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LIFE INSURANCE CONTINUES TO GROW STRONGLY

Statistics released by the Investment Savings and Insurance Association (ISI) indicated that total premiums paid to life insurance companies grew by 7.9%, to \$1.287 billion, for the year ended 30 September 2006.

“Premiums on the most popular products (term life insurance and income protection policies) grew by 10.9% over the year to \$1060 billion”, said Vance Arkinstall, CEO.

“Much of this strong growth results from cover for increased mortgages, the need for increased cover to protect the family, and rapidly growing awareness of the need to insure against being unable to work”, said Mr Arkinstall.

“Typically, New Zealanders prefer to use life insurance for risk cover, ie death, disability and protection against inability to work. The trend for the past decade has been for unit trusts and superannuation to be the savings vehicles of choice due to transparency, flexibility and wide fund choice and investment performance”, said Mr Arkinstall said.

During the year ended September 2006, the industry paid out over \$760m in death benefits, maturities and other benefits providing a significant contribution to New Zealand families, businesses and the economy. The value of this contribution to the protection of New Zealanders and to the economy is often overlooked”, Vance Arkinstall said.

Individual company results in the quarter reveal the following market share statistics (Top 10 companies):

1. Term Insurance

Company	Premiums Total in Force %	New Premium for Quarter %
Sovereign	27.9	27.8
AMP	13.1	10.8
AXA NZ	11.4	7.4
Asteron	9.0	7.3
AIA	7.6	8.5
Westpac	6.5	8.0
BNZ	5.1	5.0
National Bank	4.8	5.5
Fidelity Life	4.4	7.5
Tower	4.0	3.1

The companies with increased market share for term insurance in the September quarter were AIA, Westpac, National Bank and Fidelity Life.

2. Income Protection

Company	Premiums Total in Force %	New Premium for Quarter %
Sovereign	35.0	33.5
Fidelity Life	9.2	15.4
AIA	10.6	11.2
AXA NZ	12.9	9.9
Asteron	10.0	7.6
ING Life	3.0	6.5
AMP	6.7	6.0
Westpac	4.3	5.2
BNZ	1.6	2.4
National Bank	0.7	1.2

During the quarter Fidelity, AIA, ING, Westpac, BNZ and National Bank, all increased their market share.

For further information contact:
Vance Arkinstall, Chief Executive