

**AMERICAN COUNCIL OF LIFE INSURERS**

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**LIFE INSURERS  
FACT BOOK 2019**

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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## **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 95 percent of industry assets, 92 percent of life insurance premiums, and 98 percent of annuity considerations in the United States.

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) 2018 statutory data for the life industry as of June 2019, 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 2019*: Michele Alexander, Jim Bishop, Khari Cook, 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* are reported in standardized tables that summarize information for the current year (2018 data), last year (2017 data), and 10 years previous (2008 data), along with the average annual percentage change over the last year and the last ten years. In cases where 2008 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:

$$\frac{(\text{net investment income})}{2\text{-year average net invested assets}}$$

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

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  $(\text{CY Bonds} + \text{PY Bonds} - \text{gross investment income on bonds}) / 2$ .



## Key U.S. Life Insurers Statistics

	2008	2017	2018	Average annual percent change	
				2008/2018	2017/2018
<b>Life insurance in force (millions)<sup>1</sup></b>					
Individual	\$10,254,379	\$11,927,253	\$12,120,445	1.7	1.6
Group	8,717,453	8,410,652	7,366,765	-1.7	-12.4
Credit	148,443	77,787	83,534	-5.6	7.4
Total	19,120,276	20,415,692	19,570,744	0.2	-4.1
<b>Annuity considerations (millions)<sup>2</sup></b>					
Individual <sup>3</sup>	\$208,965	\$164,790	\$154,660	-3.0	-6.1
Group	119,169	130,070	124,638	0.4	-4.2
Total	328,135	294,861	279,298	-1.6	-5.3
<b>Payments under life insurance and annuity contracts (millions)</b>					
Payments to beneficiaries	\$59,949	\$77,057	\$79,703	2.9	3.4
Surrenders values <sup>4</sup>	295,283	312,579	354,352	1.8	13.4
Policyholder dividends	19,053	17,725	18,405	-0.3	3.8
Annuity payments <sup>5</sup>	69,648	81,649	83,408	1.8	2.2
Matured endowments	614	464	405	-4.1	-12.6
Other payments <sup>6</sup>	555	608	676	2.0	11.2
Total	445,101	490,083	536,949	1.9	9.6
<b>Income of life insurers (millions)</b>					
Life insurance premiums	\$147,182	\$141,794	\$150,192	0.2	5.9
Annuity considerations <sup>2</sup>	328,135	294,861	279,298	-1.6	-5.3
Health insurance premiums	165,034	170,498	185,446	1.2	8.8
Total	640,350	607,152	614,935	-0.4	1.3
Investment income	260,123	280,764	312,524	1.9	11.3
Other income <sup>7</sup>	40,166	85,522	80,763	7.2	-5.6
Aggregate total	940,638	973,438	1,008,222	0.7	3.6
<b>Life insurers doing business in the United States (units)</b>					
Stock	741	584	580	-2.4	-0.7
Mutual <sup>8</sup>	132	112	109	-1.9	-2.7
Fraternal <sup>9</sup>	95	76	75	-2.3	-1.3
Other <sup>10</sup>	8	9	9	1.2	-
Total	976	781	773	-2.3	-1.0

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.

<sup>1</sup>Data represent net business.

<sup>2</sup>Excludes deposits for guaranteed interest contracts due to codification. Data represents net business.

<sup>3</sup>Includes supplementary contracts with life contingencies.

<sup>4</sup>Excludes payments under deposit-type contracts, and includes annuity withdrawals of funds, for which a comparable amount in prior years is not available.

<sup>5</sup>Excludes payments under deposit-type contracts.

<sup>6</sup>Includes some disability benefits and retained assets.

<sup>7</sup>Includes commissions and expense allowance on reinsurance ceded. Also, includes amortization of interest maintenance reserve.

<sup>8</sup>Includes stock companies owned by mutual holding companies.

<sup>9</sup>Includes stock companies owned by fraternal benefit societies.

<sup>10</sup>Includes farm bureau, reciprocal, and risk retention groups.



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