

4 INCOME

The gross income of life insurance companies comes from two main sources: premiums paid by policyholders and earnings on investments. In 2004, total income of all U.S. life insurers increased 4 percent to \$760 billion (Table 4.1). Insurance premiums and annuity considerations contributed 71 percent of total income. Investment earnings contributed 25 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 (see Chapter 5). 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 6 percent to \$542 billion in 2004 (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 2004, life policies accounted for roughly one-quarter of premium receipts (26%), while annuity considerations contributed more than half (51%) (Figure 4.1). Over time, the health insurance share of premium income has fallen 33 percent in 1975 to 23 percent last year (Table 4.10).

Table 4.1 **Income of Life Insurers**

	Millions			Average annual percent change	
	1994	2003	2004	1994/2004	2003/2004
Net premiums and considerations					
Life insurance premiums	\$96,272	\$127,320	\$139,691	3.8	9.7
Annuity considerations ¹	153,849	268,558	276,677	6.0	3.0
Health insurance premiums	76,221	115,827	125,752	5.1	8.6
Other ²	NA	-2,896	-2,694	NA	7.0
Total	326,342	508,809	539,426	5.2	6.0
Investment income ³	125,999	179,744	186,827	4.0	3.9
Other income ⁴	28,478	38,454	30,557	0.7	-20.5
Aggregate total	480,819	727,007	756,810	4.6	4.1

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. 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 U.S. life insurers and, as of 2003, fraternal benefit societies.

¹Beginning in 2001, excludes certain deposit-type funds from income due to codification. Also excludes supplementary contracts without life contingencies and annuities certain, lottery payments, structured settlements, and income payment options.

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

³For 2003 and 2004, represents gross investment income. For 1994, figures are net of investment expenses.

⁴Includes commissions and expense allowance on reinsurance ceded. For 2003 and 2004, includes amortization of interest maintenance reserve.

Premiums for life insurance policies totaled \$140 billion in 2004, up 10 percent from the previous year (Table 4.2). Individual policy premiums accounted for the largest share at \$111 billion, or 79 percent. Most were renewals, representing \$71 billion, or 64 percent, of individual premiums (Table 4.3). Group insurance was the second-largest contributor to life insurance premiums at \$28 billion, or 20 percent of the total. Again, renewals constituted the largest portion at \$24 billion, or 86 percent, of all group premiums. Credit life provided \$1 billion, or about 1 percent, of all life insurance premiums (Table 4.2). Americans spent 1.3 percent of total disposable (after-tax) personal income on individual life insurance in 2004 (Table 4.5).

Table 4.2 Premium Receipts of Life Insurers

	Millions			Average annual percent change	
	1994	2003	2004	1994/2004	2003/2004
Life insurance premiums					
Individual	\$76,054	\$101,018	\$110,855	3.8	9.7
Group	18,297	25,257	27,686	4.2	9.6
Credit	1,921	1,046	1,150	-5.0	10.0
Total	96,272	127,320	139,691	3.8	9.7
Annuity considerations¹					
Individual	80,832	165,943	172,140	7.9	3.7
Group	73,017	102,614	104,537	3.7	1.9
Total	153,849	268,558	276,677	6.0	3.0
Health insurance premiums					
Individual	20,442	36,189	39,124	6.7	8.1
Group	53,822	78,518	85,471	4.7	8.9
Credit	1,957	1,119	1,157	-5.1	3.3
Total	76,221	115,827	125,752	5.1	8.6
Other²	NA	-2,896	-2,694	NA	7.0
Aggregate total	326,342	508,809	539,426	5.2	6.0

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. 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 U.S. life insurers and, as of 2003, fraternal benefit societies.

¹Beginning in 2001, excludes certain deposit-type funds from income due to codification. Also excludes resources for supplementary contracts without life contingencies and annuities certain, lottery payments, structured settlements, and income payment options.

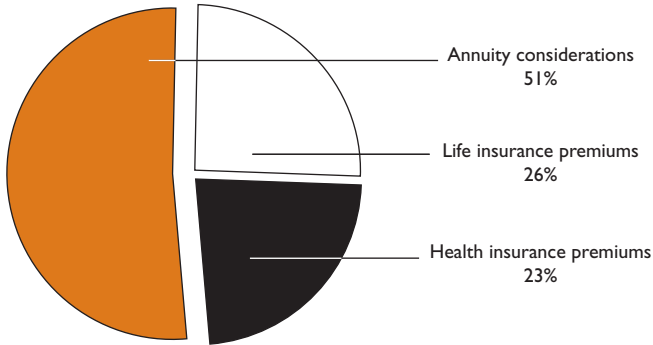
²Includes lines of business other than life (e.g. workers compensation, aviation insurance, etc.).

Annuity considerations increased 3 percent in 2004 to \$277 billion (Table 4.2). Individual annuities provided \$172 billion in premium receipts, increasing 4 percent from 2003. Of total annuity considerations, single premiums constitute the largest share of this category at \$86 billion, while group considerations counted renewals as the largest contributor with \$53 billion (Table 4.4). Individual annuity considerations amounted to 2.0 percent of disposable personal income in 2004 (Table 4.5).

Premiums for accident and health insurance increased 9 percent to \$126 billion in 2004 (Table 4.1) with group premiums being the largest portion at \$85 billion, up 9 percent from 2003 (Table 4.2). Individual accident and health premiums climbed 8 percent to \$39 billion, with the largest share at \$28 billion coming from guaranteed renewable contracts (Table 4.6).

Figure 4.1

Distribution of Life Insurers' Premium Receipts, 2004



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.

INVESTMENT INCOME AND RATE OF RETURN

Net investment income of life insurance companies amounted to \$175 billion in 2004 (Table 4.7). The largest source of investment income was from bonds at \$128 billion, followed by mortgage loans (\$20 billion) and common stock (\$16 billion). Gross investment income increased 4 percent from 2003. Investment expenses, taxes, and deductions totaling \$12 billion were up 4 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 annual mean of invested assets. The gross rate of total fixed income assets is calculated by dividing the gross investment income on bonds by the average net investment in bonds.

In 2004, life insurers' net rate of return on total assets dropped to 4.80 percent from 5.03 percent 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 5.93 percent in 2004, down from 6.17 percent in 2003.

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 applies to fixed-income assets of both general and separate accounts. The industry's gross rate on total fixed-income assets fell to 6.03 in 2004 from 6.44 a year earlier.

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 rose 10 percent in 2004 to \$38 billion (Table 4.9). Net gains can be calculated separately for each major line of business. Net gains from annuities increased 4 percent to \$13 billion. The net gain from life insurance increased 7 percent to \$12 billion.

Table 4.3 Individual and Group Life Insurance Net Premium Receipts (millions)

	2004	
	Millions	Percent distribution ¹
Individual		
First-year	\$16,098	14.5
Single ²	23,550	21.2
Renewal	71,207	64.2
Total	110,855	100.0
Group		
First-year	2,199	7.9
Single	1,739	6.3
Renewal	23,747	85.8
Total	27,686	100.0
Total premium receipts		
First-year	18,297	13.2
Single	25,289	18.3
Renewal	94,955	68.5
Aggregate total ³	138,541	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. Codification effective with 2001 Annual Statement filings changed the reporting of certain lines of business, particularly deposit-type contracts, as explained in numbered footnotes. Credit life premiums on loans of 10 years' or less duration are excluded. Data represent U.S. life insurers and fraternal benefit societies.

NA: Not available.

¹Figures may not add to 100 percent because of rounding.

²Includes dividend additions, excess premiums beyond planned periodic premiums, and single-premium riders.

³Aggregate total does not match that in other tables because other, non-life, lines of business are not included.

Table 4.4 Individual and Group Annuity Considerations, 2004 (millions)

	Individual ¹	Percent distribution	Group ¹	Percent distribution	Total	Percent distribution
First-year	\$60,568	35.2	\$23,820	22.8	\$84,388	30.5
Single ²	86,383	50.2	27,537	26.3	\$113,921	41.2
Renewal	25,188	14.6	53,180	50.9	\$78,368	28.3
Total	172,140	100.0	104,537	100.0	276,677	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. 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 U.S. life insurers and fraternal benefit societies.

¹Beginning in 2001, 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.

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

Table 4.5**Individual Life Premiums and Annuity Considerations as Percentage of Disposable Personal Income**

	Percent			Average annual percent change	
	1994	2003	2004	1994/2004	2003/2004
Individual					
Life premiums	1.48	1.24	1.28	-1.4	3.5
Annuity considerations ¹	1.57	2.03	1.99	2.4	-2.2
Total	3.05	3.27	3.27	0.7	-0.1

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. 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 U.S. life insurers and, as of 2003, fraternal benefit societies.

¹Beginning in 2001, 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.

Table 4.6**Accident and Health Insurance Net Premium Receipts**

Group	Millions			Average annual percent change	
	1995 ¹	2003	2004	1995/2004	2003/2004
Group	\$64,036	78,518	85,471	3.3	8.9
Credit	1,834	1,119	1,157	-5.0	3.3
Individual					
Collectively renewable	706	206	142	-16.3	-31.2
Noncancelable	4,609	5,237	5,791	2.6	10.6
Guaranteed renewable	14,911	25,814	27,875	7.2	8.0
Nonrenewable	1,605	1,186	1,230	-2.9	3.7
Other accident	485	587	546	1.3	-7.1
All other	1,853	3,159	3,540	7.5	12.0
Total	24,168	36,189	39,124	5.5	8.1
Aggregate total	90,038	115,827	125,752	3.8	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. Premium receipts are net of reinsurance. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

¹Data for 1994 is not available.

Table 4.7 **Net Investment Income**

	Millions			Average annual percent change	
	1995 ¹	2003	2004	1995/2004	2003/2004
Gross investment income					
Bonds	\$93,599	\$125,227	\$128,003	3.5	2.2
Preferred stock	894	1,465	1,563	6.4	6.7
Common stock	14,930	12,169	15,813	0.6	29.9
Mortgage loans	19,408	19,919	20,120	0.4	1.0
Real estate	9,441	5,246	4,935	-7.0	-5.9
Contract loans	7,103	7,503	7,099	0.0	-5.4
Cash/Short-term investments	4,353	1,929	1,843	-9.1	-4.5
Other invested assets	2,854	4,949	6,663	9.9	34.6
Derivative instruments	57	-1	-92	NA	NA
Other write-ins	2,057	1,338	879	-9.0	-34.3
Total	154,696	179,744	186,827	2.1	3.9
Expenses, taxes, and deductions					
	12,132	11,319	11,744	-0.4	3.8
Net investment income	142,564	168,425	175,082	2.3	4.0

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, as of 2003, fraternal benefit societies.

¹Data for 1994 is not available.

Table 4.8 Rates of Return on Invested Assets of Life Insurers

	Percent			Average annual percent change	
	1994	2003	2004	1994/2004	2003/2004
Net rate					
Total assets	7.14	5.03	4.80	-3.9	-4.5
General account only	7.63	6.17	5.93	-2.5	-3.9
Gross rate					
Total fixed-income assets	8.22	6.44	6.03	-3.1	-6.3

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, as of 2003, fraternal benefit societies

Table 4.9 Net Gain From Operations After Federal Income Taxes

	Millions			Average annual percent change	
	1995 ¹	2003	2004	1995/2004	2003/2004
Life insurance					
Individual	\$5,461	\$8,721	\$9,593	6.5	10.0
Group	983	1,804	1,714	6.4	-5.0
Credit	349	490	450	2.9	-8.1
Total	6,793	11,015	11,757	6.3	6.7
Annuities²					
Individual	3,576	6,970	6,786	7.4	-2.6
Group	2,398	5,792	6,431	11.6	11.0
Total	5,974	12,763	13,217	9.2	3.6
Accident and health					
Individual	474	1,948	2,184	18.5	12.1
Group	1,578	4,307	5,756	15.5	33.6
Credit	197	297	224	1.4	-24.5
Total	2,248	6,552	8,164	15.4	24.6
Aggregate total	15,015	30,330	33,137	9.2	9.3

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. Net gain is calculated after dividends to policyholders and federal income taxes are deducted and before realized capitals gains or (losses) are added. 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 U.S. life insurers and, as of 2003, fraternal benefit societies.

NC: Not calculated, because the change involves positive and negative numbers.

¹Data for 1994 is not available.

²Beginning in 2001, 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.

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
1986	66,213	83,712*	44,153	194,078	75,435	12,744	282,257
1987	76,737	88,677	47,549	212,963	82,875	18,460	314,298
1988	73,531	103,278	52,306	229,115	92,042	16,983	338,140
1989	73,290	114,997	56,079	244,366	103,965	18,987	367,318

Continued

Table 4.10 Continued

Year	Net Premium receipts				Investment income ¹	Other income ²	Total income
	Life insurance premiums	Annuity considerations	Health insurance premiums	Total premium receipts			
1990	76,692	129,064	58,254	264,010	111,853	26,337	402,200
1991	79,301	123,590	60,900	263,791	118,984	28,247	411,022
1992	83,868	132,645	65,545	282,058	121,389	23,469	426,916
1993	94,448	156,445	68,658	319,551	124,205	22,594	466,350
1994	98,948	153,019	86,184	338,151	125,999	28,478	492,628
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	47,678	811,469
2001	125,314	251,255 [^]	103,413	479,132	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	508,809	179,744	38,454	727,007
2004 [‡]	139,691	276,677 [^]	125,752	539,426	186,827	30,557	756,810

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. Total premium receipts includes lines of business other than life insurance. Codification effective with 2001 Annual Statement filings changed the reporting of certain lines of business, particularly deposit-type contracts, as explained in footnotes. 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.

*Unusually large increase due to NAIC-mandated change in reporting method for group annuity considerations.

[^]Excludes certain deposit-type funds from income due to codification.

[‡]Includes fraternal benefit societies.

¹For 2000–02, 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.

Table 4.11 Individual Life Insurance Premium Receipts, by Year (millions)

Year	First-year	Single ¹	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

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.

‡Includes fraternal benefit societies.

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

**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

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.

[‡]Includes fraternal benefit societies.

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

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
1981	8.57	8.53	9.87
1982	8.91	8.87	10.35
1983	8.96	9.08	10.63
1984	9.45	9.65	11.35
1985	9.63	9.87	12.23
1986	9.35	9.64	11.14
1987	9.10	9.39	10.62
1988	9.03	9.41	10.51
1989	9.10	9.47	10.58
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

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.

‡Includes fraternal benefit societies.

NA: Not available