

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.

© 2023 American Council of Life Insurers

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without permission of the publisher.

Library of Congress Catalog Number 47-27134

Contents

Preface	xii	Reinsurance Relationship	84
Methodology	xiv	Underwriting Strength	84
Key Statistics	xvi	Product Flexibility	84
		Capital Management	84
1 Overview	1	Types of Reinsurance	84
Organizational Structure	1	Proportional Reinsurance	85
Stock and Mutual Life Insurers	1	Non-Proportional Reinsurance	85
Other Life Insurance Providers	2	7 Life Insurance	89
Employment	2	Individual Life Insurance	89
Foreign Ownership	2	Types of Policies	90
2 Assets	11	Characteristics of Individual Policies	91
Bond Holdings and Acquisitions	11	Group Life Insurance	91
Types of Bonds	12	Credit Life Insurance	92
Characteristics of Bonds	12	Policy Claims Resisted or Compromised	92
Stock Holdings and Acquisitions	13	8 Annuities	103
Mortgages	13	Group and Individual Annuities	103
Real Estate	14	Supplementary Contracts, Annuities Certain, and	
Policy Loans	14	Other Annuities	104
Foreign-Controlled Assets	14	9 Household Ownership and Access To	
3 Liabilities	31	Insurance Products	111
Policy Reserves	31	Employer-Sponsored Benefits	111
Deposit-Type Contracts	32	Retirement Savings	112
Asset Fluctuation Reserves	32	Life Insurance Ownership	112
Other Liabilities	32	Disability Income Insurance	112
Surplus Funds and Capital Stock	33	Individual Disability Income Insurance	113
Capital Ratios	33	Group Disability Income Insurance	114
4 Income	51	Long-Term Care Insurance	114
Premium Income	51	Individual Long-Term Care Insurance	115
Investment Income and Rate of Return	52	Group Long-Term Care Coverage	115
Net Gain From Operations	52	Accelerated and Supplemental Benefits	116
5 Expenditures	67	10 In the States	123
Contract Payments	67	11 Industry Rankings	139
From Life Insurance Policies	67	12 Life Expectancy and Changing	
From Annuity Contracts	68	Demographics	161
From Health Insurance Policies	68	APPENDIX	179
Operating Expenses	68	A Glossary of Insurance Related Terms	180
Investment Expenses	68	B Historic Dates	197
6 Reinsurance	83	C Life Insurance Related Organizations	209
Allocating Risk	83		

Illustrations

TABLES

Overview

1.1	Number of U.S. Life Insurers, by Organizational Structure	3
1.2	Size of U.S. Life Insurers by Organizational Structure, 2022 (millions)	3
1.3	Veterans Life Insurance, 2022	4
1.4	Insurance Industry Employment in the United States	5
1.5	Foreign-Owned U.S. Life Insurers, 2018–2022	5
1.6	Foreign-Owned Life Insurers Operating in the United States, by Country of Origin	6
1.7	U.S. Life Insurers Organizational Structure, by Year	7
1.8	Insurance Industry Employment in the United States, by Year	9

Assets

2.1	Distribution of Life Insurer Assets, by Account Type, 2022 (millions)	15
2.2	Distribution of Life Insurer Assets, by Account Type and Year	16
2.3	Distribution of Long-Term General Account Bond Investments	19
2.4	Distribution of General Account Bonds, by Remaining Maturity, 2018–2022	20
2.5	Distribution of General Account Bonds at Time of Purchase, 2022	21
2.6	Distribution of General Account Bonds, by NAIC Quality Class	21
2.7	Quality of Mortgages Held by Life Insurers (millions)	24
2.8	General Account Mortgages for Life Insurers, by Type and Loan-to-Value Ratios, 2022 (millions)	25
2.9	Real Estate Owned by Life Insurers, by Type	25
2.10	Foreign-Controlled Assets of U.S. Life Insurers, by Country and Year (millions)	26
2.11	Asset Distribution of Life Insurers, by Year (millions)	27

Liabilities

3.1	Liabilities and Surplus Funds of Life Insurers	35
3.2	Policy Reserves of Life Insurers, by Line of Business	37
3.3	Deposit-Type Contracts, 2022 (millions)	39
3.4	Capital Ratios of Life Insurers (percent)	40
3.5	Levels of Risk-Based Capital Held by Life Insurers, 2012–2022	41
3.6	Life Insurers Policy Reserves for Accident and Health Contracts, by Line of Business	42
3.7	Life Insurers Policy Reserves, by Line of Business and Year (millions)	42
3.8	Life Insurance Policy Reserves, by Type and Year (millions)	45
3.9	Life Insurer Liabilities and Surplus Funds, by Year (millions)	47
3.10	Capital Ratios of Life Insurers, by Year (percent)	49

Income

4.1	Income of Life Insurers	53
4.2	Premium Receipts of Life Insurers	54

4.3	Individual and Group Life Insurance Net Premium Receipts, 2022 (millions)	55
4.4	Individual and Group Annuity Considerations, 2022 (millions)	55
4.5	Individual Life Premiums and Annuity Considerations as Percentage of Disposable Personal Income	56
4.6	Accident and Health Insurance Net Premium Receipts	56
4.7	Net Investment Income	57
4.8	Rates of Return on Invested Assets of Life Insurers	57
4.9	Net Gain From Operations After Federal Income Taxes	58
4.10	Income of Life Insurers, by Year (millions)	59
4.11	Individual Life Insurance Premium Receipts, by Year (millions)	61
4.12	Individual Annuity Considerations, by Year (millions)	63
4.13	Rates of Return on Invested Assets of Life Insurers, by Year (percent)	65
Expenditures		
5.1	Expenditures of Life Insurers	71
5.2	Payments From Life Insurance Policies	72
5.3	Payments From Annuity Contracts	73
5.4	Payments From Health Insurance Policies	74
5.5	Life Insurer Home- and Field-Office Expenses	75
5.6	Investment Expenses of Life Insurers	76
5.7	Payments Under Life Insurance Policies and Annuity Contracts by Year (millions)	77
5.8	Payments to Life Insurance Beneficiaries, by Year	79
5.9	Health Insurance Benefit Payments by Life Insurers, by Year (millions)	81
Reinsurance		
6.1	Reinsurance Assumed and Ceded—Premiums	86
6.2	Life Reinsurance Assumed (face amount)	88
Life Insurance		
7.1	Life Insurance in the United States	95
7.2	Individual Life Insurance Purchases in the United States, by Plan Type, 2022	96
7.3	Life Insurance Purchases, by Participating Status	96
7.4	Voluntary Termination Rates for Life Insurance Policies, Calculated by Face Amount (percent)	97
7.5	Voluntary Termination Rates for Life Insurance Policies, Calculated by Number of Policies (percent)	97
7.6	Life Insurance With Disability Provisions, 2022	98
7.7	New Policy Claims Resisted or Compromised (thousands)	99
7.8	Life Insurance Purchases, by Year	99
7.9	Life Insurance in Force in the United States, by Year (millions)	101
Annuities		
8.1	Annuity Considerations	105
8.2	Reserves for Annuity Contracts	105
8.3	Annuity Benefit Payments	106
8.4	Annuity Considerations, by Year (millions)	107

8.5	Annuity Reserves, by Year	109
Household Ownership and Access To Insurance Products		
9.1	Access to Employer Sponsored Benefits, Percent All Private Industry Employees	117
9.2	Household Ownership of Dedicated Retirement Saving Accounts	118
9.3	Household Ownership of Dedicated Retirement Saving Accounts, By Race	119
9.4	Median Household Retirement Saving Balance, By Race	120
9.5	Households with Life Insurance Coverage	120
9.6	Selected Accident and Health Products of Life Insurers	121
In the States		
10.1	Life Insurers, by State of Domicile, 2022	124
10.2	Life Insurance Purchases, by State, 2022 (millions)	125
10.3	Life Insurance in Force, by State, 2022	127
10.4	Life Insurance and Annuity Benefit Payments, by State, 2022 (thousands)	129
10.5	Payments to Life Insurance Beneficiaries, by State, 2022 (thousands)	131
10.6	Direct Premium Receipts of Life Insurers, by State, 2022 (millions)	133
10.7	Mortgages Owned by Life Insurers, by Type and State, 2022 (thousands)	135
10.8	Real Estate Owned by Life Insurers, by State, 2022 (thousands)	137
Industry Rankings		
11.1	Largest Life Insurers, by Total Assets, 2022 (millions)	140
11.2	Largest Life Insurers, by General Account Assets, 2022 (millions)	141
11.3	Largest Life Insurers, by Separate Account Assets, 2022 (millions)	142
11.4	Largest Life Insurers, by Individual Net Life Insurance Premiums, 2022 (millions)	143
11.5	Largest Life Insurers, by Group Net Life Insurance Premiums, 2022 (millions)	144
11.6	Largest Life Insurers, by Total Net Life Insurance Premiums, 2022 (millions)	145
11.7	Largest Life Insurers, by Individual Direct Life Insurance Premiums, 2022 (millions)	146
11.8	Largest Life Insurers, by Group Direct Life Insurance Premiums, 2022 (millions)	147
11.9	Largest Life Insurers, by Total Direct Life Insurance Premiums, 2022 (millions)	148
11.10	Largest Life Insurers, by Individual Life Insurance Issued, 2022 (millions)	149
11.11	Largest Life Insurers, by Group Life Insurance Issued, 2022 (millions)	150
11.12	Largest Life Insurers, by Total Life Insurance Issued, 2022 (millions)	151
11.13	Largest Life Insurers, by Individual Life Insurance in Force, 2022 (millions)	152
11.14	Largest Life Insurers, by Group Life Insurance in Force, 2022 (millions)	153
11.15	Largest Life Insurers, by Total Life Insurance in Force, 2022 (millions)	154
11.16	Largest Life Insurers, by Individual Direct Annuity Considerations, 2022 (millions)	155
11.17	Largest Life Insurers, by Group Direct Annuity Considerations, 2022 (millions)	156
11.18	Largest Life Insurers, by Total Direct Annuity Considerations, 2022 (millions)	157
11.19	Largest Life Insurers, by Individual Annuity Reserves, 2022 (millions)	158
11.20	Largest Life Insurers, by Group Annuity Reserves, 2022 (millions)	159

11.21	Largest Life Insurers, by Total Annuity Reserves, 2022 (millions)	160
-------	---	-----

Life Expectancy and Changing Demographics

12.1	Death Rates in the United States	162
12.2	Life Expectancy, by Age and Gender, 1900–2020	163
12.3	U.S. Registered Births and Deaths	175
12.4	U.S. Resident Population	177
12.5	U.S. Resident Population, Age Distribution	178

FIGURES

2.1	Growth of Life Insurers' Assets	29
2.2	Asset Distribution of Life Insurers, 2022	29
2.3	Mortgages Held by Life Insurers, by Type	30
2.4	Real Estate Owned by Life Insurers, 2022	30
3.1	Growth of Life Insurers' Policy Reserves	50
3.2	Distribution of Life Insurers' Policy Reserves, 2022	50
4.1	Distribution of Life Insurers' Net Premium Receipts, 2022	66
5.1	Distribution of Life Insurers' Expenditures, 2022	70
7.1	Individual, Group, and Credit Life Insurance in Force in the United States (face amount)	93
7.2	Average Face Amount of Individual Life Insurance Policies Purchased	94

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.

Andrew Melnyk, Ph.D.
Vice President, Research & Chief Economist

Khari Cook
Senior Research Analyst

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

