

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 \$7 trillion in assets in 2018 (Table 2.1). Assets of U.S. life insurers fell 2.7 percent during 2018 (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 \$2.5 trillion at the end of 2018—down 9.2 percent from the previous year (Table 2.2). General account assets amounted to \$4.5 trillion in 2018, up 1.4 percent from 2017.

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 2018, 50 percent of life insurer assets were held in bonds. Total bond holdings of both general and separate accounts amounted to \$3.5 trillion, up \$13 billion from 2017 (Tables 2.1–2.2). Holdings of bonds in separate accounts decreased 1.1 percent in 2018 to \$394 billion. Bond holdings in general accounts increased to \$3.1 trillion (Table 2.2).

Bonds are issued by a variety of borrowing organizations, including domestic and foreign corporations, the U.S. Treasury, various U.S. government agencies, and state, local, and foreign governments. Long-term U.S. Treasury securities in the general account totaled \$135 billion, U.S. government obligations \$53 billion, and foreign government bonds \$44 billion (Table 2.3). The largest portion of long-term bonds was in unaffiliated securities, with both U.S. and foreign investments totaling \$2.2 trillion, or more than two-thirds of all long-term general account bonds (71%). Long-term bonds issued by U.S. states, territories, and political subdivisions came to \$46 billion, while bonds issued for revenue, assessment, and industrial development totaled \$126 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 2018 represented the largest component of life insurer assets at 35 percent (Table 2.1). Corporate debt issues totaled \$2.4 trillion by year's end (Table 2.2). These investments have generally increased steadily for many years and have grown at a 2.2 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 \$475 billion at the end of 2018, down \$72 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 (\$422 billion) as opposed to those of foreign governments and international agencies (\$53 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. Thirty percent of general account bonds held at year-end 2018 had a maturity between five and 10 years. Another 25 percent matured between one and five years, 20 percent had a maturity over 20 years, 17 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, 39 percent of bonds had a maturity date of 20 years or more, while 33 percent had a maturity date of 10 to 20 years (Table 2.5). Bonds with maturity dates of five to 10 years (23%), and less than five years (5%) 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 2018, 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 \$3.2 trillion in general account bonds held by insurance companies in 2018, \$2.1 trillion was invested in publicly traded bonds and \$1.1 billion in privately traded bonds (Table 2.6). Ninety-six percent of the publicly traded bonds were investment grade (Classes 1 and 2) compared with 92 percent of the privately traded bonds. Of the publicly traded bonds, 0.02 percent were in or near default (Class 6), compared with 0.2 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 5.8 percent between 2008 and 2018 (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 11.6 percent between 2017 and 2018 to \$2 trillion, accounting for 29 percent of total assets. At year-end 2018, \$1.9 trillion, or 95 percent, of stock held by life insurance companies was in separate accounts (Table 2.1-2.2).

Common stock accounted for \$1.9 trillion, or 99 percent, of all stock held by life insurers in 2018 (Table 2.1). Holdings of common stock decreased 11.8 percent in 2018, while there was a 20 percent increase 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 2018,

mortgages increased 10 percent to \$565 billion and accounting for 8 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 91.2 percent (\$515 billion) of U.S. mortgages held by life insurers at the end of 2018 (Table 2.1). Mortgages for residential properties were \$26 billion, or 4.5 percent of total mortgages held by life insurers on U.S. properties. Farm mortgages were \$24 billion, accounting for 4.3 percent of total mortgages in 2018.

Almost all of the mortgages held by life insurers were in good standing (99.6%) in 2018. Of industry-held mortgages, only 0.4 percent were either restructured, overdue, or in foreclosure in 2018 (Table 2.7).

At year-end 2018, \$7 billion (1%) was held in general account mortgages with a loan-to-value ratio above 95 percent, compared with \$484 billion (91%) 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 \$39 billion at the end of 2018. This represents a 9.8 percent decrease from 2017 (Table 2.9).

By the end of 2018, real estate amounted to .6 percent of life insurers' assets (Table 2.1). Real estate holdings in separate accounts decreased \$1.1 billion during the year as real estate in general accounts decreased \$3.1 billion (Table 2.2).

Real estate held to produce income totaled \$32 billion, or 83 percent of all real estate owned, while real estate held for sale amounted to \$563 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 \$137 billion by year-end 2018, up .1 percent from the loans outstanding a year earlier (Tables 2.1–2.2). Policy loans accounted for 2 percent of company assets at the end of 2018.

FOREIGN-CONTROLLED ASSETS

Foreign-controlled assets were \$1.6 trillion, or 22.5 percent of total industry assets in 2018 (Table 2.10). Canada, followed by the United Kingdom, the Netherlands, and France own the most foreign-controlled assets of U.S. life insurers.

Table 2.1

Distribution of Life Insurer Assets, by Account Type, 2018 (millions)

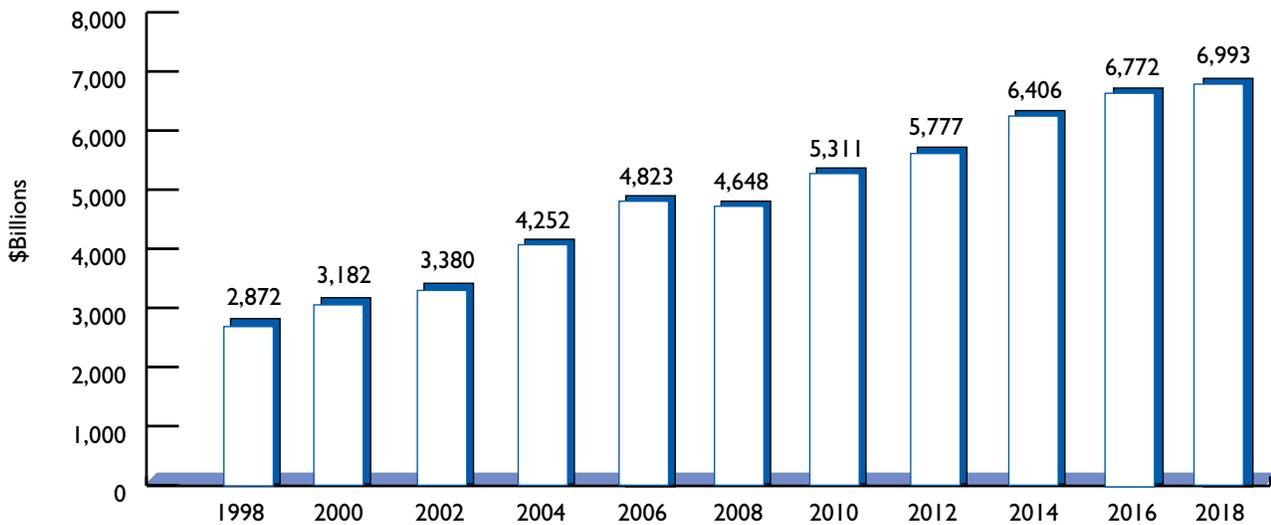
	General account		Separate account		Combined accounts	
	Year's end	Percent distribution	Year's end	Percent distribution	Year's end	Percent distribution
Bonds						
Government securities						
U.S.	\$359,819	8.0	\$62,191	2.5	\$422,010	6.0
Foreign	44,079	1.0	8,896	0.4	52,975	0.8
Total government	403,898	9.0	71,087	2.9	474,985	6.8
Corporate securities	2,226,330	49.5	215,078	8.6	2,441,408	34.9
Mortgage-backed securities ¹	468,287	10.4	108,079	4.3	576,366	8.2
Total long-term bonds	3,098,515	68.9	394,244	15.8	3,492,759	49.9
Stocks						
Common	87,859	2.0	1,897,521	76.1	1,985,380	28.4
Preferred	12,944	0.3	1,306	0.1	14,250	0.2
Total	100,803	2.2	1,898,827	76.2	1,999,630	28.6
Mortgages						
Farm	21,562	0.5	2,915	0.1	24,478	0.4
Residential	24,571	0.5	1,104	0.0	25,675	0.4
Commercial	487,837	10.8	26,849	1.1	514,686	7.4
Total	533,970	11.9	30,869	1.2	564,839	8.1
Real estate	20,710	0.5	17,841	0.7	38,551	0.6
Policy loans	132,080	2.9	4,623	0.2	136,704	2.0
Short-term investments	29,705	0.7	9,687	0.4	39,393	0.6
Cash & cash equivalents	77,470	1.7	31,294	1.3	108,764	1.6
Derivatives	56,450	1.3	2,908	0.1	59,358	0.8
Other invested assets	215,594	4.8	79,313	3.2	294,906	4.2
Non-invested assets	234,996	5.2	22,894	0.9	257,890	3.7
Aggregate total	4,500,294	100.0	2,492,500	100.0	6,992,794	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).

Figure 2.1

Growth of Life Insurer Assets

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

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Table 2.2

Distribution of Life Insurer Assets, by Account Type and Year¹

	General account (millions)			Average annual percent change	
	2008	2017	2018	2008/2018	2017/2018
Bonds					
Government	\$516,914	\$471,714	\$403,898	-2.4	-14.4
Corporate	1,833,370	2,150,801	2,226,330	2.0	3.5
MBS ¹	NA	458,257	468,287	NA	2.2
Total	2,350,285	3,080,772	3,098,515	2.8	0.6
Stocks					
Common	52,510	101,110	87,859	5.3	-13.1
Preferred	65,061	11,065	12,944	-14.9	17.0
Total	117,571	112,175	100,803	-1.5	-10.1
Mortgages	338,008	488,626	533,970	4.7	9.3
Real estate	20,347	23,783	20,710	0.2	-12.9
Policy loans	121,887	131,771	132,080	0.8	0.2
Short-term investments	NA	34,981	29,705	NA	-15.1
Cash & cash equivalents	15,874	72,571	77,470	17.2	6.7
Derivatives	NA	58,705	56,450	NA	-3.8
Other invested assets	143,789	209,252	215,594	4.1	3.0
Non-invested assets	162,569	226,983	234,996	3.8	3.5
Aggregate total	3,270,330	4,439,620	4,500,294	3.2	1.4

Continued

Table 2.2

Distribution of Life Insurer Assets, by Account Type and Year—Continued

	Separate account (millions)			Average annual percent change	
	2008	2017	2018	2008/2018	2017/2018
Bonds					
Government	\$117,341	\$75,221	\$71,087	-4.9	-5.5
Corporate	135,127	214,126	215,078	4.8	0.4
MBS ¹	NA	109,467	108,079	NA	-1.3
Total	252,468	398,814	394,244	4.6	-1.1
Stocks					
Common	1,015,848	2,148,707	1,897,521	6.4	-11.7
Preferred	2,378	818	1,306	-5.8	59.7
Total	1,018,226	2,149,525	1,898,827	6.4	-11.7
Mortgages	14,668	24,926	30,869	7.7	23.8
Real estate	12,150	18,934	17,841	3.9	-5.8
Policy loans	598	4,771	4,623	22.7	-3.1
Short-term investments	NA	12,366	9,687	NA	-21.7
Cash & cash equivalents	2,257	27,907	31,294	30.1	12.1
Derivatives	NA	3,541	2,908	NA	-17.9
Other invested assets	43,904	79,847	79,313	6.1	-0.7
Non-invested assets	33,545	23,120	22,894	-3.7	-1.0
Aggregate total	1,377,816	2,743,752	2,492,500	6.1	-9.2
	Combined accounts (millions)			Average annual percent change	
	2008	2017	2018	2008/2018	2017/2018
Bonds					
Government	\$634,255	\$546,935	\$474,985	-2.9	-13.2
Corporate	1,968,498	2,364,927	2,441,408	2.2	3.2
MBS ¹	NA	567,724	576,366	NA	1.5
Total	2,602,753	3,479,586	3,492,759	3.0	0.4
Stocks					
Common	1,068,358	2,249,817	1,985,380	6.4	-11.8
Preferred	67,438	11,883	14,250	-14.4	19.9
Total	1,135,797	2,261,700	1,999,630	5.8	-11.6
Mortgages	352,676	513,551	564,839	4.8	10.0
Real estate	32,497	42,718	38,551	1.7	-9.8
Policy loans	122,485	136,542	136,704	1.1	0.1
Short-term investments	NA	47,348	39,393	NA	-16.8
Cash & cash equivalents	18,131	100,478	108,764	19.6	8.2
Derivatives	NA	62,246	59,358	NA	-4.6
Other invested assets	187,693	289,099	294,906	4.6	2.0
Non-invested assets	196,114	250,104	257,890	2.8	3.1
Aggregate total	4,648,147	7,183,372	6,992,794	4.2	-2.7

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

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¹Includes Ginnie Mae (GNMA).

NA: Not available

Table 2.3

Distribution of Long-Term General Account Bond Investments

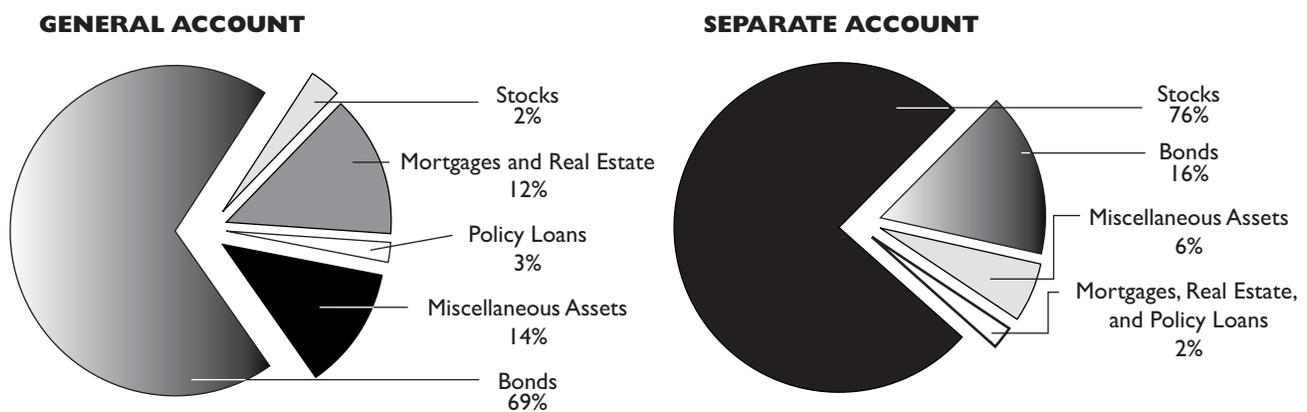
	2017		2018	
	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution
U.S. Treasury securities	\$151,326	4.9	\$134,544	4.3
U.S. government obligations	51,682	1.7	53,335	1.7
Foreign government	94,536	3.1	44,079	1.4
U.S. states and territories	19,188	0.6	18,673	0.6
U.S. political subdivisions	29,577	1.0	27,205	0.9
Revenue and assessment	122,780	4.0	124,581	4.0
Industrial development	2,625	0.1	1,481	0.0
Mortgage-backed securities	458,257	14.9	468,287	15.1
Pass-through securities				
GNMA	11,032	0.4	9,789	0.3
FNMA and FHLMC	99,199	3.2	94,917	3.1
Privately issued	5,613	0.2	11,991	0.4
CMOs and REMICs				
GNMA, FNMA, FHLMC or VA	121,041	3.9	126,880	4.1
Privately issued and collateralized by MBS	6,255	0.2	7,240	0.2
All other privately issued	215,118	7.0	217,470	7.0
Other				
Unaffiliated securities	2,117,722	68.7	2,195,192	70.8
Affiliated securities	33,079	1.1	31,139	1.0
Total	3,080,772	100.0	3,098,515	100.0

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

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Figure 2.2

Asset Distribution of Life Insurers, 2018



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Table 2.4

Distribution of General Account Bonds, by Remaining Maturity, 2014–2018						
	Percentage of general account bonds held at year's end					Total
	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	
Government						
2014	8.5	17.9	19.0	25.8	28.7	100.0
2015	10.2	19.1	18.2	24.8	27.7	100.0
2016	11.2	20.0	18.1	24.6	26.0	100.0
2017	8.2	20.7	19.5	25.5	26.1	100.0
2018	10.1	19.4	20.3	25.0	25.2	100.0
Corporate						
2014	8.8	26.1	34.3	12.3	18.5	100.0
2015	7.7	26.2	34.4	13.0	18.7	100.0
2016	6.9	26.3	34.0	13.8	19.0	100.0
2017	6.1	26.3	33.2	15.3	19.1	100.0
2018	6.0	26.7	33.1	15.2	19.0	100.0
Total						
2014	8.8	24.1	30.7	15.5	20.9	100.0
2015	8.3	24.5	30.6	15.8	20.8	100.0
2016	7.9	24.8	30.2	16.4	20.7	100.0
2017	6.6	25.0	29.9	17.7	20.7	100.0
2018	6.9	25.1	30.3	17.3	20.3	100.0

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Table 2.5

Distribution of General Account Long-Term Bonds at Time of Purchase, 2018	
Maturity	Percent distribution
20 years and over	39.3
10 years to less than 20 years	32.8
5 years to less than 10 years	22.9
Less than 5 years	4.9
Total	100.0

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

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Table 2.6

Distribution of General Account Bonds, by NAIC Quality Class¹

PUBLIC BONDS NAIC quality class	2008		2017		2018	
	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	\$1,323,392	74.2	\$1,461,967	67.6	\$1,371,419	65.2
Class 2	375,042	21.0	617,795	28.6	653,516	31.1
Medium quality						
Class 3	48,260	2.7	57,044	2.6	51,938	2.5
Low quality						
Class 4	23,862	1.3	22,996	1.1	22,796	1.1
Class 5	9,873	0.6	3,484	0.2	3,666	0.2
Class 6	2,260	0.1	525	0.0	507	0.0
Total	1,782,690	100.0	2,163,811	100.0	2,103,842	100.0
PRIVATE BONDS						
NAIC quality class	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	\$267,293	47.1	\$484,648	49.5	\$534,264	50.7
Class 2	236,206	41.6	399,429	40.8	430,115	40.8
Medium quality						
Class 3	36,705	6.5	55,638	5.7	51,330	4.9
Low quality						
Class 4	16,653	2.9	26,387	2.7	25,447	2.4
Class 5	8,505	1.5	10,410	1.1	10,581	1.0
Class 6	2,234	0.4	1,681	0.2	1,827	0.2
Total	567,595	100.0	978,193	100.0	1,053,563	100.0
TOTAL BONDS						
NAIC quality class	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	\$1,590,685	67.7	\$1,946,614	62.0	\$1,905,683	60.4
Class 2	611,248	26.0	1,017,224	32.4	1,083,630	34.3
Medium quality						
Class 3	84,965	3.6	112,682	3.6	103,268	3.3
Low quality						
Class 4	40,515	1.7	49,383	1.6	48,243	1.5
Class 5	18,378	0.8	13,894	0.4	14,247	0.5
Class 6	4,494	0.2	2,206	0.1	2,333	0.1
Aggregate total	2,350,285	100.0	3,142,003	100.0	3,157,404	100.0

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

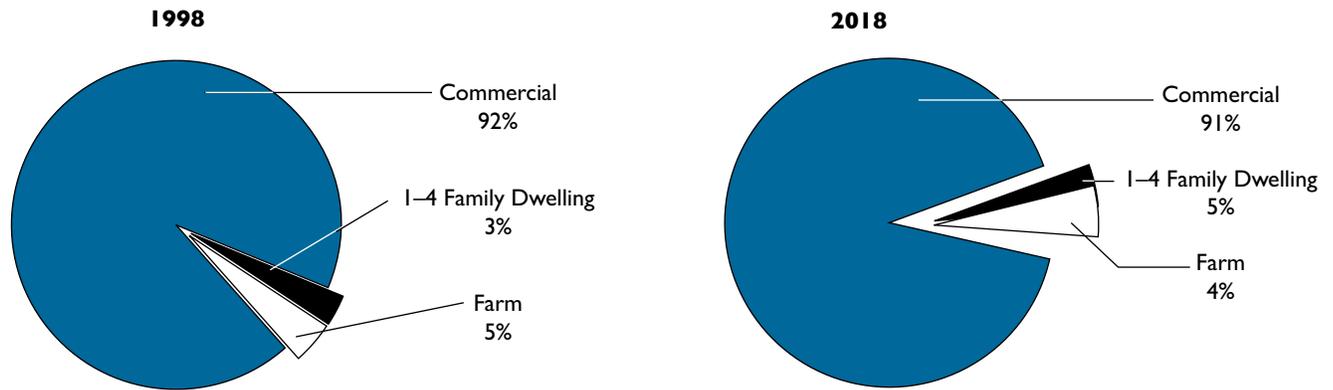
Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Figures include both government and corporate bonds held in general accounts of U.S. life insurers and fraternal benefit societies.

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.

Figure 2.3

Mortgages Held by Life Insurers, by Type

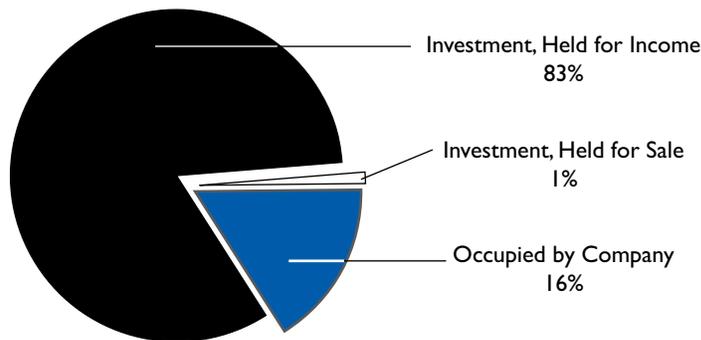


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers, and for 2018, fraternal benefit societies.

Figure 2.4

Real Estate Owned by Life Insurers, 2018



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

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Table 2.7

	2008		2017		2018	
	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution
Farm						
In good standing	\$18,671	100.0	\$21,527	99.3	\$24,210	98.9
Restructured	1	0.0	11	0.0	21	0.1
Overdue	5	0.0	63	0.3	100	0.4
Foreclosed	0	0.0	78	0.4	146	0.6
Total	18,678	100.0	21,678	100.0	24,478	100.0
Residential						
In good standing	5,358	99.3	19,302	95.3	24,645	96.0
Restructured	0	0.0	393	1.9	464	1.8
Overdue	18	0.3	400	2.0	377	1.5
Foreclosed	21	0.4	159	0.8	189	0.7
Total	5,397	100.0	20,253	100.0	25,675	100.0
Commercial						
In good standing	328,077	99.8	470,419	99.7	513,814	99.8
Restructured	214	0.1	1,030	0.2	633	0.1
Overdue	124	0.0	74	0.0	169	0.0
Foreclosed	188	0.1	97	0.0	70	0.0
Total	328,602	100.0	471,620	100.0	514,686	100.0
All categories						
In good standing	352,107	99.8	511,248	99.6	562,669	99.6
Restructured	215	0.1	1,433	0.3	1,118	0.2
Overdue	146	0.0	537	0.1	647	0.1
Foreclosed	208	0.1	333	0.1	405	0.1
Aggregate total	352,676	100.0	513,551	100.0	564,839	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, 2018 (millions)			
Loan-to-value ratio	Farm	Non-Farm	Total
Above 95%	\$28	\$6,932	\$6,960
91–95%	-	1,248	1,248
81–90%	1	6,457	6,458
71–80%	274	35,500	35,774
Below 71%	21,260	462,270	483,530
Total	21,562	512,407	533,970

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 2.9

	Millions		Average annual percent change		
	2008	2017	2018	2008/2018	2017/2018
Investment property					
Held for income	\$26,013	\$35,911	\$31,972	2.1	-11.0
Held for sale	392	638	563	3.7	-11.8
Total	26,405	36,549	32,535	2.1	-11.0
Occupied by company	6,093	6,169	6,016	-0.1	-2.5
Aggregate total	32,497	42,718	38,551	1.7	-9.8

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 2.10

Foreign-Controlled Assets of U.S. Life Insurers, by Country and Year (millions)					
	2014	2015	2016	2017	2018
Barbados	\$1,215	\$1,194	-	-	-
Bermuda	94,877	111,457	\$121,070	\$137,600	\$156,495
Canada	367,415	350,166	356,693	386,661	363,099
Cayman Islands	2,096	7,342	26,800	50,351	50,323
France	173,077	171,193	180,995	202,002	197,142
Germany	130,573	135,192	153,145	164,365	170,255
Japan	8,566	66,381	128,467	137,579	154,162
Netherlands	209,140	207,850	213,801	217,573	201,204
Panama	-	-	113	115	121
South Africa	4	4	-	-	-
Spain	94	84	82	84	59
Switzerland	40,636	38,626	41,056	41,249	40,003
United Kingdom	205,913	202,752	220,391	246,487	242,465
Total	1,233,605	1,292,241	1,442,612	1,584,066	1,575,329
Percentage of industry assets	19.3%	19.9%	21.3%	22.1%	22.5%

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. 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
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

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

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

‡Includes fraternal benefit societies.