

30 November 2004

LIFE INSURANCE GROWTH

Premiums paid for life insurance grew by 5.9% from \$1.05 billion to \$1.12 billion in the year ended 30 September 2004.

Releasing the latest Investment Savings & Insurance Association life insurance statistics, Vance Arkinstall, CEO, stated "Consistent with international trends, growth in life insurance continues through risk products providing cover for a range of risks including death, income protection, trauma disability and accident.

The growth in risk insurance premiums for the 12 months ending 30 September 2004 has been 9%.

New Zealanders have a clear preference to separate their life insurance risk protection from their savings. Savings are now typically directed to managed funds and superannuation which offer professionally managed and cost effective avenues to a diversified personal investment portfolio".

Mr Arkinstall stated "that it is a good practice to regularly review existing cover to ensure that it continues to meet individual family business needs."

"The statistics collected by ISI cover over 98% of the New Zealand life insurance industry", Mr Arkinstall said.

The market shares for the Top 10 Companies are:

Company	Top 10 position	Total Market %	Top 10 position	Risk Products %
Sovereign	1	27.4	1	30.5
AXA	2	16.5	2	12.0
AMP	3	15.7	4	8.9
Asteron	4	9.3	3	10.7
AIA	5	5.9	5	7.6
Tower NZ	6	5.9	6	5.6
Westpac Life	7	4.1	7	5.3
CIGNA Life	8	4.0	8	5.1
Fidelity Life	9	3.2	9	4.1
BNZ Life	10	3.1	10	4.0

“The key benefit of life insurance is to provide financial security in the event of the unexpected. Over the year ended 30 September, life insurers paid out in excess of \$331 million for death claims, \$206 million from maturing policies and additional benefits of \$149 million. The total payments of \$686 million made by the life insurance industry over this period represents a major contribution to the security of thousands of New Zealanders and their families”, said Mr Arkinstall

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