC Group | 260.1 | 22.7% | 9.9% | 212.0 | 8.7% | 185.1 | 9.4% |
| MetLife Insurance | 236.9 | -0.3% | 9.0% | 237.6 | 9.8% | 205.8 | 10.4% |
| AXA Australia Group | 173.4 | 0.7% | 6.6% | 172.2 | 7.1% | 161.0 | 8.2% |
| Suncorp Group | 160.8 | 0.2% | 6.1% | 160.6 | 6.6% | 158.5 | 8.0% |
| AMP Group | 147.3 | 21.3% | 5.6% | 121.5 | 5.0% | 129.1 | 6.5% |
| Macquarie Life | 18.2 | 58.1% | 0.7% | 11.5 | 0.5% | 7.4 | 0.4% |
| Others | 16.5 | -20.2% | 0.6% | 20.6 | 0.8% | 15.2 | 0.8% |
| Total | 2,634.5 | 8.5% | 100.0% | 2,429.1 | 100.0% | 1,974.7 | 100.0% |

4.2 Group Risk Sales

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| TOWER Group | 186.2 | 245.7% | 32.7% | 53.9 | 6.5% | 57.4 | 9.2% |
| National Australia / MLC Group | 101.4 | 56.6% | 17.8% | 64.8 | 7.8% | 64.9 | 10.4% |
| Commlnsure Group | 68.9 | -40.8% | 12.1% | 116.4 | 13.9% | 76.4 | 12.2% |
| AIA Australia | 58.7 | -78.8% | 10.3% | 276.9 | 33.2% | 58.1 | 9.3% |
| ING Australia Group | 54.4 | -31.3% | 9.6% | 79.2 | 9.5% | 59.9 | 9.6% |
| AXA Australia Group | 40.7 | -15.9% | 7.2% | 48.3 | 5.8% | 42.1 | 6.7% |
| MetLife Insurance | 24.6 | -50.8% | 4.3% | 49.9 | 6.0% | 70.1 | 11.2% |
| AMP Group | 11.7 | -90.4% | 2.1% | 121.5 | 14.5% | 129.1 | 20.7% |
| Suncorp Group | 11.4 | -23.2% | 2.0% | 14.9 | 1.8% | 59.3 | 9.5% |
| Macquarie Life | 5.9 | 52.4% | 1.0% | 3.8 | 0.5% | 3.0 | 0.5% |
| Others | 4.7 | -12.8% | 0.8% | 5.4 | 0.7% | 3.8 | 0.6% |
| Total | 568.5 | -31.9% | 100.0% | 835.0 | 100.0% | 624.0 | 100.0% |



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About the Media Release

Plan for Life Pty Ltd, Actuaries and Researchers, are pleased to provide the Media Release on Life Insurance Risk Products Industry Results for the year to March 2010, 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.

Disclaimer and Conditions of Use

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 Risk Products Industry Results - March 2010, 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.

- | | |
|----------------------------------|---|
| 1) Retail Data | 5) Customer Segmentation Analysis |
| 2) Wholesale Data | 6) Forecasts & Projections |
| 3) Mezzanine Data | 7) Master Fund Product Databases and Comparator |
| 4) Distribution Channel Analyses | 8) Life Insurance Statistics |

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