

20 August 2008

STRONG GROWTH IN LIFE INSURANCE PREMIUMS

Market statistics for life insurance at the end of June 2008, released by the Investment Savings and Insurance Association, recorded an increase of 9.6% in the total premiums paid for inforce life policies from \$1.35 billion to \$1.48 billion over the past year.

Premiums paid on risk products, the largest product sector, recorded 11.9% growth from \$1.135 billion to \$1.27 billion for the year ended 30 June.

The huge success of KiwiSaver attracting over 750,000 savers should also provide a trigger for New Zealanders to assess their life insurance cover, particularly for families. Individuals should take the opportunity to ensure that they have adequate cover against premature death and also protection of their ability to work and earn an income. Becoming unable to work through long term illness or disability will throw any well planned savings programme off course, but this can be easily protected. Income replacement insurance is one of the fastest growing insurance products, said Vance Arkinstall.

The market share of total premiums of the leading companies has remained relatively consistent over the past 12 months with Sovereign 29.4%, AXA (NZ) 14.4%, AMP 13.7%, Asteron Life 8.5% and AIG 6.2%, holding the leading positions.

The table of top 10 life insurers based on total premiums follows:

In Force Policies as at 30 June 2008

Traditional, Risk, Group

Company	Total Inforce Annual Premiums \$000	Market Share %
Sovereign	434,481	29.4
AXA	212,926	14.4
AMP	201,950	13.7
Asteron	126,298	8.5
AIG Life	91,820	6.2
Tower NZ	76,369	5.2
Westpac Life	68,452	4.6
Fidelity	64,958	4.4
CIGNA Life	57,491	3.9
ING Insurance Services	48,576	3.3
BNZ Life	48,561	3.3

During the year ended 30 June 2008, Life Insurance Companies paid out \$425 million (last year \$412m) in death claims, a further \$209 million (\$211m) in maturities and a \$202m (\$200m) in other benefits including income replacement claims and surrender values. In total, life insurance companies have returned \$936.7 to support the families and dependents of their policyholders which is a significant contribution to the NZ economy.

For further information contact:
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