

2023

American Council of Life Insurers

**LIFE INSURERS
FACT BOOK**



American Council of Life Insurers

**LIFE INSURERS
FACT BOOK 2023**

The American Council of Life Insurers is a Washington, D.C.-based trade association. Its member companies offer life insurance, long-term care insurance, disability income insurance, reinsurance, annuities, pensions, and other retirement and financial protection products.

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Library of Congress Catalog Number 47-27134

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Preface

The *Life Insurers Fact Book*, the annual statistical report of the American Council of Life Insurers (ACLI), provides information on trends and statistics about the life insurance industry. ACLI represents approximately 280 legal reserve life insurer and fraternal benefit society member companies operating in the United States. These member companies represent 94 percent of industry assets.

ACLI advocates the interests of life insurers and their millions of policyholders before federal and state legislators, state insurance departments, administration officials, federal regulatory agencies, and the courts. ACLI expands awareness of how the products offered by life insurers—life insurance, pensions, annuities, disability income insurance, and long-term care insurance—help Americans plan for and achieve financial and retirement security.

Unless otherwise noted, the data reported in the *Life Insurers Fact Book* are ACLI tabulations of the National Association of Insurance Commissioners (NAIC) 2022 statutory data for the life industry as of June 2023, and represent U.S. legal reserve life insurance companies and fraternal benefit societies. NAIC data are used by permission. The NAIC does not endorse any analysis or conclusions based on use of its data.

We would like to acknowledge ACLI staff who prepared the *Life Insurers Fact Book 2023*: Aaron Hoppenstedt, Vagiz Sultanbikov, and Jiangmei Wang.

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Methodology

Unless otherwise noted, data in the *Life Insurers Fact Book* come from the annual statements of life insurers filed with the National Association of Insurance Commissioners (NAIC). These data represent the U.S. insurance business of companies (or branches of foreign companies) regulated by state insurance commissioners. Unless otherwise noted, data for years after 2002 include information for both life insurance companies and for fraternal benefit societies that sell life insurance products. Prior to 2003, data do not include fraternal benefit insurance sales. Where fraternal data are included, they are included as individual, rather than group, business. Data on life insurance sales by savings banks and the U.S. Department of Veterans Affairs are provided separately in Chapter 1 only.

Most of the *Fact Book* data are reported in standardized tables that summarize information for the current year (2022 data), last year (2021 data), and 10 years previous (2012 data), along with the average annual percentage change over the last year and the last ten years. In cases where 2012 data are not available, then the oldest available data are reported.

Company ownership is reflected on a fleet basis. That is, if a stock company is owned by a mutual parent, both are now classified as mutual companies. The same is true for insurance companies owned by non-U.S. parents. This affects most notably tables in Chapter 1.

The assets of a fleet typically differ slightly from the sum of the assets of individual companies in the fleet, because the net value (stockholder equity) of the subsidiary is counted at both the subsidiary and the parent level. This same double-counting discrepancy exists for liabilities, investment income, and surplus. Adjustments have been made, when possible, to eliminate the double-counting of assets, liabilities, investment income, and surplus.

Chapter 4 presents calculations of gross and net rates of return on investment based on formulas traditionally used in the industry. The net rate of return is calculated as:

$$\frac{\text{(net investment income)}}{\text{2-year average net invested assets}}$$
. The formula for average net invested assets is
$$\frac{\text{(current year net invested assets + current year investment income due - current year borrowed money - current year payable for securities - current year capital notes - current year surplus notes + previous year net invested assets + previous year investment income due - previous year borrowed money - previous year payable for securities - previous year capital notes - previous year surplus notes - net investment income)}}{2}$$
.

The gross rate of return on fixed-rate assets is calculated as:

$$\frac{\text{(Gross investment income on bonds)}}{\text{average net investment in bonds}}$$
. The denominator is
$$\frac{\text{(CY bonds + PY Bonds - gross investment income on bonds)}}{2}$$
.

Key U.S. Life Insurers Statistics

	2012	2021	Average annual percent change		
			2022	2012/2022	2021/2022
Life insurance in force (millions)¹					
Individual	\$11,215,136	\$13,568,826	\$14,017,833	2.3	3.3
Group	8,011,839	7,524,156	7,692,444	-0.4	2.2
Credit	93,940	95,433	95,741	0.2	0.3
Total	19,320,916	21,188,415	21,806,018	1.2	2.9
Annuity considerations (millions)²					
Individual ³	\$189,258	\$152,071	\$167,099	-1.2	9.9
Group	158,837	138,561	183,709	1.5	32.6
Total	348,095	290,632	350,808	0.1	20.7
Payments under life insurance and annuity contracts (millions)					
Payments to beneficiaries	\$63,259	\$100,188	\$91,670	3.8	-8.5
Surrender values ⁴	248,322	367,467	353,022	3.6	-3.9
Policyholder dividends	15,530	17,777	19,738	2.4	11.0
Annuity payments ⁵	74,039	97,695	95,480	2.6	-2.3
Matured endowments	442	528	607	3.2	14.8
Other payments ⁶	612	671	669	0.9	-0.3
Total	402,204	584,327	561,185	3.4	-4.0
Income of life insurers (millions)					
Life insurance premiums	\$135,392	\$164,604	\$170,192	2.3	3.4
Annuity considerations ²	348,095	290,632	350,808	0.1	20.7
Health insurance premiums	172,300	192,035	189,882	1.0	-1.1
Total	655,788	647,271	710,882	0.8	9.8
Investment income	228,084	338,312	362,150	4.7	7.0
Other income ⁷	68,483	100,902	90,715	2.9	-10.1
Aggregate total	952,355	1,086,485	1,163,747	2.0	7.1
Life insurers doing business in the United States (units)					
Stock	660	542	538	-2.0	-0.7
Mutual ⁸	120	114	110	-0.9	-3.5
Fraternal ⁹	82	71	69	-1.7	-2.8
Other ¹⁰	6	10	10	5.2	-
Total	868	737	727	-1.8	-1.4

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies. ¹Data represent net business. ²Excludes deposits for guaranteed interest contracts due to codification. Data represents net business. ³Includes supplementary contracts with life contingencies. ⁴Excludes payments under deposit-type contracts, and includes annuity withdrawals of funds, for which a comparable amount in prior years is not available. ⁵Excludes payments under deposit-type contracts. ⁶Includes some disability benefits and retained assets. ⁷Includes commissions and expense allowance on reinsurance ceded. Also, includes amortization of interest maintenance reserve. ⁸Includes stock companies owned by mutual holding companies. ⁹Includes stock companies owned by fraternal benefit societies. ¹⁰Includes farm bureau, reciprocal, and risk retention groups.

FACT BOOK 2023

1

OVERVIEW

U.S. life insurance companies sell the vast majority of life insurance and annuities purchased in the United States. Fraternal organizations and federal government agencies are also in the marketplace, and certain Canadian life insurers with U.S. legal reserves are allowed to sell insurance directly from their Canadian offices to U.S. purchasers. Data from Canadian companies are not included in this chapter.

At the end of 2022, 727 life insurance companies were in business in the United States (Table 1.1). The number of active companies peaked in 1988 (Table 1.7), and has since fallen steadily, mostly due to company mergers and consolidations. This streamlining has helped to reduce operating costs and general overhead, and has significantly increased efficiency.

ORGANIZATIONAL STRUCTURE

Stock and Mutual Life Insurers

Most life insurers are organized as either stock or mutual companies. Stock life insurance companies issue stock and are owned by their stockholders. Mutual companies are legally owned by their

policyholders and consequently do not issue stock.

Stock life insurers can be owned by other stock life insurance companies, mutual life insurance companies, or companies outside the life insurance industry. Only policyholders own a mutual company, however. If a stock company is owned by a mutual company, that stock company is categorized as a mutual company. The majority of life insurers are stock companies—538, or 74 percent of the industry (Table 1.1). Many life insurers are affiliated with other life and non-life insurance companies in fleets with a single owner.

Besides consolidation, another trend in the life insurance industry is demutualization and the formation of mutual holding companies—a structure that allows easier and less expensive access to capital. In creating a mutual holding company, the mutual insurer either starts a stock insurance company or acquires a stock company. For data in this chapter, mutual holding companies are included in the totals for pure mutual companies.

Together, stock and mutual life insurers provide most of the insurance and annuities underwritten by U.S.

organizations (Table 1.2). Mutual companies had \$8 trillion of life insurance in force in 2022 and stock life insurers, \$13.2 trillion. Fraternal societies and other type companies underwrite the remainder of U.S. insurance.

Other Life Insurance Providers

Fraternal benefit societies provide both social and insurance benefits to their members. These organizations are legally required to operate through a lodge system, allowing only lodge members and their families to own the fraternal society's insurance. In 2022, there were 69 fraternal life insurance companies that had \$359 billion of life insurance in force and \$196 billion in assets (Tables 1.1 and 1.2).

The Department of Veterans Affairs provides protection to U.S. veterans under six insurance programs: U.S. Government Life Insurance, National Service Life Insurance, Veterans' Special Life Insurance, Service-Disabled Veterans Insurance, Veterans' Reopened Insurance, and Veterans' Mortgage Life Insurance. The federal agency also oversees three life insurance programs for members of the uniformed services: Servicemembers' Group Life Insurance, SGLI Family Coverage, and Veterans' Group Life Insurance.

Veterans' Special Life Insurance in force totaled \$717 million in 2022 (Table 1.3). National Service Life Insurance, for veterans of World War II and those covered by the Insurance Act of 1951, totaled \$738 million. Service-Disabled Veterans Insurance—for veterans separated from service after April 1951 who have a service-connected disability but are otherwise insurable—had \$2.9 billion of insurance in force in 2022.

The largest life insurance plan, Servicemembers' Group Life Insurance, had \$805 billion of insurance in force with 2.2 million policies at year-end 2022 (Table 1.3).

EMPLOYMENT

The insurance industry plays an important role in the nation's economy. In 2022, U.S. insurers employed 2.9 million individuals in all of their branches, a 2.9 percent increase from a year earlier (Table 1.4).

Government data on employees of insurance agencies and home offices in 2022 show 1.6 million insurance home-office personnel (327,500 in life insurance) and 1.3 million insurance agents, brokers, and service personnel.

FOREIGN OWNERSHIP

The proportion of life insurance companies operating in the United States that are foreign-owned was 14 percent in 2022 (Table 1.5).

Practically, the same countries have fielded the major foreign players in the U.S. market since the mid-1990s. Among life insurance companies operating in the United States during 2022, Canada controlled 25 companies; Bermuda, 24; Japan, 15; Switzerland, 10; Cayman Islands, 9; the United Kingdom, 7; Germany, 5; France, 3; the Netherlands, 2; Panama, 1; and Spain, 1 (Table 1.6).

Table 1.1

Number of U.S. Life Insurers, by Organizational Structure			
	In business at year's end		Average annual percent change
	2021	2022	2021/2022
Stock	542	538	-0.7
Mutual¹	114	110	-3.5
Fraternal²	71	69	-2.8
Other³	10	10	-
Total	737	727	-1.4

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Note: NAIC does not endorse any analysis or conclusions based on use of its data.

¹ Includes stock companies owned by mutual parents (life & PC) and mutual holding companies.

² Includes stock companies owned by fraternal benefit societies.

³ Includes farm bureau, reciprocal, and risk retention groups.

Table 1.2

Size of U.S. Life Insurers, by Organizational Structure, 2022 (millions)					
	Stock	Mutual¹	Fraternal	Other²	Total
Life insurance in force	\$13,231,852	\$7,977,871	\$358,915	\$237,380	\$21,806,018
Life insurance purchased	2,139,773	1,132,103	36,230	31,789	3,339,895
Assets	5,896,793	2,150,510	195,778	31,837	8,274,918
Benefit Payments³	540,258	158,934	12,882	1,946	714,020
Premium income⁴	511,476	186,619	10,726	2,065	710,884

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Note: NAIC does not endorse any analysis or conclusions based on use of its data.

¹ Includes stock companies owned by mutual holding companies.

² Includes farm bureau, reciprocal, and risk retention groups.

³ Includes payments to beneficiaries, surrender values, policy dividends, annuity payments, matured endowments, and other payments.

⁴ Includes life insurance premiums, annuity considerations, and accident and health premiums.

Table 1.3

Veterans Life Insurance, 2022

	Policies	Face amount in force (millions)
Veterans programs		
U.S. Government Life Insurance	-	-
National Service Life Insurance	58,642	\$738
Veterans' Special Life Insurance	47,571	717
Service-Disabled Veterans Insurance	274,765	2,893
Veterans' Reopened Insurance	2,540	26
Veterans' Mortgage Life Insurance	2,253	316
Total	385,771	4,689
Uniformed service member programs		
Servicemembers' Group Life Insurance (SGLI)	2,202,500	805,344
Traumatic Injury Protection (TSGLI)*	-	211,450
SGLI Family Coverage	2,558,000	105,177
Veterans' Group Life Insurance	447,487	90,380
Total	5,207,987	1,212,351
Aggregate total	5,593,758	1,217,040

Source: U.S. Department of Veterans Affairs.

*TSGLI is a rider to the basic SGLI coverage.

Table 1.4

Insurance Industry Employment in the United States					
	Number employed			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Home-office personnel					
Life insurance	347,300	337,100	327,500	-0.6	-2.8
Health insurance	463,900	571,600	574,800	2.2	0.6
Other	625,200	675,000	716,400	1.4	6.1
Total	1,436,400	1,583,700	1,618,700	1.2	2.2
Agents, brokers, and service personnel					
	931,800	1,241,200	1,288,700	3.3	3.8
Aggregate total	2,368,200	2,824,900	2,907,400	2.1	2.9

Source: U.S. Department of Labor, Bureau of Labor Statistics. Current Employment Statistics survey (National).

Note: The Bureau of Labor Statistics adjusts annual employment data in April of the year following its survey.

Table 1.5

Foreign-Owned U.S. Life Insurers, 2018-2022							
	Number of companies					Average annual percent change	
	2018	2019	2020	2021	2022	2018/2022	2021/2022
U.S. life insurers	773	761	747	737	727	-1.5	-1.4
Foreign-owned U.S. life insurers	105	98	93	93	102	-0.7	9.7
Percentage of U.S. life insurers	13.6%	12.9%	12.4%	12.6%	14.0%		

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Companies are defined as foreign owned if 50 percent or more of stock is owned by a foreign entity or entities.

Table 1.6

Foreign-Owned Life Insurers Operating in the United States, by Country of Origin

	Number of companies				
	2018	2019	2020	2021	2022
Bermuda	14	14	14	17	24
Canada	27	26	23	25	25
Cayman Islands	10	10	9	7	9
France	8	3	3	3	3
Germany	5	5	5	5	5
Japan	16	16	16	14	15
Netherlands	4	3	2	2	2
Panama	1	1	1	1	1
Spain	1	1	1	1	1
Switzerland	14	12	12	11	10
United Kingdom	5	7	7	7	7
Total	105	98	93	93	102

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Companies are defined as foreign owned if 50 percent or more of stock is owned by a foreign entity or entities.

Table 1.7

U.S. Life Insurers Organizational Structure, by Year

Year	In business at year's end				Total
	Stock	Mutual	Fraternal	Other	
1950	507	142	NA	NA	649
1955	942	165	NA	NA	1,107
1960	1,286	155	NA	NA	1,441
1965	1,475	154	NA	NA	1,629
1970	1,627	153	NA	NA	1,780
1975	1,603	143	NA	NA	1,746
1980	1,823	135	NA	NA	1,958
1981	1,855	136	NA	NA	1,991
1982	1,926	134	NA	NA	2,060
1983	1,985	132	NA	NA	2,117
1984	2,062	131	NA	NA	2,193
1985	2,133	128	NA	NA	2,261
1986	2,128	126	NA	NA	2,254
1987	2,212	125	NA	NA	2,337
1988	2,225	118	NA	NA	2,343
1989	2,153	117	NA	NA	2,270
1990	2,078	117	NA	NA	2,195
1991	1,947	117	NA	NA	2,064
1992	1,835	109	NA	NA	1,944
1993	1,736	108	NA	NA	1,844
1994	1,565	115	NA	10	1,690
1995*	1,356	259	NA	35	1,650
1996*	1,331	240	NA	36	1,607
1997*	1,193	238	NA	45	1,476
1998*	1,167	248	NA	29	1,444
1999*	1,064	250	NA	33	1,347
2000*	1,018	221	NA	30	1,269
2001*	986	222	117	16	1,341
2002*	956	204	114	10	1,284
2003*	931	180	105	11	1,227
2004*	901	161	108	9	1,179
2005*	857	151	102	9	1,119
2006*	818	142	103	9	1,072
2007*	768	133	99	9	1,009
2008*	741	132	95	8	976

Table 1.7, continued

U.S. Life Insurers Organizational Structure, by Year, continued

Year	In business at year's end				Total
	Stock	Mutual	Fraternal	Other	
2009*	714	131	93	8	946
2010*	700	121	89	7	917
2011*	687	117	85	6	895
2012*	660	120	82	6	868
2013*	648	113	82	7	850
2014*	636	106	81	7	830
2015*	616	110	81	7	814
2016*	598	113	78	8	797
2017*	584	112	76	9	781
2018*	580	109	75	9	773
2019*	570	108	74	9	761
2020*	553	110	74	10	747
2021*	542	114	71	10	737
2022*	538	110	69	10	727

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. After 1993, data include life insurance companies that sell accident and health insurance.

NA: Not available.

*Beginning with 1995 data, stock companies that are part of fleets headed by non-stock companies are counted by the parent's ownership type, not as stock companies.

Table 1.8

Insurance Industry Employment in the United States, by Year

Year	Home-office personnel			Total	Agents, brokers, and service personnel	Aggregate total
	Life insurance	Health insurance	Other			
1960	452,400	50,200	329,100	831,700	217,300	1,049,000
1965	481,200	54,200	358,000	893,400	250,300	1,143,700
1970	525,600	93,900	410,200	1,029,700	288,000	1,317,700
1975	520,500	122,100	442,700	1,085,300	356,600	1,441,900
1980	531,900	141,900	550,300	1,224,100	463,800	1,687,900
1981	542,200	142,700	552,000	1,236,900	475,800	1,712,700
1982	546,100	142,100	549,100	1,237,300	485,900	1,723,200
1983	539,900	144,800	544,200	1,228,900	498,900	1,727,800
1984	536,700	153,900	549,100	1,239,700	525,000	1,764,700
1985	559,300	170,700	561,600	1,291,600	548,200	1,839,800
1986	578,200	188,100	598,500	1,364,800	579,400	1,944,200
1987	578,000	202,100	634,900	1,415,000	611,800	2,026,800
1988	570,400	216,500	648,500	1,435,400	639,600	2,075,000
1989	550,200	228,100	660,100	1,438,400	651,800	2,090,200
1990	522,600	204,200	611,600	1,338,400	677,800	2,016,200
1991	537,200	219,000	613,500	1,369,700	681,400	2,051,100
1992	530,600	228,300	627,000	1,385,900	672,200	2,058,100
1993	552,500	237,900	640,400	1,430,800	684,000	2,114,800
1994	562,600	249,400	649,300	1,461,300	700,300	2,161,600
1995	547,200	260,100	626,800	1,434,100	712,600	2,146,700
1996	510,000	278,000	642,800	1,430,800	726,400	2,157,200
1997	505,300	292,100	678,800	1,476,200	744,100	2,220,300
1998	510,600	306,200	729,400	1,546,200	766,300	2,312,500
1999	496,100	319,200	742,800	1,558,100	783,400	2,341,500
2000	481,100	330,600	732,600	1,544,300	806,800	2,351,100
2001	470,300	340,500	728,600	1,539,400	823,000	2,362,400
2002	446,000	348,000	743,000	1,537,000	839,400	2,376,400
2003	440,500	351,400	753,400	1,545,300	856,200	2,401,500
2004	392,400	374,900	721,000	1,488,300	879,200	2,367,500
2005	334,500	430,400	680,900	1,445,800	893,200	2,339,000
2006	362,400	428,200	677,100	1,467,700	911,400	2,379,100
2007	352,800	434,400	674,000	1,461,200	930,500	2,391,700
2008	356,300	444,500	674,600	1,475,400	929,600	2,405,000

Table 1.8, continued

Insurance Industry Employment in the United States, by Year, continued

Year	Home-office personnel			Total	Agents, brokers, and service personnel	Aggregate total
	Life insurance	Health insurance	Other			
2009	362,600	440,300	660,400	1,463,300	907,400	2,370,700
2010	366,400	437,700	641,100	1,445,200	895,500	2,340,700
2011	346,700	442,300	637,200	1,426,200	910,300	2,336,500
2012	347,300	463,900	625,200	1,436,400	931,800	2,368,200
2013	340,600	472,600	619,900	1,433,100	955,800	2,388,900
2014	334,400	494,600	619,800	1,448,800	1,017,100	2,465,900
2015	330,200	499,500	636,700	1,466,400	1,071,800	2,538,200
2016	347,800	471,100	668,800	1,487,700	1,105,000	2,592,700
2017	345,600	504,800	666,300	1,516,700	1,142,900	2,659,600
2018	344,900	537,900	658,100	1,540,900	1,171,800	2,712,700
2019	352,800	578,400	678,900	1,610,100	1,192,200	2,802,300
2020	357,800	587,800	681,500	1,627,100	1,208,800	2,835,900
2021	337,100	571,600	675,000	1,583,700	1,241,200	2,824,900
2022	327,500	574,800	716,400	1,618,700	1,288,700	2,907,400

Source: U.S. Department of Labor, Bureau of Labor Statistics. Current Employment Statistics survey (National).

Notes: Figures comprise only those on the payroll of insurers that participate in the unemployment insurance program; The Bureau of Labor Statistics adjusts annual employment data in April of the year following its survey.

2

ASSETS

Assets held by life insurers back the companies' life, annuity, and health liabilities. Accumulating these assets—via the collection of premiums from policyholders and earnings on investments—provides the U.S. economy with an important source of investment capital. Life insurers held \$8.3 trillion in assets in 2022 (Table 2.1). Assets of U.S. life insurers fell 4.6 percent during 2022 (Table 2.2).

Financial instruments comprise most life insurance company assets and can generally be classified into:

- Bonds, both corporate and government
- Stocks
- Mortgage and real estate holdings
- Policy loans

A life insurer divides its assets between two accounts that differ largely in the nature of the liabilities or obligations for which the assets are being held and invested. The general account supports contractual obligations for guaranteed, fixed-dollar benefit payments, such as life insurance policies. The separate account supports liabilities associated with investment

risk pass-through products or lines of business, such as variable annuities, variable life insurance, and pension products.

State laws allow assets in separate accounts to be invested without regard to the restrictions usually placed on the general account. A separate account portfolio might comprise only common stocks or bonds or mortgages, or some combination of these and other investments. Separate account assets totaled \$2.8 trillion at the end of 2022—down 17.3 percent from the previous year (Table 2.2). General account assets amounted to \$5.5 trillion in 2022, up 3.4 percent from 2021.

BOND HOLDINGS AND ACQUISITIONS

Bonds are publicly traded debt securities. Often referred to as fixed-income securities, bonds generally offer low risk and a greater certainty of rates of return. Not only does the borrower (seller of the bond) agree to pay a fixed amount of interest periodically and repay a fixed amount of principal at maturity, but the obligation to make payments on the bond takes precedence over other claims of lenders and

stockholders.

At year-end 2022, 50.1 percent of life insurer assets were held in bonds. Total bond holdings of both general and separate accounts amounted to \$4.1 trillion, up \$91 billion from 2021 (Tables 2.1–2.2). Holdings of bonds in separate accounts increased 1.2 percent in 2022 to \$525 billion. Bond holdings in general accounts increased to \$3.6 trillion (Table 2.2).

Bonds are issued by a variety of borrowing organizations, including domestic and foreign corporations, the U.S. government agencies, and state, local, and foreign governments. Long-term U.S. government obligations in the general account totaled \$144 billion, and foreign government bonds \$48 billion (Table 2.3). The largest portion of long-term bonds was in unaffiliated securities, with both U.S. and foreign investments totaling \$2.7 trillion, or three-fourths of all long-term general account bonds (76%). Long-term bonds issued by U.S. states, territories, and political subdivisions came to \$41 billion, while bonds issued for U.S. special revenue and assessment totaled \$184 billion.

Types of Bonds

Corporate Bonds

Life insurers are significant investors in the corporate bond market, having been the largest institutional holder of corporate bonds issued in U.S. markets since the 1930s. Private or direct placements—where the financial institution negotiates directly with the corporation over the terms of the offering—account for a sizable share of life insurer investments in corporate bonds. Life insurance companies are the major lenders in the direct placement market.

Corporate debt issues in 2022 represented the largest component of life insurer assets at 38 percent (Table

2.1). Corporate debt issues totaled \$3.1 trillion by year's end (Table 2.2). These investments have generally increased steadily for many years and have grown at a 5.2 percent annual rate in the last decade.

Government Bonds

Bonds of the U.S. government include U.S. Treasury securities and others issued by federal agencies. Total government securities fell to \$490 billion at the end of 2022, down \$35 billion from the previous year (Tables 2.1–2.2). These holdings include U.S. Treasury and federal agency guaranteed obligations, special revenue, and other issues of the 50 states, District of Columbia, Puerto Rico, and U.S. territories and possessions and their political subdivisions.

The vast majority of long-term securities were invested in U.S. government securities (\$435 billion) as opposed to those of foreign governments and international agencies (\$54 billion), such as the International Bank for Reconstruction and Development (Table 2.1).

Characteristics of Bonds

Maturity

Bonds have limited lives and expire on a given date, called the issue's maturity date. Twenty-six percent of general account bonds held at year-end 2022 had a maturity between five and 10 years. Another 26 percent matured between one and five years, 22 percent had a maturity over 20 years, 19 percent matured between 10 and 20 years, and 7 percent had a maturity of one year or less (Table 2.4).

At the time of purchase, 40 percent of bonds had a maturity date of 20 years or more, while 34 percent had a maturity date of 10 to 20 years (Table 2.5). Bonds with maturity dates of five to 10 years (20%), and less than five years (6%) made up the remainder.

Quality

In purchasing a bond, investors examine its quality. The higher the quality of the bond, the lower the risk, and the higher the degree of assurance that investors will get their money back at maturity. Consequently, high-quality bonds are ideal for long-term capital accumulation.

Bond holdings can be categorized among six quality classes established by the National Association of Insurance Commissioners. At year-end 2022, 95 percent of total general account bonds were investment grade, Classes 1 and 2 (Table 2.6). The percentage of total bonds in or near default (Class 6) was 0.1 percent.

Of the \$3.7 trillion in general account bonds held by insurance companies in 2022, \$2.1 trillion was invested in publicly traded bonds and \$1.6 billion in privately traded bonds (Table 2.6). Ninety-seven percent of the publicly traded bonds were investment grade (Classes 1 and 2) compared with 91 percent of the privately traded bonds. Of the publicly traded bonds, 0.02 percent were in or near default (Class 6), compared with 0.1 percent of the privately traded bonds.

STOCK HOLDINGS AND ACQUISITIONS

Life insurers' changing portfolios reflect long-term shifts in investment demand. Since the early 1990s, the share of assets held in stocks has been increasing. The average annual growth in equity holdings was 2 percent between 2012 and 2022 (Table 2.2).

Historically, stocks had been a small percentage of total assets for reasons rooted in both the investment

philosophy of the industry and the laws regulating life insurance. Stocks had not been heavily used as a major investment medium for funds backing life insurance policies because of the policies' contractual guarantees for specified dollar amounts.

Part of the investment shift is due to changes in the relative yields of various investment types. Other factors are the introduction of variable life insurance and the growth in funding pension plans with equity securities of life insurers and variable annuities. State laws generally permit certain assets of these and other plans to be maintained in an account separate from a company's other assets, with up to 100 percent invested in stocks or other equities.

Life insurer holdings of corporate stock fell 22 percent between 2021 and 2022 to \$2.1 trillion, accounting for 25 percent of total assets. At year-end 2022, \$2 trillion, or 94 percent, of stock held by life insurance companies was in separate accounts (Table 2.1-2.2).

Common stock accounted for \$2.1 trillion, or 99 percent, of all stock held by life insurers in 2022 (Table 2.1). Holdings of common stock decreased 22.1 percent in 2022, while there was a 15.2 percent decrease in preferred stock holdings (Tables 2.1-2.2).

MORTGAGES

Mortgages generally are considered riskier fixed-income investments than bonds. Over the past few decades, life insurers have slightly reduced the relative size of their mortgage portfolios in favor of other investments, including mortgage-backed securities (MBS). In 2022, mortgages increased 9.5 percent to \$756 billion and accounting for 9.1 percent of combined account assets (Tables 2.1-2.2).

Properties underlying life insurer holdings of non-

farm, nonresidential mortgages cover a broad range of commercial, industrial, and institutional uses. Among them are retail stores and shopping centers, office buildings and factories, hospitals and medical centers, and apartment buildings. Commercial mortgages have grown in importance, representing 87 percent (\$655 billion) of U.S. mortgages held by life insurers at the end of 2022 (Table 2.1). Mortgages for residential properties were \$67 billion, or 9 percent of total mortgages held by life insurers on U.S. properties. Farm mortgages were \$35 billion, accounting for 4 percent of total mortgages in 2022.

Almost all of the mortgages held by life insurers were in good standing (99.3%) in 2022. Of industry-held mortgages, only 0.7 percent were either restructured, overdue, or in foreclosure in 2022 (Table 2.7).

At year-end 2022, \$12 billion (2%) was held in general account mortgages with a loan-to-value ratio above 95 percent, compared with \$610 billion (88%) in mortgages with a loan-to-value ratio below 71 percent (Table 2.8).

REAL ESTATE

U.S. life insurers' holdings of directly owned real estate were \$40 billion at the end of 2022. This represents a 2.5 percent increase from 2021 (Table 2.9).

By the end of 2022, real estate amounted to .5 percent of life insurers' assets (Table 2.1). Real estate holdings in separate accounts increased \$1.3 billion during the year as real estate in general accounts decreased \$274 million (Table 2.2).

Real estate held to produce income totaled \$34 billion, or 85 percent of all real estate owned, while real estate held for sale amounted to \$334 million

(Table 2.9, Figure 2.4). The remainder was in land and property held for company use, primarily home and regional offices.

POLICY LOANS

Life insurance companies can loan money to policyholders up to the cash value of their life insurance. Life insurers must make these policy loans from funds that otherwise would be invested. Since premium rates are based in part on an anticipated investment return, interest must be charged on the loans. Because the amount of a policy's protection is reduced by the amount of the loan, life insurers advise policyholders that an outstanding loan can seriously impair a family's insurance planning. The policy loan amounts shown in Tables 2.1–2.2 do not include loans made to policyholders by banks or other lending institutions holding borrowers' life insurance policies as collateral.

Life insurer loans to policyholders against the cash value of their life insurance amounted to \$131 billion by year-end 2022, down .1 percent from the loans outstanding a year earlier (Tables 2.1–2.2). Policy loans accounted for 1.6 percent of company assets at the end of 2022.

FOREIGN-CONTROLLED ASSETS

Foreign-controlled assets were \$1.7 trillion, or 20.2 percent of total industry assets in 2022 (Table 2.10). Canada, followed by Bermuda, Japan, the Netherlands, and Germany own the most foreign-controlled assets of U.S. life insurers.

Table 2.1

Distribution of Life Insurer Assets, by Account Type, 2022 (millions)

	General account		Separate account		Combined accounts	
	Year's end	Percent distribution	Year's end	Percent distribution	Year's end	Percent distribution
Bonds						
Government securities						
U.S.	\$368,957	6.7	\$66,415	2.4	\$435,372	5.3
Foreign	48,312	0.9	5,844	0.2	54,156	0.7
Total government	417,269	7.6	72,259	2.6	489,528	5.9
Corporate securities	2,805,136	50.9	337,844	12.2	3,142,980	38.0
Mortgage-backed securities ¹	395,761	7.2	114,667	4.1	510,427	6.2
Total long-term bonds	3,618,165	65.7	524,770	19.0	4,142,935	50.1
Stocks						
Common	106,626	1.9	1,971,952	71.2	2,078,578	25.1
Preferred	17,138	0.3	1,308	0.0	18,446	0.2
Total	123,764	2.2	1,973,260	71.3	2,097,024	25.3
Mortgages						
Farm	26,622	0.5	8,038	0.3	34,660	0.4
Residential	59,453	1.1	7,216	0.3	66,668	0.8
Commercial	608,354	11.0	46,503	1.7	654,857	7.9
Total	694,429	12.6	61,757	2.2	756,186	9.1
Real estate	22,563	0.4	17,054	0.6	39,616	0.5
Policy loans	131,374	2.4	-	0.0	131,374	1.6
Short-term investments	37,415	0.7	8,911	0.3	46,326	0.6
Cash & cash equivalents	105,781	1.9	40,589	1.5	146,370	1.8
Derivatives	95,372	1.7	13,013	0.5	108,385	1.3
Other invested assets	367,110	6.7	103,412	3.7	470,522	5.7
Non-invested assets	309,936	5.6	26,245	0.9	336,181	4.1
Aggregate total	5,505,908	100.0	2,769,010	100.0	8,274,918	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data reflect investments held at year's end. Data represent U.S. life insurers and fraternal benefit societies.

¹Includes Ginnie Mae (GNMA).

Table 2.2

Distribution of Life Insurer Assets, by Account Type and Year¹

	General account (millions)			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Bonds					
Government	\$391,777	\$430,814	\$417,269	0.6	-3.1
Corporate	1,759,282	2,693,328	2,805,136	4.8	4.2
MBS ¹	485,377	409,489	395,761	-2.0	-3.4
Total	2,636,436	3,533,631	3,618,165	3.2	2.4
Stocks					
Common	74,083	116,960	106,626	3.7	-8.8
Preferred	8,308	20,540	17,138	7.5	-16.6
Total	82,391	137,500	123,764	4.2	-10.0
Mortgages	345,602	639,851	694,429	7.2	8.5
Real estate	21,725	22,837	22,563	0.4	-1.2
Policy loans	130,348	131,482	131,374	0.1	-0.1
Short-term investments	71,544	38,119	37,415	-6.3	-1.8
Cash & cash equivalents	39,558	109,865	105,781	10.3	-3.7
Derivatives	41,577	96,809	95,372	NA	-1.5
Other invested assets	153,431	333,613	367,110	9.1	10.0
Non-invested assets	185,027	278,869	309,936	5.3	11.1
Aggregate total	3,707,639	5,322,576	5,505,908	4.0	3.4

Table 2.2, continued

Distribution of Life Insurer Assets, by Account Type and Year¹, continued

	Separate account (millions)			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Bonds					
Government	\$67,135	\$93,313	\$72,259	0.7	-22.6
Corporate	134,222	314,820	337,844	9.7	7.3
MBS ¹	97,912	110,668	114,667	1.6	3.6
Total	299,269	518,800	524,770	5.8	1.2
Stocks					
Common	1,642,183	2,549,862	1,971,952	1.8	-22.7
Preferred	685	1,201	1,308	6.7	8.9
Total	1,642,868	2,551,063	1,973,260	1.8	-22.6
Mortgages	8,452	50,725	61,757	22.0	21.7
Real estate	8,834	15,795	17,054	6.8	8.0
Policy loans	367	-	-	NA	NA
Short-term investments	19,104	18,395	8,911	-7.3	-51.6
Cash & cash equivalents	19,765	34,314	40,589	7.5	18.3
Derivatives	435	18,276	13,013	NA	-28.8
Other invested assets	49,939	108,399	103,412	7.6	-4.6
Non-invested assets	20,748	32,396	26,245	2.4	-19.0
Aggregate total	2,069,782	3,348,163	2,769,010	3.0	-17.3

Table 2.2, continued

Distribution of Life Insurer Assets, by Account Type and Year, continued

	Combined accounts (millions)			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Bonds					
Government	\$458,912	\$524,127	\$489,528	0.6	-6.6
Corporate	1,893,504	3,008,148	3,142,980	5.2	4.5
MBS ¹	583,289	520,157	510,427	-1.3	-1.9
Total	2,935,705	4,052,432	4,142,935	3.5	2.2
Stocks					
Common	1,716,266	2,666,822	2,078,578	1.9	-22.1
Preferred	8,993	21,742	18,446	7.4	-15.2
Total	1,725,259	2,688,564	2,097,024	2.0	-22.0
Mortgages	354,053	690,577	756,186	7.9	9.5
Real estate	30,559	38,632	39,616	2.6	2.5
Policy loans	130,715	131,482	131,374	0.1	-0.1
Short-term investments	90,648	56,513	46,326	-6.5	-18.0
Cash & cash equivalents	59,324	144,179	146,370	9.5	1.5
Derivatives	42,012	115,085	108,385	NA	-5.8
Other invested assets	203,370	442,011	470,522	8.8	6.5
Non-invested assets	205,775	311,266	336,181	5.0	8.0
Aggregate total	5,777,420	8,670,739	8,274,918	3.7	-4.6

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data reflect investments held at year's end. Data represent U.S. life insurers and fraternal benefit societies.

¹Includes Ginnie Mae (GNMA).

NA: Not available.

Table 2.3

Distribution of Long-Term General Account Bond Investments				
	2021		2022	
	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution
U.S. government obligations	\$157,018	4.4	\$143,593	4.0
Foreign government	52,800	1.5	48,312	1.3
U.S. states and territories	18,112	0.5	16,544	0.5
U.S. political subdivisions	24,629	0.7	24,721	0.7
U.S. special revenue and assessment	178,255	5.0	184,098	5.1
Mortgage-backed securities	409,489	11.6	395,761	10.9
Other				
Unaffiliated securities	2,653,478	75.1	2,734,963	75.6
Affiliated securities	39,850	1.1	70,173	1.9
Total	3,533,631	100.0	3,618,165	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 2.4

Distribution of General Account Bonds, by Remaining Maturity, 2018-2022

		Percentage of general account bonds held at year's end					
		1 year or less	More than 1 year to 5 years	More than 5 years to 10 years	More than 10 years to 20 years	More than 20 years	Total
Government							
	2018	10.1	19.4	20.3	25.0	25.2	100.0
	2019	11.6	19.2	20.9	24.1	24.3	100.0
	2020	13.7	20.5	21.6	21.2	23.0	100.0
	2021	10.3	20.8	20.8	23.4	24.6	100.0
	2022	9.8	17.0	18.9	28.0	26.2	100.0
Corporate							
	2018	6.0	26.7	33.1	15.2	19.0	100.0
	2019	6.5	26.7	32.0	15.5	19.4	100.0
	2020	6.4	27.3	29.6	16.3	20.5	100.0
	2021	6.2	26.3	28.7	17.2	21.5	100.0
	2022	5.8	27.8	27.8	17.5	21.1	100.0
Total							
	2018	6.9	25.1	30.3	17.3	20.3	100.0
	2019	7.5	25.1	29.7	17.2	20.4	100.0
	2020	7.8	26.0	28.1	17.2	21.0	100.0
	2021	6.9	25.4	27.3	18.3	22.1	100.0
	2022	6.5	26.0	26.3	19.2	22.0	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 2.5

Distribution of General Account Long-Term Bonds, at Time of Purchase, 2022

Maturity	Percent distribution
20 years and over	40.0
10 years to less than 20 years	33.8
5 years to less than 10 years	20.4
Less than 5 years	5.7
Total	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 2.6

Distribution of General Account Bonds, by NAIC Quality Class¹

PUBLIC BONDS	2012		2021		2022	
	Amount (millions)	Percentage of publicly traded bonds	Amount (millions)	Percentage of publicly traded bonds	Amount (millions)	Percentage of publicly traded bonds
High quality						
Class 1	\$1,382,494	69.6	\$1,326,321	60.9	\$1,302,134	61.5
Class 2	505,955	25.5	775,469	35.6	752,856	35.5
Medium quality						
Class 3	59,181	3.0	58,151	2.7	46,148	2.2
Low quality						
Class 4	28,837	1.5	15,082	0.7	14,135	0.7
Class 5	6,969	0.4	1,834	0.1	2,249	0.1
Class 6	1,556	0.1	553	0.0	381	0.0
Total	1,984,993	100.0	2,177,410	100.0	2,117,903	100.0

Table 2.6, continued

Distribution of General Account Bonds, by NAIC Quality Class¹, continued

PRIVATE BONDS	2012		2021		2022	
	Amount (millions)	Percentage of privately traded bonds	Amount (millions)	Percentage of privately traded bonds	Amount (millions)	Percentage of privately traded bonds
High quality						
Class 1	\$333,781	45.1	\$714,951	50.3	\$814,510	51.9
Class 2	333,675	45.0	570,998	40.1	619,079	39.4
Medium quality						
Class 3	44,070	5.9	78,758	5.5	82,060	5.2
Low quality						
Class 4	19,389	2.6	40,019	2.8	37,400	2.4
Class 5	7,580	1.0	13,012	0.9	15,143	1.0
Class 6	2,203	0.3	4,876	0.3	1,694	0.1
Total	740,699	100.0	1,422,615	100.0	1,569,886	100.0

Table 2.6, continued

Distribution of General Account Bonds, by NAIC Quality Class¹, continued

TOTAL BONDS NAIC quality class	2012		2021		2022	
	Amount (millions)	Percentage of general account bonds	Amount (millions)	Percentage of general account bonds	Amount (millions)	Percentage of general account bonds
High quality						
Class 1	\$1,716,276	63.0	\$2,041,272	56.7	\$2,116,644	57.4
Class 2	839,630	30.8	1,346,467	37.4	1,371,935	37.2
Medium quality						
Class 3	103,251	3.8	136,909	3.8	128,207	3.5
Low quality						
Class 4	48,227	1.8	55,102	1.5	51,535	1.4
Class 5	14,549	0.5	14,847	0.4	17,392	0.5
Class 6	3,759	0.1	5,429	0.2	2,075	0.1
Aggregate total	2,725,691	100.0	3,600,025	100.0	3,687,789	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Figures include both government and corporate bonds held in general accounts of U.S. life insurers and fraternal benefit societies.

NAIC bond classes are: Class 1--highest quality; Class 2--high quality; Class 3--medium quality; Class 4--low quality; Class 5--lower quality; Class 6--in or near default. Class 1 and Class 2 bonds are investment grade.

¹Includes long-term bonds, short-term investments, and cash equivalents.

Table 2.7

Quality of Mortgages Held by Life Insurers

	2012		2021		2022	
	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution
Farm						
In good standing	\$18,085	99.9	\$31,708	99.3	\$34,482	99.5
Restructured	17	0.1	98	0.3	24	0.1
Overdue	4	0.0	98	0.3	128	0.4
Foreclosed	2	0.0	22	0.1	26	0.1
Total	18,108	100.0	31,926	100.0	34,660	100.0
Residential						
In good standing	4,587	98.6	44,337	93.5	63,963	95.9
Restructured	6	0.1	423	0.9	988	1.5
Overdue	26	0.6	2,405	5.1	1,207	1.8
Foreclosed	31	0.7	236	0.5	510	0.8
Total	4,650	100.0	47,401	100.0	66,668	100.0
Commercial						
In good standing	329,609	99.5	609,927	99.8	652,769	99.7
Restructured	1,234	0.4	999	0.2	1,209	0.2
Overdue	265	0.1	155	0.0	256	0.0
Foreclosed	189	0.1	168	0.0	623	0.1
Total	331,296	100.0	611,250	100.0	654,857	100.0
All categories						
In good standing	352,280	99.5	685,972	99.3	751,214	99.3
Restructured	1,257	0.4	1,520	0.2	2,222	0.3
Overdue	295	0.1	2,659	0.4	1,591	0.2
Foreclosed	222	0.1	426	0.1	1,159	0.2
Aggregate total	354,053	100.0	690,577	100.0	756,186	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 2.8

General Account Mortgages for Life Insurers, by Type and Loan-to-Value Ratios, 2022 (millions)

Loan-to-value ratio	Farm	Non-Farm	Total
Above 95%	\$99	\$12,246	\$12,346
91 - 95%	-	3,158	3,158
81 - 90%	86	13,321	13,408
71 - 80%	100	55,227	55,327
Below 71 %	26,336	583,854	610,191
Total	26,622	667,807	694,429

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represents U.S. life insurers and fraternal benefit societies.

Table 2.9

Real Estate Owned by Life Insurers, by Type

	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Investment property					
Held for income	\$24,244	\$32,199	\$33,629	3.3	4.4
Held for sale	651	414	334	-6.4	-19.2
Total	24,895	32,613	33,963	3.2	4.1
Occupied by company	5,664	6,019	5,653	-0.02	-6.1
Aggregate total	30,559	38,632	39,616	2.6	2.5

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 2.10

Foreign-Controlled Assets of U.S. Life Insurers, by Country and Year (millions)					
	2018	2019	2020	2021	2022
Bermuda	\$156,495	\$170,597	\$213,697	\$334,455	\$448,272
Canada	363,099	380,189	436,482	456,066	496,605
Cayman Islands	50,323	58,205	66,627	39,190	42,597
France	197,142	2,177	2,030	1,810	1,919
Germany	170,255	187,702	204,192	205,375	193,171
Japan	154,162	177,179	187,333	200,633	203,187
Netherlands	201,204	214,535	233,783	238,338	196,587
Panama	121	123	131	132	134
Spain	59	59	65	59	58
Switzerland	40,003	37,950	39,157	41,583	40,728
United Kingdom	242,465	283,109	312,476	51,288	51,748
Total	1,575,329	1,511,825	1,695,974	1,568,929	1,675,006
Percentage of industry assets	22.5%	20.0%	20.8%	18.1%	20.2%

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Companies are defined as foreign controlled if 50 percent or more of stock is owned by a foreign entity or entities.

Table 2.11

Asset Distribution of Life Insurers, by Year (millions)

Year	Bonds	Stocks	Mortgages	Real estate	Policy loans	Miscellaneous assets	Total
1917	\$2,537	\$83	\$2,021	\$179	\$810	\$311	\$5,941
1920	3,298	75	2,442	172	859	474	7,320
1925	4,333	81	4,808	266	1,446	604	11,538
1930	6,431	519	7,598	548	2,807	977	18,880
1935	10,041	583	5,357	1,990	3,540	1,705	23,216
1940	17,092	605	5,972	2,065	3,091	1,977	30,802
1945	32,605	999	6,636	857	1,962	1,738	44,797
1950	39,366	2,103	16,102	1,445	2,413	2,591	64,020
1955	47,741	3,633	29,445	2,581	3,290	3,742	90,432
1960	58,555	4,981	41,771	3,765	5,231	5,273	119,576
1965	70,152	9,126	60,013	4,681	7,678	7,234	158,884
1970	84,166	15,420	74,375	6,320	16,064	10,909	207,254
1975	121,014	28,061	89,167	9,621	24,467	16,974	289,304
1980	212,618	47,366	131,080	15,033	41,411	31,702	479,210
1981	233,308	47,670	137,747	18,278	48,706	40,094	525,803
1982	268,288	55,730	141,989	20,624	52,961	48,571	588,163
1983	308,738	64,868	150,999	22,234	54,063	54,046	654,948
1984	358,897	63,335	156,699	25,767	54,505	63,776	722,979
1985	421,446	77,496	171,797	28,822	54,369	71,971	825,901
1986	486,583	90,864	193,842	31,615	54,055	80,592	937,551
1987	557,110	96,515	213,450	34,172	53,626	89,586	1,044,459
1988	640,094	104,373	232,863	37,371	54,236*	97,933	1,166,870
1989	716,204	125,614	254,215	39,908	57,439	106,376	1,299,756
1990	793,443	128,484	270,109	43,367	62,603	110,202	1,408,208
1991	893,005	164,515	265,258	46,711	66,364	115,348	1,551,201
1992	990,315	192,403	246,702	50,595	72,058	112,458	1,664,531
1993	1,113,853	251,885	229,061	54,249	77,725	112,354	1,839,127
1994	1,186,139	281,816	215,332	53,813	85,499	119,674	1,942,273
1995	1,278,416	371,867	211,815	52,437	95,939	133,070	2,143,544
1996	1,348,425	477,505	207,779	49,484	100,460	139,894	2,323,547
1997	1,451,289	598,358	209,898	46,076	104,549	168,908	2,579,078
1998	1,518,998	757,958	216,336	41,313	104,507	187,410	2,826,522
1999	1,551,618	989,762	229,797	38,186	98,757	162,533	3,070,653
2000	1,605,178	997,329	236,701	36,059	101,978	204,491	3,181,736
2001	1,731,792	909,026	243,596	32,368	104,273	247,966	3,269,019
2002	1,955,548	791,429	250,531	32,848	105,229	244,414	3,380,000

Table 2.11, continued

Asset Distribution of Life Insurers, by Year (millions), continued

Year	Bonds	Stocks	Mortgages	Real estate	Policy loans	Miscellaneous assets	Total
2003	\$2,181,533	\$1,022,071	\$268,986	\$30,673	\$107,007	\$277,921	\$3,888,190
2004	2,347,322	1,179,397	282,534	31,005	108,658	303,470	4,252,385
2005	2,440,412	1,285,468	294,876	32,574	109,500	319,165	4,481,995
2006	2,461,479	1,530,892	313,741	33,096	112,914	370,701	4,822,824
2007	2,571,525	1,670,338	336,150	34,943	116,633	361,997	5,091,586
2008	2,602,753	1,135,797	352,676	32,497	122,485	401,938	4,648,147
2009	2,581,575	1,385,923	336,316	27,714	123,283	503,884	4,958,693
2010	2,744,758	1,570,225	326,988	27,851	126,821	514,561	5,311,204
2011	2,877,492	1,546,085	342,831	28,909	129,333	568,008	5,492,658
2012	2,935,705	1,725,259	354,053	30,559	130,715	601,129	5,777,420
2013	3,000,116	2,003,944	373,716	31,285	131,672	609,567	6,150,300
2014	3,107,150	2,072,474	395,079	31,511	133,350	666,396	6,405,961
2015	3,201,985	2,000,887	437,171	44,471	134,713	658,592	6,477,819
2016	3,347,615	2,055,574	472,104	46,925	134,593	715,205	6,772,014
2017	3,479,586	2,261,700	513,551	42,718	136,542	749,275	7,183,372
2018	3,492,759	1,999,630	564,839	38,551	136,704	760,311	6,992,794
2019	3,637,843	2,297,819	615,383	41,552	133,902	840,699	7,567,199
2020	3,869,897	2,471,287	641,410	40,583	133,302	993,910	8,150,389
2021	4,052,432	2,688,564	690,577	38,632	131,482	1,069,054	8,670,739
2022	4,142,935	2,097,024	756,186	39,616	131,374	1,107,783	8,274,918

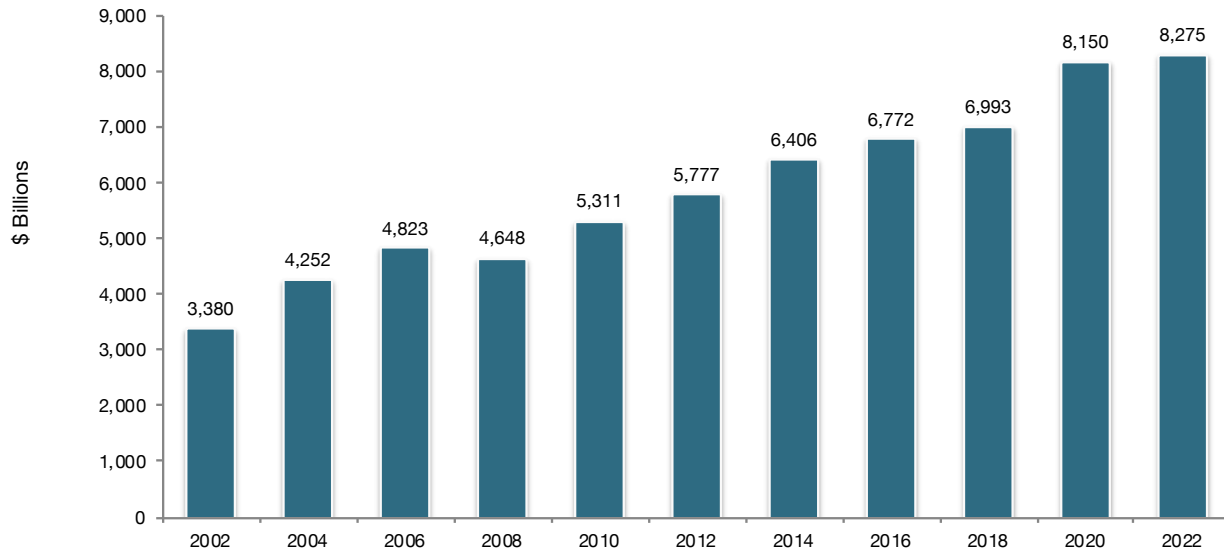
Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Beginning with 1962, data include assets in separate accounts. Data represents U.S. life insurers and, as of 2003, fraternal benefit societies.

*Excludes an estimated \$600 million of securitized policy loans.

Figure 2.1

Growth of Life Insurer Assets

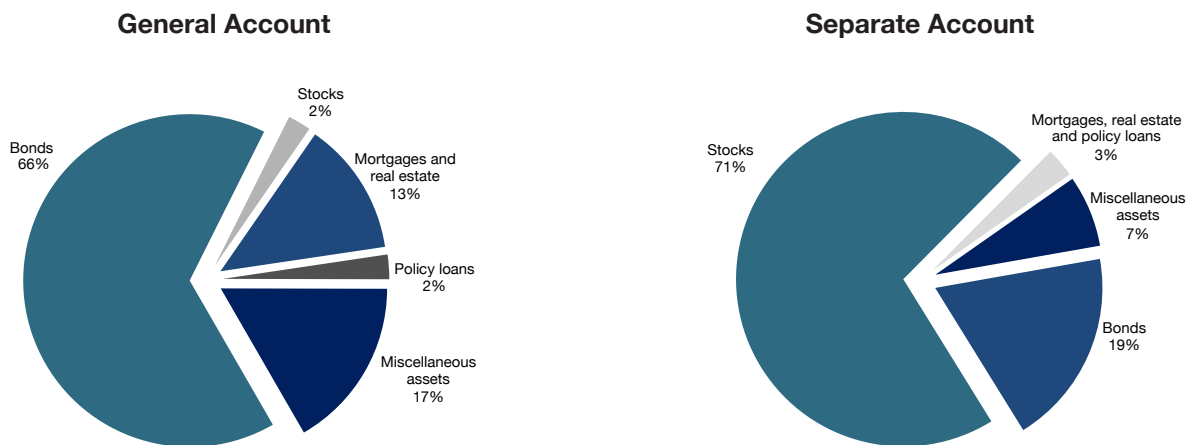


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Figure 2.2

Asset Distribution of Life Insurers, 2022

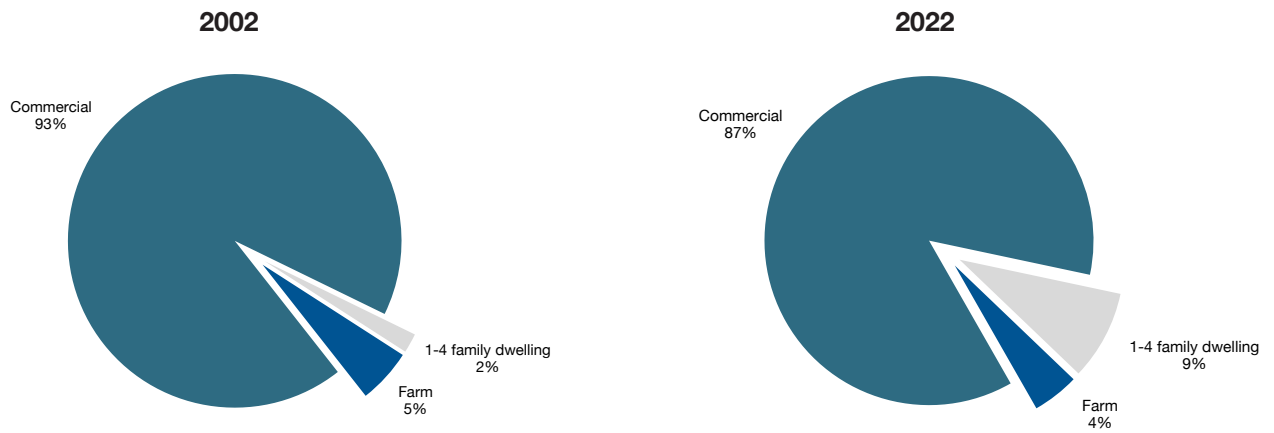


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Figure 2.3

Mortgages Held by Life Insurers, by Type

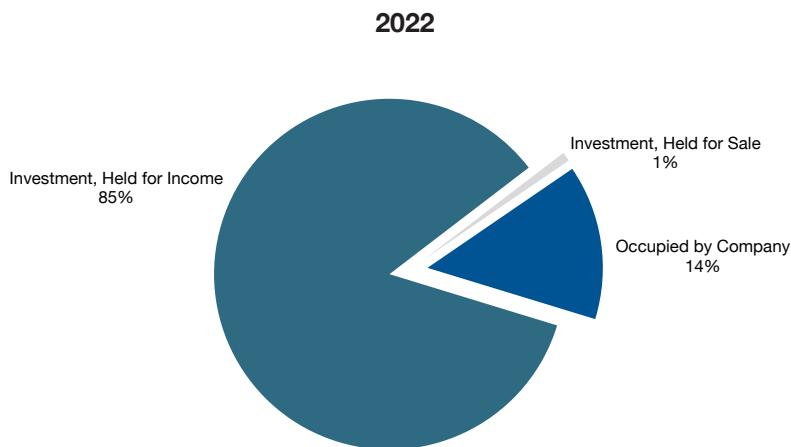


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers, and fraternal benefit societies for 2022.

Figure 2.4

Real Estate Owned by Life Insurers



Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

3

LIABILITIES

The liabilities of U.S. life insurers primarily comprise the reserves held by each insurer to back its obligations to policyholders and their beneficiaries. Of the many different kinds of reserves, policy and asset fluctuation reserves are the most important. Liabilities also include small amounts of other funds and obligations.

Based on standard accounting principles applied to all businesses, total liabilities plus the company's net value must equal its total assets. Net value is a company's surplus plus its capital stock and is available to support policyholder claims if necessary.

POLICY RESERVES

Policy reserves concern an insurer's obligation to its customers arising from its product in force. State law requires each company to maintain its policy reserves at a level that will assure payment of all policy obligations as they fall due. That level is calculated on an actuarial basis, taking into account funds from future premium payments, assumed future interest earnings, and expected mortality experience. At the end of 2022, policy reserves of U.S. life insurers totaled \$6 trillion, 5.8 percent lower than 2021 (Table 3.1).

Policy reserves are held and identified for each type of business conducted by a life insurer:

- Life insurance policies
- Annuities and supplementary contracts
- Health insurance policies

The composition of life insurer policy reserves has changed over the years, reflecting a shift in the basic types of business undertaken. Annuity contract reserves now account for a larger proportion of total policy reserves, while reserves set aside for life insurance policies have a lesser share.

In 2022, reserves for life insurance comprised 30 percent of total policy reserves, at \$1.8 trillion (Figure 3.2, Table 3.2). This proportion has shrunk from 1980, when life insurance products commanded 51 percent of total reserves (Table 3.7). In 2022, these reserves consisted of \$1.6 trillion for individual life policies, \$189 billion for group policies, and less than \$1 billion for credit life policies (Table 3.2).

By contrast, reserves for annuities and supplementary contracts climbed to nearly two-thirds of total reserves

in 2022 (65%), or \$3.9 trillion, from 46 percent in 1980. Much of the increase reflects the strong growth in retirement plans administered by life insurers.

In 2022, annuity reserves consisted of \$2.7 trillion for individual annuities, down 8.9 percent from 2021, and \$1.2 trillion for group annuities, down 7.9 percent. General account annuity reserves increased 3.3 percent while separate account annuity reserves decreased 17 percent (Table 3.2).

Reserves held under supplementary contracts with life contingencies in 2022 totaled \$27 billion, and for health insurance policies, \$280 billion.

DEPOSIT-TYPE CONTRACTS

Contracts issued by life insurers that do not incorporate mortality or morbidity risks are known as deposit-type contracts. Benefit payments under these contracts are not contingent upon death or disability as they are in life and disability insurance contracts, or upon continued survival as they are in annuity contracts. Categories of deposit-type contracts, as defined by the National Association of Insurance Commissioners (NAIC), include GICs, supplementary contracts without life contingencies, annuities certain, premium and other deposit funds, dividend and coupon accumulations, lottery payouts, and structured settlements.

Under codified statutory accounting practices implemented in 2001, cash inflows and outflows on deposit-type contracts are no longer reported as income and expenditure. Instead, they are recorded directly as increasing or decreasing reserves. During 2022, \$380 billion was deposited to these contracts and \$347 billion was withdrawn, with a total reserve of \$698 billion at year's end (Table 3.3).

In 2022, premium and other deposit funds remained the largest category of the deposit-type business with \$262 billion in deposits, \$245 billion in payments, and \$318 billion in reserve at year-end. GICs received \$97 billion from policyholders and paid out \$79 billion in 2022, leaving a reserve of \$259 billion at year's end.

ASSET FLUCTUATION RESERVES

Besides policy reserves, insurers are required to establish two statutory reserves to absorb gains and losses in their invested assets.

The asset valuation reserve (AVR) absorbs both realized and unrealized, credit-related capital gains and losses. The AVR consists of a default component, which provides for credit-related losses on fixed-income assets, and an equity component, which provides for all types of equity investments.

The interest maintenance reserve (IMR) captures all realized, interest-related capital gains and losses on fixed-income assets. The IMR amortizes these gains and losses into income over the remaining life of the investments sold.

In 2022, the industry's total AVR decreased 8.8 percent to \$88 billion, and its IMR decreased 43.3 percent to \$23 billion (Table 3.1).

OTHER LIABILITIES

In addition to reserves, other liability funds of U.S. life insurers at the end of 2022 included \$61 billion in policy and contract claims; \$19 billion set aside for the following year's dividend payments to policyholders; and \$835 billion for liabilities not directly allocable to policyholders—incurred expenses, mandatory reserves for fluctuations in security values, and insurance premiums paid in advance, for example (Table 3.1).

SURPLUS FUNDS AND CAPITAL STOCK

Surplus and capital amounted to \$488 billion for U.S. life insurers at the end of 2022 (Table 3.1). Surplus funds provide extra reserve safeguards for such contingencies as an unexpected rise in death rates among policyholders, unusual changes in the value of securities, and general protection for policy obligations. Several factors influence the amount of surplus that a life insurer retains, including company size, kinds of insurance written, mortality experience, general business conditions, and government regulation. Capital refers to the total par value of shares of the companies' capital stock.

CAPITAL RATIOS

One measure of the adequacy of a life insurer's surplus is its capital ratio: surplus funds plus capital stock plus AVR as a percentage of general account assets. Theoretically, the higher the capital ratio, the better a company is able to withstand adverse investment and mortality experience. However, the type of company and the distribution of its book of business can make comparisons among companies and with an industry wide average much less meaningful. In 2022, the aggregate capital ratio of U.S. life insurers was 10.5 percent (Table 3.4).

Life insurance regulators created the risk-based capital (RBC) ratio to monitor life insurance company solvency. Risk-based capital, calculated according to an NAIC model law, is considered the minimum amount of capital an insurer needs to avoid triggering regulatory action. The RBC ratio is total adjusted capital divided by risk-based capital, for a threshold ratio of 100 percent. The ratio provides a means for evaluating the adequacy of an insurer's capital relative

to the risks inherent in the insurer's operations.

From 1993 when life insurers began reporting risk-based capital, the average RBC ratio rose steadily to a plateau of 290 percent in 1997, which remained unbroken until 2001. That year, the ratio jumped to 346 percent, mainly due to two changes enacted by NAIC: accounting codification and an adjusted RBC formula that reflects changed risks for assets. The ratio reached its peak of 489 percent in 2014 and declined until it reached 424 in 2018. From 2021 to 2022, the ratio decreased 17 percentage points to 426 (Table 3.5).

Most companies have an RBC ratio well above the regulatory minimum level of 100 percent. By year-end 2022, 672 companies, or 93.9 percent of life insurers, had a ratio of 200 percent or more. These companies carried 99.5 percent of the industry's total assets.

Table 3.1

Liabilities and Surplus Funds of Life Insurers

	General account (millions)			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Reserves					
Policy reserves	\$2,609,151	\$3,426,078	\$3,536,943	3.1	3.2
Other reserves					
Liabilities for deposit-type contracts	280,313	436,604	482,614	5.6	10.5
Asset valuation reserve (AVR)	45,411	96,394	87,908	6.8	-8.8
Policy and contract claims	43,281	63,933	61,498	3.6	-3.8
Funds set aside for policyholder dividends	17,150	18,461	19,276	1.2	4.4
Interest maintenance reserve (IMR)	26,087	40,471	23,130	-1.2	-42.8
Miscellaneous reserves ¹	29,738	33,454	42,735	3.7	27.7
Total other reserves	441,979	689,317	717,161	5.0	4.0
Total reserves	3,051,130	4,115,395	4,254,103	3.4	3.4
Non-reserve liabilities	318,627	715,031	769,509	9.2	7.6
Total liabilities	3,369,757	4,830,426	5,023,613	4.1	4.0
Capital and surplus	337,881	492,150	482,295	3.6	-2.0
Total liabilities and surplus funds	3,707,639	5,322,576	5,505,908	4.0	3.4
	Separate account (millions)			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Reserves					
Policy reserves	\$1,840,282	\$2,962,398	\$2,481,956	3.0	-16.2
Other reserves					
Liabilities for deposit-type contracts	150,218	265,482	215,481	3.7	-18.8
Interest maintenance reserve (IMR)	252	831	300	1.8	-63.9
Total other reserves	150,469	266,313	215,781	3.7	-19.0
Total reserves	1,990,752	3,228,711	2,697,737	3.1	-16.4
Non-reserve liabilities	76,470	114,539	65,284	-1.6	-43.0
Total liabilities	2,067,221	3,343,250	2,763,021	2.9	-17.4
Surplus	2,560	4,913	5,989	8.9	21.9
Total liabilities and surplus funds	2,069,782	3,348,163	2,769,010	3.0	-17.3

Table 3.1, continued

Liabilities and Surplus Funds of Life Insurers, continued

	Combined account (millions)			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Reserves					
Policy reserves	\$4,449,433	\$6,388,476	\$6,018,899	3.1	-5.8
Other reserves					
Liabilities for deposit-type contracts	430,531	702,086	698,096	5.0	-0.6
Asset valuation reserve (AVR)	45,411	96,394	87,908	6.8	-8.8
Policy and contract claims	43,281	63,933	61,498	3.6	-3.8
Funds set aside for policyholder dividends	17,150	18,461	19,276	1.2	4.4
Interest maintenance reserve (IMR)	26,339	41,302	23,430	-1.2	-43.3
Miscellaneous reserves ¹	29,738	33,454	42,735	3.7	27.7
Total other reserves	592,449	955,630	932,942	4.6	-2.4
Total reserves	5,041,882	7,344,106	6,951,840	3.3	-5.3
Non-reserve liabilities	395,097	829,569	834,794	7.8	0.6
Total liabilities	5,436,979	8,173,676	7,786,634	3.7	-4.7
Capital and surplus	340,442	497,063	488,284	3.7	-1.8
Total liabilities and surplus funds	5,777,420	8,670,739	8,274,918	3.7	-4.6

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes insurance premiums paid in advance. The amount previously was included in non-reserve liabilities.

Table 3.2

Policy Reserves of Life Insurers, by Line of Business

	<u>General account (millions)</u>			<u>Average annual percent change</u>	
	<u>2012</u>	<u>2021</u>	<u>2022</u>	<u>2012/2022</u>	<u>2021/2022</u>
Life insurance					
Individual	\$997,641	\$1,311,016	\$1,350,828	3.1	3.0
Group	60,034	66,494	67,775	1.2	1.9
Credit	637	508	535	-1.7	5.2
Total	1,058,311	1,378,018	1,419,138	3.0	3.0
Annuities					
Individual	984,719	1,323,317	1,376,219	3.4	4.0
Group	323,713	438,985	444,263	3.2	1.2
Supplementary contracts with life contingencies	18,284	25,470	25,662	3.4	0.8
Total	1,326,716	1,787,772	1,846,144	3.4	3.3
Health insurance					
Total	224,123	260,288	271,661	1.9	4.4
Aggregate total	2,609,151	3,426,078	3,536,943	3.1	3.2
Separate account (millions)					
	<u>2012</u>	<u>2021</u>	<u>2022</u>	<u>2012/2022</u>	<u>2021/2022</u>
Life insurance					
Individual	\$150,735	\$319,027	\$279,327	6.4	-12.4
Group	93,000	134,230	120,746	2.6	-10.0
Total	243,735	453,257	400,073	5.1	-11.7
Annuities					
Individual	957,811	1,611,423	1,296,192	3.1	-19.6
Group	634,382	884,697	775,287	2.0	-12.4
Supplementary contracts with life contingencies	955	2,084	1,728	6.1	-17.1
Total	1,593,148	2,498,205	2,073,208	2.7	-17.0
Health insurance					
Total	3,399	10,936	8,675	9.8	-20.7
Aggregate total	1,840,282	2,962,398	2,481,956	3.0	-16.2

Table 3.2, continued

Policy Reserves of Life Insurers, by Line of Business, continued

	Combined account (millions)			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Life insurance					
Individual	\$1,148,376	\$1,630,043	\$1,630,155	3.6	0.0
Group	153,034	200,725	188,522	2.1	-6.1
Credit	637	508	535	-1.7	5.2
Total	1,302,046	1,831,276	1,819,212	3.4	-0.7
Annuities					
Individual	1,942,530	2,934,740	2,672,412	3.2	-8.9
Group	958,095	1,323,682	1,219,550	2.4	-7.9
Supplementary contracts with life contingencies	19,239	27,554	27,390	3.6	-0.6
Total	2,919,865	4,285,976	3,919,351	3.0	-8.6
Health insurance					
Total	227,521	271,224	280,336	2.1	3.4
Aggregate total	4,449,433	6,388,476	6,018,899	3.1	-5.8

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 3.3

Deposit-Type Contracts, 2022 (millions)			
	Deposits	Withdrawals	Reserves
General account			
Guaranteed interest contracts (GICs)	\$81,242	\$63,337	\$154,504
Annuities certain	6,563	7,152	47,023
Supplementary contracts			
without life contingencies	11,653	13,501	52,849
Dividend accumulations or refunds	653	1,629	14,156
Premium and other deposit funds	241,074	217,705	214,083
Total	341,184	303,325	482,614
Separate account			
Guaranteed interest contracts (GICs)	16,154	16,091	104,630
Annuities certain	1,245	853	2,173
Supplementary contracts			
without life contingencies	127	76	262
Dividend accumulations or refunds	-	129	4,538
Premium and other deposit funds	21,002	26,936	103,879
Total	38,529	44,085	215,481
Combined account			
Guaranteed interest contracts (GICs)	97,396	79,428	259,134
Annuities certain	7,808	8,006	49,196
Supplementary contracts			
without life contingencies	11,780	13,577	53,111
Dividend accumulations or refunds	653	1,758	18,694
Premium and other deposit funds	262,076	244,641	317,962
Total	379,713	347,410	698,096

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 3.4

Capital Ratios of Life Insurers (percent)			
	2012	2021	2022
Including AVR	10.4	11.1	10.5
Excluding AVR	9.2	9.3	8.9

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Capital ratio is equal to capital plus surplus plus the asset valuation reserve (AVR) divided by general account assets. Data represent U.S. life insurers and fraternal benefit societies.

Table 3.5

Levels of Risk-Based Capital Held by Life Insurers, 2012 - 2022

Risk-based capital ratio	Number of companies										
	2012	2013	2014	2015	2016	2017	2018*	2019	2020	2021	2022
200% or more	776	780	768	747	733	723	711	708	697	676	672
175 - 199	22	17	15	14	17	10	16	16	16	22	18
150 - 174	15	12	7	12	10	13	10	10	11	12	10
125 - 149	17	7	3	4	3	4	4	5	4	8	9
100 - 124	6	5	8	6	3	5	5	4	2	2	3
Less than 100%	8	7	5	9	10	6	9	6	5	3	4
Total	844	828	806	792	776	761	755	749	735	723	716
Average risk-based capital ratio	466%	481%	489%	486%	480%	470%	424%	433%	428%	443%	426%

Risk-based capital ratio	Percentage of companies (percent)										
	2012	2013	2014	2015	2016	2017	2018*	2019	2020	2021	2022
200% or more	91.9	94.2	95.3	94.3	94.5	95.0	94.2	94.5	94.8	93.5	93.9
175 - 199	2.6	2.1	1.9	1.8	2.2	1.3	2.1	2.1	2.2	3.0	2.5
150 - 174	1.8	1.4	0.9	1.5	1.3	1.7	1.3	1.3	1.5	1.7	1.4
125 - 149	2.0	0.8	0.4	0.5	0.4	0.5	0.5	0.7	0.5	1.1	1.3
100 - 124	0.7	0.6	1.0	0.8	0.4	0.7	0.7	0.5	0.3	0.3	0.4
Less than 100%	0.9	0.8	0.6	1.1	1.3	0.8	1.2	0.8	0.7	0.4	0.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Risk-based capital ratio	Distribution of total assets (percent)										
	2012	2013	2014	2015	2016	2017	2018*	2019	2020	2021	2022
200% or more	99.2	99.5	99.8	99.3	99.7	99.3	98.5	99.1	99.1	99.1	99.5
175 - 199	0.3	0.1	0.1	0.0	0.2	0.6	1.4	0.8	0.8	0.9	0.4
150 - 174	0.2	0.3	0.0	0.5	0.0	0.0	0.0	0.1	0.0	0.0	0.0
125 - 149	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
100 - 124	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less than 100%	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Risk-based capital ratio is total adjusted capital divided by total risk-based capital. Data represent U.S. life insurers and fraternal benefit societies.

*The change in Risk-Based Capital ratio from 2017 to 2018 can be partly attributed to the 2017 Tax Cuts and Jobs Act.

Table 3.6

Life Insurers Policy Reserves for Accident and Health Contracts, by Line of Business

	Millions		Average annual percent change
	2021	2022	2021/2022
Comprehensive	\$1,375	\$1,472	7.0
Medicare/Medicaid	2,574	2,716	5.5
Dental only	267	287	7.3
Vision only	51	53	4.2
Disability income	72,574	74,708	2.9
Long term care	159,995	168,453	5.3
Credit	845	809	-4.2
Other	33,544	31,838	-5.1
Total	271,224	280,336	3.4

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 3.7

Life Insurers Policy Reserves, by Line of Business and Year (millions)

Year	Amount	Year	Amount	Year	Amount	Year	Amount
1890	\$670	1910	\$3,226	1925	\$9,927	1940	\$27,238
1900	1,443	1915	4,399	1930	16,231	1945	38,667
1905	2,295	1920	6,338	1935	20,404	1950	54,946

Table 3.7, continued

Life Insurers Policy Reserves, by Line of Business and Year (millions), continued

Year	Life insurance	Health insurance	Annuities ¹		Supplementary contracts ²	Total
			Individual	Group		
1955	\$54,588	\$575	*	\$13,216	\$6,980	\$75,359
1960	70,791	865	\$4,327	14,952	7,538	98,473
1965	90,795	1,432	5,028	22,187	8,178	127,620
1970	115,442	3,474	6,951	34,009	7,903	167,779
1975	150,063	6,293	12,442	59,907	8,411	237,116
1980	197,865	11,015	31,543	140,417	9,499	390,339
1985	235,854	18,805	96,969	303,021	10,653	665,302
1986	252,035	21,294	121,146	355,756	11,693	761,924
1987	276,404	23,994	156,135	392,540	13,060	862,133
1988	299,901	26,852	193,820	433,889	14,501	968,963
1989	324,178	29,855	239,593	473,934	16,118	1,083,678
1990	348,774	33,448	282,129	515,794	16,822	1,196,967
1991	372,082	38,225	328,325	548,191	17,955	1,304,778
1992	402,413	45,159	380,677	559,774	19,068	1,407,091
1993	436,293	51,386	439,390	601,836	20,898	1,549,803
1994	468,469	58,019	482,172	612,394	22,989	1,644,043
1995	511,021	63,233	594,147	618,666	25,258	1,812,325
1996	556,133	69,567	622,012	690,482	27,596	1,965,790
1997	606,260	74,902	693,011	761,951	28,435	2,164,559
1998	655,983	82,020	763,329	845,164	30,952	2,377,449
1999	705,226	91,662	873,519	907,181	32,338	2,609,926
2000	741,603	95,704	880,874	960,128	33,542	2,711,851
2001	815,544	100,706	944,961	571,451	13,309	2,445,972
2002	832,927	110,768	980,065	569,856	13,699	2,507,314
2003	921,142	123,451	1,172,623	662,474	15,315	2,895,003
2004	987,568	133,641	1,311,552	712,149	15,587	3,160,497
2005	1,029,486	140,895	1,415,104	758,484	15,847	3,359,815
2006	1,109,868	153,104	1,521,074	806,944	16,753	3,607,743
2007	1,148,256	166,148	1,615,276	843,146	17,819	3,790,645
2008	1,134,470	186,105	1,421,597	715,587	13,107	3,470,867
2009	1,178,290	196,131	1,623,764	797,989	16,077	3,812,251
2010	1,223,899	213,896	1,779,931	863,100	16,761	4,097,587
2011	1,285,684	229,459	1,840,174	871,126	18,008	4,244,451
2012	1,302,046	227,521	1,942,530	958,095	19,239	4,449,433
2013	1,365,035	228,227	2,137,385	1,028,743	20,344	4,779,735

Table 3.7, continued

Life Insurers Policy Reserves, by Line of Business and Year (millions), continued

Year	Life insurance	Health insurance	Annuities ¹		Supplementary contracts ²	Total
			Individual	Group		
2014	\$1,422,537	\$233,867	\$2,227,842	\$1,049,840	\$21,637	\$4,955,724
2015	1,462,842	242,231	2,276,004	1,021,589	22,582	5,025,249
2016	1,500,319	264,489	2,390,559	1,053,070	23,234	5,231,672
2017	1,562,691	278,501	2,548,346	1,128,756	23,781	5,542,077
2018	1,573,847	247,422	2,449,318	1,079,362	25,407	5,375,356
2019	1,650,390	257,269	2,675,444	1,178,535	26,087	5,787,725
2020	1,737,562	263,559	2,801,979	1,274,234	26,921	6,104,255
2021	1,831,276	271,224	2,934,740	1,323,682	27,554	6,388,476
2022	1,819,212	280,336	2,672,412	1,219,550	27,390	6,018,899

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Before 1947, the business of health insurance departments of life insurers was not included in this series. Codification effective with 2001 Annual Statement filings changed the reporting of annuities. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

* Included with group annuities.

¹ Beginning in 2001, excludes reserves for guaranteed interest contracts (GICs). Figures for GICs are shown in Table 3.3.

² Beginning in 2001, includes reserves for supplementary contracts with life contingencies; reserves for supplementary contracts without life contingencies are included in liabilities for deposit-type contracts in Table 3.3.

Table 3.8

Life Insurance Policy Reserves, by Type and Year (millions)

Year	Individual	Group	Credit	Total
1956	\$56,875	\$787	--	\$57,662
1960	69,524	1,267	--	70,791
1965	88,784	2,011	--	90,795
1970	112,349	3,093	--	115,442
1975	144,368	4,995	\$700	150,063
1980	187,872	8,818	1,175	197,865
1981	196,407	9,379	1,200	206,986
1982	202,789	9,766	1,228	213,783
1983	209,466	10,148	1,354	220,968
1984	215,309	9,111	1,484	225,904
1985	224,204	9,927	1,723	235,854
1986	239,295	10,770	1,970	252,035
1987	263,515	10,559	2,330	276,404
1988	285,853	11,581	2,467	299,901
1989	309,168	12,569	2,441	324,178
1990	332,808	13,506	2,460	348,774
1991	355,719	13,950	2,413	372,082
1992	381,323	18,684	2,406	402,413
1993	412,542	21,336	2,415	436,293
1994	441,894	23,911	2,664	468,469
1995	480,967	27,342	2,712	511,021
1996	523,901	29,396	2,836	556,133
1997	565,601	37,787	2,872	606,260
1998	608,283	44,515	3,184	655,983
1999	645,499	56,426	3,302	705,226
2000	679,546	58,493	3,564	741,603
2001	720,583	91,563	3,398	815,544
2002	746,383	83,742	2,802	832,927
2003	827,892	91,049	2,200	921,142
2004	881,817	103,931	1,820	987,568
2005	923,429	104,463	1,594	1,029,486
2006	988,620	119,841	1,407	1,109,868
2007	1,011,179	135,733	1,343	1,148,256
2008	999,991	133,291	1,189	1,134,470
2009	1,043,493	133,828	969	1,178,290
2010	1,083,731	139,360	807	1,223,899

Table 3.8, continued

Life Insurance Policy Reserves, by Type and Year (millions), continued

Year	Individual	Group	Credit	Total
2011	\$1,141,356	\$143,661	\$667	\$1,285,684
2012	1,148,376	153,034	637	1,302,046
2013	1,197,727	166,687	620	1,365,035
2014	1,246,789	175,127	621	1,422,537
2015	1,292,526	169,683	634	1,462,842
2016	1,319,065	180,687	567	1,500,319
2017	1,383,172	179,010	510	1,562,691
2018	1,392,110	181,206	531	1,573,847
2019	1,471,277	178,542	571	1,650,390
2020	1,549,446	187,609	507	1,737,562
2021	1,630,043	200,725	508	1,831,276
2022	1,630,155	188,522	535	1,819,212

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Credit life insurance is limited to insurance on loans of 10 years' or less duration. Prior to 1973, all credit insurance was included in the individual and group categories. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Table 3.9

Life Insurer Liabilities and Surplus Funds, by Year (millions)

Year	Policy reserves	Liabilities for deposit-type contracts ¹	Funds set aside for policy dividends	Other obligations	Policy and contract claims ²	Mandatory securities or asset valuation reserves ³	Interest maintenance reserve	Capital and surplus funds	Total
1952	\$62,579	\$1,675	\$841	\$3,024	--	NA	--	\$5,256	\$73,375
1955	75,359	2,239	1,201	3,562	--	\$1,063	--	7,008	90,432
1960	98,473	3,381	1,780	4,851	--	1,417	--	9,674	119,576
1965	127,620	4,326	2,647	7,295	--	3,160	--	13,836	158,884
1970	167,779	6,068	3,540	10,295	--	2,249	--	17,323	207,254
1975	237,116	8,814	4,875	16,241	--	1,695	--	20,563	289,304
1980	390,339	12,727	7,659	27,701	--	6,426	--	34,358	479,210
1985	665,302	14,638	11,710	66,932	--	10,539	--	56,780	825,901
1986	761,924	15,174	11,704	69,270	--	15,330	--	64,149	937,551
1987	862,133	15,837	12,043	71,063	--	16,013	--	67,370	1,044,459
1988	968,963	16,601	12,478	75,939	--	17,939	--	74,950	1,166,870
1989	1,083,678	17,278	13,373	82,306	--	19,438	--	83,683	1,299,756
1990	1,196,967	18,000	13,921	73,164	--	14,783	--	91,373	1,408,208
1991	1,304,778	18,531	13,196	89,804	--	18,854	--	106,038	1,551,201
1992	1,407,091	19,189	13,102	85,212	--	20,801	\$3,899	115,237	1,664,531
1993	1,549,803	19,619	13,172	72,525	\$20,680	25,063	10,245	128,020	1,839,127
1994	1,644,043	19,702	13,150	74,646	21,993	25,010	6,988	136,741	1,942,273
1995	1,812,325	19,950	13,739	83,923	23,987	29,676	9,000	150,944	2,143,544
1996	1,965,790	20,441	14,863	111,629	25,399	33,202	9,360	147,240	2,327,924
1997	2,164,559	20,456	16,197	141,042	29,181	36,159	11,398	160,086	2,579,078
1998	2,377,449	20,520	16,831	155,266	31,309	37,882	14,567	172,695	2,826,520
1999	2,609,920	20,808	17,356	157,860	31,096	40,089	12,275	181,248	3,070,653
2000	2,711,851	21,149	18,137	162,300	33,161	37,893	8,746	188,499	3,181,736
2001	2,445,972	337,713	18,689	201,087	35,721	30,603	8,507	190,727	3,269,019
2002	2,507,314	363,514	18,489	220,160	35,043	22,851	10,310	202,318	3,380,000
2003	2,895,003	410,554	18,825	251,209	37,202	29,187	14,890	231,321	3,888,190
2004	3,160,497	445,431	18,416	287,629	37,880	35,125	17,764	249,643	4,252,386
2005	3,359,815	456,325	18,810	300,912	36,719	37,832	17,011	254,572	4,481,995
2006	3,607,743	487,490	19,494	345,648	39,361	43,389	13,827	265,872	4,822,824
2007	3,790,645	516,905	20,134	383,090	41,120	45,913	11,948	281,831	5,091,586
2008	3,470,867	453,860	18,582	368,303	42,493	21,243	9,521	263,278	4,648,147
2009	3,812,251	416,478	17,591	337,219	42,358	20,667	10,908	301,221	4,958,693
2010	4,097,587	420,494	17,356	367,469	42,106	31,340	16,133	318,720	5,311,204
2011	4,244,451	413,044	17,328	392,148	43,607	39,725	21,230	321,126	5,492,658

Table 3.9, continued

Life Insurer Liabilities and Surplus Funds, by Year (millions), continued

Year	Policy reserves	Liabilities for deposit-type contracts¹	Funds set aside for policy dividends	Other obligations	Policy and contract claims²	Mandatory securities or asset valuation reserves³	Interest maintenance reserve	Capital and surplus funds	Total
2012	\$4,449,433	\$430,531	\$17,150	\$424,835	\$43,281	\$45,411	\$26,339	\$340,442	\$5,777,420
2013	4,779,735	450,448	17,603	436,347	43,425	48,365	26,509	347,868	6,150,300
2014	4,955,724	468,150	18,153	472,516	43,463	52,862	26,938	368,155	6,405,961
2015	5,025,249	470,429	18,494	463,235	44,121	49,489	23,935	382,867	6,477,819
2016	5,231,672	495,471	17,942	507,710	45,795	51,514	23,702	398,209	6,772,014
2017	5,542,077	530,434	17,727	549,041	48,489	57,393	25,280	412,931	7,183,372
2018	5,375,356	524,237	18,162	530,203	49,472	56,342	20,334	418,688	6,992,794
2019	5,787,725	571,580	18,317	600,960	51,666	71,899	23,725	441,327	7,567,199
2020	6,104,255	625,895	18,019	775,492	58,880	78,260	35,457	454,131	8,150,389
2021	6,388,476	702,086	18,461	863,023	63,933	96,394	41,302	497,063	8,670,739
2022	6,018,899	698,096	19,276	877,529	61,498	87,908	23,430	488,284	8,274,918

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Codification effective with 2001 Annual Statement filings changed the reporting of annuities and deposit-type funds, as explained in footnotes. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

NA: Not available.

¹ Prior to 2001, represents policyholder dividend accumulations. Beginning in 2001, includes liabilities for guaranteed interest contracts, supplementary contracts without life contingencies, policyholder dividend accumulations, and premium and other deposits.

² Prior to 1993, included with other obligations.

³ Beginning in 1992, asset valuation reserve replaced mandatory securities valuation reserve.

Table 3.10

Capital Ratios of Life Insurers, by Year (percent)

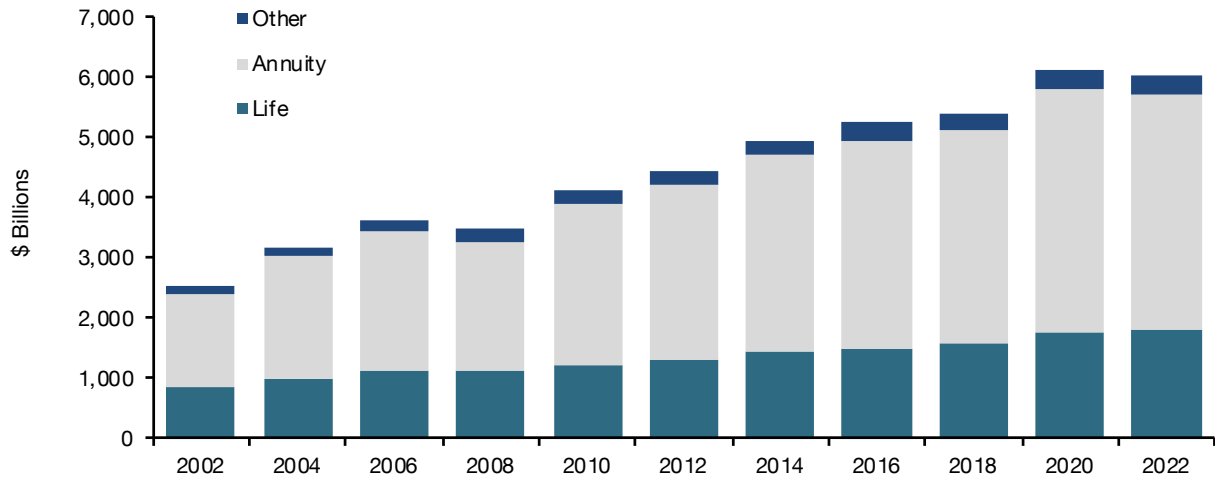
Year	Including MSVR/AVR	Excluding MSVR/AVR	Year	Including MSVR/AVR	Excluding MSVR/AVR
1970	9.7	8.6	2005	9.7	8.5
1975	8.1	7.4	2006	10.0	8.6
1980	9.2	7.7	2007	10.3	8.9
1985	9.1	7.7	2008	8.7	8.1
1990	8.5	7.3	2009	9.7	9.1
1991	9.3	7.9	2010	10.1	9.2
1992	9.6	8.1	2011	9.9	8.8
1993	10.0	8.4	2012	10.4	9.2
1994	10.2	8.6	2013	10.4	9.2
1995	10.7	9.0	2014	10.6	9.3
1996	11.9	10.0	2015	10.7	9.5
1997	10.6	8.7	2016	10.6	9.4
1998	11.0	9.0	2017	10.6	9.3
1999	11.1	9.1	2018	10.6	9.3
2000	11.1	9.2	2019	10.8	9.3
2001	10.1	8.7	2020	10.5	9.0
2002	9.3	8.4	2021	11.1	9.3
2003	9.6	8.5	2022	10.5	8.9
2004	9.8	8.6			

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Capital ratio is equal to capital plus surplus plus the asset valuation reserve (AVR), or mandatory securities valuation reserve (MSVR) prior to 1992, divided by general account assets. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Figure 3.1

Growth of Life Insurers' Policy Reserves

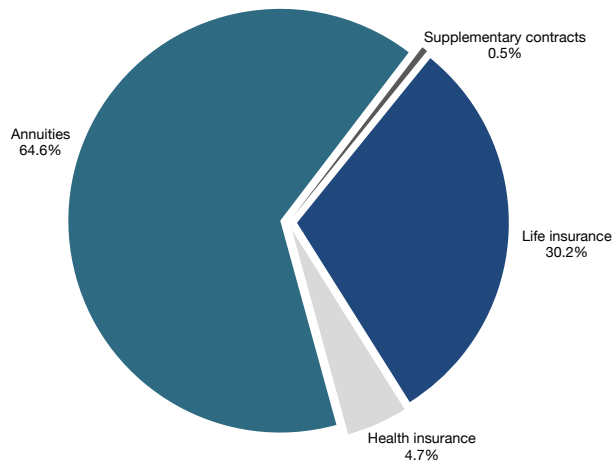


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Figure 3.2

Distribution of Life Insurers' Policy Reserves, 2022



Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

4

INCOME

The gross income of life insurance companies comes from two main sources: premiums paid by policyholders and earnings on investments. In 2022, total income of all U.S. life insurers increased 7.1 percent to \$1.2 trillion (Table 4.1). Insurance premiums and annuity considerations contributed 61 percent of total income. Investment earnings contributed 31 percent. The remainder of gross income came from amortization of interest maintenance reserve, commissions and expense allowance on reinsurance ceded, and miscellaneous income.

Under statutory accounting rules, net gain from (insurance) operations is calculated prior to net income. Net gain from operations equals gross income minus operating expenditures, policyholder dividends, and federal income taxes. Capital gains, net of tax, are then added to net gain from operations to calculate (after tax) net income.

PREMIUM INCOME

Premium receipts - derived from sales of life insurance, health insurance, and annuities - increased 9.8 percent to \$711 billion in 2022 (Table 4.2).

The mix of premiums from life insurance and annuity considerations has changed markedly over time. Prior to 1986, premium receipts from life policies were greater than annuity considerations, but starting in 1986, annuity premiums have exceeded life insurance premiums (Table 4.10). By 2022, life policies accounted for nearly a quarter of premium receipts (24%), while annuity considerations contributed almost a half (49%) (Figure 4.1).

Premiums for life insurance policies totaled \$170 billion in 2022, a 3.4 percent increase from the previous year (Table 4.2). Individual policy premiums accounted for the largest share at \$139 billion, or 81 percent. Most were renewals, representing \$98 billion, or 71 percent, of individual premiums (Table 4.3). Group insurance was the second-largest contributor to life insurance premiums at \$31 billion, or 18 percent of the total (Table 4.2). Again, renewals constituted the largest portion at \$23 billion, or 76 percent, of all group premiums (Table 4.3). Credit life provided \$591 million of all life insurance premiums (Table 4.2). Americans spent 0.91 percent of total disposable (after-tax) personal income on direct individual life insurance in 2022 (Table 4.5).

Annuity considerations increased 20.7 percent in 2022 to \$351 billion (Table 4.2). Individual annuities provided \$167 billion in premium receipts, increasing 9.9 percent from 2021. Of individual annuity considerations, single annuity considerations constitute the largest share of this category at \$96 billion, or 57 percent, while group considerations counted renewals as the largest contributor with \$101 billion, or 55 percent (Table 4.4). Direct individual annuity considerations amounted to 1.55 percent of disposable personal income in 2022 (Table 4.5).

Premiums for accident and health insurance decreased 1.1 percent to \$190 billion in 2022 (Table 4.2). Over the last ten years accident and health insurance premiums had an average annual increase of 1%.

INVESTMENT INCOME AND RATE OF RETURN

Net investment income of life insurance companies amounted to \$342 billion in 2022 (Table 4.7). The largest source of investment income was from bonds at \$159 billion, followed by common stock (\$122 billion) and mortgage loans (\$31 billion). Gross investment income increased 7 percent in 2022 to \$362 billion. Investment expenses, taxes, and deductions totaled \$21 billion, increasing 32.7 percent from the previous year.

As a way of tracking investment performance, life insurers routinely calculate their net rate of return on invested assets. The net rate of return on invested assets is determined by dividing net investment income by the two-year average of the net invested assets. The gross rate of return on total fixed income assets is calculated by dividing the gross investment income on bonds by the average net investment in bonds.

In 2022, life insurers' net rate of return on total assets was 4.52 percent, up from 4.28 a year earlier (Table 4.8). This net rate is an annual average based on aggregates of all U.S. life insurance companies after investment expenses, but before federal income taxes. Excluding separate accounts, the portfolio net rate of return on general account assets was 4.22 percent in 2022, down from 4.40 percent in 2021.

The gross rate of return on fixed-income assets measures the return on bonds, preferred stocks, and mortgages. It does not account for depreciation or investment expenses and excludes equity investments (other than preferred stocks), avoiding the uneven treatment of gains in the numerator and denominator of net rate data.

Gross rate data apply to fixed-income assets of both general and separate accounts. The industry's gross rate on total fixed-income assets was 4.03 percent in 2022, up from 3.94 percent in 2021.

NET GAIN FROM OPERATIONS

Statutory accounting calculates net gain from (insurance) operations as gross income minus operating expenses, policyholder dividends, and federal income taxes (not including tax on capital gains, since capital gains are not included in gain from operations). Net gain from operations after federal income taxes increased 8.8 percent in 2022 to \$59 billion (Table 4.9). Net gains can be calculated separately for each major line of business. Net gains from annuities decreased to \$31 billion while net gain from life insurance increased to \$2 billion.

Table 4.1

Income of Life Insurers

	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Net Premiums and considerations					
Life insurance premiums	\$135,392	\$164,604	\$170,192	2.3	3.4
Annuity considerations	348,095	290,632	350,808	0.1	20.7
Health insurance premiums	172,300	192,035	189,882	1.0	-1.1
Total	655,788	647,271	710,882	0.8	9.8
Investment income	228,084	338,312	362,150	4.7	7.0
Other income¹	68,483	100,902	90,715	2.9	-10.1
Aggregate total	952,355	1,086,485	1,163,747	2.0	7.1

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes commissions and expense allowance on reinsurance ceded. Also, includes amortization of interest maintenance reserve. Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.2

Premium Receipts of Life Insurers					
	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
NET BUSINESS					
Life insurance premiums					
Individual	\$106,352	\$136,651	\$138,607	2.7	1.4
Group	28,207	27,360	30,994	0.9	13.3
Credit	834	593	591	-3.4	-0.4
Total	135,392	164,604	170,192	2.3	3.4
Annuity considerations					
Individual	189,258	152,071	167,099	-1.2	9.9
Group	158,837	138,561	183,709	1.5	32.6
Total	348,095	290,632	350,808	0.1	20.7
Health insurance premiums					
Total	172,300	192,035	189,882	1.0	-1.1
Aggregate total	655,788	647,271	710,882	0.8	9.8
DIRECT BUSINESS					
Life insurance premiums					
Individual	\$137,053	\$168,900	\$168,873	2.1	0.0
Group	34,456	41,986	44,915	2.7	7.0
Credit	1,129	744	738	-4.2	-0.8
Total	172,638	211,630	214,527	2.2	1.4
Annuity considerations					
Individual	200,549	245,141	287,886	3.7	17.4
Group	164,070	160,212	176,707	0.7	10.3
Total	364,619	405,353	464,593	2.5	14.6
Health insurance premiums					
Individual	82,685	71,910	71,852	-1.4	-0.1
Group	96,848	144,355	140,870	3.8	-2.4
Credit	955	761	746	-2.4	-2.0
Total	180,487	217,027	213,468	1.7	-1.6
Aggregate total	717,744	834,009	892,589	2.2	7.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies. Differences between net and direct premiums are caused by reinsurance activities, as reported in Chapter 6.

Table 4.3

Individual and Group Life Insurance Net Premium Receipts, 2022 (millions)						
	Individual	Percent distribution	Group	Percent distribution	Total	Percent distribution
First-year	\$19,190	13.8	\$6,038	19.5	\$25,228	14.9
Single¹	21,677	15.6	1,462	4.7	23,140	13.6
Renewal	97,741	70.5	23,493	75.8	121,234	71.5
Aggregate total	138,607	100.0	30,994	100.0	169,601	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Credit life premiums on loans of 10 years' or less duration are excluded. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes dividend additions, excess premiums beyond planned periodic premiums, and single-premium riders.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.4

Individual and Group Annuity Considerations, 2022 (millions)						
	Individual	Percent distribution	Group¹	Percent distribution	Total	Percent distribution
First-year	\$58,996	35.3	\$36,228	19.7	\$95,224	27.1
Single²	95,961	57.4	46,402	25.3	142,363	40.6
Renewal	12,142	7.3	101,079	55.0	113,221	32.3
Total	167,099	100.0	183,709	100.0	350,808	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Excludes certain deposit-type funds from income due to codification, and includes supplementary contracts with life contingencies. Also excludes reserves for supplementary contracts without life contingencies and annuities certain, lottery payouts, structured settlements, and income payout options.

² Includes supplementary contracts with life contingencies for individual annuity considerations.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.5

Individual Life Premiums and Annuity Considerations as Percentage of Disposable Personal Income

	Percent		
	2012	2021	2022
Individual			
Life premiums	1.10	0.91	0.91
Annuity considerations ¹	1.60	1.32	1.55
Total	2.70	2.24	2.46

Sources: U.S. Department of Commerce; ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies. U.S. Department of Commerce data from past years may be revised.

¹ Excludes certain deposit-type funds from income due to codification, and includes supplementary contracts with life contingencies. Also excludes reserves for supplementary contracts without life contingencies and annuities certain, lottery payouts, structured settlements, and income payout options.

Beginning with 2017 edition of Fact Book, data used in this table represent direct business. Prior editions of Fact Book used net business.

Table 4.6

Accident and Health Insurance Net Premium Receipts, by Line of Business

	2022	
	Amount (millions)	Percent distribution
Comprehensive	\$46,154	24.3
Medicare/Medicaid	48,723	25.7
Dental only	14,333	7.5
Vision only	1,907	1.0
Disability income	31,698	16.7
Long term care	9,005	4.7
Credit	642	0.3
Other	37,419	19.7
Total	189,882	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Premium receipts are net of reinsurance. Data represent U.S. life insurers and fraternal benefit societies.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.7

	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
	Net Investment Income				
Gross investment income					
Bonds	\$143,995	\$152,149	\$158,781	1.0	4.4
Preferred stock	501	924	1,029	7.5	11.3
Common stock	38,426	103,358	121,831	12.2	17.9
Mortgage loans	20,703	28,982	30,936	4.1	6.7
Real estate	3,925	4,282	4,242	0.8	-0.9
Contract loans	7,916	8,087	7,938	0.0	-1.8
Cash/Short-term investments	487	768	3,449	21.6	NC
Other invested assets	10,224	31,534	27,806	10.5	-11.8
Derivative instruments	1,583	7,572	5,191	12.6	-31.4
Other write-ins	325	655	948	11.3	44.6
Total	228,084	338,312	362,150	4.7	7.0
Expenses, taxes, and deductions	11,247	15,547	20,627	6.3	32.7
Net investment income	216,837	322,765	341,524	4.6	5.8

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: Data represent U.S. life insurers and fraternal benefit societies. NAIC does not endorse any analysis or conclusions based on use of its data.

NC: Not calculated.

Table 4.8

	Percent		
	2012	2021	2022
Net rate			
Total assets	4.25	4.28	4.52
General account only	5.07	4.40	4.22
Gross rate			
Total fixed-income assets	5.30	3.94	4.03

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 4.9

Net Gain From Operations After Federal Income Taxes

	Millions		
	2012	2021	2022
Life insurance			
Individual	\$7,748	-\$5,563	\$2,459
Group	1,829	-2,504	-568
Credit	134	-53	10
Total	9,711	-8,120	1,902
Annuities¹			
Individual	20,104	33,749	23,884
Group	8,170	5,256	7,520
Total	28,274	39,005	31,404
Accident and health			
Total	8,507	16,700	17,967
Other²	7,185	6,551	7,604
Aggregate total	53,677	54,137	58,876

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Net gain is calculated after dividends to policyholders and federal income taxes are deducted and before realized capitals gains or (losses) are added. Data represent U.S. life insurers and fraternal benefit societies.

¹Excludes certain deposit-type funds from income due to codification, and includes supplementary contracts with life contingencies. Also excludes reserves for supplementary contracts without life contingencies and annuities certain, lottery payouts, structured settlements, and income payout options.

²Includes lines of business other than life (e.g. workers compensation, aviation insurance, etc.).

Table 4.10

Income of Life Insurers, by Year (millions)

Year	Net Premium receipts				Investment income ¹	Other income ²	Total income
	Life insurance premiums	Annuity considerations	Health insurance premiums	Total premium receipts			
1911	\$626	\$4	--	\$630	\$182	\$24	\$836
1915	776	6	--	782	241	20	1,043
1920	1,374	7	--	1,381	341	42	1,764
1925	2,340	38	--	2,378	551	89	3,018
1930	3,416	101	--	3,517	891	186	4,594
1935	3,182	491	--	3,673	1,013	386	5,072
1940	3,501	386	--	3,887	1,231	540	5,658
1945	4,589	570	--	5,159	1,445	1,070	7,674
1950	6,249	939	\$1,001	8,189	2,075	1,073	11,337
1955	8,903	1,288	2,355	12,546	2,801	1,197	16,544
1960	11,998	1,341	4,026	17,365	4,304	1,338	23,007
1965	16,083	2,260	6,261	24,604	6,778	1,785	33,167
1970	21,679	3,721	11,367	36,767	10,144	2,143	49,054
1975	29,336	10,165	19,074	58,575	16,488	2,959	78,022
1980	40,829	22,429	29,366	92,624	33,928	4,336	130,888
1985	60,127	53,899	41,837	155,863	67,952	10,212	234,027
1990	76,692	129,064	58,254	264,010	111,853	26,337	402,200
1995	102,766	158,389	90,038	351,193	143,967	32,894	528,054
1996	107,598	178,416	92,183	378,197	152,700	30,190	561,087
1997	115,039	197,529	92,737	405,305	170,713	34,628	610,646
1998	119,897	229,493	94,881	444,271	176,801	42,311	663,383
1999	120,274	270,212	100,049	490,535	186,563	49,830	726,928
2000	130,616	306,693	105,619	542,928	220,862	47,679	811,469
2001	125,314	251,255 [^]	103,413	479,982	203,399	41,068	724,448
2002	134,483	269,296	108,703	512,482	180,855	40,676	734,013
2003	127,320	268,558	115,827	511,705	179,744	35,558	727,007
2004	139,691	276,677	125,752	542,120	186,827	27,863	756,810
2005	142,261	277,117	118,267	537,645	206,859	34,521	779,024
2006	149,223	302,727	141,198	593,149	239,669	50,779	883,597
2007	142,661	314,225	151,462	608,348	267,394	74,624	950,366
2008	147,182	328,135	165,034	640,350	260,123	40,166	940,638
2009	124,564	231,580	166,164	522,308	211,650	47,468	781,426
2010	104,648	293,622	172,717	570,987	212,841	78,741	862,570

Table 4.10, continued

Income of Life Insurers, by Year (millions), continued

Year	Net Premium receipts				Investment income ¹	Other income ²	Total income
	Life insurance premiums	Annuity considerations	Health insurance premiums	Total premium receipts			
2011	\$127,455	\$334,895	\$171,647	\$633,997	\$221,007	\$60,332	\$915,336
2012	135,392	348,095	172,300	655,788	228,084	68,483	952,355
2013	130,582	287,669	175,084	593,335	237,995	75,397	906,727
2014	138,308	361,586	158,391	658,285	267,486	73,579	999,351
2015	155,866	333,016	159,855	648,737	289,894	126,080	1,064,712
2016	119,334	326,795	164,002	610,131	279,101	96,614	985,845
2017	141,794	294,861	170,498	607,152	280,764	85,522	973,438
2018	150,192	279,298	185,446	614,935	312,524	80,763	1,008,222
2019	156,623	347,494	188,088	692,205	314,493	87,660	1,094,358
2020	147,965	301,341	186,336	635,643	293,154	91,413	1,020,211
2021	164,604	290,632	192,035	647,271	338,312	100,902	1,086,485
2022	170,192	350,808	189,882	710,882	362,150	90,715	1,163,747

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Codification effective with 2001 Annual Statement filings changed the reporting of certain lines of business, particularly deposit-type contracts, as explained in footnotes. Beginning in 1986, unusually large increase due to NAIC-mandated change in reporting method for group annuity considerations. Prior to 1947, the business of health insurance departments of life insurers was not included in this series. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

[^]Beginning in 2001, excludes certain deposit-type funds from income due to codification.

¹Beginning in 2000, represents gross investment income. Prior to 2000, figures are net of investment expenses.

²Beginning in 1975, includes commissions and expense allowance on reinsurance ceded. Beginning in 1992, includes amortization of the interest maintenance reserve.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.11

Individual Life Insurance Premium Receipts, by Year (millions)

Year	First-year	Single¹	Renewal	Total
1970	\$1,869	\$1,114	\$14,033	\$17,016
1975	2,705	1,505	18,125	22,335
1980	4,520	2,448	23,818	30,786
1981	5,927	2,486	27,283	35,696
1982	5,948	3,232	30,675	39,855
1983	6,910	4,221	27,913	39,044
1984	8,794	4,735	26,204	39,733
1985	10,858	6,941	29,202	47,001
1986	11,524	9,901	30,980	52,405
1987	12,484	15,610	34,584	62,678
1988	10,670	11,893	36,150	58,713
1989	10,658	8,800	38,716	58,174
1990	11,249	8,261	41,055	60,565
1991	11,398	8,445	43,521	63,364
1992	11,141	9,389	45,739	66,269
1993	13,314	11,447	50,570	75,331
1994	14,081	8,820	53,153	76,054
1995	12,081	9,945	56,453	78,479
1996	12,041	10,799	60,001	82,841
1997	14,592	11,999	60,846	87,437
1998	17,353	15,802	60,396	93,550
1999	16,784	13,540	63,029	93,354
2000	17,881	16,565	68,047	102,493
2001	17,849	19,145	58,432	95,426
2002	15,934	21,768	68,454	106,156
2003	14,650	20,463	62,795	97,907
2004	16,098	23,550	71,207	110,855
2005	16,680	25,363	69,873	111,915
2006	14,578	29,774	69,612	113,964
2007	14,145	40,291	49,044	103,479
2008	14,460	34,068	68,871	117,399
2009	12,395	17,930	68,253	98,579
2010	10,723	20,749	48,148	79,621
2011	18,150	19,740	62,874	100,763
2012	21,272	20,084	64,995	106,352
2013	17,796	13,244	72,171	103,210

Table 4.11, continued

Individual Life Insurance Premium Receipts, by Year (millions), continued

Year	First-year	Single¹	Renewal	Total
2014	\$17,373	\$19,708	\$72,589	\$109,670
2015	16,359	19,815	88,327	124,501
2016	17,390	19,597	53,120	90,107
2017	16,984	19,584	75,507	112,075
2018	17,955	17,846	82,161	117,962
2019	19,200	19,437	86,964	125,600
2020	18,372	18,261	84,072	120,706
2021	20,799	20,673	95,178	136,651
2022	19,190	21,677	97,741	138,607

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. 1969-72 data include credit life insurance premiums. Beginning with 1973, credit life premiums on loans of 10 years' or less in duration are excluded. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

¹ Includes dividend additions, excess premiums beyond planned periodic premiums, and single-premium riders.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.12

Individual Annuity Considerations, by Year (millions)					
Year	First-year	Single	Renewal	Deposit-type funds ¹	Total
1970	\$183	\$230	\$547	-	\$960
1975	728	808	1,128	-	2,664
1980	839	3,033	2,424	NA	6,296
1981	1,240	6,100	2,950	NA	10,290
1982	2,863	8,769	3,564	NA	15,196
1983	2,211	7,842	3,950	NA	14,003
1984	2,385	8,673	4,648	NA	15,706
1985	3,390	11,095	6,406	NA	20,891
1986	4,683	13,281	8,153	NA	26,117
1987	6,238	18,578	8,948	NA	33,764
1988	7,875	28,053	7,856	NA	43,784
1989	5,597	20,970	6,437	\$16,403	49,407
1990	6,080	22,777	6,992	17,817	53,665
1991	5,854	21,930	6,732	17,154	51,670
1992	6,775	21,964	7,378	25,232	61,348
1993	8,793	23,393	6,513	38,288	76,987
1994	8,263	22,901	6,448	43,221	80,832
1995	7,913	22,898	8,725	37,834	77,370
1996	9,727	19,802	6,461	48,077	84,067
1997	10,806	22,441	6,781	50,145	90,174
1998	11,092	17,129	7,179	60,047	95,446
1999	14,599	19,470	6,784	74,767	115,621
2000	15,050	27,022	7,480	90,099	139,651
2001*	51,576	63,078	27,002	NA	141,656
2002	64,731	75,412	28,291	NA	168,434
2003	61,439	75,410	24,855	NA	161,704
2004	60,568	86,383	25,188	NA	172,140
2005	66,771	78,354	21,907	NA	167,032
2006	81,923	77,193	27,967	NA	187,083
2007	92,395	71,268	28,841	NA	192,503
2008	89,758	94,111	25,097	NA	208,965
2009	93,919	19,331	15,603	NA	128,853
2010	100,286	61,164	28,496	NA	189,946
2011	120,303	60,168	37,366	NA	217,837
2012	107,865	53,941	27,452	NA	189,258
2013	110,625	61,068	7,885	NA	179,578

Table 4.12, continued

Individual Annuity Considerations, by Year (millions), continued

Year	First-year	Single	Renewal	Deposit-type funds¹	Total
2014	\$106,198	\$109,161	\$32,067	NA	\$247,426
2015	99,914	69,903	39,096	NA	208,913
2016	84,440	74,089	43,783	NA	202,312
2017	79,375	67,178	18,237	NA	164,790
2018	91,891	47,113	15,656	NA	154,660
2019	95,691	79,758	28,860	NA	204,309
2020	88,856	67,017	-5,787	NA	150,086
2021	75,766	49,281	27,023	NA	152,071
2022	58,996	95,961	12,142	NA	167,099

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Codification effective with 2001 Annual Statement filings changed the reporting of certain lines of business, particularly deposit-type contracts, as explained in footnotes. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

NA: Not available.

^{*}Certain deposit-type funds are excluded from income under codification, making data after 2000 incomparable.

¹First included in annual statements for 1978 and divided into first-year, single, and renewal annuity considerations through 1988.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.13

Rates of Return on Invested Assets of Life Insurers, by Year (percent)

Year	Net rate		Gross rate
	Total assets	General account only	Total fixed-income assets
1920	4.83	NA	NA
1925	5.11	NA	NA
1930	5.05	NA	NA
1935	3.70	NA	NA
1940	3.45	NA	NA
1945	3.11	NA	NA
1950	3.13	NA	NA
1955	3.51	NA	NA
1960	4.11	NA	NA
1965	4.61	4.61	NA
1970	5.30	5.34	5.85
1975	6.36	6.44	7.37
1980	8.02	8.06	9.26
1985	9.63	9.87	12.23
1990	8.89	9.31	10.34
1991	8.63	9.09	10.05
1992	8.08	8.58	9.44
1993	7.52	8.04	8.71
1994	7.14	7.63	8.22
1995	7.41	7.90	8.43
1996	7.25	7.75	8.17
1997	7.35	7.86	8.08
1998	6.95	7.58	8.00
1999	6.71	7.49	7.93
2000	7.05	7.40	7.91
2001	6.31	7.13	7.62
2002	5.38	6.64	7.13
2003	5.03	6.17	6.44
2004	4.80	5.93	6.03
2005	4.90	5.88	5.96
2006	5.35	5.95	5.99
2007	5.71	6.01	6.10
2008	5.70	5.63	6.01
2009	4.60	5.25	5.91
2010	4.33	5.37	5.68

Table 4.13, continued

Rates of Return on Invested Assets of Life Insurers, by Year (percent), continued

Year	Net rate		Gross rate
	Total assets	General account only	Total fixed-income assets
2011	4.35	5.29	5.73
2012	4.25	5.07	5.30
2013	4.20	5.09	4.91
2014	4.61	5.19	4.80
2015	4.81	4.91	4.64
2016	4.50	4.86	4.56
2017	4.28	4.80	4.43
2018	4.72	4.75	4.40
2019	4.57	4.58	4.43
2020	3.93	4.28	4.15
2021	4.28	4.40	3.94
2022	4.52	4.22	4.03

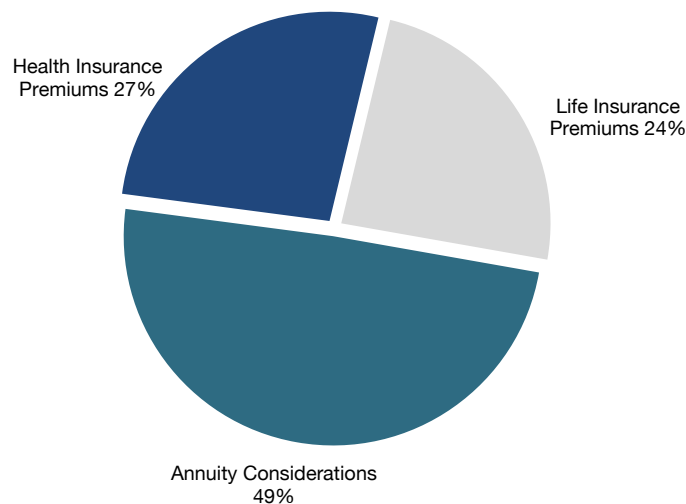
Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Before 1940, some federal income taxes were deducted from net investment income; beginning with 1940, rates are calculated before deducting any federal income taxes. Beginning in 1994, rates include amortization of the interest maintenance reserve. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

NA: Not available.

Figure 4.1

Distribution of Life Insurers' Net Premium Receipts, 2022



Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission. NAIC does not endorse any analysis or conclusions based on use of its data.

Note: Data represent U.S. life insurers and fraternal benefit societies.

5

EXPENDITURES

Life insurance company expenditures include benefit payments and other contract payments, operating expenses, taxes, additions to reserves, and investment expenses. Contract payments accounted for 66 percent of expenditures at \$714 billion in 2022 (Table 5.1, Figure 5.1). Additions to policy reserve funds more than tripled to \$192 billion, accounting for the second-largest category at 18 percent.

Operating expenses comprised 13 percent of 2022 total expenditures, investment expenses claimed 2 percent, and taxes claimed 1 percent. Each expenditure category is detailed in this chapter, with the exception of reserves, which are discussed in Chapter 3.

CONTRACT PAYMENTS

From Life Insurance Policies

Several factors affect the pattern of life insurance benefit payments. Primary among them are changes in the death rate of policyholders and the growth in group life insurance and other term insurance policies that do not incorporate a cash value.

These payments have increased steadily for many

years, reflecting greater use of life insurance not only to provide funds for the family whose breadwinner dies, but also for family financial needs during the policyholder's lifetime.

To Beneficiaries

During 2022, life insurers paid \$92 billion to beneficiaries of policyholders who died; an 8.5 percent decrease from 2021 (Table 5.2). Of this total, individual life insurance policies accounted for the largest share at \$68 billion, or 74 percent. Group life insurance payments to beneficiaries ranked second at \$24 billion, or 26 percent of total death payments. Benefits paid under short-term individual and group credit life insurance policies (on loans of 10 years' or less duration) totaled \$314 million in 2022.

To Policyholders

Although the basic purpose of life insurance is to protect against the economic risks of death, it can also generate value for the individual policyholder. Cash surrender values paid on life insurance policies terminated voluntarily during 2022 increased by 5.5 percent to \$30 billion from a year earlier (Table 5.2).

Policyholder dividends represent the return of part

of the payments that policyholders made on policies sold on a participating basis, and reflect the portion not needed by the company after payment of claims, additions to reserves, and administrative expenses. Dividends accounted for \$15 billion, or 11 percent of payments from life insurance policies in 2022.

Endowment insurance guarantees that the policy's face amount will be paid by the insurance company regardless of whether the insured dies during the policy's term, as long as premiums are paid as required. These policies specify a maturity date. Matured endowment payments totaled \$607 million in 2022.

Other payments, including disability payments and retained assets under life insurance policies, totaled \$664 million in 2022.

From Annuity Contracts

Annuity benefit payments decreased by 2.3 percent to \$95 billion in 2022 (Table 5.3).

Fifty-seven percent of the annuity benefit payments, or \$54 billion, was paid to individual annuity owners, while \$39 billion, or 40 percent, was paid to group annuity owners. The remainder was paid under supplementary contracts with life contingencies—an agreement between an insurer and a life insurance policyholder or beneficiary in which the beneficiary chooses to receive the policy's proceeds over a lifetime rather than in a lump sum.

Life insurers paid \$323 billion on voluntarily terminated annuities in 2022, \$4.3 billion in dividends to annuity owners, and small amounts of death benefits, disability benefits, and matured endowments.

From Health Insurance Policies

Health insurance has become a notable aspect of

U.S. life insurers' services. Life insurance companies paid \$139 billion in health insurance benefits to Americans in 2022 (Table 5.4). Life insurers' total health insurance benefit payments to Americans decreased 5.3 percent from 2021 (Table 5.1).

These statistics do not include disability payments under life insurance policies, health insurance and accidental death and dismemberment payments by casualty and other health insurance companies, or administrative-service-only arrangements.

OPERATING EXPENSES

Operating expenses of life insurance companies include commissions to agents, other commissions, and home- and field-office expenses. In 2022, home- and field-office expenses comprised 7 percent of expenditures at \$72 billion (Table 5.1). Commissions to agents were \$51 billion, or 5 percent of total expenditures. Other commissions accounted for \$17 billion, or 2 percent of total expenditures.

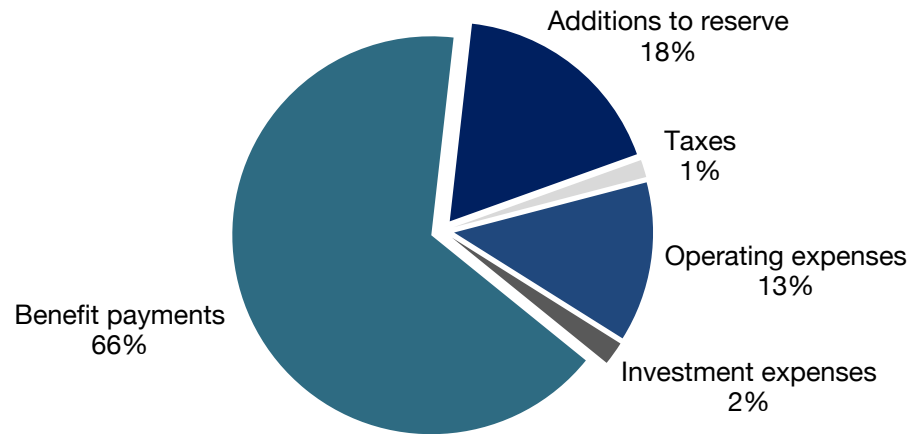
Of total office expenses, \$43 billion, or 60 percent, was in salaries and payments to employee and agent benefit plans (Table 5.5). In 2022, life insurers also spent \$9 billion on office equipment and supplies, \$4 billion on fees associated with policy issuance and claim settlement, \$3 billion on advertising, \$2 billion on office rent, and \$1 billion on travel.

INVESTMENT EXPENSES

Expenses, fees, and taxes associated with investment management totaled \$21 billion in 2022 (Table 5.6). Interest expenses is the largest category at \$3.5 billion followed by salaries and welfare expenses at \$3.4 billion.

Figure 5.1

Distribution of Life Insurers' Expenditures, 2022



Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 5.1

	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Contract payments					
Life insurance	\$108,208	\$144,590	\$138,242	2.5	-4.4
Annuities ¹	293,996	439,736	422,943	3.7	-3.8
Health insurance	123,772	147,219	139,428	1.2	-5.3
Other payments ²	8,193	9,861	13,406	5.0	35.9
Total	534,170	741,406	714,020	2.9	-3.7
Additions to policy reserve funds³	164,272	62,807	191,944	1.6	205.6
Operating expenses					
Commissions to agents	42,335	50,682	51,152	1.9	0.9
Other commissions	11,482	14,835	17,110	4.1	15.3
Home- and field-office expenses	60,862	71,516	72,364	1.7	1.2
Total	114,679	137,032	140,626	2.1	2.6
Taxes⁴	20,190	20,497	15,352	-2.7	-25.1
Investment expenses⁵	11,247	15,547	20,627	6.3	32.7
Aggregate total	844,557	977,289	1,082,568	2.5	10.8

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Excludes payments under deposit-type contracts (such payments are shown in Table 3.3). Does not include payments from supplementary contracts without life contingencies and annuities certain, lottery payouts, structured settlements, and income payout options.

² Includes group conversions and interest on policy or contract funds.

³ Excludes addition to reserves for deposit-type contracts.

⁴ Includes foreign and U.S. federal income taxes, including taxes on capital gains; excludes investment taxes.

⁵ Includes investment-related taxes and fees.

Table 5.2

Payments From Life Insurance Policies					
	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Payments to beneficiaries					
Individual	\$43,109	\$73,418	\$67,791	4.6	-7.7
Group	19,820	26,386	23,565	1.7	-10.7
Credit	331	384	314	-0.5	-18.2
Total	63,259	100,188	91,670	3.8	-8.5
Surrender values					
Individual	30,300	27,375	28,822	-0.5	5.3
Group	1,179	943	1,056	-1.1	12.0
Total	31,479	28,318	29,878	-0.5	5.5
Policyholder dividends	12,515	14,899	15,423	2.1	3.5
Matured endowments	442	528	607	3.2	14.8
Other payments¹	512	656	664	2.6	1.2
Aggregate total	108,208	144,590	138,242	2.5	-4.4

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes disability benefits and retained assets.

Table 5.3

Payments From Annuity Contracts					
	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Annuity benefits¹					
Individual ¹	\$47,364	\$57,495	\$54,312	1.4	-5.5
Group ¹	24,567	37,615	38,570	4.6	2.5
Supplementary contracts with life contingencies	2,108	2,585	2,597	2.1	0.5
Total	74,039	97,695	95,480	2.6	-2.3
Surrender values²					
Individual	118,637	195,388	173,077	3.8	-11.4
Group	98,205	143,761	150,066	4.3	4.4
Total	216,843	339,149	323,144	4.1	-4.7
Policyholder dividends	3,015	2,878	4,315	3.7	49.9
Other payments³	100	15	4	-26.7	-69.3
Aggregate total	293,996	439,736	422,943	3.7	-3.8

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹Excludes payments under deposit-type contracts (such payments are shown in Table 3.3). Does not include payments from annuities certain and supplementary contracts without life contingencies, lottery payouts, structured settlements, and income payout options.

²Excludes surrender benefits and fund withdrawals from deposit-type contracts.

³Includes death benefits, disability benefits, matured endowments and retained assets.

Table 5.4

Payments From Health Insurance Policies, by Line of Business

	Millions		Average annual percent change
	2021	2022	2021/2022
Comprehensive	\$36,634	\$38,729	5.7
Medicare/Medicaid	50,920	41,642	-18.2
Dental only	9,648	10,239	6.1
Vision only	1,158	1,116	-3.6
Disability income	18,774	19,431	3.5
Long term care	7,850	6,167	-21.4
Credit	202	188	-6.8
Other	22,031	21,916	-0.5
Total	147,219	139,428	-5.3

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 5.5

Life Insurer Home- and Field-Office Expenses

	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Rental	\$2,434	\$2,354	\$2,254	-0.8	-4.2
Employment					
Salaries	29,340	37,907	36,183	2.1	-4.5
Welfare contributions and payments	7,101	7,644	7,044	-0.1	-7.8
Total	36,441	45,551	43,227	1.7	-5.1
Fees associated with policy issuance/claim settlement	3,088	4,291	4,101	2.9	-4.4
Travel	1,226	496	922	-2.8	86.0
Advertising	2,415	2,289	2,537	0.5	10.9
Office equipment/supplies	6,929	8,216	8,892	2.5	8.2
Miscellaneous	8,328	8,319	10,431	2.3	25.4
Aggregate total	60,862	71,516	72,364	1.7	1.2

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Figures exclude investment expenses. Data represent U.S. life insurers and fraternal benefit societies.

Table 5.6

Investment Expenses of Life Insurers

	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Rental	\$180	\$222	\$226	2.3	1.6
Employment					
Salaries	1,809	2,843	2,977	5.1	4.7
Welfare contributions/payments	299	401	399	2.9	-0.4
Total	2,107	3,243	3,376	4.8	4.1
Real estate expenses	1,491	1,387	1,438	-0.4	3.7
Interest	2,265	2,647	3,460	4.3	30.7
Depreciation on invested assets	758	969	911	1.9	-6.0
Investment taxes and fees¹					
Real estate	472	573	533	1.2	-7.1
Other	96	116	117	2.1	1.4
Total	567	689	650	1.4	-5.7
Other	3,879	6,389	10,566	10.5	65.4
Aggregate total	11,247	15,547	20,627	6.3	32.7

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Excludes federal income taxes and taxes on capital gains.

Table 5.7

Payments Under Life Insurance Policies and Annuity Contracts, by Year (millions)

Year	Payments to beneficiaries	Surrender values ¹		Policyholder dividends	Annuity payments ²	Matured endowments	Other payments ³	Total
		Life policies	Annuity contracts ²					
1940	\$995	\$652	NA	\$468	\$176	\$269	\$104	\$2,664
1945	1,280	211	NA	466	216	407	88	2,668
1950	1,590	592	NA	627	327	495	100	3,731
1955	2,241	896	NA	1,021	501	614	110	5,383
1960	3,346	1,633	NA	1,512	830	673	124	8,118
1965	4,831	1,932	NA	2,259	1,300	931	163	11,416
1970	7,017	2,887	NA	3,214	2,120	978	233	16,449
1975	9,192	3,763	NA	4,544	3,665	946	426	22,536
1980	12,884	6,678	NA	6,785	10,195	908	592	38,042
1985	18,226	15,589	NA	10,121	21,259	779	536	66,510
1986	19,479	14,741	NA	10,122	22,657	766	540	68,305
1987	20,530	14,864	NA	10,466	24,316	752	504	71,432
1988	21,660	14,456	NA	11,046	25,665	751	513	74,091
1989	23,261	14,859	NA	11,417	29,383	727	554	80,201
1990	24,567	18,022	NA	11,953	32,575	700	568	88,385
1991	25,407	16,282	NA	12,066	36,615	668	547	91,585
1992	27,235	16,814	NA	12,203	37,550	649	592	95,043
1993	28,819	16,904	NA	12,714	40,325	598	615	99,975
1994	32,583	18,014	\$92,779	15,915	40,412	647	459	200,809
1995	34,545	19,501	105,449	17,816	48,457	1,007	860	227,635
1996	36,257	24,454	115,747	18,064	51,069	741	614	246,946
1997	37,488	24,016	140,842	17,981	55,080	563	608	276,578
1998	40,101	26,816	154,463	18,865	60,410	572	607	301,834
1999	41,363	32,833	198,311	19,149	62,485	528	620	355,288
2000	44,143	27,173	213,989	20,001	68,668	604	605	375,181
2001	46,512	30,653	151,315	19,993	55,197	549	648	304,867
2002	48,166	32,909	142,948	21,033	54,950	621	649	301,276
2003	51,661	35,943	140,261	20,761	57,110	596	650	306,982
2004	51,576	35,485	162,876	18,981	61,162	595	866	331,541
2005	52,996	39,157	190,329	17,919	63,935	640	695	365,672
2002	48,166	32,909	142,948	21,033	54,950	621	649	301,276
2003	51,661	35,943	140,261	20,761	57,110	596	650	306,982
2004	51,576	35,485	162,876	18,981	61,162	595	866	331,541
2005	52,996	39,157	190,329	17,919	63,935	640	695	365,672

Table 5.7, continued

Payments Under Life Insurance Policies and Annuity Contracts, by Year (millions), continued

Year	Payments to beneficiaries	Surrender values ¹		Policyholder dividends	Annuity payments ²	Matured endowments	Other payments ³	Total
		Life policies	Annuity contracts ²					
2006	\$55,694	\$38,463	\$237,813	\$18,429	\$71,087	\$612	\$566	\$422,664
2007	57,957	47,670	262,343	19,519	72,332	623	564	461,008
2008	59,949	58,629	236,654	19,053	69,648	614	555	445,101
2009	59,470	48,141	182,705	16,163	67,068	573	768	374,888
2010	58,392	35,843	184,071	15,942	70,090	562	699	365,599
2011	62,132	33,511	206,166	15,547	74,518	606	676	393,156
2012	63,259	31,479	216,843	15,530	74,039	442	612	402,204
2013	64,350	28,704	222,808	15,965	78,751	396	655	411,629
2014	67,850	27,765	256,693	16,672	73,840	375	651	443,846
2015	74,306	28,828	247,169	18,524	77,778	424	686	447,715
2016	76,039	30,199	238,036	18,447	79,120	448	708	442,998
2017	77,057	33,175	279,404	17,725	81,649	464	608	490,083
2018	79,703	35,279	319,073	18,405	83,408	405	676	536,949
2019	78,358	34,066	310,441	18,222	88,099	446	663	530,295
2020	90,429	30,447	297,461	18,053	91,559	497	685	529,130
2021	100,188	28,318	339,149	17,777	97,695	528	671	584,327
2022	91,670	29,878	323,144	19,738	95,480	607	669	561,185

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

NA: Not available.

¹ Beginning in 1994, includes annuity withdrawals of funds. An amount comparable to prior years is not available.

² Beginning in 2001, excludes payments under deposit-type contracts (see Table 3.3).

³ Includes some disability benefits and retained assets.

Table 5.8

Payments to Life Insurance Beneficiaries, by Year

Year	Policies in thousands/Amounts in millions							
	Individual		Group		Credit ¹		Total	
	Policies	Amount	Certificates	Amount	Policies	Amount	Policies/ Certificates	Amount
1940	974	\$891	50	\$104	--	--	1,024	\$995
1945	1,226	1,109	92	171	--	--	1,318	1,280
1950	1,246	1,307	133	283	--	--	1,379	1,590
1955	1,418	1,650	243	591	--	--	1,661	2,241
1960	1,644	2,231	394	1,115	--	--	2,038	3,346
1965	1,866	3,007	636	1,824	--	--	2,502	4,831
1970	1,974	3,990	767	3,027	--	--	2,741	7,017
1975	1,998	4,901	591	3,807	337	\$484	2,926	9,192
1980	2,045	6,587	637	5,671	285	626	2,967	12,884
1985	2,013	9,264	683	8,275	262	687	2,958	18,226
1986	2,039	10,030	686	8,675	246	774	2,971	19,479
1987	1,981	10,593	690	9,073	262	864	2,933	20,530
1988	2,044	11,416	695	9,346	276	898	3,015	21,660
1989	1,988	12,332	763	10,029	240	900	2,991	23,261
1990	1,965	13,439	728	10,281	238	847	2,931	24,567
1991	1,984	13,949	674	10,582	219	876	2,877	25,407
1992	1,926	15,287	643	11,022	186	926	2,755	27,235
1993	1,945	16,584	668	11,572	136	663	2,749	28,819
1994	2,388	18,792	870	12,914	240	877	3,498	32,583
1995	2,405	20,116	767	13,527	224	912	3,396	34,545
1996	2,401	21,351	867	14,016	273	890	3,541	36,257
1997	2,480	22,695	843	13,898	274	895	3,597	37,488
1998	2,435	24,838	819	14,425	391	838	3,644	40,101
1999	2,715	25,274	875	15,260	380	829	3,970	41,363
2000	2,561 *	27,267	877	16,055	383	821	3,821	44,143
2001	2,688	28,346	935	17,393	313	773	3,936	46,512
2002	2,632	30,117	942	17,308	341	741	3,915	48,166
2003	2,673	32,901	1,107	18,064	293	695	4,073	51,661
2004	2,786	32,222	826	18,708	241	646	3,853	51,576
2005	2,586	32,760	989	19,633	310	603	3,885	52,996
2002	2,632	30,117	942	17,308	341	741	3,915	48,166
2003	2,673	32,901	1,107	18,064	293	695	4,073	51,661
2004	2,786	32,222	826	18,708	241	646	3,853	51,576
2005	2,586	32,760	989	19,633	310	603	3,885	52,996

Table 5.8, continued

Payments to Life Insurance Beneficiaries, by Year, continued

Year	Policies/Certificates in thousands/Amounts in millions							
	Individual		Group		Credit ¹		Total	
	Policies	Amount	Certificates	Amount	Policies	Amount	Policies/ Certificates	Amount
2006	2,568	\$34,525	1,027	\$20,601	276	\$568	3,870	\$55,694
2007	2,483	36,272	1,016	21,168	262	516	3,761	57,957
2008	2,463	37,893	1,027	21,525	281	531	3,771	59,949
2009	2,402	38,306	964	20,638	237	527	3,603	59,470
2010	2,407	39,045	943	18,890	214	458	3,564	58,392
2011	2,563	41,869	917	19,832	92	431	3,572	62,132
2012	3,512	43,109	946	19,820	185	331	4,644	63,259
2013	3,146	43,405	978	20,615	110	331	4,235	64,350
2014	2,799	46,419	1,034	21,121	77	310	3,909	67,850
2015	2,936	52,436	1,012	21,576	78	294	4,026	74,306
2016	2,798	54,214	977	21,527	102	298	3,877	76,039
2017	2,596	54,960	1,053	21,811	87	286	3,736	77,057
2018	2,697	56,749	1,032	22,679	86	276	3,815	79,703
2019	2,843	57,477	1,016	20,623	84	258	3,943	78,358
2020	3,101	67,217	1,116	22,916	82	296	4,299	90,429
2021	3,070	73,418	1,213	26,386	94	384	4,377	100,188
2022	2,899	67,791	1,123	23,565	69	314	4,091	91,670

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

*Corrected to include industrial policies.

¹Prior to 1973, death payments under credit life are included in individual and group categories.

Table 5.9

Health Insurance Benefit Payments by Life Insurers, by Year (millions)

Year	Total	Year	Total
1948	\$326	1998	\$70,030
1950	494	1999	74,464
1955	1,390	2000	78,784
1960	2,633	2001	76,304
1965	4,413	2002	78,723
1970	8,208	2003	81,129
1975	14,320	2004	87,789
1980	23,038	2005	78,928
1981	24,474	2006	96,455
1982	26,055	2007	105,623
1983	26,912	2008	118,465
1984	27,053	2009	121,578
1985	27,298	2010	122,075
1986	28,966	2011	120,650
1987	34,869	2012	123,772
1988	38,383	2013	127,133
1989	39,432	2014	113,269
1990	40,010	2015	114,992
1991	42,605	2016	119,586
1992	44,950	2017	126,446
1993	46,007	2018	131,945
1994	60,074	2019	141,645
1995	64,714	2020	137,741
1996	66,698	2021	147,219
1997	67,432	2022	139,428

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Figures exclude policy dividends. 1994-96 data have been revised to reflect the addition of life insurers that sell accident and health insurance. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

6

REINSURANCE

Reinsurance is a risk management tool used by insurers to spread risk and manage capital. The insurer transfers some or all of an insurance risk to another insurer. The insurer transferring the risk is called the “ceding insurer”. The insurer accepting the risk is called the “assuming insurer” or “reinsurer”. For life insurers, the risk transferred may be mortality, longevity or morbidity risk, surrender or expense risk, investment risk, or a combination of these risks.

Reinsurance has made possible the protection of a wider array of individuals and groups than would otherwise be feasible. An insurer who is approached by an applicant who presents an unusual risk—or who needs an amount of life insurance policy that is larger than the insurer’s retention limit (the amount of risk an insurer has determined it can judiciously retain)—may still be able to offer the policy to the consumer if part of the risk is transferred to a reinsurer. A ceding insurer also uses reinsurance to limit its risk on a group of policies to avoid fluctuations in claim levels or to lower the risk of claims involving multiple deaths from single events.

Virtually all life insurers buy reinsurance to improve

their risk profile. In 2022, 91 percent of life insurers with life premiums ceded at least some of those premiums as reinsurance. Among insurers with accident and health premiums, 85 percent ceded accident and health premiums as reinsurance. Fifty-four percent of insurers doing annuity business in 2022 ceded annuity considerations, excluding deposit-type funds. The Society of Actuaries annually publishes more detailed data on the life reinsurance marketplace in the *Reinsurance News*.

ALLOCATING RISK

In order for families to have peace of mind and for economies to thrive, there must be a mechanism to deal with large financial risk. Life insurers provide that financial security. Reinsurance spreads the risk of loss between two insurance companies. The risk can be spread even further if the ceding insurer uses more than one reinsurer, or the reinsurer in turn transfers some of that risk to another reinsurer, or retrocessionaire.

In the most basic reinsurance arrangement, a single insurer issuing policies to the public cedes business to a

single reinsurer, usually an independent firm operating in the open marketplace. Insurers sometimes cede business to affiliates to aggregate similar risks in one entity for efficient risk management. Insurance groups also use captive reinsurers to reinsure risks exclusively from affiliated companies to access capital markets.

When reinsurance exists, the ceding insurer transferring the risk retains its financial relationship with, and legal obligation to pay claims to, the policyholder. The policyholder will not even be aware that part of the risk in their policy is covered by a reinsurer. The reinsurer indemnifies, or reimburses, the ceding insurer for losses incurred on the reinsured policies.

Reinsurance is now a global business. Of the \$374 billion total reinsurance premiums paid by U.S. life insurers in 2022, 59 percent was paid to reinsurers domiciled in the U.S. and 41 percent to reinsurers domiciled in other countries.

REINSURANCE RELATIONSHIP

Underwriting Strength

A closely related motivation for reinsurance is obtaining the reinsurer's underwriting assistance and proficiency. Reinsurers review and maintain policy and claim records on a large volume of risks from many ceding companies whose policyholders are diverse and geographically distributed. The risk pool from which they develop and provide underwriting knowledge is larger and wider than is normally available to a single primary insurer.

Underwriting is further strengthened when risk is spread to more than one reinsurer or retrocessionaire, because of the exposure to an even broader range of

policies and claims. Confidence that underwriters are competently and professionally meeting its underwriting needs allows a ceding insurer to concentrate on other activities to expand its business.

Product Flexibility

Another reason to reinsure is the opportunity it gives a ceding insurer to exit from some product lines and enter others. If an insurer has issued policies in a particular product line that it wishes to discontinue, the insurer can reinsure most or all of the risk on those policies.

Conversely, if an insurer wants to enter a particular product line, reinsurers can help with product development and assume some of the product's risk. Later, as the primary insurer gains more confidence in its ability to underwrite and develop the product, the insurer might retain more of the risk on new business and recapture provisions in the reinsurance treaty might allow it to take back some of the risk the reinsurer assumed.

Capital Management

Reinsurance also helps a ceding insurer manage its capital efficiently. This is especially helpful to a life insurer issuing new policies because initial costs (expenses plus reserves) are often higher than premiums received. Sharing those initial costs and risks with a reinsurer helps the ceding insurer manage its cash flows.

TYPES OF REINSURANCE

Various reinsurance plans are available based on ceding companies' needs and their reasons for reinsuring. Plans can be broadly classified as either proportional reinsurance, specifying in advance the amounts or percentages of risk for which the reinsurer is liable, or nonproportional, specifying instead the loss limits,

time limits, or conditions beyond which a reinsurer will reimburse some or all of the ceding insurer's benefit payments.

Proportional Reinsurance

Specified amounts or percentages are shared between ceding companies and reinsurers in proportional reinsurance. Excess of retention allocates risk by amount. The ceding insurer establishes a dollar amount beyond which it is unwilling to retain risk, and the reinsurer assumes risk over this amount, up to the reinsurer's retention limit. In contrast, quota share allocates by percentage, where the ceding insurer and reinsurer establish the percentage of risk for which each will retain or assume responsibility.

Proportional plans commonly used in life insurance include:

Yearly renewable term (YRT) In this type, mortality risk is the only risk transferred to the reinsurer. The reinsurance premium varies each year with the age of the insured. YRT reinsurance allows a ceding insurer to transfer mortality risk, but it leaves the insurer responsible for establishing reserves for the remainder of the policy benefits. Despite its name, YRT is not yearly renewable. The reinsurer may not terminate coverage until the original insurance policy terminates.

Coinsurance The ceding insurer transfers a proportionate share of all the policy risks and cash flows. The reinsurer receives its share of premiums, pays its share of benefits, sets up its share of reserves, and pays an allowance to the ceding insurer to cover its share of the costs of administering the policy.

Modified coinsurance The reinsurer transfers its share of reserves back to the ceding insurer while the risk remains with the reinsurer. The ceding insurer,

however, must pay interest to replace what the reinsurer would have earned had it retained its share of the reserve. This arrangement allows the ceding insurer to reduce potential credit risk and to retain control over investments. The latter is particularly important where the insurer is using a unique investment strategy.

Nonproportional Reinsurance

Nonproportional plans can be used for all types of insurance. Common uses include:

Stop loss The reinsurer remits some or all of a ceding insurer's aggregate claims above a predetermined dollar amount (the attachment point), or above a percentage of premiums during a specified period.

Excess of time Most often used for disability or long-term care reinsurance, this type of plan specifies the time after which a reinsurer pays some or all of the claims.

Catastrophe The reinsurer covers claims that exceed a specified amount or number of insureds due to a single event resulting in more than one loss, as in an accident, or natural disaster.

Table 6.1

Reinsurance Assumed and Ceded - Premiums			
	Millions		Average annual percentage change
	2021	2022	2021/2022
PREMIUMS PAID ON CEDED BUSINESS			
Life insurance			
Individual	\$105,830	\$88,854	-16.0
Affiliates	47,730	38,221	-19.9
Non-Affiliates	58,100	50,633	-12.9
Group	28,147	28,354	0.7
Affiliates	13,939	15,382	10.3
Non-Affiliates	14,207	12,972	-8.7
Credit	282	263	-6.8
Total	134,259	117,471	-12.5
Annuity considerations¹			
Individual	141,687	153,040	8.0
Affiliates	83,410	60,966	-26.9
Non-Affiliates	58,277	92,074	58.0
Group	51,785	45,230	-12.7
Affiliates	27,488	33,889	23.3
Non-Affiliates	24,297	11,342	-53.3
Total	193,471	198,271	2.5
Accident and health insurance			
Individual	19,701	22,295	13.2
Affiliates	11,673	16,079	37.7
Non-Affiliates	8,027	6,216	-22.6
Group	31,611	35,495	12.3
Affiliates	15,727	18,610	18.3
Non-Affiliates	15,884	16,885	6.3
Credit	241	227	-5.9
Total	51,553	58,018	12.5
Aggregate total	379,283	373,759	-1.5

Table 6.1, continued

Reinsurance Assumed and Ceded - Premiums, continued

	Millions		Average annual percentage change
	2021	2022	2021/2022
PREMIUMS FROM ASSUMED BUSINESS			
Life insurance			
Individual	\$73,544	\$58,515	-20.4
Affiliates	18,894	20,319	7.5
Non-Affiliates	54,650	38,195	-30.1
Group	13,520	14,412	6.6
Affiliates	2,437	2,574	5.6
Non-Affiliates	11,083	11,838	6.8
Credit	127	112	-11.8
Total	87,191	73,038	-16.2
Annuity considerations¹			
Individual	48,617	32,258	-33.6
Affiliates	14,621	4,619	-68.4
Non-Affiliates	33,996	27,639	-18.7
Group	30,134	52,232	73.3
Affiliates	3,109	23,796	NC
Non-Affiliates	27,025	28,436	5.2
Total	78,751	84,490	7.3
Accident and health insurance			
Individual	12,079	15,846	31.2
Affiliates	4,832	7,876	63.0
Non-Affiliates	7,247	7,970	10.0
Group	14,402	18,404	27.8
Affiliates	4,441	5,337	20.2
Non-Affiliates	9,961	13,067	31.2
Credit	111	110	-1.0
Total	26,592	34,360	29.2
Aggregate total	192,533	191,888	-0.3

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Excludes deposit-type funds as income due to codification, making data incomparable with previous years.

NC: Not computed.

Table 6.2

Life Reinsurance Assumed (face amount)					
	Millions			Average annual percentage change	
	2012	2021	2022	2012/2022	2021/2022
Face amount (millions)					
Individual	\$1,414,102	\$1,136,702	\$1,379,057	-0.3	21.3
Group	252,166	434,233	349,418	3.3	-19.5
Credit	3,437	13,362	8,060	8.9	-39.7
Total	1,669,705	1,584,297	1,736,535	0.4	9.6
Policies (units)					
Individual	22,805,706	11,149,777	11,445,265	-6.7	2.7
Group	3,525,931	18,380,251	17,709,125	17.5	-3.7
Credit	672,681	884,999	398,580	-5.1	-55.0
Total	27,004,318	30,415,027	29,552,970	0.9	-2.8

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

7

LIFE INSURANCE

People buy life insurance to protect their dependents against financial hardship when the insured person, the policyholder, dies. Many life insurance products also allow policyholders to accumulate savings that can be used in a time of financial need. Most American families depend on life insurance to provide this economic protection: 90 million American families rely on life insurers' products for financial and retirement security.

Americans purchased \$3.3 trillion of new life insurance coverage in 2022, a 1.5 percent increase from 2021. By the end of 2022, total life insurance coverage in the United States was \$21.8 trillion, an increase of 2.9 percent from 2021 (Table 7.1).

Three types of life insurance policies predominate the market. *Individual insurance* is underwritten separately for each individual who seeks insurance protection. *Group insurance* is underwritten on a group as a whole, such as the employees of a company or the members of an organization. *Credit insurance* guarantees payment of some debt, such as a mortgage or other loan, in the event the insured person dies, and can be bought on either an individual or a group

basis. Insurance on loans of 10 years' or less duration is classified as credit insurance in National Association of Insurance Commissioners accounts; insurance on longer loans is included in individual or group policy data in this chapter. Life insurance policies offered by fraternal benefit societies are considered individual insurance.

INDIVIDUAL LIFE INSURANCE

Individual life is the most widely used form of life insurance protection, accounting for 64 percent of all life insurance in force in the United States at year-end 2022 (Table 7.1). Typically purchased through life insurance agents, this insurance is issued under individual policies with face amounts as low as \$10,000, although larger minimum amounts are more typical in today's market. While individual life is principally used for family protection, it also is widely used for business purposes. A business may purchase life insurance to protect against the economic loss that would result from the death of the owner or a key employee.

Individual life insurance protection in the United

States totaled \$14 trillion at the end of 2022 and has grown at an average annual rate of 2.3 percent since 2012, when \$11.2 trillion was in force (Table 7.1).

The average size of new individual life policies purchased has increased from \$163,000 in 2012 to \$197,000 in 2022 (Figure 7.2). The number of individual policies purchased totaled 9.5 million in 2022 (Table 7.1).

Individual life policies offer two basic types of protection: covering a specified term, or permanently covering one's whole life.

Types of Policies

Term Insurance

Term insurance policies provide life insurance coverage for a specified period, usually greater than one year. Term policies provide no further benefits when the term expires, and no buildup of cash value occurs. If this insurance is not renewed at the end of its term, coverage lapses and no payment would be made to the beneficiary in the event of death.

Of new individual life policies purchased in 2022, 39.3 percent, or 3.7 million, were term insurance, totaling \$1.3 trillion, or 70.5 percent, of the individual life face amount issued (Table 7.2). The most popular form of term insurance is level term, which offers a fixed premium.

Permanent Insurance

Unlike term insurance, permanent life (or *whole life*) insurance provides protection for as long as the insured lives. Permanent life policies also have a savings component, building cash value that can help families meet financial emergencies, pay for special goals, or provide income for retirement years.

There are four types of permanent life insurance policies: traditional whole life, universal life (UL), variable life (VL), and variable-universal life (VUL). The annual premium for traditional whole life policies remains constant throughout the life of the policy. In earlier years, the premium is higher than the actual cost of the insurance, but in later years it becomes substantially lower than the actual cost of protection. The excess amount of each premium in the early years is held in reserve as the policy's cash value. This cash value grows over time from investment earnings and future premium payments, providing funds for the cost of coverage as the insured grows older. If a policyholder decides to give up the insurance protection, he or she receives the cash value upon surrendering the policy, less any outstanding policy loans. Universal life allows varying premium payment amounts subject to a certain minimum and maximum. For variable life, the death benefit and cash value vary subject to the performance of a portfolio of investments chosen by the policyholder. VUL combines the flexible premium payment options of UL with the varied investment options of VL.

In 2022, direct purchases of permanent life constituted 60.7 percent of U.S. individual life insurance policies issued and 29.5 percent of the total face amount issued (Table 7.2).

Participating and Nonparticipating Insurance

Traditional whole life and term insurance policies can be purchased on a participating or nonparticipating basis. A participating policy allows the policyholder to share in the insurance company's surplus. With this type of life insurance, a policyholder receives annual dividends representing that portion of the premium not needed by the company for death payments to beneficiaries, additions to reserves, or administrative

expenses. More than two-thirds of individual life policies' face amount purchased were nonparticipating at \$1.3 trillion (71%) in 2022 (Table 7.3).

Characteristics of Individual Policies

Lapses and Surrenders

A policy lapses if its premium is not paid by the end of a specified time, often called the grace period. Policyholders have different reasons for terminating their policies, sometimes using cash values to address financial emergencies or achieve long-term goals. Rates of voluntary policy termination by policyholders vary considerably among life insurers. Each company's rate depends on many factors, including the types of policies written and the ratio of new policies to older ones in force with the company.

The voluntary termination rate of individual life insurance policies reached 5.2 percent by 2022 (Table 7.4). Of the individual life policies that have been voluntarily terminated, 17% were surrendered based on face amount.

The life insurance business vigorously seeks to minimize the lapsing of policies. For example, agent training focuses on realistic identification of clients' life insurance needs, and careful analysis of the use of family income for protection. Since the voluntary termination rate is higher for policies on which loans are outstanding, companies urge that loans be used only in genuine financial emergencies, and that they be repaid promptly.

Most insurers offer policyholders time after their policy is delivered to consider whether to keep the policy. These companies will refund the premium in full if, within the prescribed time, the policyholder decides not to keep his or her policy.

Some policies that lapse still have a cash value, entitling the policyholder to some form of payment under a cash surrender value *non-forfeiture option*. All coverage under the policy terminates at the time of the surrender.

Disability Provisions

Besides the benefit payable upon death of the insured, many life insurance policies or policy riders provide disability benefits to cover financial losses that result from a sickness or injury. The most common supplementary benefit is waiver of premium. Of individual life policies in force with disability provisions in 2022, 93 percent, or 33 million, allowed the premium to be waived during disability. This represents \$4.6 trillion, or 99 percent, of the individual life face amount in force with disability provisions (Table 7.6).

GROUP LIFE INSURANCE

Group life insurance is a contract between an insurance company and some group to insure all of the group's members, usually under term coverage. Common examples are employer-provided life insurance and insurance offered through unions and professional associations. Employees or other group members receive certificates denoting their participation in the group coverage. In 2022, group insurance represented 44 percent of all life insurance policies in force (Table 7.1).

Group purchases increased 12.5 percent in 2022 to \$1.4 trillion. At the end of 2022, group life insurance provided \$7.7 trillion of protection, a 2.2 percent increase over a year earlier (Table 7.1).

Group insurance contracts can provide benefits beyond term insurance. Employees often can retain

coverage after retirement by paying premiums directly to the insurer. Many policies also offer survivor benefits, usually continuing monthly payments to the spouse of an employee who dies before retirement; payments may extend for life or to the age at which Social Security retirement payments become available, but cease on remarriage. Contingent benefits to dependent children in the event of a spouse's death are available as well. The initial value of these survivor benefits can range from three to 10 times an employee's annual salary.

As with individual life policies, group policies can be purchased on either a participating or nonparticipating basis. Most group life policies are nonparticipating—96 percent of those purchased in 2022, at \$1.4 trillion (Table 7.3).

The voluntary termination rate of group life insurance policies decreased to 4.7 percent from 6.2 percent a year earlier. The voluntary lapses in 2022 decreased to 4.5 percent from 6.2 percent in 2021 (Table 7.4).

Group policies also provide disability benefits. Of group life policies in force with disability provisions in 2022, 91 percent, or 102 million, provided for waiver of premium. This represents \$6.1 trillion, or 85 percent, of the group life face amount in force with disability provisions (Table 7.6).

CREDIT LIFE INSURANCE

Credit life insurance pays the balance on loans of 10 years' or less duration if the borrower dies before repaying the amount due. At year-end 2022, \$96 billion of credit life insurance was in force, up 0.3 percent from the previous year (Table 7.1).

Credit life, commonly part of consumer credit

contracts, is term insurance, generally decreasing in amount as a loan is repaid. It protects the borrower's family, as well as the lender, against unpaid debt that may be left at death. Life insurers issue credit insurance through lenders such as banks, finance companies, credit unions, and retailers, who in turn make arrangements with borrowers.

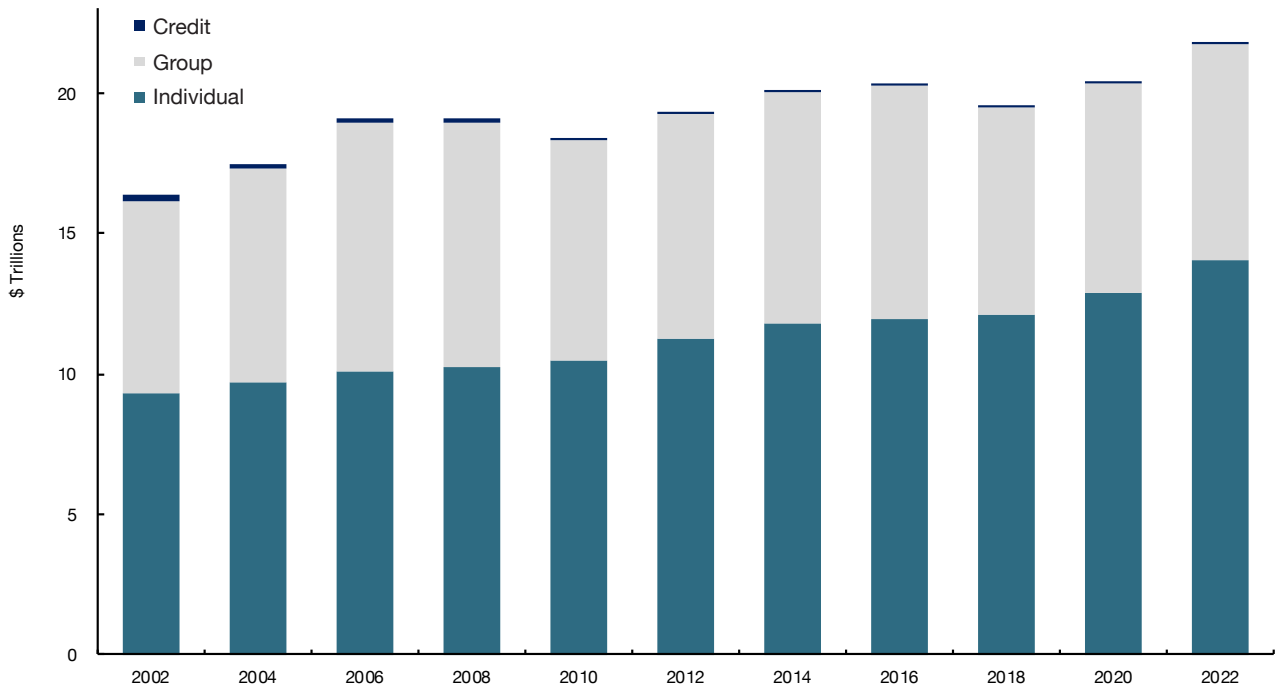
As with other life policies, credit policies can be purchased on either a participating or nonparticipating basis. Of credit life policies purchased in 2022, 98 percent, or \$42 billion, were nonparticipating (Table 7.3).

POLICY CLAIMS RESISTED OR COMPROMISED

From time to time, life insurers find it necessary to delay or deny payment of claims due to material misrepresentation, suicide within the contestable period, or no proof of death, among other reasons. In 2022, \$374 million in new claims along with \$597 million in other claims were in dispute. Of this amount, \$219 million was paid in 2022 and \$289 million still resisted at the end of the year (Table 7.7).

Figure 7.1

Individual, Group, and Credit Life Insurance in Force in the United States (face amount)

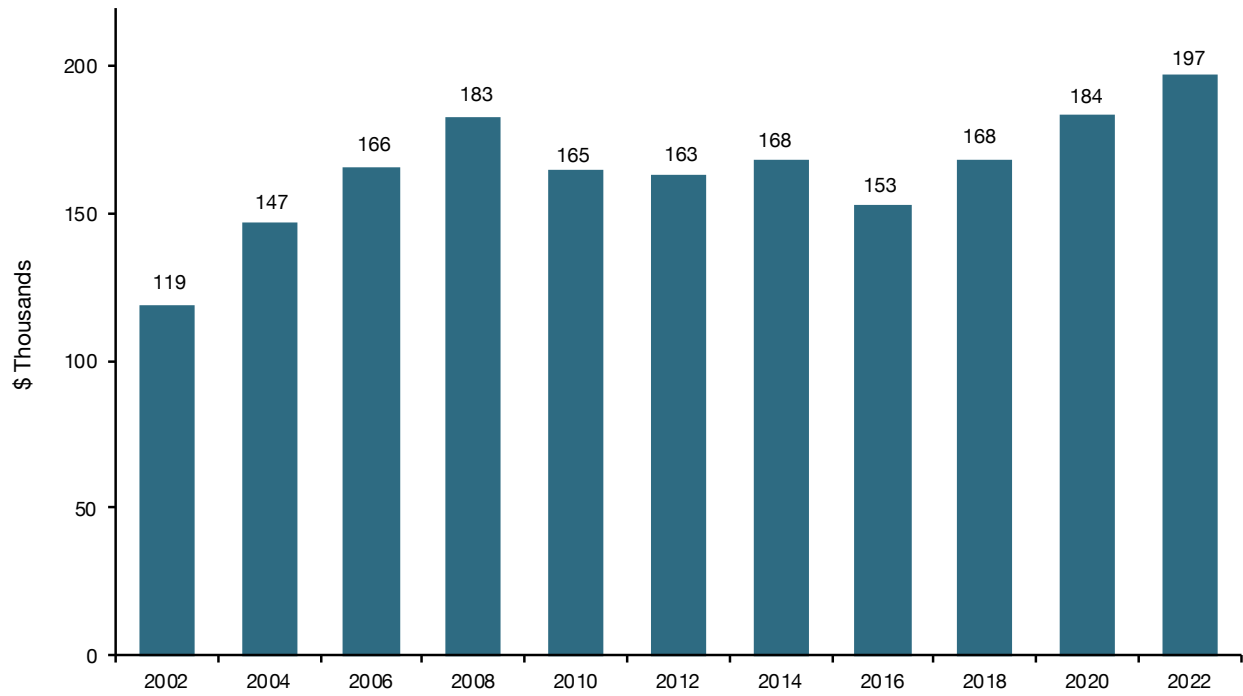


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission. NAIC does not endorse any analysis or conclusions based on use of its data.

Note: Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Figure 7.2

Average Face Amount of Individual Life Insurance Policies Purchased



Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission. NAIC does not endorse any analysis or conclusions based on use of its data.

Note: Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Table 7.1

Life Insurance in the United States

	Life Insurance			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
PURCHASES					
Face amount (millions)					
Individual ¹	\$1,679,314	\$1,974,418	\$1,870,664	1.1	-5.3
Group	1,120,625	1,268,487	1,426,839	2.4	12.5
Credit	57,007	46,860	42,391	-2.9	-9.5
Total	2,856,945	3,289,765	3,339,895	1.6	1.5
Policies (thousands)					
Individual	10,306	10,401	9,499	-0.8	-8.7
Group (certificates)	16,757	24,027	25,473	4.3	6.0
Credit	9,929	11,271	5,044	-6.5	-55.2
Total	36,992	45,699	40,016	0.8	-12.4
IN FORCE					
Face amount (millions)					
Individual	\$11,215,136	\$13,568,826	\$14,017,833	2.3	3.3
Group	8,011,839	7,524,156	7,692,444	-0.4	2.2
Credit	93,940	95,433	95,741	0.2	0.3
Total	19,320,916	21,188,415	21,806,018	1.2	2.9
Policies (thousands)					
Individual	146,209	137,167	136,138	-0.7	-0.8
Group (certificates)	106,098	112,255	114,122	0.7	1.7
Credit	19,371	11,279	8,684	-7.7	-23.0
Total	271,679	260,701	258,944	-0.5	-0.7

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies. Data represent direct business, except for face amount in force which is net of reinsurance.

¹ Policies issued by fraternal benefits societies are considered individual business.

Table 7.2

Individual Life Insurance Purchases in the United States, by Plan Type, 2022				
	Policies in thousands/Amounts in millions			
	Policies	Percent	Face amount	Percent
Term insurance				
Decreasing	67	0.7	\$1,477	0.1
Level	3,667	38.6	1,235,042	66.0
Decreasing other term ¹	NA	NA	2,784	0.1
Level other term ²	NA	NA	77,643	4.2
Term additions	NA	NA	2,478	0.1
Total	3,733	39.3	1,319,423	70.5
Whole life and endowment	5,766	60.7	551,241	29.5
Aggregate total	9,499	100.0	1,870,664	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

NA: Not available.

¹ Includes decreasing term insurance on spouses and children under family policies.

² Includes level term insurance on spouses and children under family policies.

Table 7.3

	Individual		Group		Credit		Total	
	Face amount (millions)	Percent	Face amount (millions)	Percent	Face amount (millions)	Percent	Face amount (millions)	Percent
2012								
Nonparticipating	\$1,248,447	74.3	\$1,057,331	94.4	\$44,852	78.7	\$2,350,630	82.3
Participating	430,866	25.7	63,294	5.6	12,155	21.3	506,316	17.7
Total	1,679,314	100.0	1,120,625	100.0	57,007	100.0	2,856,945	100.0
2021								
Nonparticipating	1,374,995	69.6	1,204,887	95.0	46,143	98.5	2,626,025	79.8
Participating	599,424	30.4	63,599	5.0	717	1.5	663,740	20.2
Total	1,974,418	100.0	1,268,487	100.0	46,860	100.0	3,289,765	100.0
2022								
Nonparticipating	1,324,120	70.8	1,374,911	96.4	41,646	98.2	2,740,678	82.1
Participating	546,544	29.2	51,928	3.6	745	1.8	599,217	17.9
Total	1,870,664	100.0	1,426,839	100.0	42,391	100.0	3,339,895	100.0

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers, and fraternal benefit societies.

Table 7.4

Voluntary Termination Rates for Life Insurance Policies, Calculated by Face Amount (percent)											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Lapse rate											
Individual	4.7	4.6	4.3	4.4	4.3	4.5	4.7	4.4	4.1	3.7	4.3
Group	5.6	6.4	5.5	5.9	6.1	5.9	5.0	5.8	5.6	6.2	4.5
Credit	7.4	7.5	8.5	8.0	6.8	6.6	5.8	5.3	4.6	5.4	7.3
Surrender rate											
Individual	1.2	1.0	1.0	1.0	1.0	1.1	1.1	1.1	0.9	0.9	0.9
Group	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Credit	8.2	9.7	14.6	9.6	7.2	7.1	7.2	8.6	6.8	6.0	6.1
Combined termination rate											
Individual	5.9	5.7	5.3	5.4	5.2	5.7	5.7	5.5	5.0	4.6	5.2
Group	6.2	6.5	5.6	5.9	6.2	6.1	5.1	5.9	5.7	6.2	4.7
Credit	15.6	17.1	23.1	17.6	14.0	13.6	13.0	13.9	11.4	11.4	13.4

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 7.5

Voluntary Termination Rates for Life Insurance Policies, Calculated by Number of Policies (percent)											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Lapse rate											
Individual	4.7	4.0	5.1	4.6	5.0	5.3	5.6	5.8	5.7	5.0	5.7
Group	5.9	8.4	7.2	6.3	5.7	5.7	4.7	5.9	4.8	4.5	3.9
Credit	7.8	8.1	9.3	7.1	5.6	5.2	5.0	4.7	4.4	4.5	7.9
Surrender rate											
Individual	1.1	1.0	1.1	1.0	1.0	1.1	1.1	1.1	1.0	1.0	1.0
Group	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Credit	11.9	12.2	13.6	10.3	8.3	9.1	8.4	12.6	6.7	7.0	6.5
Combined termination rate											
Individual	5.8	5.0	6.2	5.6	6.0	6.4	6.7	6.9	6.7	5.9	6.7
Group	6.4	8.5	7.3	6.4	5.8	5.7	4.7	6.0	4.8	4.5	4.0
Credit	19.7	20.3	22.9	17.4	13.9	14.3	13.4	17.2	11.1	11.5	14.3

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 7.6

Life Insurance With Disability Provisions, 2022

	Policies and certificates in thousands/Amounts in millions			
	Policies	Percent of policies in force	Face amount	Percent of amount in force
Individual¹				
Waiver of premium	32,973	24.2	\$4,580,292	32.7
Disability income	189	0.1	12,878	0.1
Extended benefits	*	0.0	76	0.0
Other	2,248	1.7	23,562	0.2
Total	35,411	26.0	4,616,809	32.9
Group²				
Waiver of premium	102,388	89.7	6,095,324	79.2
Disability income	1,670	1.5	112,370	1.5
Extended benefits	2,781	2.4	198,256	2.6
Other	5,439	4.8	730,528	9.5
Total	112,277	98.4	7,136,479	92.8
Credit³				
Waiver of premium	1	0.0	76	0.1
Disability income	17	0.2	55	0.1
Extended benefits	10	0.1	100	0.1
Total	27	0.3	231	0.2

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Policies in force totaled 136 million, with a face amount of \$14 trillion.

² Certificates in force totaled 114 million, with a face amount of \$7.7 trillion.

³ Policies in force totaled 8.7 million, with a face amount of \$96 billion.

*Less than 200,000 policies.

Table 7.7

New Policy Claims Resisted or Compromised (thousands)						
	2012		2021		2022	
	Face amount	Percent	Face amount	Percent	Face amount	Percent
New claims in dispute	\$323,282	27.9	\$300,777	32.3	\$373,682	38.5
All other claims in dispute	836,101	72.1	630,575	67.7	597,172	61.5
Total claims in dispute	1,159,383	100.0	931,351	100.0	970,854	100.0
Amount paid for new claims	51,509	32.7	78,426	35.8	115,965	53.1
Amount paid for claims previously resisted	105,788	67.3	140,875	64.2	102,565	46.9
Total amount paid	157,297	100.0	219,301	100.0	218,530	100.0
Amount resisted at year's end¹	386,964		362,609		288,558	

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Not equal to subtracting total amount paid from total claims in dispute. The amount paid for claims disposed of usually varies from the amount claimed.

Table 7.8

Life Insurance Purchases, by Year						
Year	Policies and certificates in thousands/Amounts in millions					
	Individual		Group		Total	
	Policies	Face amount	Certificates	Face amount	Policies/Certificates	Face amount
1940	17,872	\$10,039	285	\$691	18,157	\$10,730
1945	16,212	13,289	681	1,265	16,893	14,554
1950	20,203	22,728	2,631	6,068	22,834	28,796
1955	21,928	37,169	2,217	11,258 *	24,145	48,427 *
1960	21,021	59,763	3,734	14,645	24,755	74,408
1965	20,429	90,781	7,007	51,385 +	27,436	142,166 +
1970	18,550	129,432	5,219	63,690 +	23,769	193,122 +
1975	18,946	194,732	8,146	95,190 +	27,092	289,922 +
1980	17,628	389,184	11,379	183,418	29,007	572,602
1985	17,637	911,666	16,243	319,503 *	33,880	1,231,169 *
1986	17,116	934,010	17,507	374,741 +	34,623	1,308,751 +
1987	16,455	986,984	16,698	365,529	33,153	1,352,513
1988	15,796	996,006	15,793	410,848	31,589	1,406,854
1989	14,850	1,020,971	15,110	420,707	29,960	1,441,678
1990	14,199	1,069,880	14,592	459,271	28,791	1,529,151
1991	13,583	1,041,706	16,230	573,953 +	29,813	1,615,659 +

Table 7.8, continued

Life Insurance Purchases, by Year, continued

Year	Policies and certificates in thousands/Amounts in millions					
	Individual		Group		Total	
	Policies	Face amount	Certificates	Face amount	Policies/Certificates	Face amount
1992	13,452	\$1,048,357	14,930	\$440,143	28,382	\$1,488,500
1993	13,664	1,101,476	17,574	576,823	31,238	1,678,299
1994	13,835	1,057,233	18,390	560,232	32,225	1,617,465
1995	12,595	1,039,258	19,404	537,828	31,999	1,577,086
1996	12,022	1,089,268	18,761	614,565	30,783	1,703,833
1997	11,734	1,203,681	19,973	688,589	31,707	1,892,270
1998	11,559	1,324,671	20,332	739,508	31,891	2,064,179
1999	11,673	1,399,848	26,912	966,858	38,584	2,366,706
2000	11,820	1,593,907	21,537	921,001	33,357	2,514,908
2001	14,059	1,600,471	26,036	1,172,080	40,095	2,772,551
2002	14,692	1,752,941	24,020	1,013,728	38,713	2,766,669
2003	13,821	1,772,673	21,946	1,050,318	35,767	2,822,992
2004	12,581	1,846,384	25,872	1,101,599	38,453	2,947,983
2005	11,407	1,796,384	23,112	1,039,878	34,519	2,836,262
2006	10,908	1,813,100	18,378	1,022,080	29,287	2,835,180
2007	10,826	1,890,989	19,962	1,102,654	30,788	2,993,643
2008	10,207	1,869,554	18,392	1,073,273	28,599	2,942,827
2009	10,139	1,744,357	19,051	1,155,824	29,190	2,900,181
2010	10,123	1,673,216	18,498	1,135,354	28,621	2,808,570
2011	10,309	1,672,514	16,867	1,159,934	27,177	2,832,448
2012	10,306	1,679,314	16,757	1,120,625	27,063	2,799,939
2013	9,929	1,640,202	15,336	1,138,686	25,264	2,778,888
2014	9,440	1,590,181	17,707	1,168,416	27,147	2,758,596
2015	10,305	1,647,292	18,010	1,229,275	28,315	2,876,567
2016	11,005	1,684,585	16,518	1,189,673	27,523	2,874,257
2017	10,478	1,711,545	17,557	1,315,651	28,035	3,027,196
2018	10,289	1,727,874	17,459	1,244,329	27,748	2,972,203
2019	10,118	1,802,511	21,238	1,239,463	31,356	3,041,974
2020	10,088	1,853,914	25,345	1,439,540	35,433	3,293,455
2021	10,401	1,974,418	24,027	1,268,487	34,428	3,242,905
2022	9,499	1,870,664	25,473	1,426,839	34,972	3,297,503

Sources: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission; LIMRA International.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data; Data represent direct business and exclude revivals, increases, dividend additions, and reinsurance acquired. 1940-73 data exclude credit life insurance. Beginning with 1974, data include long-term credit insurance (life insurance on loans of more than 10 years' duration). Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

*Includes Federal Employees' Group Life Insurance of \$1.9 billion in 1955, \$84.4 billion in 1981, and \$10.8 billion in 1985.

+Includes Servicemen's Group Life Insurance of \$27.8 billion in 1965, \$17.1 billion in 1970, \$1.7 billion in 1975, \$45.6 billion in 1981, \$51 billion in 1986, and \$166.7 billion in 1991.

Table 7.9

Life Insurance in Force in the United States, by Year (millions)

Year	Individual		Group		Credit		Total	
	Policies	Face amount	Certificates	Face amount	Policies ¹	Face amount	Policies/Certificates	Face amount
1900	14	\$7,573	--	--	--	--	14	\$7,573
1905	22	11,863	--	--	--	--	22	11,863
1910	29	14,908	--	--	--	--	29	14,908
1915	41	20,929	*	\$100	--	--	41	21,029
1920	64	38,966	2	1,570	*	\$4	66	40,540
1925	94	65,210	3	4,247	*	18	97	69,475
1930	118	96,539	6	9,801	*	73	124	106,413
1935	114	88,155	6	10,208	1	101	121	98,464
1940	122	100,212	9	14,938	3	380	134	115,530
1945	149	129,225	12	22,172	2	365	163	151,762
1950	172	182,531	19	47,793	11	3,844	202	234,168
1955	192	256,494	32	101,345	28	14,493	252	372,332
1960	195	381,444	44	175,903	43	29,101	282	586,448
1965	196	539,456	61	308,078	63	53,020	320	900,554
1970	197	773,374	80	551,357	78	77,392	355	1,402,123
1975	204	1,122,844	96	904,695	80	112,032	380	2,139,571
1980	206	1,796,468	118	1,579,355	78	165,215	402	3,541,038
1985	186	3,275,539	130	2,561,595	70	215,973	386	6,053,107
1990	177	5,391,053	141	3,753,506	71	248,038	389	9,392,597
1991	170	5,700,252	141	4,057,606	64	228,478	375	9,986,336
1992	168	5,962,783	142	4,240,919	56	202,090	366	10,405,792
1993	169	6,448,885	142	4,456,338	52	199,518	363	11,104,741
1994	169	6,448,758	145	4,443,179	52	189,398	366	11,081,335
1995	166	6,890,386	147	4,604,856	57	201,083	370	11,696,325
1996	166	7,425,746	139	5,067,804	50	210,746	355	12,704,296
1997	162	7,872,561	142	5,279,042	47	212,255	351	13,363,858
1998	160	8,523,258	152	5,735,273	46	212,917	359	14,471,448
1999	162	9,172,397	159	6,110,218	46	213,453	367	15,496,069
2000	163	9,376,370	156	6,376,127	50	200,770	369	15,953,267
2001	166	9,345,723	163	6,765,074	48	178,851	377	16,289,648
2002	169	9,311,729	164	6,876,075	42	158,534	375	16,346,338
2003	176	9,654,731	163	7,236,191	40	152,739	379	17,043,661
2004	168	9,717,377	165	7,630,503	39	160,371	373	17,508,252
2005	166	9,969,899	167	8,263,019	40	165,605	373	18,398,523
2006	161	10,056,501	177	8,905,646	37	150,289	375	19,112,436

Table 7.9, continued

Life Insurance in Force in the United States, by Year (millions), continued

Year	Individual		Group		Credit	Total		
	Policies	Face amount	Certificates	Face amount	Policies ¹	Face amount	Policies/Certificates	Face amount
2007	158	\$10,231,765	180	\$9,157,919	36	\$149,536	374	\$19,539,219
2008	156	10,254,379	148	8,717,453	31	148,443	335	19,120,276
2009	153	10,324,455	113	7,688,328	25	125,512	291	18,138,295
2010	152	10,483,516	109	7,830,631	23	111,805	284	18,425,952
2011	151	10,993,501	112	8,119,879	23	105,685	286	19,219,065
2012	146	11,215,136	106	8,011,839	19	93,940	272	19,320,916
2013	144	11,365,441	114	8,214,718	17	81,359	275	19,661,518
2014	143	11,825,927	120	8,208,725	15	79,955	278	20,114,607
2015	142	12,342,152	123	8,360,705	16	76,133	281	20,778,990
2016	142	11,991,547	133	8,245,991	15	78,117	291	20,315,655
2017	142	11,927,253	133	8,410,652	14	77,787	289	20,415,692
2018	138	12,120,445	115	7,366,765	14	83,534	267	19,570,744
2019	137	12,388,298	108	7,358,413	13	87,346	259	19,834,056
2020	137	12,849,985	105	7,478,454	13	97,170	255	20,425,609
2021	137	13,568,826	112	7,524,156	11	95,433	261	21,188,415
2022	136	14,017,833	114	7,692,444	9	95,741	259	21,806,018

Sources: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission; Spectator Year Book.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data; Data represent direct business for policies/certificates and net business for face amounts. Beginning in 1959, data include Alaska and Hawaii. 1994-97 data for individual amount and group certificates were revised. Individual and group categories include credit life insurance on loans of more than 10 years' duration; credit category is limited to life insurance on loans of 10 years¹ or less duration. Totals represent all life insurance (net of reinsurance) on residents of the United States, whether issued by U.S. or foreign companies. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

*Fewer than 500,000 policies/certificates.

¹ Includes group credit certificates.

8

ANNUITIES

Annuities are financial contracts that pay a steady stream of income for either a fixed period of time or for the lifetime of the annuity owner (*the annuitant*). Most pension and retirement plan assets held by life insurers are annuity contracts. Because they can guarantee a stream of income for life, annuities protect annuity owners against the possibility of outliving their financial resources.

Annuities are sold as either immediate annuities or deferred annuities. Immediate annuities begin making annuity payments immediately, while deferred annuities defer the onset of annuity payments until some later date (typically when the annuity owner retires). During the deferral or accumulation phase, the annuity owner makes premium payments into the annuity and the savings inside the annuity grows to maximize the later annuity payments back to the annuity owner.

During 2022, payments into annuities, known as considerations, increased 17.3 percent to \$370 billion (Table 8.1), while annuity reserves decreased 8.5 percent to \$4 trillion (Table 8.2).

Annuities provide a variety of features designed to

meet different needs. Depending on risk tolerance, an annuitant can choose a *fixed annuity*, which provides stable returns, or a *variable annuity* which is backed by equity investments for potentially greater, but uncertain, returns. A joint and survivor annuity ensures an income stream as long as either spouse is alive. Under some options, payouts will continue to a designated beneficiary after the annuitant's death.

GROUP AND INDIVIDUAL ANNUITIES

Contributions to group annuities, which are sold through employer-sponsored retirement plans, increased to \$184 billion in 2022, 32.6 percent higher than in 2021 (Table 8.1). Reserves for this type of annuity accounted for nearly one-third of all annuity reserves by the end of 2022 (30%), or \$1.2 trillion (Table 8.2). Benefit payments to group annuitants increased to \$39 billion, up 2.5 percent from 2021 (Table 8.3).

Employer-sponsored retirement plans are divided between two types that differ according to their benefits structure. *Defined benefit plans* provide a specified monthly benefit during retirement. The

benefit amount is usually based on an employee's salary and length of service. The employer funds such plans and bears the entire investment risk.

Profit-sharing, 401(k), 403(b), and 457 plans are *defined contribution plans*. Rather than specifying benefits and retirement income, this type of plan specifies contributions, usually as a fixed amount or a percentage of income, where the employee bears the investment risk. The benefit received under defined contribution plans is determined by contributions, investment returns, and expenses. Annuitization of the balance at retirement is not mandatory, and lump sums have been the most popular distribution method.

A person can also buy an annuity directly from a life insurer. During 2022, Americans deposited \$167 billion in individual annuities, up 9.9 percent from 2021 (Table 8.1). Individual annuity owners received \$57 billion in benefit payments (Table 8.3), leaving \$2.7 trillion in individual annuity reserves at year-end 2022 (Table 8.2).

SUPPLEMENTARY CONTRACTS, ANNUITIES CERTAIN, AND OTHER ANNUITIES

A *supplementary contract* is an agreement between an insurer and a life insurance policyholder or beneficiary in which the beneficiary chooses to receive the policy's proceeds over a period of time instead of as a lump sum. If this period is the lifetime of the beneficiary, the contract is a supplementary contract with life contingencies, essentially a life annuity; if the payments continue for a specific period, the contract is called a supplementary contract without life contingencies, or an annuity certain.

During 2022, \$20 billion was deposited into

supplementary contracts without life contingencies and annuities certain, 22.4 percent less than in 2021 (Table 8.1), and \$22 billion was paid to policyholders or beneficiaries (Table 8.3), leaving a total reserve of \$102 billion at the end of 2022 to back future claims (Table 8.2).

Table 8.1

Annuity Considerations					
	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Individual annuities¹	\$189,258	\$152,071	\$167,099	-1.2	9.9
Group annuities	158,837	138,561	183,709	1.5	32.6
Annuities certain and supplementary contracts without life contingencies	21,340	25,237	19,588	-0.9	-22.4
Total	369,435	315,869	370,396	0.0	17.3

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes supplementary contracts with life contingencies.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes.

Please see Chapter 6 for reinsurance business.

Table 8.2

Reserves for Annuity Contracts					
	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Individual annuities¹	\$1,961,770	\$2,962,294	\$2,699,802	3.2	-8.9
Group annuities	958,095	1,323,682	1,219,550	2.4	-7.9
Annuities certain and supplementary contracts without life contingencies	83,820	109,946	102,306	2.0	-6.9
Total	3,003,685	4,395,923	4,021,658	3.0	-8.5

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes supplementary contracts with life contingencies.

Table 8.3

Annuity Benefit Payments					
	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
Individual annuities¹	\$49,472	\$60,079	\$56,909	1.4	-5.3
Group annuities	24,567	37,615	38,570	4.6	2.5
Annuities certain and supplementary contracts without life contingencies	22,842	24,453	21,583	-0.6	-11.7
Total	96,881	122,148	117,062	1.9	-4.2

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes supplementary contracts with life contingencies.

Table 8.4

Annuity Considerations, by Year (millions)				
Year	Individual¹	Group²	Other³	Total
1977	\$4,552	\$10,422	NA	\$14,974
1978	4,454	11,885	NA	16,339
1979	4,976	12,963	NA	17,939
1980	6,296	16,133	NA	22,429
1981	10,290	17,289	NA	27,579
1982	15,196	19,448	NA	34,644
1983	14,003	16,541	NA	30,544
1984	15,706	27,153	NA	42,859
1985	20,891	33,008	NA	53,899
1986	26,117	57,595	NA	83,712
1987	33,764	54,913	NA	88,677
1988	43,784	59,494	NA	103,278
1989	49,407	65,590	NA	114,997
1990	53,665	75,399	NA	129,064
1991	51,671	71,919	NA	123,590
1992	61,348	71,297	NA	132,645
1993	76,987	79,458	NA	156,445
1994	80,832	73,017	NA	153,849
1995	77,370	82,565	NA	159,935
1996	84,067	92,228	NA	176,295
1997	90,192	107,355	NA	197,547
1998	95,446	134,047	NA	229,493
1999	115,621	154,591	NA	270,212
2000	143,071	163,622	NA	306,693
2001	141,656	109,599	\$22,675	273,930
2002	168,428	100,861	22,608	291,897
2003	165,943	102,614	21,811	290,369
2004	172,140	104,537	24,352	301,029
2005	167,032	110,084	25,479	302,596
2006	187,083	115,645	26,344	329,071
2007	192,503	121,722	27,119	341,344
2008	208,965	119,169	26,842	354,976
2009	128,853	102,727	24,053	255,633
2010	189,946	103,677	27,372	320,995
2011	217,837	117,058	24,247	359,142
2012	189,258	158,837	21,340	369,435

Table 8.4, continued

Annuity Considerations, by Year (millions), continued				
Year	Individual¹	Group²	Other³	Total
2013	\$179,578	\$108,091	\$19,591	\$307,260
2014	247,426	114,160	20,057	381,642
2015	208,913	124,103	19,347	352,363
2016	202,312	124,484	19,869	346,664
2017	164,790	130,070	18,811	313,671
2018	154,660	124,638	20,024	299,322
2019	204,309	143,185	20,646	368,141
2020	150,086	151,255	22,130	323,472
2021	152,071	138,561	25,237	315,869
2022	167,099	183,709	19,588	370,396

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Codification effective with 2001 Annual Statement filings changed the way certain lines of business are categorized and reported, particularly deposit-type contracts. Since most guaranteed interest contracts (GICs) and other deposit-type funds are under group contracts, this accounting change has had a substantial effect on group annuities.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

NA: Not available.

¹Beginning in 2001, includes supplementary contracts with life contingencies.

²Beginning in 1986, data reflect a change in statutory reporting methods mandated by the National Association of Insurance Commissioners.

³Includes supplementary contracts without life contingencies, annuities certain, lottery payouts, structured settlements, and income payment options.

Table 8.5

Annuity Reserves, by Year

Year	Reserves (millions)	Year	Reserves (millions)
1950	\$5,600	1999	\$1,780,699
1960	18,850	2000	1,819,680
1965	27,350	2001	1,585,008
1970	41,175	2002	1,619,075
1975	72,210	2003	1,899,994
1980	166,850	2004	2,105,882
1981	193,210	2005	2,258,240
1982	233,790	2006	2,415,158
1983	269,425	2007	2,548,490
1984	313,215	2008	2,223,441
1985	373,475	2009	2,512,334
1986	441,390	2010	2,739,686
1987	495,420	2011	2,810,717
1988	562,155	2012	3,003,685
1989	624,290	2013	3,271,345
1990	695,700	2014	3,385,586
1991	745,950	2015	3,407,220
1992	768,215	2016	3,556,845
1993	825,375	2017	3,790,733
1994	878,460	2018	3,647,244
1995	972,560	2019	3,976,017
1996	1,312,494	2020	4,207,510
1997	1,454,962	2021	4,395,923
1998	1,608,494	2022	4,021,658

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Codification effective with 2001 Annual Statement filings changed the way certain lines of business are categorized and reported, particularly deposit-type contracts. Since most guaranteed interest contracts (GICs) and other deposit-type funds are under group contracts, this accounting change has had a substantial effect on group annuities.

9

HOUSEHOLD OWNERSHIP AND ACCESS TO INSURANCE PRODUCTS

Households purchase life insurers' products to manage risk. Life insurance helps maintain household income when an income earner dies; and, disability income insurance, long-term care insurance and supplemental products protect assets in the event of illness or when assistance with activities of daily living is required. Most households are underinsured in one or more of these areas, if they are insured at all. Coverage can be obtained through individual products or employer-sponsored group products.

EMPLOYER-SPONSORED BENEFITS

Most Americans have access to life insurance products and retirement savings accounts through their employer. In 2022, 57 percent of all private industry employees had access to life insurance through their employer (Table 9.1). In the past, as mentioned in the previous chapter, many employers provided pensions to their employees known as defined benefit plans.

On January 1, 1980, the Revenue Act of 1978 went into effect. Section 401(k) of the Act had a provision which allowed employees to defer compensation from bonuses or stock options tax-free. The IRS soon issued regulations which permitted employees to contribute to their retirement savings through salary deductions. Since that time, defined contribution plans, such as 401(k), 403(b), and 457 plans, have gained in prominence while defined benefit plans have diminished.

In 2022, 67 percent of all private industry employees (both part-time and full-time) had access to a defined contribution plan, compared to 15 percent which had access to defined benefit plans (Table 9.1). In 2012, only 59 percent had access to a defined contribution plan and 19 percent had access to a defined benefit plan through their employers. These trends are expected to continue. Similarly, many employers sponsor other benefits such as group life insurance,

short and long-term disability income insurance, and long-term care insurance. Access to these benefits has not changed as substantially since 2012.

RETIREMENT SAVINGS

In the absence of a sound defined benefit plan, sufficient retirement savings are necessary for a secure retirement. Though needs and individual circumstances vary widely, some financial advisors say that individuals entering retirement require up to ten times their pre-retirement income in savings.

Since the 1980s, the percent of households with dedicated retirement savings, as well as retirement savings balances, have been steadily increasing (Table 9.2). In 2019, more than half of U.S. households had dedicated retirement savings with a median balance of \$65,000 and an average balance of \$255,200. Retirement savings make up about 36 percent of an average household's financial assets, holding relatively steady since 2007.

Though retirement savings has trended upward, disparities exist (Tables 9.3 and 9.4). In 2019, 34.9 percent of Black Americans and 25.5 percent of Hispanics had dedicated retirement savings, compared to 50.5 percent for the total population. Similarly, median balances were \$35,000 and \$30,400, respectively. Growth in balances from 2016 to 2019 were greater than for the total population, 42 percent for Black households and 35 percent for Hispanic households, compared to 8.3 percent overall growth, though median and average balances remain below the overall population.

LIFE INSURANCE OWNERSHIP

The percent of households with any life insurance

coverage has been steadily decreasing since the early 1970s, though median face value of in-force policies has held steady at \$100,000 since 2004 (Table 9.5). This decline is true for both term and permanent life insurance, with the later declining more sharply. In 2019, 59.4 percent of households had at least some coverage, with 48 percent owning a term policy and 19.6 percent holding a cash-value policy.

DISABILITY INCOME INSURANCE

Prolonged unemployment due to disability can jeopardize a worker's lifestyle and savings for retirement. The risk of becoming disabled is significant: According to the U.S. Census Bureau, nearly seventeen percent of working-age Americans reported a disability in 2010. Of those with a disability, 20.8 percent were employed compared to the 65.6 percent of working-age Americans with no disability in 2022.

Disability income policies commonly provide 50 to 70 percent of an insured employees pre-disability income while they are unable to work due to accident or illness. In addition to choices in benefits and elimination periods, some policies provide comprehensive protection while others define disability more narrowly, covering only accidental injury or illness. Policies may also include coverage for partial disability, residual benefits, cost-of-living adjustments, survivor benefits, and pension supplements. Many also include benefits to help people return to work following a disability.

Often insurers will reduce benefits if an employee is receiving disability payments from other sources. Workers compensation pays cash benefits to workers disabled by an on-the-job accident or illness. Because workers compensation is a state-administered

program, rules governing payment, benefit levels, and length of coverage vary considerably from state to state. Workers whose illness or injury is not caused on the job may be eligible for paid sick leave or state-mandated short-term disability benefits. The federal disability insurance program under the Social Security Administration, known as SSDI, provides cash assistance to people with long-term disabilities who are unable to work. SSDI's modest income support is limited to those who meet a very strict test of work disability.

Both individual and group disability income insurance pay benefits as an indemnity—usually weekly or monthly. Disability income insurance may be offered by employers, purchased individually, or used to protect a business. Employers may offer insurance for either short- or long-term disabilities, or provide comprehensive disability protection. Some policies reimburse businesses for expenses associated with disability. Each of these types of policies is described below.

Individual Disability Income Insurance

Individual disability income policies are sold to the self-employed, professionals, and to a market of diverse needs. Some people prefer individual coverage rather than group coverage because the former is portable. Workers, whose employers provide only basic coverage, may buy additional disability insurance through an individual policy. Companies also purchase disability income insurance to protect or dispose of the business if a key employee or the owner becomes disabled.

Personal Coverage

Most people buy individual disability income insurance to protect against long-term disability.

Individual policies typically cover both occupational and non-occupational accidents and sickness for a selected term. Individual long-term disability benefits are not subject to income tax if the policyholder pays the premiums in full. Since benefits are designed to replace earned income, most people do not purchase coverage beyond their working years.

Disability income insurance for individuals is offered primarily in two forms. Non-cancellable policies give policyholders the right to continue coverage as long as premiums are paid on time. The insurer cannot change the premiums or benefits prior to an age stated in the policy, usually 65. Insurers also offer guaranteed renewable policies that can be automatically renewed with the same benefits. The premium for this type of policy may be increased only if it is changed for the entire class of policyholders.

Business Coverage

A small proportion of individual disability income policies is bought by business owners.

Key-person disability insurance replaces income lost when an essential employee or owner is unable to work. Some policies pay benefits directly to the insured as salary continuation, while others pay benefits to the business to protect the company from sudden loss of income, credit, or profits. Another form of protection is disability buy-sell insurance, which pays benefits to the business to enable owners to purchase interest in the company from a disabled partner or owner.

Businesses frequently obtain a disability income policy to cover business overhead expenses, including wages, in case the owner becomes disabled. A business also can purchase reducing term disability insurance to help cover loan repayments, purchase agreements, or salary contracts if the owner or key employee becomes

disabled. This type of insurance is in effect for the length of the loan or other commitment, and coverage is reduced as the amount due is paid off.

Group Disability Income Insurance

Many disability income policies are offered as part of an employee group benefit package. Employers purchase disability coverage from an insurance company or self-insure the benefits. According to the U.S. Bureau of Labor Statistics, 43 percent of all private industry employees have access to short-term disability income insurance in 2022; 36 percent have access to long-term disability income insurance (Table 9.1).

Short-Term Coverage

Short-term coverage helps protect against loss of income for employees unable to work because of a temporary illness or injury. Such sickness and accident plans replace a portion of earnings for a fixed period of time. Benefits commonly last 24 weeks, although coverage can range from 13 to 104 weeks. Short-term disability income insurance also can offer protection during the waiting period before a worker becomes eligible for SSDI or long-term disability coverage.

Disability income insurance pays short-term benefits as either a percentage of employee earnings or a flat dollar amount. The most common plans pay a percentage of earnings, typically replacing from one-half to two-thirds of pre-disability income. A majority of these plans places a dollar limit on the weekly or monthly benefit. Benefits also can vary depending on length of service and other factors. Most short-term coverage requires a waiting period, usually one to seven days, before benefits begin.

Long-Term Coverage

Long-term disability income plans cover both

occupational and non-occupational sickness and accidents. Benefits typically start when short-term benefits are exhausted after a waiting period of three to six months following the onset of disability. These policies generally provide benefits for persons up to age 65 or Social Security retirement age. In certain cases, long-term coverage may provide benefits for life.

Almost all group long-term disability plans coordinate with Social Security and typically require claimants to apply for SSDI benefits. Disability insurers frequently offset benefits payable under private insurance dollar-for-dollar with SSDI payments. Benefits also are subject to income tax if the employer pays the premiums; they are not taxable if the employee pays the premiums.

LONG-TERM CARE INSURANCE

Long-term care insurance pays for services to help policyholders who are unable to perform certain activities of daily living without assistance—such as bathing, eating, dressing, using the toilet, and transferring from bed to chair. This insurance also pays benefits when the insured person requires supervision due to a cognitive impairment such as Alzheimer’s disease.

Since the likelihood of chronic illness or disability increases with age, long-term care insurance traditionally has been sold to older Americans. However, the younger the purchaser, the lower the premiums, and within the last 10 years, group insurance plans have begun covering working-age people. In 2022, life insurers collected \$11.5 billion in long-term care insurance premiums (Table 9.6).

The market for private long-term care insurance is closely linked to federal and state government policy.

Public funding for long-term care comes from two main sources. Medicaid—a joint federal-state program that targets low-income people—is the primary government funding source for long-term care. To qualify, beneficiaries must deplete most of their assets and meet a strict income test. Medicare primarily pays for medically related recovery and rehabilitation services at home or in a nursing home.

There are two basic types of long-term care insurance: individual insurance and group. The latter is employer-sponsored or offered through an association. These products are considered long-term if the benefit is one year or longer. Long-term care protection also is available through life insurance policies that accelerate the death benefits for individuals with chronic conditions.

Long-term care insurance has evolved in response to changes in the long-term care delivery system and consumer preferences. When first sold in 1972, policies covered only skilled care in a nursing home after a period of hospitalization. Since the mid-1980s, consumers have demanded greater choice and more help in maintaining their quality of life. Insurers now offer policies covering services that promote independent living including personal care, assisted living, care management, support for family caregivers, home modifications, homemaker services, and hospice, in addition to institutional care.

Coverage for long-term care also varies by how benefits are paid. Traditional indemnity policies offer a fixed daily payment to eligible beneficiaries, usually in a nursing home. Other policies reimburse the insured for expenses, up to the policy's daily maximum—for example, \$150 per day for nursing home care or \$100 per day for home care. Most reimbursement policies now pool benefit dollars under more flexible spending

limits, so that a beneficiary can receive payment for either nursing-home care or home- and community-based care. A third payment method uses a disability model, providing a cash benefit when eligibility requirements are met, regardless of whether the insured actually uses any long-term care services.

Individual Long-Term Care Coverage

Individual long-term care insurance can be tailored to meet financial and lifestyle goals. The policyholder selects the length of benefit term (one to five years or a lifetime) and other options such as the amount of maximum daily benefit, length of elimination period, level of care, inflation protection, and nonforfeiture benefits.

Most individual long-term care insurance is offered as a guaranteed renewable policy—renewable with the same benefits as long as premiums are paid on time. Premiums cannot be increased unless they are changed for the entire class of policyholders. Since long-term care policies do not build cash value, buying a nonforfeiture benefit or selecting a policy with contingent nonforfeiture protection allows the insured to receive benefits upon surrendering the policy. Some policies offer riders that return premiums upon the death of the insured.

Group Long-Term Care Coverage

Businesses, some state governments, unions, and fraternal and other associations such as AARP sponsor group long-term care insurance. Groups can either purchase long-term care coverage from an insurance company or self-insure. Under self-insured plans, the members of the group, usually employees, assume all risks and expenses of providing long-term care coverage. Most employers offering this benefit purchase group insurance coverage.

Group long-term care insurance typically is offered as a voluntary benefit for which the employee pays some or all of the premium. Long-term care insurance purchased through the workplace also is portable: Employees can retain coverage in retirement or if they change employers by paying the entire premium directly to the insurer. policy holders as well.

According to the U.S. Bureau of Labor Statistics, 15 percent of all workers in private industry had access to long-term care insurance at work in 2022 (Table 9.1).

ACCELERATED AND SUPPLEMENTAL BENEFITS

To help pay long-term care costs, certain life insurance policies allow the policyholder to access benefits prior to death. Circumstances that can trigger these accelerated benefits include diagnosis of a terminal illness or a medical condition that would drastically shorten the policyholder's life span, the need for long-term care, or permanent confinement in a nursing home. Accelerated benefit provisions may be integrated in the policy or more typically attached as a rider.

Supplemental benefits products are insurance policies that provide financial protection against expenses associated with accidents or illnesses not covered by major medical insurance. These products, provided through employers or offered on an individual basis, are key to the financial security of many families across the nation. Table 9.6 highlights some of the selected supplemental benefits (accident/AD&D, dental) that life insurers provide. Along with life insurers, other health insurers provide supplemental benefits, which also includes critical illness or specified disease, hospital indemnity, stop-loss, vision, and wellness, to

Table 9.1

Access to Employer Sponsored Benefits, Percent All Private Industry Employees

Year	Life Insurance	Defined Contribution Retirement Plan	Defined Benefit Retirement Plan	Short-Term Disability Income Insurance	Long-Term Disability Income Insurance	Long-Term Care Insurance
	(%)	(%)	(%)	(%)	(%)	(%)
2010	59	59	20	39	33	14
2011	58	58	20	38	32	14
2012	57	59	19	39	33	16
2013	57	59	19	40	33	16
2014	57	60	19	40	34	16
2015	57	61	18	40	34	17
2016	55	62	18	40	33	17
2017	55	62	18	41	33	17
2018	57	64	17	42	34	15
2019	56	64	16	42	34	15
2020	56	65	15	42	35	14
2021	57	66	15	43	35	15
2022	57	67	15	43	36	15

Sources: United States, Bureau of Labor Statistics, National Compensation Survey, various years.

Note: Includes full and part-time workers.

Table 9.2

Household Ownership of Dedicated Retirement Saving Accounts

Year	Retirement Account Assets as a Percent of Total Financial Assets (%)	Households with Retirement Savings Account(s) (%)	Median Retirement Savings*	Mean Retirement Savings*
1989	21.5	37.1	\$11,000	\$37,500
1992	25.8	40.1	14,000	45,500
1995	28.3	45.3	17,000	57,000
1998	27.8	48.9	24,000	76,300
2001	29.0	52.8	29,500	104,700
2004	32.4	49.9	35,300	123,100
2007	35.0	53.0	45,000	147,300
2010	38.1	50.4	44,000	171,200
2013	38.8	49.2	59,000	201,300
2016	35.6	52.1	60,000	228,900
2019	36.0	50.5	65,000	255,200

Source: Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances data, various years.

*Only households with retirement savings accounts.

Table 9.3

Household Ownership of Dedicated Retirement Saving Accounts, By Race*

Year	All Households	White	Black	Hispanic
	(%)	(%)	(%)	(%)
1989	37.1	43.5	17.1	15.5
1992	40.1	45.6	23.7	20.1
1995	45.3	49.3	28.4	32.8
1998	48.9	53.8	34.2	21.7
2001	52.8	57.7	40.1	31.5
2004	49.9	56.4	32.7	25.3
2007	53.0	58.5	37.0	30.8
2010	50.4	58.1	33.0	27.8
2013	49.2	56.7	35.2	25.1
2016	52.1	60.4	33.6	29.7
2019	50.5	57.2	34.9	25.5

Source: Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances data, various years.

*Publicly available Survey of Consumer Finances data does not include other racial categories.

Dedicated retirement savings accounts include all defined contribution plans, IRAs, and Roth IRAs.

Table 9.4

Median Household Retirement Saving Balance, By Race*				
Year	All Households	White	Black	Hispanic
1989	\$11,000	\$12,000	\$6,000	\$6,000
1992	14,000	15,000	5,500	6,500
1995	17,000	18,200	8,000	12,000
1998	24,000	26,000	11,000	11,000
2001	29,500	35,000	8,500	10,000
2004	35,300	41,000	15,000	14,700
2007	45,000	53,000	26,000	17,000
2010	44,000	54,000	18,000	18,000
2013	59,000	76,300	19,000	16,100
2016	60,000	77,000	24,600	22,600
2019	65,000	80,000	35,000	30,400

Source: Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances data, various years.

*Publicly available Survey of Consumer Finances data does not include other racial categories.

In 2019 USD. Dedicated retirement savings accounts include all defined contribution plans, IRAs, and Roth IRAs.

Only considers households with dedicated retirement savings.

Table 9.5

Year	Any Life Insurance		Term Life Insurance		Cash-Value Life Insurance	
	Percent with Coverage	Median Face Value	Percent with Coverage	Median Face Value	Percent with Coverage	Median Face Value
1998	69.2%	\$61,000	52.2%	\$60,000	29.6%	\$45,000
2001	69.3%	70,000	52.9%	78,000	28.0%	40,000
2004	65.4%	100,000	51.3%	100,000	25.6%	50,000
2007	64.9%	100,000	50.8%	100,000	24.0%	54,000
2010	62.6%	100,000	49.5%	100,000	20.7%	50,000
2013	60.1%	100,000	48.4%	100,000	19.8%	50,000
2016	61.1%	100,000	49.4%	102,000	20.6%	50,000
2019	59.4%	100,000	48.0%	110,000	19.6%	50,000

Source: ACLI tabulations of Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances, various years.

*Publicly available Survey of Consumer Finances data does not include other racial categories.

Households reporting *any* life insurance coverage.

Median calculations are based on households reporting coverage.

Table 9.6

Selected Accident and Health Products of Life Insurers

	Millions			Average annual percent change	
	2012	2021	2022	2012/2022	2021/2022
PREMIUMS					
Disability Income	\$20,811	\$28,863	\$29,939	3.7	3.7
Individual	6,642	7,257	6,444	-0.3	-11.2
Group	14,168	21,606	23,495	5.2	8.7
Long-Term Care	10,922	11,544	11,545	0.6	0.0
Individual	8,833	9,234	9,225	0.4	-0.1
Group	2,090	2,310	2,320	1.0	0.4
Dental	12,337	13,077	13,754	1.1	5.2
Individual	501	1,363	1,307	10.1	-4.1
Group	11,836	11,715	12,447	0.5	6.3
Accident/AD&D	5,174	6,399	6,968	3.0	8.9
Individual	2,446	2,590	2,547	0.4	-1.7
Group	2,728	3,809	4,422	4.9	16.1
INCURRED CLAIMS					
Disability Income	\$17,353	\$21,740	\$21,638	2.2	-0.5
Individual	5,328	4,678	4,313	-2.1	-7.8
Group	12,024	17,062	17,325	3.7	1.5
Long-Term Care	7,733	10,901	13,348	5.6	22.4
Individual	6,833	9,492	11,512	5.4	21.3
Group	900	1,410	1,835	7.4	30.2
Dental	9,239	9,762	10,304	1.1	5.5
Individual	265	735	716	10.5	-2.5
Group	8,975	9,027	9,587	0.7	6.2
Accident/AD&D	2,043	2,259	2,423	1.7	7.3
Individual	905	777	783	-1.4	0.7
Group	1,138	1,482	1,640	3.7	10.7

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

10

IN THE STATES

The life insurance industry is integral to the economies of all 50 states and the District of Columbia. In 2022, 713 life insurers were domiciled in the United States, and another 14 were domiciled in U.S. territories (Table 10.1). The companies' investments contribute to state economies as Americans and their families achieve financial security through life insurance products.

Billions of dollars of life insurance coverage is purchased in each state every year, ranging from \$350 billion in California to \$5.3 billion in Wyoming in 2022 (Table 10.2). Total life insurance in force ranged from \$4.6 trillion in California to \$55 billion in Vermont (Table 10.3).

Payments from life insurers are a mainstay of financial security for residents in every state. Death payments under life insurance policies were greatest in California (\$12.4 billion) and Texas (\$9.7 billion) during 2022 (Table 10.4). Life insurance beneficiaries in 22 other states received payments totaling over \$2 billion, and 11 states had death payments between \$1 billion and \$2 billion. Table 10.5 breaks down death payments among individual, group, and credit policies.

Annuity payments are another source of financial

security provided by life insurers nationwide. In 2022, payments from annuities totaled \$9.8 billion in California followed by \$7.3 billion in Florida (Table 10.4). Residents of 29 other states received annuity payments totaling more than \$1 billion.

Table 10.6 reports the distribution of premium receipts by state in 2022 across the various product lines offered by life insurers—life insurance, annuities, accident and health insurance (including disability income and long-term care insurance), and deposit-type funds. The greatest premium amounts for life insurance, accident and health insurance, and annuities were collected in California (\$83 billion) and Texas (\$64 billion).

Life insurers are a significant source of investment capital in each state, particularly through real estate loans. U.S. life insurers held \$712 billion in domestic mortgages in 2022. Mortgage holdings ranged from \$78 million in Vermont to \$152 billion in California (Table 10.7). Life insurers also directly own real estate across the country—\$39.3 billion worth in 2022 (Table 10.8). California and Texas had the most real estate owned by life insurers, with \$9.7 billion and \$3.7 billion, respectively.

Table 10.1

Life Insurers, by State of Domicile, 2022

Alabama	10	Nebraska	30
Alaska	-	Nevada	-
Arizona	26	New Hampshire	-
Arkansas	14	New Jersey	5
California	10	New Mexico	-
Colorado	9	New York	81
Connecticut	21	North Carolina	2
Delaware	23	North Dakota	3
District of Columbia	-	Ohio	37
Florida	10	Oklahoma	21
Georgia	13	Oregon	2
Hawaii	4	Pennsylvania	27
Idaho	1	Rhode Island	1
Illinois	44	South Carolina	6
Indiana	20	South Dakota	2
Iowa	31	Tennessee	11
Kansas	11	Texas	98
Kentucky	7	Utah	9
Louisiana	23	Vermont	1
Maine	3	Virginia	2
Maryland	3	Washington	2
Massachusetts	14	West Virginia	-
Michigan	17	Wisconsin	18
Minnesota	9	Wyoming	-
Mississippi	9	Total U.S.	713
Missouri	21		
Montana	2	Guam	1
		Puerto Rico	13
		Virgin Islands	-
		Aggregate total	727

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

Table 10.2

Life Insurance Purchases, by State, 2022 (face amount in millions)

	Individual	Group	Credit	Total
Alabama	\$25,626	\$12,267	\$822	\$38,715
Alaska	5,875	1,622	1	7,498
Arizona	33,400	17,196	220	50,816
Arkansas	14,419	8,266	119	22,804
California	229,683	119,244	807	349,733
Colorado	39,251	21,124	206	60,580
Connecticut	25,513	14,355	48	39,915
Delaware	10,449	17,902	3	28,354
District of Columbia	5,482	4,853	34	10,368
Florida	131,577	59,269	1,637	192,483
Georgia	71,680	34,741	1,247	107,667
Hawaii	8,419	2,038	193	10,650
Idaho	10,097	3,303	146	13,546
Illinois	70,808	59,093	430	130,331
Indiana	32,485	23,722	440	56,647
Iowa	19,251	8,642	299	28,193
Kansas	15,008	8,657	313	23,977
Kentucky	18,849	13,570	1,100	33,520
Louisiana	26,858	11,545	1,653	40,056
Maine	6,098	4,541	196	10,835
Maryland	36,334	29,885	449	66,668
Massachusetts	41,801	34,108	61	75,969
Michigan	43,970	29,226	1,311	74,507
Minnesota	36,643	18,168	200	55,011
Mississippi	17,032	5,189	812	23,033
Missouri	30,633	45,522	597	76,752
Montana	5,372	3,231	37	8,640
Nebraska	15,013	4,338	61	19,411
Nevada	16,716	9,897	51	26,663
New Hampshire	6,542	5,098	384	12,023
New Jersey	70,592	67,385	211	138,188
New Mexico	9,380	3,128	323	12,830
New York	119,859	80,374	2,445	202,678
North Carolina	55,661	40,279	1,594	97,535
North Dakota	4,703	1,628	165	6,496
Ohio	49,172	41,435	908	91,515
Oklahoma	17,232	8,526	544	26,302

Table 10.2, continued

Life Insurance Purchases, by State, 2022 (face amount in millions), continued				
	Individual	Group	Credit	Total
Oregon	\$16,979	\$9,136	\$186	\$26,300
Pennsylvania	61,293	39,100	888	101,281
Rhode Island	4,363	2,178	4	6,544
South Carolina	27,562	11,388	1,299	40,249
South Dakota	9,834	1,520	87	11,441
Tennessee	42,073	25,793	1,079	68,944
Texas	176,914	110,209	8,571	295,694
Utah	22,906	10,808	330	34,045
Vermont	4,142	1,603	28	5,773
Virginia	42,964	35,780	601	79,345
Washington	37,272	17,438	203	54,913
West Virginia	5,262	11,883	290	17,435
Wisconsin	28,760	19,372	464	48,597
Wyoming	4,140	1,137	32	5,309
Total U.S.	1,861,946	1,170,708	34,128	3,066,782
Other ¹	18,159	232,333	1,764	252,256
Aggregate total	1,880,105	1,403,041	35,892	3,319,038

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent direct business of U.S. life insurers and fraternal benefit societies.

¹ Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.3

Life Insurance In Force, by State, 2022

	Thousands of policies/Millions of dollars					Total
	Individual		Group ¹	Credit		
	Policies	Face amount	Face amount	Policies ²	Face amount	
Alabama	4,752	\$313,113	\$167,830	249	\$1,210	\$482,152
Alaska	173	50,320	30,629	1	5	80,954
Arizona	1,797	403,477	263,536	46	940	667,952
Arkansas	1,494	153,342	92,388	39	189	245,919
California	10,270	2,898,512	1,680,589	179	1,244	4,580,345
Colorado	1,882	475,500	266,563	40	323	742,386
Connecticut	1,352	388,240	207,174	36	304	595,717
Delaware	484	120,850	162,388	6	50	283,288
District of Columbia	251	59,914	141,226	4	27	201,167
Florida	7,556	1,454,284	676,813	382	2,758	2,133,855
Georgia	5,255	767,477	492,655	637	2,651	1,262,783
Hawaii	579	111,413	49,916	33	330	161,659
Idaho	547	117,786	58,034	66	295	176,115
Illinois	5,903	1,010,606	623,366	107	974	1,634,946
Indiana	2,932	378,677	289,640	118	874	669,191
Iowa	1,696	270,899	130,207	47	556	401,662
Kansas	1,347	212,687	115,712	75	578	328,977
Kentucky	2,073	213,514	187,152	383	1,191	401,856
Louisiana	3,635	309,170	166,798	357	2,351	478,319
Maine	431	67,509	49,979	27	249	117,737
Maryland	3,204	465,810	338,080	230	876	804,766
Massachusetts	2,311	636,537	440,518	14	109	1,077,164
Michigan	3,626	566,323	426,496	293	2,435	995,255
Minnesota	2,528	518,417	331,897	45	414	850,728
Mississippi	1,964	169,292	88,775	291	1,648	259,714
Missouri	2,846	396,838	269,474	122	927	667,239
Montana	364	67,058	30,889	7	61	98,008
Nebraska	1,026	177,276	72,603	21	117	249,996
Nevada	833	183,774	82,618	18	95	266,487
New Hampshire	476	100,136	64,074	71	798	165,008
New Jersey	3,507	994,974	702,853	35	375	1,698,202
New Mexico	639	79,484	78,531	49	548	158,563
New York	6,947	1,792,508	897,581	501	4,006	2,694,095
North Carolina	5,324	707,118	445,531	478	2,899	1,155,547

Table 10.3, continued

Life Insurance In Force, by State, 2022, continued

	Thousands of policies/Millions of dollars					Total
	Individual		Group ¹	Credit		
	Policies	Face amount	Face amount	Policies ²	Face amount	
North Dakota	386	\$67,026	\$30,810	26	\$342	\$98,178
Ohio	5,169	681,225	512,211	199	1,588	1,195,023
Oklahoma	1,395	199,843	138,248	76	726	338,817
Oregon	1,041	221,034	149,505	69	278	370,818
Pennsylvania	6,002	885,996	575,246	173	1,736	1,462,978
Rhode Island	374	72,907	59,782	2	16	132,705
South Carolina	3,009	316,728	184,061	500	2,010	502,799
South Dakota	496	114,328	32,796	18	153	147,277
Tennessee	3,493	473,435	303,384	231	1,624	778,442
Texas	10,985	1,856,583	1,230,700	952	9,961	3,097,244
Utah	876	264,822	140,843	138	677	406,342
Vermont	231	37,325	17,363	9	72	54,760
Virginia	3,707	597,392	461,939	146	1,075	1,060,405
Washington	1,955	467,922	328,080	44	313	796,315
West Virginia	883	62,860	69,606	39	390	132,856
Wisconsin	2,795	421,594	275,342	89	698	697,633
Wyoming	217	43,042	19,190	4	49	62,282
Total U.S.	133,018	23,416,891	14,651,621	7,721	54,116	38,122,628
Other ³	3,120	214,967	113,899	963	9,341	338,207
Aggregate total	136,138	23,631,859	14,765,519	8,684	63,457	38,460,835

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Credit category is limited to life insurance on loans of 10 years or less duration. Ordinary and group categories include credit life insurance on loans of more than 10 years duration. Data represent direct business of U.S. life insurers and fraternal benefit societies.

¹Omits policies due to double counting.

²Includes group credit certificates.

³ Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.4

Life Insurance and Annuity Benefit Payments, by State, 2022 (thousands)

	Policy and contract dividends	Death payments	Annuity payments ¹	Surrender values	Other payments ²	Total
Alabama	\$199,528	\$2,205,618	\$1,167,493	\$3,820,619	\$22,108	\$7,415,365
Alaska	27,637	227,184	211,398	811,678	1,538	1,279,436
Arizona	293,271	2,240,052	2,301,708	9,061,569	27,769	13,924,370
Arkansas	116,804	1,016,964	708,486	1,849,693	9,810	3,701,758
California	1,618,048	12,412,439	9,754,229	37,848,562	143,952	61,777,230
Colorado	365,198	1,973,765	1,768,369	6,681,262	23,998	10,812,592
Connecticut	437,224	2,205,472	2,752,370	16,873,803	22,325	22,291,194
Delaware	73,906	1,055,544	1,088,686	6,111,740	46,145	8,376,021
District of Columbia	57,379	318,806	203,757	1,200,836	70,839	1,851,617
Florida	1,266,404	9,069,212	7,277,095	27,316,473	115,171	45,044,354
Georgia	554,592	4,420,884	2,120,347	9,170,857	40,347	16,307,028
Hawaii	90,948	548,401	461,533	1,820,704	13,203	2,934,789
Idaho	90,804	594,404	486,898	1,401,863	5,988	2,579,956
Illinois	961,332	5,564,467	4,367,500	14,787,865	79,455	25,760,619
Indiana	379,950	2,702,741	2,006,631	6,561,669	285,005	11,935,997
Iowa	343,482	1,671,907	3,187,984	13,277,221	25,508	18,506,102
Kansas	190,382	1,438,287	886,526	3,121,021	13,185	5,649,401
Kentucky	192,639	1,558,287	1,094,169	3,695,805	24,653	6,565,553
Louisiana	219,288	1,935,849	1,175,983	4,569,256	23,109	7,923,484
Maine	95,296	496,799	455,340	1,371,719	8,982	2,428,135
Maryland	401,570	2,667,122	1,982,161	6,353,883	29,094	11,433,830
Massachusetts	652,474	2,957,235	3,000,881	21,183,369	34,101	27,828,059
Michigan	582,421	4,944,213	4,313,946	12,685,795	50,999	22,577,374
Minnesota	416,270	6,086,255	1,925,306	8,586,492	29,037	17,043,360
Mississippi	89,935	1,237,300	566,681	1,830,867	13,246	3,738,029
Missouri	335,455	2,678,341	2,367,467	8,213,703	32,291	13,627,258
Montana	67,902	356,463	303,326	791,414	4,643	1,523,747
Nebraska	147,279	965,399	1,036,676	2,483,424	10,554	4,643,331
Nevada	122,703	987,351	726,879	2,313,800	10,443	4,161,176
New Hampshire	124,682	570,293	559,612	2,207,296	6,654	3,468,537
New Jersey	848,475	4,925,877	3,672,699	15,848,904	74,907	25,370,862
New Mexico	86,839	684,948	498,229	1,286,373	10,612	2,567,001
New York	2,166,306	8,572,523	6,537,880	29,220,686	138,439	46,635,835
North Carolina	619,547	4,747,426	3,032,792	9,739,328	45,360	18,184,452
North Dakota	58,633	347,809	222,784	962,197	3,747	1,595,169

Table 10.4, continued

Life Insurance and Annuity Benefit Payments, by State, 2022 (thousands), continued

	Policy and contract dividends	Death payments	Annuity payments¹	Surrender values	Other payments²	Total
Ohio	\$631,669	\$5,292,771	\$4,422,976	\$13,244,065	\$66,670	\$23,658,151
Oklahoma	158,646	1,441,507	898,692	2,645,516	12,266	5,156,628
Oregon	181,175	1,246,793	1,444,066	3,954,562	14,780	6,841,376
Pennsylvania	992,534	6,070,906	5,586,803	17,892,099	104,020	30,646,362
Rhode Island	82,330	458,258	437,185	1,413,009	7,376	2,398,158
South Carolina	257,239	2,174,185	1,462,244	4,818,779	24,809	8,737,257
South Dakota	72,497	504,260	262,368	918,468	4,611	1,762,205
Tennessee	314,166	3,003,219	1,891,788	6,583,162	27,902	11,820,237
Texas	1,022,863	9,721,313	6,979,330	21,313,308	81,741	39,118,555
Utah	144,308	1,208,073	821,489	3,129,621	8,215	5,311,706
Vermont	65,370	203,028	269,927	792,856	4,381	1,335,561
Virginia	538,141	3,859,881	2,409,926	8,970,532	37,371	15,815,851
Washington	366,209	2,180,204	2,453,611	6,610,106	26,096	11,636,225
West Virginia	106,117	683,384	518,893	1,485,598	10,959	2,804,951
Wisconsin	555,638	2,719,982	2,472,347	7,658,958	43,316	13,450,241
Wyoming	35,856	194,541	145,131	602,793	2,234	980,554
Total U.S.	19,819,363	137,347,941	106,700,593	397,095,181	1,973,960	662,937,038
Other ³	210,711	1,026,254	609,484	4,051,316	322,031	6,219,797
Aggregate total	20,030,074	138,374,196	107,310,078	401,146,497	2,295,991	669,156,835

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Codification effective with 2001 Annual Statement filings changed the reporting of certain lines of business, particularly deposit-type contracts, as explained in numbered footnotes. Data represent direct business of U.S. life insurers and fraternal benefit societies.

¹Excludes payments from deposit-type contracts due to codification.

²Includes matured endowments, disability payments, and payments on guaranteed interest contracts (GICs).

³Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.5

Payments to Life Insurance Beneficiaries, by State, 2022 (thousands)

	Individual	Group	Credit	Total
Alabama	\$1,592,233	\$606,208	\$7,177	\$2,205,618
Alaska	150,874	76,214	95	227,184
Arizona	1,573,605	664,703	1,745	2,240,052
Arkansas	653,539	361,817	1,608	1,016,964
California	9,324,688	3,082,757	4,995	12,412,439
Colorado	1,382,098	590,324	1,343	1,973,765
Connecticut	1,613,249	590,637	1,586	2,205,472
Delaware	696,737	358,451	355	1,055,544
District of Columbia	163,392	155,299	115	318,806
Florida	6,849,872	2,202,360	16,980	9,069,212
Georgia	3,056,548	1,356,329	8,007	4,420,884
Hawaii	432,839	114,592	969	548,401
Idaho	437,118	156,059	1,227	594,404
Illinois	4,047,963	1,510,818	5,686	5,564,467
Indiana	1,801,131	893,798	7,811	2,702,741
Iowa	1,324,620	345,071	2,216	1,671,907
Kansas	1,087,981	346,847	3,458	1,438,287
Kentucky	1,022,900	525,875	9,512	1,558,287
Louisiana	1,397,637	526,444	11,768	1,935,849
Maine	284,203	211,220	1,376	496,799
Maryland	1,720,048	943,654	3,421	2,667,122
Massachusetts	2,199,498	757,323	414	2,957,235
Michigan	3,483,789	1,445,997	14,427	4,944,213
Minnesota	5,464,270	619,055	2,929	6,086,255
Mississippi	880,847	345,194	11,260	1,237,300
Missouri	1,888,213	783,338	6,790	2,678,341
Montana	275,657	80,321	485	356,463
Nebraska	747,806	216,903	690	965,399
Nevada	719,165	267,808	378	987,351
New Hampshire	403,050	165,623	1,620	570,293
New Jersey	3,235,934	1,688,583	1,360	4,925,877
New Mexico	443,460	238,985	2,502	684,948
New York	6,685,095	1,872,310	15,119	8,572,523
North Carolina	3,402,196	1,326,784	18,446	4,747,426
North Dakota	276,537	69,689	1,582	347,809
Ohio	3,821,653	1,460,127	10,990	5,292,771

Table 10.5, continued

Payments to Life Insurance Beneficiaries, by State, 2022 (thousands), continued

	Individual	Group	Credit	Total
Oklahoma	\$957,912	\$479,930	\$3,666	\$1,441,507
Oregon	962,374	282,919	1,500	1,246,793
Pennsylvania	4,471,326	1,588,202	11,377	6,070,906
Rhode Island	345,827	112,301	130	458,258
South Carolina	1,514,289	642,103	17,793	2,174,185
South Dakota	422,766	80,778	717	504,260
Tennessee	2,034,680	954,973	13,566	3,003,219
Texas	6,516,885	3,168,643	35,786	9,721,313
Utah	882,098	323,372	2,603	1,208,073
Vermont	153,136	49,461	431	203,028
Virginia	2,323,890	1,529,324	6,667	3,859,881
Washington	1,475,309	703,170	1,724	2,180,204
West Virginia	438,593	241,625	3,165	683,384
Wisconsin	2,086,778	629,684	3,520	2,719,982
Wyoming	141,672	52,639	229	194,541
Total U.S.	99,267,982	37,796,642	283,317	137,347,941
Other ¹	754,378	232,341	39,535	1,026,254
Aggregate total	100,022,360	38,028,984	322,852	138,374,196

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent direct business of U.S. life insurers and fraternal benefit societies.

¹ Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.6

Direct Premium Receipts of Life Insurers, by State, 2022 (millions)

	Accident and Health						Total
	Life	Annuity	Disability Income	Long-Term Care	Other Health	Deposit-type funds ¹	
Alabama	\$2,618	\$4,952	\$405	\$104	\$1,709	\$362	\$10,150
Alaska	675	874	67	12	228	29	1,885
Arizona	3,100	11,645	490	186	3,718	479	19,619
Arkansas	1,303	2,432	252	55	906	104	5,052
California	21,170	46,171	2,953	891	12,135	3,596	86,917
Colorado	3,268	8,237	549	219	3,752	5,344	21,370
Connecticut	2,779	8,976	430	229	2,967	9,785	25,166
Delaware	2,108	3,428	138	36	857	75,651	82,220
District of Columbia	519	2,011	201	34	808	1,147	4,719
Florida	12,442	33,850	1,692	694	13,500	1,320	63,498
Georgia	5,899	11,825	1,023	253	6,187	1,965	27,152
Hawaii	993	2,294	151	92	803	84	4,417
Idaho	773	2,343	124	41	509	79	3,869
Illinois	8,296	16,887	1,106	436	5,810	3,945	36,481
Indiana	3,481	8,113	551	150	3,828	2,664	18,787
Iowa	2,758	10,049	278	193	1,102	9,146	23,526
Kansas	1,589	3,092	223	124	3,649	2,065	10,743
Kentucky	1,904	4,863	384	111	1,437	437	9,137
Louisiana	2,711	5,584	424	86	2,035	259	11,099
Maine	533	1,843	193	53	827	73	3,522
Maryland	3,410	8,093	623	240	3,533	1,083	16,982
Massachusetts	4,289	15,651	1,029	294	3,705	2,904	27,871
Michigan	5,347	15,668	802	229	3,092	1,379	26,515
Minnesota	5,722	10,017	629	310	1,367	960	19,004
Mississippi	1,492	2,423	225	54	1,533	81	5,809
Missouri	3,310	9,486	478	214	4,030	1,562	19,080
Montana	456	805	68	37	380	39	1,784
Nebraska	1,515	2,839	183	133	1,279	378	6,326
Nevada	1,626	3,769	213	50	1,450	169	7,277
New Hampshire	720	3,096	146	57	713	539	5,271
New Jersey	8,054	18,187	1,070	373	8,207	1,353	37,245
New Mexico	764	1,612	125	46	549	119	3,215
New York	13,578	31,357	3,014	782	10,686	95,946	155,363
North Carolina	6,248	14,951	952	349	5,810	744	29,054
North Dakota	600	1,633	92	53	224	251	2,853

Table 10.6, continued

Direct Premium Receipts of Life Insurers, by State, 2022 (millions), continued

	Accident and Health						Total
	Life	Annuity	Disability Income	Long-Term Care	Other Health	Deposit-type funds ¹	
Ohio	\$6,354	\$16,660	\$944	\$313	\$7,016	\$40,882	\$72,168
Oklahoma	1,672	2,911	270	75	1,410	201	6,539
Oregon	1,467	4,585	410	124	1,580	226	8,392
Pennsylvania	7,422	23,767	1,347	411	7,020	2,532	42,499
Rhode Island	540	1,806	85	35	391	107	2,965
South Carolina	2,721	6,901	416	176	2,500	211	12,925
South Dakota	1,321	1,581	76	69	335	377	3,760
Tennessee	3,794	8,671	689	205	4,003	895	18,256
Texas	15,151	28,869	2,283	609	16,594	3,176	66,684
Utah	1,875	4,222	258	39	1,455	2,240	10,089
Vermont	286	1,487	83	24	247	113	2,240
Virginia	4,828	10,229	809	379	4,599	842	21,687
Washington	3,512	8,256	789	330	2,310	675	15,873
West Virginia	720	1,883	138	27	741	98	3,607
Wisconsin	3,232	8,760	566	241	4,313	749	17,859
Wyoming	379	671	33	18	366	24	1,492
Total U.S.	191,325	460,315	30,478	10,295	168,206	279,391	1,140,010
Other ²	2,845	1,719	427	9	2,449	2,233	9,683
Aggregate total	194,170	462,034	30,905	10,304	170,655	281,624	1,149,693

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Codification effective with 2001 Annual Statement filings changed the reporting of certain lines of business, particularly deposit-type contracts. Data represent direct business of U.S. life insurers and fraternal benefit societies.

¹Includes guaranteed interest contracts, supplemental contracts and annuities certain, dividend accumulations or refunds, and other deposit funds.

²Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.7

Mortgages Owned by Life Insurers, by Type and State, 2022 (thousands)

	Farm	Non-farm	Total
Alabama	\$706,864	\$3,099,824	\$3,806,688
Alaska	-	241,729	241,729
Arizona	608,084	16,201,551	16,809,635
Arkansas	1,624,008	1,191,175	2,815,183
California	8,585,473	143,811,504	152,396,977
Colorado	243,309	17,608,402	17,851,710
Connecticut	-	4,746,217	4,746,217
Delaware	9,658	1,479,435	1,489,093
District of Columbia	-	13,321,609	13,321,609
Florida	1,331,513	48,137,924	49,469,437
Georgia	543,817	20,863,375	21,407,193
Hawaii	31,305	2,621,927	2,653,232
Idaho	1,385,851	1,313,408	2,699,259
Illinois	1,789,373	26,949,049	28,738,422
Indiana	970,507	5,597,825	6,568,331
Iowa	948,429	941,307	1,889,736
Kansas	184,555	3,566,644	3,751,199
Kentucky	139,956	3,256,031	3,395,987
Louisiana	1,182,136	1,569,570	2,751,706
Maine	86,850	389,110	475,960
Maryland	9,998	17,626,655	17,636,653
Massachusetts	66,098	24,346,211	24,412,308
Michigan	489,257	7,502,559	7,991,816
Minnesota	638,778	7,581,844	8,220,622
Mississippi	625,275	1,444,650	2,069,926
Missouri	1,153,455	5,914,792	7,068,246
Montana	505,546	165,785	671,332
Nebraska	848,466	1,648,463	2,496,929
Nevada	105,572	5,896,632	6,002,203
New Hampshire	-	544,403	544,403
New Jersey	376,652	31,791,451	32,168,103
New Mexico	168,093	972,018	1,140,111
New York	11,366	54,566,845	54,578,211
North Carolina	416,001	17,637,977	18,053,978
North Dakota	194,395	494,770	689,165
Ohio	257,675	14,892,240	15,149,914
Oklahoma	142,845	1,978,068	2,120,913

Table 10.7, continued

Mortgages Owned by Life Insurers, by Type and State, 2022 (thousands), continued			
	Farm	Non-farm	Total
Oregon	\$788,993	\$8,824,344	\$9,613,338
Pennsylvania	163,832	17,361,061	17,524,893
Rhode Island	-	784,637	784,637
South Carolina	43,520	6,640,323	6,683,843
South Dakota	383,080	105,437	488,517
Tennessee	126,094	11,004,559	11,130,654
Texas	1,819,990	62,226,608	64,046,598
Utah	38,897	10,318,497	10,357,394
Vermont	-	78,393	78,393
Virginia	85,359	16,798,486	16,883,845
Washington	2,308,668	26,735,694	29,044,362
West Virginia	624,687	246,767	871,454
Wisconsin	329,776	5,634,715	5,964,492
Wyoming	74,783	226,707	301,490
Total U.S.	33,168,836	678,899,208	712,068,045
Other ¹	1,161,532	42,956,496	44,118,027
Aggregate total	34,330,368	721,855,704	756,186,072

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes U.S. territories and possessions, various/multistate categories, and foreign countries.

Table 10.8

Real Estate Owned by Life Insurers, by State, 2022 (thousands)

Alabama	\$244,833	Nebraska	\$182,021
Alaska	8,721	Nevada	39,263
Arizona	467,737	New Hampshire	118
Arkansas	147,867	New Jersey	1,324,224
California	9,730,356	New Mexico	-
Colorado	718,750	New York	1,739,189
Connecticut	480,331	North Carolina	743,259
Delaware	28,675	North Dakota	3,418
District of Columbia	1,493,757	Ohio	132,787
Florida	3,374,977	Oklahoma	32,581
Georgia	1,392,058	Oregon	747,016
Hawaii	495	Pennsylvania	265,649
Idaho	15,452	Rhode Island	12,665
Illinois	1,625,087	South Carolina	230,740
Indiana	277,343	South Dakota	23,739
Iowa	671,816	Tennessee	825,066
Kansas	67,962	Texas	3,742,782
Kentucky	39,424	Utah	390,424
Louisiana	39,949	Vermont	52,472
Maine	76,147	Virginia	842,193
Maryland	570,367	Washington	1,421,494
Massachusetts	2,862,560	West Virginia	225
Michigan	333,190	Wisconsin	944,484
Minnesota	837,005	Wyoming	13,138
Mississippi	66,259	Total U.S.	39,341,066
Missouri	61,000	Other ¹	275,129
Montana	-	Aggregate total	39,616,195

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes U.S. territories and possessions, various/multistate categories, and foreign countries.

11

RANKINGS

The U.S. life insurance industry in 2022 is made up of 727 companies with sales and operations across the country and U.S. territories. Many of these companies are stand-alone entities, with no life insurer affiliate or subsidiary operating in the United States. Others are organized into groups or fleets of affiliates and subsidiaries. This chapter presents rankings of the 25 largest life insurance groups (counting stand-alone companies as a group of one) based on assets, premiums and annuity considerations, and life insurance coverage.

Table 11.1

Largest Life Insurers, by Total Assets, 2022 (millions)

Prudential Financial	\$515,228
MetLife, Inc.	426,879
New York Life	403,950
Massachusetts Mutual	367,291
TIAA-CREF	365,300
Northwestern Mutual	340,556
Corebridge Financial	329,041
Lincoln Financial	296,267
Jackson National	269,623
Manulife Financial	268,302
Athene Group	239,077
Equitable Holdings, Inc.	222,592
Nationwide	215,865
Principal Financial	214,800
Brighthouse Financial	199,252
Transamerica Corporation	196,587
Pacific Life	187,210
Great West	167,959
Allianz	166,982
Global Atlantic Financial	136,645
Voya Financial	126,009
Sammons Financial	115,570
Talcott Resolution Group	112,666
Thrivent Financial	107,935
Ameriprise Financial	104,059

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.2

Largest Life Insurers, by General Account Assets, 2022 (millions)

New York Life	\$339,889
TIAA-CREF	310,952
Massachusetts Mutual	307,151
Northwestern Mutual	306,274
MetLife, Inc.	295,154
Corebridge Financial	229,112
Prudential Financial	183,137
Athene Group	178,619
Global Atlantic Financial	132,476
Lincoln Financial	131,975
Pacific Life	125,665
Manulife Financial	121,848
Allianz	119,133
Sammons Financial	109,400
Nationwide	100,347
State Farm	89,343
Principal Financial	88,917
Great West	88,843
Transamerica Corporation	88,681
Brighthouse Financial	87,120
Guardian	84,726
Protective Life	79,478
Thrivent Financial	74,647
Jackson National	71,975
Equitable Holdings, Inc.	70,495

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.3

Largest Life Insurers, by Separate Account Assets, 2022 (millions)

Prudential Financial	\$332,091
Jackson National	197,648
Lincoln Financial	164,292
Equitable Holdings, Inc.	152,097
Manulife Financial	146,454
MetLife, Inc.	131,726
Principal Financial	125,883
Nationwide	115,518
Brighthouse Financial	112,132
Transamerica Corporation	107,906
Corebridge Financial	99,929
Talcott Resolution Group	86,698
Voya Financial	80,785
Great West	79,116
Ameriprise Financial	77,728
New York Life	64,061
Pacific Life	61,545
Athene Group	60,458
Massachusetts Mutual	60,140
TIAA-CREF	54,349
Allianz	47,849
Fidelity Investments	37,783
Northwestern Mutual	34,281
Thrivent Financial	33,288
Securian Financial Group	28,100

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.4

Largest Life Insurers, by Individual Net Life Insurance Premiums, 2022 (millions)

Northwestern Mutual	\$17,711
New York Life	10,443
Massachusetts Mutual	9,873
Transamerica Corporation	8,747
Prudential Financial	6,427
State Farm	5,743
MetLife, Inc.	5,438
Guardian	5,065
Lincoln Financial	4,265
Pacific Life	4,170
Protective Life	3,615
Swiss Re America	3,242
Nationwide	3,011
Manulife Financial	2,935
RGA Group	2,923
Great West	2,850
Equitable Holdings, Inc.	2,683
National Life	2,638
Sammons Financial	2,608
Globe Life, Inc.	2,429
Mutual of Omaha	2,054
Prosperity Life Insurance Group	1,999
Western and Southern Financial	1,775
Thrivent Financial	1,725
Allianz	1,444

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Figures are net of reinsurance.

Table 11.5

Largest Life Insurers, by Group Net Life Insurance Premiums, 2022 (millions)

MetLife, Inc.	\$9,415
New York Life	4,255
Nationwide	2,750
Prudential Financial	1,901
Securian Financial Group	1,055
Lincoln Financial	871
Sun Life Assurance	703
Hartford Life, Inc.	698
UNUM	689
CUNA Mutual	579
Principal Financial	521
Homesteaders Life Company	480
Guardian	430
Globe Life, Inc.	430
Zurich Financial	425
Mutual of Omaha	372
HCSC	359
Trustmark	276
Transamerica Corporation	253
Anthem, Inc.	241
UnitedHealth	235
Tokio Marine Holdings	195
Meiji Yasuda Life Insurance Group	195
Sumitomo Life Group	177
American Enterprise Mutual Group	156

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Figures are net of reinsurance.

Table 11.6

Largest Life Insurers, by Total Net Life Insurance Premiums, 2022 (millions)

Northwestern Mutual	\$17,719
MetLife, Inc.	14,864
New York Life	14,698
Massachusetts Mutual	9,976
Transamerica Corporation	9,001
Prudential Financial	8,328
State Farm	5,851
Nationwide	5,761
Guardian	5,495
Lincoln Financial	5,136
Pacific Life	4,170
Protective Life	3,679
Swiss Re America	3,242
Manulife Financial	3,092
RGA Group	3,016
Globe Life, Inc.	2,859
Great West	2,854
Equitable Holdings, Inc.	2,785
Sammons Financial	2,650
National Life	2,638
Mutual of Omaha	2,426
Prosperity Life Insurance Group	2,007
Western and Southern Financial	1,804
CUNA Mutual	1,802
Thrivent Financial	1,725

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Figures are net of reinsurance.

Table 11.7

Largest Life Insurers, by Individual Direct Life Insurance Premiums, 2022 (millions)

Northwestern Mutual	\$18,706
Massachusetts Mutual	11,287
New York Life	11,195
Prudential Financial	8,140
Lincoln Financial	7,028
State Farm	5,751
Guardian	5,310
Manulife Financial	5,098
Pacific Life	4,776
Transamerica Corporation	4,734
Protective Life	4,197
MetLife, Inc.	3,679
Corebridge Financial	3,560
Sammons Financial	3,461
Nationwide	3,343
Penn Mutual	3,014
Primerica	2,950
Equitable Holdings, Inc.	2,912
National Life	2,809
Globe Life, Inc.	2,529
Mutual of Omaha	2,476
Securian Financial Group	2,317
Brighthouse Financial	2,100
Principal Financial	2,088
Western and Southern Financial	1,895

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.8

Largest Life Insurers, by Group Direct Life Insurance Premiums, 2022 (millions)

MetLife, Inc.	\$13,121
Prudential Financial	4,957
New York Life	3,742
Nationwide	2,782
Securian Financial Group	2,694
Hartford Life, Inc.	2,097
UNUM	1,745
Lincoln Financial	1,573
Meiji Yasuda Life Insurance Group	1,127
Guardian	762
Sun Life Assurance	751
Mutual of Omaha	738
Voya Financial	590
CUNA Mutual	579
Tokio Marine Holdings	527
Principal Financial	521
Zurich Financial	503
Homesteaders Life Company	480
Globe Life, Inc.	435
AAA Life Insurance Group	366
National Guardian Life Insurance Group	365
HCSC	363
Transamerica Corporation	306
Trustmark	280
UnitedHealth	239

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.9

Largest Life Insurers, by Total Direct Life Insurance Premiums, 2022 (millions)

Northwestern Mutual	\$18,719
MetLife, Inc.	16,814
New York Life	14,937
Prudential Financial	13,097
Massachusetts Mutual	11,426
Lincoln Financial	8,601
Nationwide	6,125
Guardian	6,072
State Farm	5,859
Manulife Financial	5,151
Securian Financial Group	5,096
Transamerica Corporation	5,040
Pacific Life	4,776
Protective Life	4,211
Corebridge Financial	3,564
Sammons Financial	3,507
Mutual of Omaha	3,214
Equitable Holdings, Inc.	3,019
Penn Mutual	3,017
Globe Life, Inc.	2,964
Primerica	2,951
National Life	2,809
Principal Financial	2,609
UNUM	2,445
Hartford Life, Inc.	2,116

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.10

Largest Life Insurers, by Individual Life Insurance Issued, 2022 (millions)

Northwestern Mutual	\$186,661
Lincoln Financial	142,600
State Farm	109,922
Primerica	95,164
Massachusetts Mutual	92,185
New York Life	87,642
Protective Life	73,652
Legal & General	66,606
Transamerica Corporation	58,796
Prudential Financial	57,651
National Life	57,386
Corebridge Financial	53,143
Pacific Life	50,821
Guardian	44,917
Sammons Financial	42,039
Globe Life, Inc.	40,951
Manulife Financial	34,465
Penn Mutual	34,004
Nationwide	29,533
USAA	25,419
Principal Financial	24,059
Mutual of Omaha	23,388
Southern Farm Bureau Life Insurance Company	20,556
Allianz	20,287
Securian Financial Group	18,931

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.11

Largest Life Insurers, by Group Life Insurance Issued, 2022 (millions)

MetLife, Inc.	\$367,713
New York Life	115,148
Lincoln Financial	113,465
UNUM	84,600
Prudential Financial	81,134
Hartford Life, Inc.	71,568
Principal Financial	66,628
Meiji Yasuda Life Insurance Group	64,179
Securian Financial Group	62,618
Sun Life Assurance	44,538
Mutual of Omaha	39,257
Protective Life	39,206
Guardian	38,308
Voya Financial	36,148
Tokio Marine Holdings	32,692
Zurich Financial	20,348
Equitable Holdings, Inc.	18,716
AFLAC	15,703
UnitedHealth	14,959
Nationwide	12,335
HCSC	11,209
5 Star Life Insurance Company	8,558
Sumitomo Life Group	8,450
AAA Life Insurance Group	7,667
OneAmerica Financial	4,899

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.12

Largest Life Insurers, by Total Life Insurance Issued, 2022 (millions)

MetLife, Inc.	\$373,115
Lincoln Financial	256,065
New York Life	202,790
Northwestern Mutual	187,255
Prudential Financial	138,785
Protective Life	112,863
State Farm	110,118
UNUM	95,452
Massachusetts Mutual	95,172
Primerica	95,164
Principal Financial	90,687
Securian Financial Group	87,725
Guardian	83,225
Hartford Life, Inc.	71,592
Legal & General	66,647
Meiji Yasuda Life Insurance Group	64,264
Transamerica Corporation	62,998
Mutual of Omaha	62,645
National Life	57,386
Corebridge Financial	53,145
Pacific Life	50,821
Sun Life Assurance	44,551
Globe Life, Inc.	43,402
Sammons Financial	42,050
Nationwide	41,868

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022.

Table 11.13

Largest Life Insurers, by Individual Life Insurance in Force, 2022 (millions)

Northwestern Mutual	\$1,409,886
State Farm	1,092,790
Swiss Re America	971,759
New York Life	923,922
Protective Life	630,429
Prudential Financial	627,104
RGA Group	611,817
Transamerica Corporation	478,446
Corebridge Financial	446,883
Berkshire Hathaway	363,812
Pacific Life	350,868
Guardian	324,773
Equitable Holdings, Inc.	273,603
Massachusetts Mutual	266,290
USAA	262,694
Nationwide	229,386
Lincoln Financial	220,544
National Life	212,880
Globe Life, Inc.	177,570
MetLife, Inc.	174,954
Manulife Financial	162,322
Southern Farm Bureau Life Insurance Company	146,802
Brighthouse Financial	143,709
Sammons Financial	141,071
Penn Mutual	140,892

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude reinsurance ceded.

Table 11.14

Largest Life Insurers, by Group Life Insurance in Force, 2022 (millions)

MetLife, Inc.	\$1,984,297
New York Life	1,201,854
Prudential Financial	978,194
Securian Financial Group	460,475
Lincoln Financial	454,699
Sun Life Assurance	313,151
UNUM	298,005
Hartford Life, Inc.	248,910
Principal Financial	166,495
HCSC	135,431
Mutual of Omaha	118,213
UnitedHealth	107,545
Anthem, Inc.	98,228
Sumitomo Life Group	75,098
Manulife Financial	65,885
Nationwide	59,085
OneAmerica Financial	54,734
Tokio Marine Holdings	52,806
Arkansas Blue Cross & Blue Shield	51,579
AFLAC	46,014
Equitable Holdings, Inc.	44,699
Berkshire Hathaway	39,415
Talcott Resolution Group	36,729
Guardian	34,931
Protective Life	34,334

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude reinsurance ceded.

Table 11.15

Largest U.S. Life Insurers, by Total Life Insurance in Force, 2022 (millions)

MetLife, Inc.	\$2,160,776
New York Life	2,125,776
Prudential Financial	1,605,299
Northwestern Mutual	1,413,330
State Farm	1,106,370
Swiss Re America	971,759
Lincoln Financial	675,243
Protective Life	664,976
RGA Group	662,085
Securian Financial Group	553,953
Transamerica Corporation	502,515
Corebridge Financial	451,263
Berkshire Hathaway	416,649
Guardian	359,704
UNUM	355,735
Pacific Life	350,875
Sun Life Assurance	323,545
Equitable Holdings, Inc.	318,302
Massachusetts Mutual	290,870
Nationwide	288,471
Principal Financial	276,905
USAA	262,718
Hartford Life, Inc.	249,199
Manulife Financial	228,207
National Life	212,890

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude reinsurance ceded.

Table 11.16

Largest Life Insurers, by Individual Direct Annuity Considerations, 2022 (millions)

Athene Group	\$20,723
New York Life	18,738
Massachusetts Mutual	18,590
Corebridge Financial	17,548
Jackson National	14,928
Allianz	14,092
Equitable Holdings, Inc.	12,667
Lincoln Financial	12,512
Nationwide	11,318
Brighthouse Financial	10,931
Pacific Life	10,420
Global Atlantic Financial	9,017
Sammons Financial	8,516
Fidelity National Financial	8,246
Western and Southern Financial	7,704
Sumitomo Life Group	6,037
Prudential Financial	5,867
TIAA-CREF	5,697
USAA	5,613
SBL Holdings Group	4,701
Ameriprise Financial	4,002
Delaware Life Holding	3,780
American Equity Investment Group	3,328
Thrivent Financial	3,044
Kuvare Group	2,582

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.17

Largest Life Insurers, by Group Direct Annuity Considerations, 2022 (millions)

Prudential Financial	\$22,089
MetLife, Inc.	19,206
Manulife Financial	14,993
Transamerica Corporation	13,472
Massachusetts Mutual	13,158
Voya Financial	12,969
Athene Group	11,235
TIAA-CREF	9,609
Nationwide	6,464
New York Life	5,714
Lincoln Financial	5,272
Great West	4,594
OneAmerica Financial	4,260
Securian Financial Group	4,215
Meiji Yasuda Life Insurance Group	4,170
Equitable Holdings, Inc.	3,750
Corebridge Financial	3,282
Legal & General	2,065
Principal Financial	1,944
Pacific Life	1,625
Mutual of America Life Insurance Company	1,586
CUNA Mutual	1,378
Fidelity National Financial	1,362
Mutual of Omaha	1,273
Ameritas	1,079

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.18

Largest Life Insurers, by Total Direct Annuity Considerations, 2022 (millions)

Athene Group	\$31,958
Massachusetts Mutual	31,748
Prudential Financial	27,956
New York Life	24,451
Corebridge Financial	20,830
MetLife, Inc.	19,632
Lincoln Financial	17,784
Nationwide	17,782
Equitable Holdings, Inc.	16,417
Jackson National	15,918
TIAA-CREF	15,306
Manulife Financial	15,052
Transamerica Corporation	14,401
Allianz	14,092
Voya Financial	13,086
Pacific Life	12,044
Brighthouse Financial	10,975
Fidelity National Financial	9,608
Global Atlantic Financial	9,408
Sammons Financial	9,130
Western and Southern Financial	8,079
Sumitomo Life Group	6,047
USAA	5,613
Meiji Yasuda Life Insurance Group	5,532
Securian Financial Group	4,855

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.19

Largest Life Insurers, by Individual Annuity Reserves, 2022 (millions)

TIAA-CREF	\$191,239
Jackson National	186,886
Corebridge Financial	174,784
Lincoln Financial	154,927
Allianz	132,201
Brighthouse Financial	125,742
New York Life	120,457
Prudential Financial	115,969
Athene Group	105,612
Nationwide	101,803
Equitable Holdings, Inc.	91,167
Pacific Life	83,969
Ameriprise Financial	72,657
Transamerica Corporation	68,508
Massachusetts Mutual	60,362
Thrivent Financial	47,975
American Equity Investment Group	47,542
Sammons Financial	46,579
Global Atlantic Financial	42,849
Talcott Resolution Group	40,870
Fidelity Investments	38,387
MetLife, Inc.	34,216
Sumitomo Life Group	33,246
SBL Holdings Group	31,238
Western and Southern Financial	29,867

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.20

Largest Life Insurers, by Group Annuity Reserves, 2022 (millions)

Prudential Financial	\$126,031
MetLife, Inc.	121,761
Voya Financial	104,689
Manulife Financial	99,794
TIAA-CREF	84,842
Equitable Holdings, Inc.	62,909
Corebridge Financial	62,409
Great West	53,199
Massachusetts Mutual	52,745
Athene Group	50,816
Transamerica Corporation	50,213
Nationwide	43,224
New York Life	37,117
Lincoln Financial	32,881
Securian Financial Group	26,308
OneAmerica Financial	25,034
Jackson National	23,437
Principal Financial	22,665
Meiji Yasuda Life Insurance Group	18,469
Pacific Life	12,109
Talcott Resolution Group	8,415
Sentry Insurance Group	7,970
Delaware Life Holding	7,920
Ameritas	7,664
Northwestern Mutual	7,217

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.21

Largest Life Insurers, by Total Annuity Reserves, 2022 (millions)

TIAA-CREF	\$276,081
Prudential Financial	242,000
Corebridge Financial	237,193
Jackson National	210,323
Lincoln Financial	187,808
New York Life	157,574
Athene Group	156,428
MetLife, Inc.	155,977
Equitable Holdings, Inc.	154,076
Nationwide	145,027
Allianz	132,208
Brighthouse Financial	132,175
Manulife Financial	128,855
Transamerica Corporation	118,721
Massachusetts Mutual	113,107
Voya Financial	111,949
Pacific Life	96,078
Ameriprise Financial	73,276
Great West	56,847
Sammons Financial	52,240
Talcott Resolution Group	49,285
Thrivent Financial	47,975
American Equity Investment Group	47,542
Global Atlantic Financial	45,018
Fidelity Investments	38,387

Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2022. Amounts exclude deposit-type funds and supplementary contracts.

12

LIFE EXPECTANCY AND CHANGING DEMOGRAPHICS

U.S. mortality rates and life expectancies have improved dramatically over the long term. The aggregate, age-adjusted death rate (per 1,000 population) has fallen from 17.9 in 1940 to 8.4 in 2021 (Table 12.1). The death rate among males dropped from 19.8 to 10.1, and among females, from 16.0 to 6.9 over this period. The crude death rate for 2021 is 10.4 (Table 12.3).

Life expectancy at age 25 is currently 50.5 years for males and 55.7 years for females in 2020 (Table 12.2). A man who retired in 2020 at age 65 could expect to live 17.0 years more on average, while a 65-year-old woman could expect to live another 19.8 years.

Examining trend data for life expectancy over the past century yields startling contrasts. A 25-year-old during 1900–02 could expect to live 39.1 years more vs. 53.0 additional years for a 25-year-old in 2020. Because of increased longevity, Table 12.2 has been extended to include life expectancy for men and women at age 100 after 1997.

Changing Demographics

Ownership of life insurance products is driven by many factors, including demographics. A disproportionately young and dependent population is more likely to drive demand for life insurance, whereas a disproportionately older population is more likely to drive sales of annuities and long-term care insurance. Similarly, a population with few working people would have less need for disability income insurance.

The number of people in the United States who are age 19 or younger has either declined or remained flat in every year since 2012 until 2022 (Table 12.4). There are currently 81.1 million people in that age group, compared to 82.5 million in 2012. Similarly, the number of those age 65 or older has been rapidly increasing. There are currently 57.8 million seniors (those age 65 and over) in the United States. Since 2012, the number of seniors increased by 34 percent, or 14.7 million. When coupled with those approaching retirement (age 50 to 64), the percent of those in or approaching retirement totals 120.7 million, or 36.2 percent of the population (Table 12.5).

Table 12.1

Death Rates in the United StatesAge-adjusted rate per 1,000 population¹

Year	Male	Female	Total
1940	19.8	16.0	17.9
1950	16.7	12.4	14.5
1960	16.1	11.1	13.4
1970	15.4	9.7	12.2
1975	14.2	8.6	10.9
1980	13.5	8.2	10.4
1985	12.8	7.8	9.9
1986	12.6	7.8	9.8
1987	12.5	7.7	9.7
1988	12.5	7.8	9.8
1989	12.2	7.6	9.5
1990	12.0	7.5	9.4
1991	11.8	7.4	9.2
1992	11.6	7.3	9.1
1993	11.8	7.5	9.3
1994	11.6	7.4	9.1
1995	11.4	7.4	9.1
1996	11.2	7.3	8.9
1997	10.9	7.3	8.8
1998	10.7	7.2	8.7
1999	10.7	7.3	8.8
2000	10.5	7.3	8.7
2001	10.4	7.3	8.6
2002	10.3	7.2	8.6
2003	10.1	7.2	8.4
2004	9.7	6.9	8.1
2005	9.7	6.9	8.2
2006	9.4	6.7	7.9
2007	9.2	6.6	7.8
2008	9.2	6.6	7.7
2009	8.9	6.4	7.5
2010	8.9	6.3	7.5
2011	8.8	6.3	7.4
2012	8.7	6.2	7.3
2013	8.6	6.2	7.3
2014	8.6	6.2	7.2

Table 12.1, continued

Death Rates in the United States, continued			
Age-adjusted rate per 1,000 population¹			
Year	Male	Female	Total
2015	8.6	6.2	7.3
2016	8.6	6.2	7.3
2017	8.6	6.2	7.3
2018	8.6	6.1	7.2
2019	8.5	6.0	7.2
2020	10.0	7.0	8.4
2021	10.1	6.9	8.4

Source: U.S. Department of Health and Human Services' National Center for Health Statistics, *National Vital Statistics Reports*.

¹ Based on population estimates from the 2000 census, which were modified for consistency with Office of Management and Budget racial categories as of 1977. All death rates have been revised, and may differ from previously published rates that were based on 1990 population estimates.

Table 12.2

Life Expectancy by Age and Gender, 1900-2020				
1900-02	Age	Male	Female	Total
	Newborn	47.9	50.7	49.2
	1	54.4	56.1	55.2
	5	54.2	55.8	55.0
	15	46.1	47.6	46.8
	25	38.4	39.9	39.1
	35	31.2	32.7	31.9
	45	24.1	25.4	24.8
	55	17.4	18.4	17.9
	65	11.5	12.2	11.9
	75	6.8	7.3	7.1
	85	3.8	4.1	4.0
1909-11	Age	Male	Female	Total
	Newborn	49.9	53.2	51.5
	1	56.0	58.4	57.1
	5	55.1	57.4	56.2
	15	46.7	48.9	47.7
	25	38.6	40.7	39.6
	35	30.9	33.0	31.9
	45	23.8	25.4	24.5
	55	17.0	18.1	17.6
	65	11.2	12.0	11.6
	75	6.8	7.2	7.0
	85	3.9	4.1	4.0

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

1919-21	Age	Male	Female	Total
	Newborn	55.5	57.4	56.4
	1	59.5	60.5	59.9
	5	57.6	58.4	58.0
	15	49.1	49.7	49.4
	25	41.1	41.9	41.5
	35	33.4	34.4	33.9
	45	25.8	26.7	26.3
	55	18.5	19.3	18.9
	65	12.2	12.7	12.5
	75	7.3	7.7	7.5
	85	4.1	4.3	4.2
1929-31	Age	Male	Female	Total
	Newborn	57.7	60.9	59.2
	1	60.8	65.4	61.9
	5	58.1	60.7	59.3
	15	49.2	51.5	50.3
	25	40.8	43.1	41.9
	35	32.7	34.9	33.7
	45	24.9	26.9	25.8
	55	17.8	19.4	18.5
	65	11.7	12.8	12.2
	75	7.0	7.6	7.3
	85	4.0	4.3	4.2
1939-41	Age	Male	Female	Total
	Newborn	61.6	65.9	63.6
	1	64.0	67.7	65.8
	5	60.8	64.4	62.5
	15	51.4	55.0	53.1
	25	42.5	45.9	44.1
	35	33.8	37.0	35.3
	45	25.5	28.5	26.9
	55	18.2	20.5	19.3
	65	12.1	13.6	12.8
	75	7.2	8.0	7.6
	85	4.1	4.5	4.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

1949-51	Age	Male	Female	Total
	Newborn	65.5	71.0	68.1
	1	66.7	71.8	69.2
	5	63.1	68.2	65.5
	15	53.6	58.5	55.9
	25	44.4	49.0	46.6
	35	35.2	39.6	37.3
	45	26.6	30.6	28.5
	55	19.0	22.3	20.6
	65	12.7	15.0	13.8
	75	7.8	8.9	8.4
	85	4.4	4.9	4.7
1959-61	Age	Male	Female	Total
	Newborn	66.8	73.2	69.9
	1	67.8	73.9	70.8
	5	64.1	70.2	67.0
	15	54.4	60.5	57.3
	25	45.2	50.8	47.9
	35	35.9	41.3	38.5
	45	27.1	32.1	29.5
	55	19.3	23.5	21.4
	65	13.0	15.8	14.4
	75	8.0	9.3	8.7
	85	4.4	4.7	4.6
1969-71	Age	Male	Female	Total
	Newborn	67.0	74.6	70.8
	1	67.6	75.0	71.2
	5	63.8	71.2	67.4
	15	54.1	61.4	57.7
	25	45.1	51.8	48.4
	35	36.0	42.3	39.1
	45	27.2	33.1	30.1
	55	19.4	24.6	22.0
	65	13.0	16.8	15.0
	75	8.1	10.3	9.3
	85	4.7	5.6	5.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

1979-81	Age	Male	Female	Total
	Newborn	70.1	77.6	73.9
	1	70.1	77.5	73.8
	5	66.3	73.7	70.0
	15	56.5	63.8	60.2
	25	47.4	54.2	50.8
	35	38.2	44.5	41.4
	45	29.2	35.2	32.3
	55	21.1	26.4	23.9
	65	14.2	18.4	16.5
	75	8.9	11.6	10.5
	85	5.1	6.4	6.0
1989-91	Age	Male	Female	Total
	Newborn	71.8	78.8	75.4
	1	71.6	78.5	75.1
	5	67.7	74.6	71.2
	15	57.9	64.7	61.4
	25	48.7	55.0	51.9
	35	39.6	45.4	42.6
	45	30.7	36.0	33.4
	55	22.3	27.1	24.8
	65	15.1	19.0	17.3
	75	9.4	12.1	11.0
	85	5.3	6.7	6.2
1998	Age	Male	Female	Total
	Newborn	73.8	79.5	76.7
	1	73.4	79.0	76.3
	5	69.5	75.1	72.4
	15	59.7	65.2	62.5
	25	50.3	55.5	53.0
	35	41.0	45.8	43.5
	45	31.9	36.4	34.3
	55	23.5	27.4	25.5
	65	16.0	19.2	17.8
	75	10.0	12.2	11.3
	85	5.5	6.7	6.3
	100	2.3	2.7	2.6

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

1999	Age	Male	Female	Total
	Newborn	73.9	79.4	76.7
	1	73.5	78.9	76.3
	5	69.6	75.0	72.4
	15	59.8	65.1	62.5
	25	50.4	55.4	53.0
	35	41.1	45.7	43.5
	45	32.0	36.3	34.3
	55	23.5	27.3	25.5
	65	16.1	19.1	17.7
	75	10.0	12.1	11.2
	85	5.5	6.6	6.3
	100	2.4	2.7	2.6
2000	Age	Male	Female	Total
	Newborn	74.1	79.5	76.9
	1	73.7	79.0	76.4
	5	69.8	75.1	72.5
	15	59.9	65.2	62.6
	25	50.6	55.4	53.1
	35	41.3	45.8	43.6
	45	32.2	36.3	34.4
	55	23.8	27.4	25.7
	65	16.3	19.2	17.9
	75	10.1	12.1	11.3
	85	5.6	6.7	6.3
	100	2.4	2.7	2.6
2001	Age	Male	Female	Total
	Newborn	74.4	79.8	77.2
	1	74.0	79.3	76.7
	5	70.1	75.4	72.8
	15	60.2	65.5	62.9
	25	50.9	55.7	53.4
	35	41.5	46.0	43.9
	45	32.5	36.6	34.7
	55	24.0	27.7	26.0
	65	16.4	19.4	18.1
	75	10.2	12.4	11.5
	85	5.7	6.9	6.5
	100	2.5	2.8	2.7

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2002	Age	Male	Female	Total
	Newborn	74.5	79.9	77.3
	1	74.1	79.4	76.8
	5	70.2	75.4	72.9
	15	60.3	65.5	63.0
	25	51.0	55.8	53.5
	35	41.6	46.1	44.0
	45	32.6	36.7	34.8
	55	24.1	27.7	26.1
	65	16.6	19.5	18.2
	75	10.3	12.4	11.5
	85	5.7	6.9	6.5
	100	2.5	2.8	2.7
2003	Age	Male	Female	Total
	Newborn	74.8	80.1	77.5
	1	74.3	79.6	77.0
	5	70.4	75.7	73.1
	15	60.6	65.8	63.2
	25	51.2	56.0	53.7
	35	41.9	46.4	44.2
	45	32.8	37.0	35.0
	55	24.4	28.0	26.3
	65	16.8	19.8	18.4
	75	10.5	12.6	11.8
	85	6.0	7.2	6.8
	100	2.3	2.6	2.6
2004	Age	Male	Female	Total
	Newborn	75.2	80.4	77.8
	1	74.7	79.9	77.4
	5	70.8	76.0	73.5
	15	61.0	66.1	63.6
	25	51.6	56.3	54.0
	35	42.2	46.6	44.5
	45	33.1	37.2	35.3
	55	24.7	28.3	26.6
	65	17.1	20.0	18.7
	75	10.7	12.8	11.9
	85	6.1	7.2	6.8
	100	2.3	2.6	2.6

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2005	Age	Male	Female	Total
	Newborn	75.2	80.4	77.8
	1	74.7	79.9	77.4
	5	70.8	76.0	73.5
	15	61.0	66.1	63.6
	25	51.6	56.4	54.1
	35	42.3	46.7	44.6
	45	33.2	37.3	35.3
	55	24.8	28.3	26.7
	65	17.2	20.0	18.7
	75	10.8	12.8	12.0
	85	6.1	7.2	6.8
	100	2.3	2.6	2.6
2006	Age	Male	Female	Total
	Newborn	75.1	80.2	77.7
	1	74.7	79.7	77.2
	5	70.8	75.8	73.3
	15	60.9	65.9	63.4
	25	51.5	56.1	53.9
	35	42.2	46.4	44.4
	45	33.1	37.0	35.2
	55	24.7	28.0	26.5
	65	17.0	19.7	18.5
	75	10.5	12.3	11.6
	85	5.7	6.8	6.4
	100	2.0	2.3	2.3
2007	Age	Male	Female	Total
	Newborn	75.4	80.4	77.9
	1	74.9	79.9	77.5
	5	71.0	76.0	73.6
	15	61.1	66.1	63.7
	25	51.8	56.3	54.1
	35	42.5	46.7	44.6
	45	33.3	37.2	35.4
	55	24.9	28.2	26.7
	65	17.2	19.9	18.6
	75	10.6	12.5	11.7
	85	5.8	6.8	6.5
	100	2.1	2.3	2.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2008	Age	Male	Female	Total
	Newborn	75.5	80.5	78
	1	75.1	80	77.6
	5	71.2	76.1	73.7
	15	61.3	66.1	63.8
	25	51.9	56.4	54.2
	35	42.6	46.7	44.7
	45	33.4	37.2	35.4
	55	24.9	28.3	26.7
	65	17.2	19.9	18.7
	75	10.6	12.5	11.7
	85	5.8	6.8	6.5
	100	2.1	2.3	2.3
2009	Age	Male	Female	Total
	Newborn	76.0	80.9	78.6
	1	75.6	80.4	78.1
	5	71.6	76.5	74.2
	15	61.7	66.6	64.3
	25	52.3	56.8	54.7
	35	43.0	47.1	45.2
	45	33.8	37.7	35.9
	55	25.4	28.7	27.2
	65	17.7	20.3	19.2
	75	11.0	12.9	12.2
	85	5.9	7.0	6.6
	100	2.1	2.4	2.4
2010	Age	Male	Female	Total
	Newborn	76.2	81.0	78.7
	1	75.7	80.5	78.1
	5	71.8	76.6	74.2
	15	61.9	66.6	64.3
	25	52.4	56.9	54.7
	35	43.1	47.2	45.2
	45	33.9	37.7	35.9
	55	25.4	28.8	27.2
	65	17.7	20.3	19.1
	75	11.0	12.9	12.1
	85	5.8	6.9	6.5
	100	2.1	2.3	2.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2011	Age	Male	Female	Total
	Newborn	76.3	81.1	78.7
	1	75.8	80.5	78.2
	5	71.9	76.6	74.3
	15	62.0	66.7	64.4
	25	52.5	56.9	54.8
	35	43.2	47.2	45.3
	45	34.0	37.8	36.0
	55	25.5	28.8	27.2
	65	17.8	20.3	19.2
	75	11.1	12.9	12.1
	85	5.9	6.9	6.5
	100	2.1	2.3	2.3
2012	Age	Male	Female	Total
	Newborn	76.4	81.2	78.8
	1	75.9	80.6	78.3
	5	72.0	76.7	74.4
	15	62.1	66.8	64.5
	25	52.6	57.0	54.9
	35	43.3	47.3	45.4
	45	34.1	37.9	36.1
	55	25.6	28.9	27.3
	65	17.9	20.5	19.3
	75	11.2	12.9	12.2
	85	5.9	7.0	6.6
	100	2.0	2.3	2.3
2013	Age	Male	Female	Total
	Newborn	76.4	81.2	78.8
	1	75.9	80.6	78.3
	5	72.0	76.7	74.4
	15	62.1	66.8	64.5
	25	52.6	57.0	54.8
	35	43.3	47.3	45.4
	45	34.1	37.9	36.1
	55	25.6	28.9	27.3
	65	17.9	20.5	19.3
	75	11.2	12.9	12.2
	85	5.9	7.0	6.6
	100	2.0	2.3	2.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2014	Age	Male	Female	Total
	Newborn	76.5	81.3	78.9
	1	76.0	80.7	78.4
	5	72.0	76.8	74.4
	15	62.1	66.8	64.5
	25	52.7	57.0	54.9
	35	43.4	47.4	45.4
	45	34.2	38.0	36.1
	55	25.6	29.0	27.4
	65	18.0	20.6	19.4
	75	11.3	13.1	12.3
	85	6.0	7.1	6.7
	100	2.1	2.4	2.3
2015	Age	Male	Female	Total
	Newborn	76.3	81.2	78.8
	1	75.8	80.6	78.2
	5	71.9	76.7	74.3
	15	62.0	66.8	64.4
	25	52.5	57.0	54.8
	35	43.3	47.4	45.4
	45	34.2	37.9	36.1
	55	25.6	28.9	27.3
	65	18.0	20.6	19.4
	75	11.2	13.0	12.3
	85	6.0	7.0	6.6
	100	2.1	2.4	2.3
2016	Age	Male	Female	Total
	Newborn	76.1	81.1	78.6
	1	75.6	80.5	78.1
	5	71.7	76.6	74.1
	15	61.8	66.6	64.2
	25	52.4	56.9	54.7
	35	43.2	47.3	45.3
	45	34.2	37.9	36.1
	55	25.6	28.9	27.3
	65	18.0	20.6	19.4
	75	11.3	13.0	12.2
	85	5.9	7.0	6.6
	100	2.0	2.3	2.2

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2017	Age	Male	Female	Total
	Newborn	76.1	81.1	78.6
	1	75.6	80.5	78.1
	5	71.7	76.6	74.1
	15	61.8	66.7	64.2
	25	52.4	56.9	54.7
	35	43.2	47.3	45.3
	45	34.2	37.9	36.1
	55	25.6	28.9	27.4
	65	18.0	20.6	19.4
	75	11.3	13.0	12.3
	85	5.9	7.0	6.6
	100	2.0	2.2	2.2
2018	Age	Male	Female	Total
	Newborn	76.2	81.2	78.7
	1	75.7	80.7	78.2
	5	71.8	76.7	74.3
	15	61.9	66.8	64.3
	25	52.4	57.0	54.8
	35	43.3	47.5	45.4
	45	34.2	38.1	36.2
	55	25.7	29.0	27.4
	65	18.1	20.7	19.5
	75	11.3	13.1	12.3
	85	6.0	7.0	6.6
	100	2.0	2.2	2.2

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
2019	Age	Male	Female	Total
	Newborn	76.3	81.4	78.8
	1	75.8	80.8	78.3
	5	71.9	76.9	74.4
	15	62.0	66.9	64.5
	25	52.5	57.2	54.9
	35	43.4	47.6	45.5
	45	34.4	38.2	36.3
	55	25.8	29.2	27.5
	65	18.2	20.8	19.6
	75	11.4	13.2	12.4
	85	6.0	7.1	6.7
	100	2.0	2.3	2.2
2020	Age	Male	Female	Total
	Newborn	74.2	79.9	77.0
	1	73.6	79.3	76.4
	5	69.7	75.3	72.5
	15	59.8	65.4	62.6
	25	50.5	55.7	53.0
	35	41.5	46.2	43.8
	45	32.7	36.9	34.8
	55	24.3	28.0	26.2
	65	17.0	19.8	18.5
	75	10.6	12.4	11.6
	85	5.5	6.5	6.1
	100	1.8	2.0	2.0

Source: U.S. Department of Health and Human Services' National Center for Health Statistics, *National Vital Statistics Reports*.

Notes: Alaska and Hawaii are included as of 1959. For decennial periods prior to 1929-31, data represent death registration states only: 1900-02 and 1909-11, 10 states and the District of Columbia; 1919-21, 34 states and the District of Columbia. Beginning with 1970, data exclude deaths of nonresidents of the United States.

Table 12.3

U.S. Registered Births and Deaths

Year	Number of Registered Births	Crude Birth Rate*	General Fertility Rate**	Number of Registered Deaths	Crude Death Rate*
1910	2,777,000	30.1	126.8	696,856	14.7
1920	2,950,000	27.7	117.9	1,118,070	13.0
1930	2,618,000	21.3	89.2	1,327,240	11.3
1940	2,559,000	19.4	79.9	1,417,269	10.8
1945	2,858,000	20.4	85.9	1,401,719	10.6
1950	3,632,000	24.1	106.2	1,452,454	9.6
1955	4,097,000	25.0	118.3	1,528,717	9.3
1960	4,257,850	23.7	118.0	1,711,982	9.5
1965	3,760,358	19.4	96.3	1,828,000	9.4
1970	3,731,386	18.4	87.9	1,921,031	9.5
1975	3,144,198	14.6	66.0	1,893,000	8.8
1980	3,612,258	15.9	68.4	1,989,841	8.8
1985	3,760,561	15.8	66.3	2,086,000	8.8
1990	4,158,212	16.7	70.9	2,148,463	8.6
1991	4,110,907	16.2	69.3	2,170,000	8.6
1992	4,065,014	15.8	68.4	2,176,000	8.5
1993	4,000,240	15.4	67.0	2,269,000	8.7
1994	3,952,767	15.0	65.9	2,279,000	8.7
1995	3,899,589	14.6	64.6	2,312,000	8.7
1996	3,891,494	14.4	64.1	2,315,000	8.6
1997	3,880,894	14.2	63.6	2,314,000	8.5
1998	3,941,553	14.3	64.3	2,337,000	8.5
1999	3,959,417	14.2	64.4	2,391,000	8.6
2000	4,058,814	14.4	65.9	2,403,351	8.5
2001	4,025,933	14.1	65.3	2,416,000	8.5
2002	4,021,726	13.9	64.8	2,443,000	8.5
2003	4,089,950	14.1	66.1	2,448,000	8.4
2004	4,112,052	14.0	66.4	2,398,000	8.2
2005	4,138,349	14.0	66.7	2,448,000	8.3
2006	4,265,555	14.3	68.6	2,426,000	8.1
2007	4,316,233	14.3	69.3	2,424,000	8.0
2008	4,247,694	14.0	68.1	2,472,000	8.1
2009	4,130,665	13.5	66.2	2,437,000	7.9
2010	3,999,386	13.0	64.1	2,468,435	8.0
2011	3,953,590	12.7	63.2	2,515,458	8.1

Table 12.3, continued

U.S. Registered Births and Deaths, continued

Year	Number of Registered Births	Crude Birth Rate*	General Fertility Rate**	Number of Registered Deaths	Crude Death Rate*
2012	3,952,841	12.6	63.0	2,543,279	8.1
2013	3,932,181	12.4	62.5	2,596,993	8.2
2014	3,988,076	12.5	62.9	2,626,418	8.2
2015	3,978,000	12.4	62.5	2,712,630	8.4
2016	3,945,875	12.2	62.0	2,744,248	8.5
2017	3,855,500	11.8	60.3	2,813,503	8.6
2018	3,791,712	11.6	59.1	2,839,205	8.7
2019	3,747,540	11.4	58.3	2,854,838	8.7
2020	3,613,647	10.9	55.7	3,383,729	10.3
2021	3,664,292	11.0	56.3	3,464,231	10.4

Source: U.S. Department of Health and Human Services' National Center for Health Statistics, *National Vital Statistics Reports*. United States Center for Disease Control, Live Births, Birth Rates, and Fertility Rates, by Race: United States, 1909-2003. Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED).

*Crude Birth Rate refers to live births per 1,000 population; Crude Death Rate refers to deaths per 1,000 population.

**General fertility rate refers to the number of births per 1,000 women age 15 to 44.

Table 12.4

U.S. Resident Population (thousands)

Year	Total Population	Population age 19 or less	Population age 20 to 49	Population age 50 to 64	Population age 65 and over
1910	92,407	38,716	40,666	9,039	3,986
1920	106,461	43,371	46,730	11,431	4,929
1930	123,077	47,575	54,300	14,496	6,706
1940	132,122	45,285	59,832	17,975	9,031
1945	139,928	46,247	63,367	19,820	10,494
1950	152,271	51,673	66,495	21,707	12,397
1955	165,931	59,992	68,067	23,346	14,525
1960	180,671	69,519	69,188	25,289	16,675
1965	194,303	76,277	72,039	27,536	18,451
1970	205,052	77,272	77,826	29,848	20,107
1975	215,973	75,646	85,613	32,017	22,696
1980	223,012	68,925	95,125	33,413	25,549
1985	233,727	66,594	105,825	33,063	28,245
1990	249,623	71,918	113,978	32,479	31,247
1995	268,365	76,646	120,687	35,177	35,855
2000	282,162	80,575	124,310	42,209	35,070
2005	295,517	82,005	126,141	50,720	36,650
2006	298,380	82,324	126,390	52,501	37,164
2007	301,231	82,749	126,387	54,269	37,826
2008	304,094	83,118	126,402	55,797	38,778
2009	306,772	83,280	126,458	57,410	39,623
2010	309,322	83,182	126,528	59,134	40,478
2011	311,557	82,827	126,749	60,631	41,350
2012	313,831	82,482	127,073	61,146	43,130
2013	315,994	82,245	127,295	61,824	44,629
2014	318,301	82,106	127,545	62,493	46,157
2015	320,635	82,080	127,908	62,996	47,651
2016	322,941	82,107	128,445	63,188	49,202
2017	324,986	82,063	128,963	63,207	50,753
2018	326,688	81,885	129,350	63,083	52,369
2019	328,240	81,625	129,630	62,926	54,058
2020	329,878	81,318	129,819	62,874	55,866
2021	331,894	82,131	130,204	63,710	55,848
2022	333,288	81,073	131,527	62,893	57,795

Sources: United States, Bureau of the Census, Interennial Tables.

Note: Population estimates as of July.

Table 12.5

U.S. Resident Population, Age Distribution

Year	Percent of Population age 19 or less	Percent of Population age 20 to 49	Percent of Population age 50 to 64	Percent of Population age 65 and over
1910	41.9	44.0	9.8	4.3
1920	40.7	43.9	10.7	4.6
1930	38.7	44.1	11.8	5.4
1940	34.3	45.3	13.6	6.8
1945	33.1	45.3	14.2	7.5
1950	33.9	43.7	14.3	8.1
1955	36.2	41.0	14.1	8.8
1960	38.5	38.3	14.0	9.2
1965	39.3	37.1	14.2	9.5
1970	37.7	38.0	14.6	9.8
1975	35.0	39.6	14.8	10.5
1980	30.9	42.7	15.0	11.5
1985	28.5	45.3	14.1	12.1
1990	28.8	45.7	13.0	12.5
1995	28.6	45.0	13.1	13.4
2000	28.6	44.1	15.0	12.4
2005	27.7	42.7	17.2	12.4
2006	27.6	42.4	17.6	12.5
2007	27.5	42.0	18.0	12.6
2008	27.3	41.6	18.3	12.8
2009	27.1	41.2	18.7	12.9
2010	26.9	40.9	19.1	13.1
2011	26.6	40.7	19.5	13.3
2012	26.3	40.5	19.5	13.7
2013	26.0	40.3	19.6	14.1
2014	25.8	40.1	19.6	14.5
2015	25.6	39.9	19.6	14.9
2016	25.4	39.8	19.6	15.2
2017	25.3	39.7	19.4	15.6
2018	25.1	39.6	19.3	16.0
2019	24.9	39.5	19.2	16.5
2020	24.7	39.4	19.1	16.9
2021	24.7	39.2	19.2	16.8
2022	24.3	39.5	18.9	17.3

Sources: United States, Bureau of the Census, Interennial Tables.

APPENDIX

GLOSSARY

A **Accelerated death benefit** Benefit paid, under clearly defined health-related circumstances, to a policyholder prior to his or her death. Accelerated death benefits are also known as living benefits.

Accidental death benefit A provision added to a life insurance policy for payment of an additional benefit if death is caused by an accident. Also known as double indemnity.

Actuary A person professionally trained in the technical aspects of insurance and related fields, particularly in the mathematics of insurance such as the calculation of premiums, reserves, and other values.

Adjustable life insurance A type of life insurance that allows the policyholder to change the plan of insurance, raise or lower the policy's face amount, increase or decrease the premium, and lengthen or shorten the protection period.

Adjuster A person, usually employed by a property/casualty insurer, who evaluates losses and settles claims. Independent adjusters are independent contractors who adjust claims for the insurance companies.

Agent A representative of an insurance company who is authorized to sell and service insurance contracts. Life insurance agents are also known as life underwriters or producers.

Annuitant The person whose life expectancy is used to determine the payout of an annuity.

Annuity A financial contract issued by a life insurance company that offers tax-deferred

savings and a choice of payout options to meet an owner's needs in retirement: income for life, income for a certain period of time, or a lump sum.

Annuity certain A contract that provides an income for a specified number of years, regardless of life or death.

Annuity consideration The payment, or one of regular periodic payments, that a policyholder makes to an annuity.

Application A statement of information made by a prospective purchaser that helps the insurer assess the acceptability of risk.

Assets Property owned by an insurance company—including stocks, bonds and real estate. Insurance accounting focuses on solvency and the ability to pay claims, therefore a conservative valuation of assets is required. This prohibits companies from listing assets on their balance sheets when values are uncertain.

Asset valuation reserve (AVR) A reserve that makes provisions for credit-related losses on fixed-income assets (default component) as well as all types of equity investments (equity component).

Assignment The legal transfer of one person's interest in an insurance policy to another person.

Assume To accept the risk of potential loss from another insurer.

Assumption reinsurance A reinsurance agreement in which one company permanently transfers full responsibility for a block of policies to another company. After the transfer, the ceding company is no longer a party to the insurance agreement.

Automatic premium loan A loan provision in a life insurance policy allowing any premium not paid by the end of the grace period (usually 30 or 31 days) to be paid automatically through a policy loan if cash value is sufficient.

B **Balance sheet** Information on a company's financial condition at a single point in time showing assets, investments, and liabilities. The balance sheet also reveals a company's equity, known as policyholder surplus. Changes in the surplus are one indicator of a company's financial standing.

Bank holding company A company that owns or controls one or more banks. The Federal Reserve regulates and supervises bank holding company activities such as approving mergers

and acquisitions. The authority of the Reserve applies even though a bank owned by a holding company may be under the primary supervision of the Comptroller of the Currency or the FDIC.

Beneficiary The person or financial entity (for instance, a trust fund) named in a life insurance policy or annuity contract as the recipient of policy proceeds in the event of the policyholder's death.

Benefit The amount payable by the insurance company to a claimant, assignee, or beneficiary when the insured suffers a loss covered by the policy.

Bond A security obligating the issuer to pay interest at specified intervals and to repay the principal at maturity. Bonds are a form of suretyship: Various types guarantee a payment or reimbursement for financial losses resulting from dishonesty, failure to perform, and other failures.

Bond rating An evaluation of a bond's financial strength by an established rating agency such as Standard & Poor's or Moody's Investor Services.

Broker A sales and service representative who handles insurance for clients and generally sells insurance of various kinds from one company or several.

Business disability insurance Disability insurance purchased by a business on a member of a firm. This insurance is often used to protect business partners against loss caused by a partner's disability and to reimburse corporations for loss caused by the disability of a key employee.

Business life insurance Insurance purchased by a business on the life of a member of the firm. This insurance protects surviving business partners against loss caused by the death of a partner and reimburses corporations for loss caused by the death of a key employee.

C Capacity The amount of insurance available to meet demand. Availability depends on the industry's capacity for risk. For an individual insurer, it is the maximum amount of risk it can underwrite based on its financial condition. An insurer's capital relative to its exposure to loss is an important measure of its solvency.

Capital stock The initial book value of stock sold by a company to start its operations.
Captive agent A person who represents only one insurance company and is restricted by agreement from submitting business to any other company unless rejected first by the captive agent's company.

Cash balance plan A defined benefit plan that strongly resembles a defined contribution plan. Benefits accrue through employer contributions to employee accounts and interest credits to balances in those accounts. The accounts serve as bookkeeping devices to track benefit accruals.

Cash value The amount available in cash upon surrender of a permanent life insurance policy. Also known as cash surrender value.

Cede To transfer the risk of potential loss to another insurer.

Certificate A statement issued to persons insured under a group policy that defines the essential provisions of their coverage.

Claim Notification to an insurance company that payment of an amount is due under the terms of a policy.

COBRA (Consolidated Omnibus Budget Reconciliation Act) A federal law under which group health plans sponsored by employers with twenty or more employees must offer continuation of insurance coverage to employees and their dependents after they leave their employment. Under COBRA, coverage can be continued for up to 18 months; the employee pays the entire premium.

Codification A process undertaken by NAIC to redefine life company statutory accounting to ensure consistency in how companies present their accounts in their annual statements. This process culminated in the 2001 annual statements, the structure of which was noticeably different from the previous years.

Convertible term insurance Term insurance that can be exchanged, at the option of the policyholder and without evidence of insurability, for another plan of insurance.

Credit disability insurance Disability insurance issued through a lender or lending agency to cover payment of a loan, an installment purchase, or other obligation in case of disability.

Credit life insurance Term life insurance issued through a lender or lending agency to cover payment of a loan, an installment purchase, or other obligation in case of death.

D Declination Rejection of an application for insurance coverage by an insurance company, usually due to the applicant's health or occupation.

Deductible The amount of loss paid by the policyholder. Either a specified dollar amount, a percentage of the claim amount, or a specified amount of time that must elapse before

benefits are paid. The larger the deductible, the lower the premium charged for the same coverage.

Deferred annuity A contract in which annuity payouts begin at a future date.

Deferred group annuity A type of group annuity providing for the purchase each year of a paid-up deferred annuity for each group member. The total amount received by a member at retirement is the sum of these deferred annuities.

Defined benefit plan A pension plan that specifies the benefits an employee will receive after retirement. Benefits typically are based on length of service and salary, and are usually funded by the employer on behalf of each plan participant.

Defined contribution plan A pension plan that specifies the contributions made by employees, and in many cases the employer, on behalf of each plan participant. These funds accumulate for each participant until retirement, when they are distributed as a lump sum or monthly annuity. Benefits are based on the amount of contributions plus earnings.

Deposit administration group annuity A type of group annuity that allows contributions to accumulate in an undivided fund, out of which annuities are purchased as each member of the group retires.

Deposit term insurance A form of term insurance in which the first-year premium is larger than subsequent premiums. A partial endowment typically is paid at the end of the term period. In many cases, the partial endowment can be applied toward the purchase of a new term or whole life policy.

Deposit-type contracts Contracts that do not include mortality or morbidity risks.

Disability A physical or mental condition that makes an insured person incapable of working.

Disability benefit The benefit paid under a disability income insurance policy; also a feature added to some life insurance policies providing for waiver of premium, and sometimes payment of monthly income, if the policyholder becomes totally and permanently disabled.

Disability income insurance Insurance that provides periodic payments, or in some cases a lump-sum payment, based on the insured's income replacement needs, when the insured is unable to work due to illness or injury.

Dividend An amount of money returned to the holder of a participating life insurance

policy. The money results from actual mortality, interest, and expenses that were more favorable than expected when the premiums were set. The amount of any dividend is set by the insurer based on the insurer's standards.

Dividend addition An amount of paid-up insurance purchased with a policy dividend and added to the policy's face amount.

E Earned premium The portion of premium that applies to the expired part of the policy period. Insurance premiums are payable in advance but the insurance company does not fully earn them until the policy period expires.

Endowment Life insurance payable to the policyholder on the policy's maturity date, or to a beneficiary if the insured dies prior to that date.

Evidence of insurability The common requirement by life insurance companies that potential policyholders undergo a physical examination or medical tests, such as blood pressure or cholesterol screening, before the applicant can purchase an individual life insurance policy.

Extended term insurance A form of insurance available as a non-forfeiture option providing the original amount of insurance for a limited time.

Extra risk A person possessing a greater-than-average likelihood of loss.

F Face amount The amount stated on the face of a life insurance policy that will be paid upon death or policy maturity. The amount excludes dividend additions or additional amounts payable under accidental death or other special provisions.

Family policy A life insurance policy providing insurance on all or several family members in one contract. It generally provides whole life insurance on the principal breadwinner and small amounts of term insurance on the spouse and children, including those born after the policy is issued.

Fiduciary A person or organization authorized to control or manage pension assets to administer a pension plan. Fiduciaries are legally obligated to discharge their duties solely in the interest of plan participants and beneficiaries, and are accountable for any actions that may be construed by courts as breaching that trust.

Fixed annuity A deferred annuity contract in which the life insurance company credits a fixed rate of return on premiums paid or an immediate annuity in which the periodic amount is fixed.

Flexible premium policy or annuity A life insurance policy or annuity contract that allows the amount and frequency of premium payments to be varied.

401(k) plan An employment-based retirement savings plan that allows employees to make tax-deferred contributions from current earnings.

403(b) plan A retirement savings plan, similar to a 401(k), for employees of charitable and educational organizations.

457 plan A retirement savings plan, similar to a 401(k), for employees of state and municipal governments.

Fraternal life insurance Life insurance provided by fraternal orders or societies to their members.

Fraud Intentional lying or concealment by policyholders to obtain payment of an insurance claim that would otherwise not be paid, or lying or misrepresentation by the insurance company managers, employees, agents, and brokers for financial gain.

G **General account** An undivided account in which life insurers record all incoming funds. A general account is usually an insurer's largest, although separate accounts can also be used to fund specific liabilities as well.

Grace period A period of usually a number of days following each insurance premium due date except the first, during which an overdue premium may be paid and the policy be maintained. All policy provisions remain in force during this period.

Group annuity A pension plan providing annuities at retirement to a group of people under a master contract, usually issued to an employer for the benefit of employees. Each group member holds a certificate as evidence of his or her annuity.

Group life insurance Life insurance on a group of people, usually issued to an employer for the benefit of employees. Each group member holds a certificate as evidence of his or her insurance.

Guaranteed interest contract (GIC) A contract offered by an insurance company guaranteeing a rate of return on assets for a fixed period, and payment of principal and accumulated interest at the end of the period. GICs sometimes are used to fund the fixed-income option in defined contribution plans, such as 401(k)s.

Immediate annuity An annuity contract in which periodic payments begin immediately or

within one year of the policy's issue.

Indemnity reinsurance A form of reinsurance in which the risk is passed to a reinsurer, which reimburses the ceding company for covered losses. The ceding company retains its liability to and contractual relationship with the insured.

Individual life insurance Paid by an individual and is payable upon death. Premiums can be paid annually, semiannually, quarterly, or monthly.

Individual policy pension trust A type of pension plan frequently used for small groups and administered by trustees authorized to purchase individual level-premium policies or annuity contracts for each plan member. The policies usually provide both life insurance and retirement benefits.

Individual retirement account (IRA) An account to which a person can make annual contributions of earnings up to a specified dollar limit. These contributions are tax-deductible for workers who are not covered by an employment-based retirement plan, regardless of income, or whose income does not exceed certain taxable income levels.

Insolvency Insurer's legal inability to pay its future policyholder obligations. Insurance insolvency standards and the regulatory actions taken vary from state to state. Typically, the first indications of an insurer's financial stress are its inability to pass the financial tests regulators routinely administer.

Institutional investor An organization such as a bank or insurance company that buys and sells large quantities of securities.

Insurable Interest This doctrine requires that a person or company be in a position to suffer monetary loss before they can purchase life insurance on another person's life, or property insurance on another's property. The interest must exist at the time the insurance contract is issued.

Insurable risk Risks for which it is relatively easy to get insurance. Such risks meet certain criteria including being definable, accidental in nature, and part of a group of similar risks large enough to make losses predictable. Such conditions make it possible for an insurer to offer insurance at a reasonable rate.

Insurance A system to make coverage of large financial losses affordable by pooling the risks of many individuals or business entities and transferring them to an insurance company in return for a premium.

Insurance examiner The state insurance department representative assigned to conduct the official audit and examination of an insurance company's operations.

Insured The person on whose life an insurance policy is issued. Also known as insured life.

Interest maintenance reserve (IMR) A reserve that captures all realized, interest-related capital gains and losses on fixed-income assets. These gains and losses are amortized into income over the remaining life of the investment sold.

J **Joint and survivor annuity** An annuity in which payments are made to the owner for life and, after the owner's death, to the designated beneficiary for life.

K **Keogh (H.R. 10) account** A retirement savings account to which a self-employed person can make annual tax-deductible contributions, subject to limitations.

L **Lapsed policy** An insurance policy terminated at the end of the grace period because of nonpayment of premiums. See non-forfeiture value.

Legal reserve life insurance company A life insurer operating under state insurance laws that specify the minimum basis for reserves that the company must maintain on its policies.

Level premium life insurance Life insurance for which the premium remains the same from year to year. The premium is more than the actual cost of protection during earlier years of the policy and less than the actual cost in later years. The initial overpayments build a reserve which, together with interest to be earned, balances the underpayments of later years.

Life annuity An annuity contract that provides periodic income payments for life.

Life expectancy The average years of life remaining for a group of persons of a given age, according to a mortality table.

Life insurance in force The sum of face amounts and dividend additions of life insurance policies outstanding at a given time. Additional amounts payable under accidental death or other special provisions are excluded.

Limited payment life insurance Whole life insurance on which premiums are payable for a specified number of years, or until death if it occurs before the end of the specified period.

Long-term care insurance Insurance that provides financial protection for persons who become unable to care for themselves because of chronic illness, disability, or cognitive impairment such as Alzheimer's disease.

Lump-sum distribution The non-periodic withdrawal of money invested in an annuity.

M Malpractice insurance Professional liability coverage for physicians, lawyers, and other specialists against lawsuits alleging negligence or errors and omissions that have harmed their clients.

Managed care An arrangement between an employer or insurer and selected providers to provide comprehensive health care at a discount to members of the insured group and coordinate the financing and delivery of health care. Managed care uses medical protocols and procedures agreed on by the medical profession to be cost effective. These protocols are also known as medical practice guidelines.

Master policy A policy issued to an employer or trustee establishing a group insurance plan for designated members of an eligible group.

Mediation Legal procedure in which a third party or parties attempts to resolve a conflict between two other parties. Mediation can be binding or non-binding.

Medicaid A federal and state public assistance program created in 1965 and administered by the states for people whose income and resources are insufficient to pay for health care.

Medicare Federal program for people sixty-five years or older that pays part of the costs associated with their health care such as hospital stays, surgery, home care and nursing care.

Mortality and expense charge The fee for a guarantee that annuity payments will continue for life.

Mortality table A statistical table showing the death rate at each age, usually expressed per thousand.

Mutual life insurance company A life insurance company without stockholders whose management is directed by a board elected by the policyholders. Mutual companies generally issue participating insurance.

N Non-forfeiture value The value of an insurance policy if it is cancelled or required premium payments are not paid. The value is available to the policyholder either as cash or reduced paid-up insurance.

Non-medical limit The maximum face value of a policy that a given company will issue without a medical examination of the applicant.

Nonparticipating policy A life insurance policy under which the company does not

distribute to policyholders any part of its surplus. Premiums usually are lower than for comparable participating policies. Some nonparticipating policies have both a maximum premium and a current lower premium, which reflects anticipated experience more favorable than the company is willing to guarantee. The current premium may change from time to time for the entire block of business to which the policy belongs. See participating policy.

Nonproportional reinsurance A form of reinsurance in which the reinsurer's liability depends on the number or amount of claims incurred in a given period.

O **Operating expenses** The cost of maintaining a business, including property, insurance, taxes, utilities and rent, but excludes income tax, depreciation, and other financing expenses.

Options Contracts that allow, but do not oblige, the buying or selling of assets at a certain date at a set price.

Ordinary life insurance A life insurance policy that remains in force for the insured's lifetime, usually for a level premium. Also referred to as whole life insurance. In contrast, term life insurance only lasts for a specified number of years (but may be renewable).

P **Paid-up insurance** Insurance on which all required premiums have been paid; frequently refers to the reduced paid-up insurance available as a nonforfeiture option.

Partial disability benefit A benefit sometimes found in disability income policies providing payment of reduced monthly income if the insured cannot work full time or is unable to earn a specified percentage of predisability earnings due to a disability.

Participating policy A life insurance policy under which the company distributes to policyholders the part of its surplus that its board of directors determines is not needed at the end of the business year. Such a distribution reduces the premium that the policyholder had paid. See policy dividend and nonparticipating policy.

Pensions Programs to provide employees with retirement income after they meet minimum age and service requirements. Life insurers hold some of these funds. Over the last 25 years, the responsibility of funding these retirement accounts has shifted from the employers (who offered defined benefit plans promising a specific retirement income) to employees (who now have defined contribution plans that are financed by their own contributions and not always matched by employers).

Permanent life insurance Generally, insurance that can stay in force for the life of the insured and accrues cash value, such as whole life or endowment. May also be referred to as ordinary life insurance.

Policy The printed document that a company issues to the policyholder, which states the terms of the insurance contract.

Policy dividend A refund of part of the premium on a participating life insurance policy, reflecting the difference between the premium charged and actual experience.

Policyholder/Policy owner The owner of an insurance policy, who may be the insured, a relative of the insured such as a spouse, or a nonnatural person such as a partnership or corporation.

Policy illustration A depiction of how a life insurance policy will work, showing premiums, death benefits, cash values, and information about other factors that may affect policy costs.

Policy loan The amount a policyholder can borrow at a specified rate of interest from the issuing company, using the insurance policy's value as collateral. If the policyholder dies with the debt partially or fully unpaid, the insurance company deducts the amount borrowed, plus accumulated interest, from the amount payable to beneficiaries.

Policy reserves The funds that a life insurance company holds specifically for fulfilling its policy obligations. Reserves are required by law to be calculated so that, together with future premium payments and anticipated interest earnings, they enable the company to pay all future claims.

Preferred risk A person considered less of a risk than the standard risk.

Premium The payment, or one of the periodic payments, that a policyholder makes to own an insurance policy or annuity.

Premium loan A policy loan for paying premiums.

Proportional reinsurance A form of reinsurance in which the amount ceded is defined at the point the risk is transferred, not at the point of claim. The amount of risk may vary with time by formula.

Q **Qualified plan** An employee benefit plan that meets Internal Revenue Code requirements. Employer contributions to such plans are immediately deductible. Contributions to and earnings in such plans are not included in the employee's income until distributed to the employee. Also known as tax-qualified plan.

R **Rated policy** An insurance policy issued at a higher-than-standard premium rate to cover extra risk, as when the insured has impaired health or a hazardous occupation. Also known

as extra-risk policy.

Reduced paid-up insurance A form of insurance available as a nonforfeiture option providing for continuation of the original insurance plan at a reduced amount.

Reinstatement The restoration of a lapsed insurance policy. The company requires evidence of insurability and payment of past-due premiums plus interest.

Reinsurance The transfer of some or all of the insurance risk to another insurer. The company transferring the risk is called the ceding company; the company receiving the risk is called the assuming company or reinsurer.

Reinsure To transfer the risk of potential loss from one insurer to another insurer.

Renewable term insurance Term insurance that can be renewed at the end of the term, at the policyholder's option and without evidence of insurability, for a limited number of successive terms. Rates increase at each renewal as the insured ages.

Reserve The amount required to be carried as a liability on an insurer's financial statement to provide for future commitments under policies outstanding.

Retrocede To cede insurance risk from one reinsurer to another reinsurer.

Retrocessionaire A reinsurer that contractually accepts from another reinsurer a portion of the ceding company's underlying risk. The transfer is known as a retrocession.

Return-to-work program A program that helps persons with activity limitations return to work. Assistance may involve maximizing medical improvement to diminish the effect of limitations, or facilitating job or job-site accommodations, retraining, or other means of taking activity limitations into account.

Rider An amendment to an insurance policy that expands or restricts the policy's benefits or excludes certain conditions from coverage. See accelerated death benefit and accidental death benefit.

Risk-based capital (RBC) Method developed by the National Association of Insurance Commissioners to measure the minimum amount of capital that an insurance company needs to support its overall business operations. RBC sets capital requirements that consider the size and degree of risk taken by the insurer and presumes that stakeholders will still receive limited payment should insolvency occur. RBC has four components:

Asset risk Determines an asset's default of principal or interest, or fluctuation in

market value, as a result of market changes.

Credit risk Measures the default risk on amounts due from policyholders, reinsurers, or creditors.

Off-balance-sheet risk Measures the risk from excessive growth rates, contingent liabilities, or other items not reflected on the balance sheet.

Underwriting risk Calculates the risk from underestimating liabilities from business already written, or inadequately pricing current or prospective business.

Risk classification The process by which a company decides how its premium rates for life insurance should differ according to the risk characteristics of persons insured—their age, occupation, gender, and health status, for example—and how the resulting rules are applied to individual applications. See underwriting.

Roth IRA An individual retirement account (IRA) in which earnings on contributions are not taxed at distribution, as long as the contributions have been in the account for five years and the account holder is at least age 59 1/2, disabled, or deceased. Contributions to a Roth IRA are not tax-deductible.

S Self-insured plan A retirement plan funded through a fiduciary—generally a bank but sometimes a group of people—which directly invests the accumulated funds. Retirement payments are made from these funds as they fall due. Also known as trustee plan or directly invested plan.

Separate account An asset account maintained independently from the insurer's general investment account and used primarily for retirement plans and variable life products. This arrangement permits wider latitude in the choice of investments, particularly in equities.

Settlement options The several ways, other than immediate payment in cash, that a policyholder or beneficiary may choose to have policy benefits paid. See supplementary contract.

Standard risk A person possessing an average likelihood of loss.

Stock life insurance company A life insurance company owned by stockholders who elect a board to direct the company's management. Stock companies generally issue nonparticipating insurance.

Straight life annuity An annuity whose periodic payouts stop when the annuitant dies.

Straight life insurance Whole life insurance on which premiums are payable for life.

Structured settlement An agreement allowing a person who is responsible for making payments to a claimant to assign to a third party the obligation of making those payments. An annuity contract is often used to make structured settlement payments.

Substandard risk A person who cannot meet the normal health requirements of a standard insurance policy. Protection is provided under a waiver, special policy form, or higher premium charge. Also known as impaired risk.

Supplementary contract An agreement between a life insurance company and a policyholder or beneficiary in which the company retains the cash sum payable under an insurance policy and makes payments according to the settlement option chosen.

Surplus The remainder after an insurer's liabilities are subtracted from its assets. The financial cushion that protects policyholders in case of unexpectedly high claims.

T **Term-certain annuity** An annuity which makes periodic payments over a fixed number of years. See annuity certain.

Term insurance Insurance that covers the insured for a certain period of time, known as the term. The policy pays death benefits only if the insured dies during the term, which can be one, five, ten or even twenty years.

Terminal funded group plans The reserves under an annuity contract for benefits accumulated outside of the contract, such as under a defined benefit retirement plan that has been terminated.

Third-party administrator Outside group that performs administrative functions for an insurance company.

Title insurance Insurance that indemnifies real estate owners in case clear ownership of the property is challenged by the discovery of faults in the title.

Tort A legal term denoting a wrongful act resulting in injury or damage on which a civil court action or legal proceeding may be based.

Total disability The inability of a person to perform all essential functions of his or her occupation, or in some cases any occupation, due to a physical or mental impairment.

U **Umbrella policy** Coverage for losses beyond the limits of underlying property-casualty, homeowners, or auto insurance policies. While the umbrella applies to losses over the dollar

amount in underlying policies, coverage terms are sometimes broader than those specified in the underlying policies.

Unallocated contract A contract under which premiums and contributions are deposited to a fund, rather than used immediately, to purchase annuities for benefit plan participants.

Underwriting The process of classifying applicants for insurance by identifying such characteristics as age, gender, health, occupation, and hobbies. People with similar characteristics are grouped together and charged a premium based on the group's level of risk.

Uninsurable risk Risks for which insurance coverage may not be available.

Universal life insurance A type of permanent life insurance that allows the insured, after the initial payment, to pay premiums at various times and in varying amounts, subject to certain minimums and maximums. To increase the death benefit, the insurance company usually requires the policyholder to furnish satisfactory evidence of continued good health. Also known as adjustable life insurance.

V **Variable annuity** A contract in which the premiums paid are invested in separate accounts which holds funds, including bond and stock funds. The selection of funds is guided by the level of risk assumed. The account value reflects the performance of the funds that the owner has chosen for investment.

Variable life insurance A type of permanent insurance providing death benefits and cash values that vary with the performance of a portfolio of investments. The policyholder may allocate premiums among investments offering varying degrees of risk, including stocks, bonds, combinations of both, and accounts that guarantee interest and principal.

Variable-universal life insurance A type of permanent insurance that combines the premium flexibility of universal life insurance with a death benefit that varies as in variable life insurance. Excess interest credited to the cash value depends on the investment results of separate accounts investing in equities, bonds, real estate, and others. The policyholder selects the accounts to which premium payments are made.

Vesting The right of an employee to all or a portion of the benefits he or she has accrued, even if employment terminates. Employee contributions, as in a 401(k) plan, always are fully vested. Employer contributions vest according to a schedule defined by the plan and are usually based on years of service.

Viatical settlement companies Life insurance companies that purchase life insurance

policies at a discounted value from a policyholder who is elderly or terminally ill. The companies then assume the premium payments and collect the face value of the policy upon the death of the person originally insured.

Void When an insurance policy is freed from legal obligations for reasons specified in the policy contract (i.e., a policy could be voided by an insurer if information given by a policyholder is proven untrue).

W **Waiver of premium** A provision that sets conditions under which an insurance company would keep a policy in full force without the payment of premiums. The waiver is used most frequently for policyholders who become totally and permanently disabled.

Whole life insurance The most common type of permanent life insurance, in which premiums generally remain constant over the life of the policy and must be paid periodically in the amount specified in the policy. Also known as ordinary life insurance.

Workers compensation Insurance that pays for medical care related to on-the-job injuries and physical rehabilitation. Workers compensation helps cover lost wages while an injured worker is unable to work. State laws vary widely on benefit amounts paid and other compensation provisions.

HISTORIC DATES

- 1759** The first life insurance company in the United States—The Corporation for Relief of the Poor and Distressed Presbyterian Ministers and of the Poor and Distressed Widows and Children of Presbyterian Ministers—is established in Philadelphia by the Synod of the Presbyterian Church.
- 1769** Benjamin Franklin said: “A policy of life assurance is the cheapest and safest mode of making certain provision for one’s family. It is time our people understood and practiced more generally life assurance. Many a widow and orphan have great reason to be thankful that the advantage of life assurance was understood and embraced by the husband and father. A large amount has been paid... to widows and orphans when it formed almost their only recourse.”
- 1777** The Corporation for Relief of Poor and Distressed Presbyterian Ministers and of the Poor and Distressed Widows and Children of Presbyterian Ministers voted to lend the Continental Loan Office 5,000 pounds, which amounted to over half the Corporation’s total reserves. This loan was used to finance the war effort of the Continental Army during the American Revolution.
- 1789** Professor Edward Wigglesworth of Harvard prepares a modified table of mortality based on Massachusetts experience, the first computation of premiums and reserves on a scientific basis in the United States.
- 1794** The Insurance Company of North America is chartered as the first general insurance company to sell life insurance in America. In five years, only six policies are issued, and the company discontinues its life insurance business in 1804.
- 1812** The Pennsylvania Company for Insurance on Lives and Granting Annuities is incorporated, the first corporation to be organized in America solely for issuing life insurance policies and annuities. The first policy is issued in 1813. The company discontinues issuing life policies in 1872.

- 1830** New York Life Insurance and Trust Company, the first American life insurance company to employ agents, is started. The company later discontinues its life insurance business and subsequently is merged with the Bank of New York.
- 1835** A charter is granted to New England Mutual Life Insurance Company of Boston—the first to a mutual company in America. The company begins operating in December 1843.
- 1836** The Girard Life Insurance, Annuity and Trust Company of Philadelphia is established on the new principle of granting policyholders participation in profits. The first policy dividends are allotted in 1844 as additions of insurance to policies in force three or more years. Initially a stock company, the insurer later becomes a trust company.
- 1840** The New York Legislature passes a bill providing that the proceeds of a policy made out to a widow as beneficiary must be paid to her, exempt from creditors' claims. Enacted into law, this measure strengthens the protective power of life insurance policies.
- 1842** The Mutual Life Insurance Company of New York is chartered. The company's first policy is issued February 1, 1843, marking the beginning of mutual life insurance as it is known today.
- 1848** The first policy loans are granted.
- 1849** New York passes the first general insurance law.
- 1851** New Hampshire establishes the first regulatory body to examine the affairs of insurance companies.
- 1853** Policy valuation tables, which Elizur Wright developed over nine years, are published.
- 1857** New York City establishes a pension fund for its policemen, the first pension plan covering state or local government employees.
- 1859** New York establishes the first state insurance department.
- 1861** Massachusetts is the first state to require nonforfeiture values as part of life policies.
- The first war risk insurance is written by life insurance companies during the Civil War.
- 1864** The Manhattan Life Insurance Company is the first U.S. company to write an incontestable clause into a policy.
- 1866** The Treasury Department rules that death benefits from a life insurance policy are not subject to an income tax enacted in 1862 to fund the Civil War.
- 1868** The American Experience Table of Mortality is published as part of a New York law. Covering

experience from 1843 to 1858, it remains the table most widely used by American companies until the 1940s.

1869 The U.S. Supreme Court holds insurance not to be a transaction in commerce, and affirms the validity of state regulation of insurance.

The earliest organization of life insurance agents is recorded in Chicago.

1871 The first convention of state insurance commissioners is held in New York City.

1873 The first weekly premium policy is issued in the United States.

1875 The industrial insurance agency system is introduced in the United States.

The first pension plan in U.S. industry is established by the American Express Company, financed solely by the employer.

1880 The first formal pension plan supported jointly by employer and employee contributions is established by the Baltimore & Ohio Railroad Company.

Cash surrender values are first established by law in Massachusetts.

1892 Columbia University adopts a pension plan for its professors, the first private college retirement plan, effective at age 65 with a minimum of 15 years' service.

1893 The first pension plan for public school teachers is established in Chicago.

1901 Carnegie Steel Company establishes the first enduring pension plan in a manufacturing company. This plan, with some modifications, is taken over by the United States Steel Company in 1911.

1905 The first functioning trade union pension plan is established by the Granite Cutters. Earlier trade union plans, set up by the Pattern Makers (1900) and National Association of Letter Carriers (1902), never paid benefits before dissolution.

The Armstrong investigation of life insurance by the New York Legislature results in many changes in insurance laws.

1911 The first group life insurance for employees is introduced.

1913 Modern tax code enacted: maintains public policy of exempting benefits from a life insurance policy.

1917 Government-sponsored life insurance for World War I servicemen is offered under the War Risk Insurance Act. This program subsequently becomes known as U.S. Government Life Insurance.

1920 Congress creates the Federal Civil Service Retirement and Disability Fund.

1921 Metropolitan Life Insurance Company issues the first group annuity contract in the United States.

The Revenue Act makes employer contributions to profit-sharing trusts tax-exempt. Its provisions are extended to pension trusts in 1926.

1928 The first examinations are held for chartered life underwriters.

1935 The Social Security Act is enacted.

The Railroad Retirement System is established. It is amended in 1937 to create a unified system for the industry.

1939 The temporary National Economic Committee begins an investigation of the life insurance business.

1940 Congress adopts the National Service Life Insurance Act, providing insurance for men and women in service in World War II.

1941 New York forms the first state guaranty association mechanism for life and health insurance companies.

1944 The U.S. Supreme Court holds that insurance is commerce, and that when conducted across state lines, it is interstate commerce and subject to federal laws.

1945 The McCarran-Ferguson Act declares that state regulation of insurance is in the public interest and grants an exemption from antitrust laws to the extent that the business is regulated by state law.

1946 The first issue of the Life Insurance Fact Book was published by the Institute of Life Insurance, a predecessor of ACLI.

1949 The U.S. Supreme Court rules that employers are required to bargain on pensions.

1952 The College Retirement Equities Fund is established as the first variable annuity fund.

1954 The Participating Annuity Life Insurance Company offers the first variable annuity contracts to the general public.

The Federal Employees' Group Life Insurance Act is introduced, providing group life insurance and accidental death and dismemberment insurance to civilian officers and employees of the U.S. government through private insurance companies.

1959 Arkansas is the first state to pass laws permitting life insurance companies to issue variable annuities

and authorizing the establishment of separate accounts.

Early 1960s Most states now have laws specifically allowing life insurance companies to maintain separate accounts, freeing pension fund investments from some of the limitations applied to companies' general accounts.

1962 H.R. 10 (Keogh Act), officially known as the Self-Employed Individual Retirement Act, is adopted.

1963–64 The Securities and Exchange Commission rules that separate account acquisitions are an issuance of securities subject to regulation under the Securities Act, but tax-qualified group pension plans, including variable annuities, are exempted from the act's registration and prospectus requirements.

The Civil Rights Act was passed, eliminating the discriminatory practice of charging different life insurance premiums based on race that had been ongoing since the 1940s.

1965 The Servicemen's Group Life Insurance Act is introduced, providing members on active duty in the uniformed services with group life insurance underwritten by private insurers through a contract with the Veterans Administration.

1974 The Employee Retirement Income Security Act (ERISA) is signed into law. ERISA primarily protects the benefits of participants in private plans, assures reasonable vesting provisions, and broadens the opportunity to set up plans for the self-employed and workers who have no private retirement plans.

1975 The Institute of Life Insurance and the American Life Insurance Association merge to become the American Council of Life Insurance. The headquarters were moved to Washington, D.C.

1976 The first individual variable life insurance policy is issued in the United States.

1977 The first universal life insurance policy is issued in the United States.

1978 The Age Discrimination in Employment Act Amendments raise the mandatory retirement age from 65 to 70 for most private-sector and state and local government employees, and eliminate it for federal employees.

1981 The Economic Recovery Tax Act is signed into law. It allows all workers to claim tax deductions, within limits, for retirement savings; liberalizes tax deductions for retirement savings, interest, and dividend exclusions; and reduces or eliminates estate and gift taxes for most individuals.

1982 The Tax Equity and Fiscal Responsibility Act revises the life insurance company taxation formula and repeals the use of modified coinsurance in tax calculations; imposes a penalty tax on certain

annuity withdrawals; places limitations on pension plan benefits; and imposes additional restrictions on certain plans.

1983 The U.S. Supreme Court decides in *Arizona Governing Committee for Tax-Deferred Annuity and Deferred Compensation Plans v. Norris* that employee retirement benefits based on contributions made after August 1, 1983, must be calculated without regard to the employee's gender.

The Social Security Amendments increase Social Security taxes and make a portion of Social Security benefits taxable for high-income retirees; limit cost-of-living adjustments under some circumstances; make new federal employees, members of Congress, the president, and other federal officials subject to Social Security taxes; and gradually increase the retirement age to 67 by 2027.

1984 The Retirement Equity Act lowers the minimum age for vesting and participation in retirement plans; requires the spouse's written consent before joint and survivor coverage may be waived under pension plans; and requires payment of a survivor annuity if a vested participant dies before the annuity's starting date.

The Tax Reform Act significantly changes the basis on which life insurance companies are taxed and includes universal life insurance within the definition of life insurance, preserving its positive tax treatment.

1985 Montana becomes the first state to forbid gender discrimination in the setting of premium rates for all types of insurance, effective October 1.

1986 The Tax Reform Act eliminates the tax deductibility of individual retirement account (IRA) contributions for highly paid persons covered by pension plans; reduces the maximum contribution to salary reduction [401(k)] plans; and limits the deductibility of interest paid on loans against corporate-owned life insurance policies.

1987 The Revenue Act establishes faster funding requirements for underfunded pension plans, a variable-rate Pension Benefit Guaranty Corp. premium, and a lower full-funding limitation for qualified plans.

1988 The Technical and Miscellaneous Revenue Act creates a new class of life insurance contract—in which policy loans and surrender payments are subject to taxation similar to that of deferred annuities—and increases the excise tax on excess pension assets upon termination of qualified plans.

1990 A significant federal tax is imposed on life insurers' deferred acquisition costs. It becomes known as the DAC tax.

1991 All 50 states and Puerto Rico now have life and health insurance company guaranty association

mechanisms.

1993 The Omnibus Budget Reconciliation Act reduces the amount of annual compensation for calculating retirement benefits to \$150,000 from \$235,840.

In *John Hancock v. Harris Trust and Savings Bank*, the U.S. Supreme Court rules that certain assets in John Hancock Life Insurance Company's general account are "plan assets" and that the company's actions regarding their management and disposition must be judged against ERISA's fiduciary standards.

1995 In *NationsBank v. Variable Annuity Life Insurance Company*, the U.S. Supreme Court rules that annuities are not a form of insurance under the National Bank Act, effectively allowing national banks to sell annuities without limitation.

The Internal Revenue Service states in proposed regulations that bank-issued, hybrid CD-annuities are taxable to purchasers.

1996 The Small Business Job Protection Act (SBA) amends ERISA to clarify the U.S. Supreme Court's decision in *John Hancock v. Harris Trust and Savings Bank* and to protect insurers from lawsuits brought for past actions taken in good-faith reliance on government rules. SBA also contains a wide variety of pension simplification provisions and creates a new SIMPLE plan for small employers.

The Health Insurance Portability and Accountability Act (HIPAA) clarifies the tax treatment of long-term care and accelerated death benefits. HIPAA permits qualified long-term care insurance and services to be treated like accident and health insurance for tax purposes, and treats accelerated death benefits paid to terminally and chronically ill individuals as amounts paid by reason of the death of the insured under a life insurance contract.

1997 The Financial Services Agreement of the General Agreement on Trade in Services locks in liberalization measures in crucial world markets. Its framework reduces or eliminates government barriers that either prevent financial services from being freely provided across national borders or discriminate against firms with foreign ownership.

Section 408A of the Taxpayer Relief Act, beginning January 1, 1998, creates the Roth IRA, in which contributions are not deductible but qualified distributions are excluded from gross income.

1998 The Insurance Marketplace Standards Association (IMSA) is launched. The voluntary membership organization promotes high ethical standards in the sale of individual life insurance and individual annuity products through IMSA's Principles and Code of Ethical Market Conduct.

1999 The Gramm-Leach-Bliley Financial Services Modernization Act eliminates laws enacted during

the Depression to restrict affiliations among insurers, banks, and securities firms. The act clarifies that insurance regulators oversee the insurance activities of all financial institutions and prohibits insurance underwriting in bank operating subsidiaries. The new law also prevents banking regulators from unilaterally broadening banks' insurance powers or circumventing the state insurance regulatory system; requires federal courts to grant equal deference to federal and state regulators in resolving insurance disputes; and permits a mutual life insurer to relocate if its state fails to enact a mutual holding company law.

George Nichols III elected as the NAIC's first African-American president in its 128-year history.

2000 The Electronic Signatures in Global and National Commerce Act ensures that life insurers and their customers can transact business over the Internet by setting national standards and making electronic signatures and records legally binding.

Legislation granting permanent normal trade relations to China is enacted, setting the stage for China's accession to the World Trade Organization.

2001 The Economic Growth and Tax Relief Reconciliation Act, containing pension reform measures and retirement saving incentives, is signed into law. The act raises the limits on contributions to 401(k)-type retirement plans and IRAs, and indexes the limits for inflation; allows those 50 and older to make additional catch-up contributions to 401(k)-type plans and IRAs annually; shortens vesting schedules for 401(k) plans; eases rules on rolling over retirement savings among private-sector, public-sector, and nonprofits' plans; and reduces administrative requirements for small businesses that set up and maintain retirement plans.

The USA Patriot Act is signed into law, requiring life insurers and other financial institutions to establish anti-money-laundering programs with internal procedures and controls, a designated compliance officer, ongoing employee training, and independent audits.

2002 The Victims of Terrorism Tax Relief Act is enacted, protecting life insurers that issue structured settlement annuities from adverse tax treatment when a beneficiary transfers the stream of income from such an annuity to a third party.

2003 NAIC adopts the Senior Protection in Annuity Transactions Model Law.

2004 Congress passes and the President signs the Pension Funding Equity Act of 2004. The bill establishes a two-year temporary replacement for the 30-year Treasury interest rate and becomes effective January 1, 2005. Included in the bill is a permanent repeal of section 809 of the tax code, which affects mutual life insurance companies.

2005 Commissioners' 2001 Standard Ordinary Mortality Tables, (2001 CSO Tables), which had been

previously adopted by the NAIC, were adopted by a majority of the states, thus putting them in effect for state regulatory purposes. These new tables replace the 1980 CSO Tables.

2006 Interstate Insurance Product Regulation Compact Commission was created to develop uniform standards for insurance products, to provide a central clearing house for regulatory review and to enhance cooperation and coordinate efforts between state insurance departments.

Pension Protection Act of 2006 was signed into law by President Bush, strengthening the federal pension insurance system and expanding opportunities for Americans to achieve a secure retirement. The legislation makes permanent increased contribution limits to 401(k)s and IRAs; establishes defined-contribution auto-enrollment; encourages annuities as payout options in employer-sponsored retirement plans; and permits the combination of long-term care insurance and annuities.

2010 The Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) is signed into law creating a new Federal Insurance Office within the Department of Treasury. The Federal Insurance Office will be responsible for understanding and advising Congress and the administration on insurance-related issues and helping negotiate international regulatory equivalency agreements.

2011 Illinois Insurance Director Michael McRaith is appointed the first director of the new Federal Office of Insurance (FIO) created by the Dodd-Frank Act. He will report to and advise the Secretary of Treasury on all life insurance matters.

Roy Woodall, Jr., was confirmed in September 2011, by the U.S. Senate, to serve as the first independent member with insurance expertise on the Financial Stability Oversight Council (FSOC).

2012 The Supreme Court upholds the health care reform law, its mandate for individual health care coverage and most of its other provisions. By this decision, the Court removed major uncertainties regarding health care reform in the U.S.

The Federal Insurance Office (FIO) establishes the Federal Advisory Committee on Insurance (FACI), a fifteen member board tasked with advising the FIO Director on emerging insurance issues. The FACI convenes its first public meeting in March.

2013 The Federal Insurance Office (FIO) releases a report entitled *How To Modernize And Improve The System Of Insurance Regulation In The United States*. The report presents several recommendations of the FIO on how the U.S. system of insurance regulation can be updated for the 21st century.

2014 The Insurance Capital Standards Clarification Act of 2014 is signed into federal law. This act clarifies to the Board of Governors of the Federal Reserve that they are not required to apply Section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which relates to capital

requirements on financial institutions, to regulated insurance entities.

2015/2016 A new way of calculating life insurance reserves was ushered into existence when the 42nd state adopted a revised Standard Valuation Law. The new method, called principle-based reserves (PBR), becomes effective for new policies issued on or after 1/1/2017, and relies more heavily on computer modeling and company-specific assumptions based on actual past experience.

2017/2018 The Tax Cuts and Jobs Act, signed into law by President Trump on December 22, 2017, represents the largest overhaul of the U.S. tax code since 1986. Among other things, the law generally benefited corporate taxpayers, including life insurers, by lowering the highest marginal corporate tax rate from 35 percent to 21 percent. However, the law also contained life insurance industry-specific provisions that will raise an additional \$24.6 billion in federal taxes from the industry over a 10 year period, according to estimates prepared by the Congressional Joint Committee on Taxation.

2019 The Securities and Exchange Commission adopted Regulation Best Interest in May 2019 to serve as a template for uniform federal-state regulation of broker-dealers and investment advisers while both protecting consumers and allowing access to a broad menu of products and advice. Regulation Best Interest elevates broker-dealer standards built above the foundation of suitability requirements, and establishes four obligations on disclosure, care, conflict of interest, and compliance.

2020/2021

Coronavirus (COVID-19)

In 2020, Life insurers paid out a record \$90.4 billion in death benefit payments in 2020, a 15.4% increase from the payments in 2019. It was the greatest year-to-year increase since 1917-18 during the influenza pandemic.

Federal Level - COVID response

As a result of the COVID-19 pandemic and economic recession, the U.S. Congress passed three separate bills aimed at assisting Americans and businesses.

- The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 aimed to incentivize coronavirus vaccine research and development. It was enacted on March 6, 2020.
- H.R. 6201, the Families First Coronavirus Response Act (“Families First Act”), provided COVID-19 mandatory paid sick and paid family medical leave for employers with fewer than 500 employees and established tax credits to fund the new leave requirements.
- H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), sought to relieve the strains on people, communities, and government resources. One way in which

the CARES act accomplished this was by seeking to boost American families' liquidity. This included: relaxing rules related to retirement plan borrowing and loan arrangements, aid for small businesses, and clarifications to paid leave provisions established in the Families First Act.

State Level - COVID response

Multiple states, in conjunction with state insurance commissioners and regulators, issued emergency orders in the spring of 2020 allowing life insurers to provide flexibility with regard to the grace periods for life and accident and health premiums, suspend all policy cancellations, extend deadlines on policy claims and waive late fees. ACLI continues to work with state regulators as they wind down the various orders to ensure consumer needs are kept in the forefront.

Economic Empowerment/Diversity and Inclusion

The events following the death of George Floyd in May 2020, and the protests against police brutality and racism, created a dialogue on Economic empowerment for Black Americans and people of color. Through its Economic Empowerment and Racial Equity Initiative, ACLI and industry leaders have committed to provide financial security to all Americans, identify new policies that offer greater security to underserved communities, and build a more diverse and inclusive profession.

2022/2023

The NAIC Life Actuarial (A) Task Force (LATF) adopted an Actuarial Guideline for Asset Adequacy Testing (AG 53), related to the modeling of complex or high-yielding assets in asset adequacy testing. The Guideline relates to attribution analysis of spreads and requires non-binding sensitivity testing on spreads.

ACLI launched *360 Community Capital*, a non-profit affiliate that will help close the racial wealth gap by investing in affordable housing. The objective of *360 Community Capital* is to identify high-quality ventures supporting affordable housing throughout the United States.

The Adjustable Interest Rate (LIBOR) Act of 2021 (H.R. 4616), was included in the Fiscal Year 2022 omnibus appropriations bill signed into law by President Biden on March 15, 2022. This legislation provides a fix for the trillions of dollars of outstanding contracts, securities, and loans that use LIBOR for their interest rates.

On December 23, 2022, Securing a Strong Retirement Act (SECURE 2.0) was passed in the U.S. Congress, with President Biden signing it into law on December 29 as part of the Consolidated Appropriations Act of 2023. The bill would improve retirement outcomes for Americans by

broadening access to multiple employer retirement plans, increasing access for part-time workers to save for retirement and improving communications to retirement plan participants. It would also allow employers to offer emergency savings accounts to help employees build rainy day funds. SECURE 2.0 will take effect on January 1, 2024.

As of October 2023, 40 states enacted best interest laws and regulations which enhance protections for consumers and safeguard access for lower- and middle-income families. The NAIC model and SEC Reg BI support consumers' right to choose the type of financial services they want, whether those services are based on one-time commissions or asset-based fees. More than 75 percent of the U.S. population live in a state with a best interest standard for annuity sales.

LIFE INSURANCE RELATED ORGANIZATIONS

American Council of Life Insurers (ACLI)

www.acli.com

101 Constitution Avenue, NW, Suite 700 Washington, DC 20001–2133
(202) 624–2000

Chair: Paul A. Quaranto, Jr. (Boston Mutual Life Insurance Company)

Chair–Elect: Rich Bielen (Protective Life Corporation)

President and Chief Executive Officer: Susan K. Neely

The American Council of Life Insurers (ACLI) is a Washington D.C.-based trade association that advocates on behalf of approximately 280 member companies dedicated to providing products and services that contribute to consumers' financial and retirement security. 90 million families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. ACLI represents member companies in state, federal and international forums for public policy that supports the industry marketplace and the families that rely on life insurers' products for peace of mind. ACLI members represent 94 percent of industry assets in the United States.

America's Health Insurance Plans (AHIP)

www.ahip.org

AHIP is a trade association representing companies that finance and deliver health care and provide other health insurance products and services.

American Academy of Actuaries

www.actuary.org

The Academy is a public policy and communications organization representing actuaries in all practice specialties. It provides a liaison with federal and state governments, relations with other professions,

dissemination of public information, and development of standards of professional conduct. It also develops standards of practice through the Actuarial Standards Board, an independent body within the academy. The Academy consists largely of members of the Casualty Actuarial Society, Conference of Consulting Actuaries, Society of Actuaries, and actuaries enrolled under ERISA. Membership criteria include experience and education standards.

The American College

www.theamericancollege.edu

The College offers professional certification and graduate degree distance-education to those seeking career growth in financial services. The College offers programs of study leading to the award of Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Registered Health Underwriter (RHU), and Registered Employee Benefits Consultant (REBC) diplomas and professional designations. Grants a Master of Science in Financial Services degree through the Graduate School of Financial Sciences, and a Master of Management degree through the Richard D. Irwin Graduate School of Management. Accredited by the Middle States Association of Colleges and Schools' Commission on Higher Education.

American Fraternal Alliance (AFA)

www.fraternalalliance.org

The Fraternal Alliance is the association and voice of fraternal benefit societies, which provides education, guidance, standards, and information on best practices and governance.

American Risk and Insurance Association (ARIA)

www.aria.org

ARIA is a society of insurance educators and others interested in risk and insurance education and research.

American Society of Pension Professionals & Actuaries (ASPPA)

www.asppa.org

ASPPA educates pension actuaries, consultants, administrators, and other benefits professionals, and preserves and enhances the private pension system in developing a cohesive and coherent national retirement income policy. Offers an examination program for employee benefits professionals and represents the interests of its members before appropriate forums.

Association of Home Office Underwriters (AHOU)

www.ahou.org

The mission of the AHOU is to advance the knowledge of sound underwriting of life and disability insurance risks, toward which end it holds meetings, publishes papers and discussions, and promotes educational programs. The association also provides valuable information sharing and networking opportunities to its members.

Conference of Consulting Actuaries

www.cactuaries.org

The Conference advances the quality of consulting practice, supports the needs of consulting actuaries, and

represents their interests. Comprises consulting actuaries in all disciplines.

Consumer Credit Industry Association (CCIA)

www.cciaonline.com

CCIA is a national trade organization for insurers that underwrite consumer credit insurance in the areas of life, accident and health, property, and involuntary unemployment insurance. Acts to preserve, promote and enhance the availability, utility, and integrity of insurance and related products and services delivered in connection with financial transactions.

Global Federation of Insurance Associations (GFIA)

<http://www.gfiainsurance.org/en/>

GFIA is a non-profit association established to represent national and regional insurance associations that serve the general interests of life, health, general insurance and reinsurance companies and to make representations to national governments, international regulators, and others on their behalf.

The Griffith Insurance Education Foundation

www.griffithfoundation.org

The Foundation was founded at a major mid-western university to develop and support an insurance and risk management program. It promotes the teaching of risk management and insurance by colleges, universities, and other institutions of higher learning, and student participation in these programs, and offers education programs for public policy-makers on managing risks through insurance mechanisms.

Health Insurance Association of America (HIAA) *See America's Health Insurance Plans (AHIP).*

Insurance and Financial Communicators Association (IFCA)

www.ifcaonline.com

IFCA is an international organization dedicated to the ongoing professional development of its members in life insurance and related financial services communications. The association operates on a volunteer basis and offers programs and activities for its members. IFCA's primary objective is to encourage and promote the exchange of experience and ideas through an extensive program of formal schools, workshops, seminars, newsletters, research studies, networking, international awards competition, and meetings.

Insurance Accounting and Systems Association (IASA)

www.iasa.org

IASA works to enhance individual, organizational, and industry effectiveness by facilitating the exchange of information and ideas among insurance-related professionals.

Insurance Information Institute (III)

www.iii.org

The mission of III is to improve public understanding of insurance. III provides definitive insurance information and statistics for government, media, educational institutions, and the public.

Insured Retirement Institute (IRI)www.irionline.org

With over 350 members, IRI represents all segments of the annuity and variable life industry. It serves as a forum for the exchange of information, and provides the public, media, and industry with information on the benefits of annuities and related products.

International Association of Insurance Supervisors (IAIS)www.iaisweb.org

The IAIS is a voluntary membership organization composed of insurance supervisors and regulators from around the world. The organization's goal is to create a consistent and effective system of global insurance regulation to promote policyholder protections and financial stability.

International Claim Association (ICA)www.claim.org

ICA is composed of life and health insurance company officers and employees who handle their companies' claims function.

Life Communicators Association *See Insurance and Financial Communicators Association (IFCA).*

Life Insurers Council (LIC)www.loma.org/lic

A council of LOMA, LIC is an association of insurance companies that serve the basic insurance needs of the general public, including the underserved market, through various distribution methods by promoting standards of business conduct which are in the best interests of policyholders; representing its members by addressing legislative, regulatory and consumer issues; and promoting the interchange of experience and ideas for the betterment of the public and the insurance industry.

LIMRA International, Inc.www.limra.com

LIMRA is a member-owned organization dedicated to meeting the marketing information needs of companies involved in marketing annuity, disability, health, life, mutual fund, and retirement savings products. LIMRA works to improve the efficiency of life insurance distribution through scientific management methods, serves as the principal source of industry sales and marketing statistics, conducts research, provides consulting and management educational services, and prepares a wide range of publications.

LOMA (Life Office Management Association)www.loma.org

An international association through which more than 1,200 insurance and financial services companies from over 80 countries engage in research and educational activities to improve company operations. Members are involved in life and health insurance, managed care, annuities, pensions, banking, securities, and other financial services areas. LOMA is committed to working as partners with members worldwide to improve management and operations through quality employee development, research, information sharing,

and related products and services.

MIB Group, Inc.

www.mib.com

Formerly the Medical Information Bureau, MIB is a nonprofit association founded by medical directors to provide a central information exchange for more than 600 member life insurance companies.

MDRT

www.mdrt.org

MDRT (formerly Million Dollar Round Table) is composed of life insurance agents who consistently sell a predetermined amount of life insurance annually and maintain membership in the National Association of Insurance and Financial Advisors.

NAFA (National Association for Fixed Annuities)

<https://nafa.com>

NAFA is exclusively dedicated to promoting the awareness and understanding of fixed income and deferred annuities through the education of policymakers, journalists, consumers, and the industry about the benefits of fixed annuities.

National Association of Insurance Commissioners (NAIC)

www.naic.org

NAIC is an organization of state insurance regulators from the 50 states, the District of Columbia and the four U.S. territories. NAIC functions as a regulatory support organization and serves the public interest by promoting uniformity of legislation and regulation, facilitating the fair and equitable treatment of insurance consumers, promoting the reliability, solvency and financial solidity of insurance institutions, and supporting and improving state regulation of insurance.

National Association of Insurance and Financial Advisors (NAIFA)

www.naifa.org

NAIFA is a national nonprofit organization representing the interests of more than 200,000 insurance and financial advisors nationwide, through its federation of over 600 state and local associations. NAIFA is the nation's largest financial services membership association. Promotes high ethical standards, supports legislation in the interest of policyholders and agents, participates in community service, and provides agent education seminars and sales congresses.

National Association for Variable Annuities (NAVA) *See Insured Retirement Institute (IRI)*

National Fraternal Congress of America (NFCA) *See American Fraternal Alliance (AFA)*

National Organization of Life and Health Insurance Guaranty Associations (NOLHGA)

www.nolhga.com

NOLHGA is a voluntary association comprised of the life and health insurance guaranty associations of all 50 states, the District of Columbia, and Puerto Rico. This nonprofit organization assists its members in handling multi-state insolvencies, coordinates their resolution, and provides a forum for resolving issues and problems related to the operation of state life and health insurance guaranty associations.

Society of Actuaries (SOA)

www.soa.org

SOA is an organization of skilled professionals applying mathematical and economic probabilities to financial security programs. Educates and qualifies candidates to become members, provides continuing education and professional development programs, promotes and publishes actuarial research, and maintains and enforces a professional conduct code for its members. The Society determines membership by successful completion of a rigorous set of examinations leading to the designation of Associate or Fellow in the society.

Society of Financial Service Professionals (Society of FSP)

www.societyoffsp.org

Society of FSP is an organization of professionals who have earned designations in the fields of insurance and financial services. The Society comprises agents, company executives, insurance regulators, educators, attorneys, certified public accountants, and bank trust officers, who participate in local chapters.

S.S. Huebner Foundation for Insurance Education

www.huebnerfoundation.com

The foundation's mission is to strengthen insurance education at the university level by increasing the number of professors specializing in insurance. The foundation makes fellowship grants for doctoral study and publishes research studies in the field of insurance.



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