

# 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 \$3.1 trillion of new life insurance coverage in 2017, a 5.2 percent increase from 2016. By the end of 2017, total life insurance coverage in the United States was \$20.4 trillion, an increase of .5 percent from 2016 (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 58 percent of all life insurance in force in the United States at year-end 2017 (Table 7.1). Typically purchased through life insurance agents, this insurance is issued under individual policies with face amounts as low as \$1,000, 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 \$12 trillion at the end of 2017 and has grown at an average annual rate of 1.5 percent since 2007, when \$10.2 trillion was in force (Table 7.1).

The average size of new individual life policies purchased has decreased since its peak in 2008 (\$183,000) to \$163,000 in 2017 (Figure 7.2). The number of individual policies purchased totaled 10.5 million in 2017 (Table 7.1).

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

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\* 75 million households rely on life insurance and/or non-qualified annuities; an additional 15 million households who don't own life insurance or non-qualified annuities rely on qualified annuities, disability income insurance, long-term care insurance, supplemental insurance, or a combination of these products.

## 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 2017, 40 percent, or 4.1 million, were term insurance, totaling \$1.2 trillion, or 70 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 2017, direct purchases of permanent life constituted 60 percent of U.S. individual life insurance policies issued and 30 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. Nearly three-fourths of individual life policies' face amount purchased were nonparticipating at \$1.17 trillion (70%) in 2017 (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 5.7 percent by 2017 (Table 7.4). Of the individual life policies that have been voluntarily terminated, 20% 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 in 2017, 91 percent, or 32 million, allowed the premium to be waived during disability, representing \$4.2 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 2017, group insurance represented 46 percent of all life insurance policies in force (Table 7.1).

Group purchases increased 11 percent in 2017 to \$1.3 trillion. At the end of 2017, group life insurance provided \$8.4 trillion of protection, 2 percent more than 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—94 percent of those purchased in 2017, at \$1.2 trillion (Table 7.3).

The voluntary termination rate of group life insurance policies decreased to 6.1 percent from 6.2 percent a year earlier. The voluntary lapses in 2017 decreased to 5.9 percent from 6.1 percent in 2016 (Table 7.4).

Group policies also provide disability benefits. Of group life policies in force in 2017, 94 percent, or 93 million, provided for waiver of premium, representing \$5.3 trillion, or 87 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 2017, \$78 billion of credit life insurance was in force, down .4 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 2017, 97 percent, or \$49 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 2017, \$551 million in new claims along with \$616 million in other claims were in dispute. Of this amount, \$248 million was paid in 2017 and \$355 million still resisted at the end of the year (Table 7.7).

Table 7.1

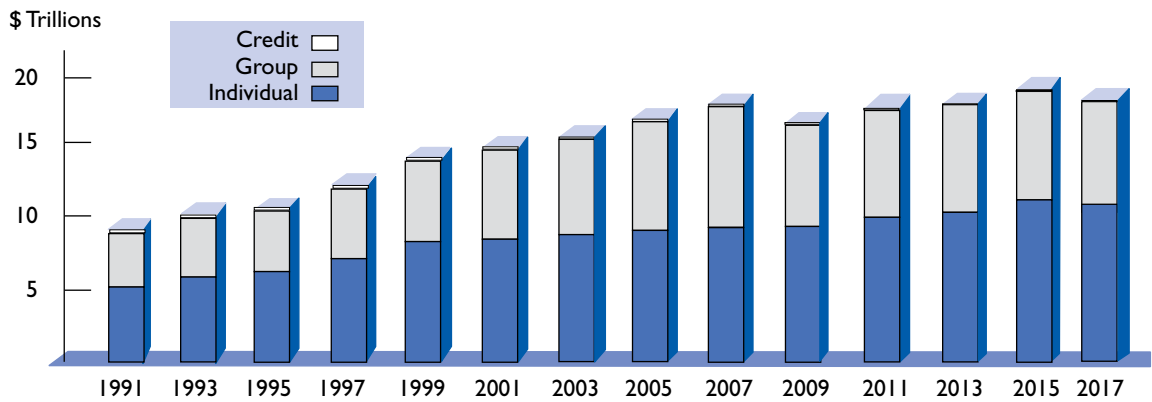
<b>Life Insurance in the United States</b>					
	<b>Life Insurance</b>			<b>Average annual percent change</b>	
	<b>2007</b>	<b>2016</b>	<b>2017</b>	<b>2007/2017</b>	<b>2016/2017</b>
<b>PURCHASES</b>					
<b>Face amount (millions)</b>					
Individual	\$1,890,989	\$1,684,585	\$1,711,545	-1.0	1.6
Group	1,102,654	1,189,673	1,315,651	1.8	10.6
Credit	112,647	52,348	50,303	-7.7	-3.9
Total	3,106,290	2,926,605	3,077,499	-0.1	5.2
<b>Policies (thousands)</b>					
Individual	10,826	11,005	10,478	-0.3	-4.8
Group (certificates)	19,962	16,518	17,557	-1.3	6.3
Credit	16,133	8,822	8,164	-6.6	-7.5
Total	46,921	36,345	36,198	-2.6	-0.4
<b>IN FORCE</b>					
<b>Face amount (millions)</b>					
Individual	\$10,231,765	\$11,991,547	\$11,927,253	1.5	-0.5
Group	9,157,919	8,245,991	8,410,652	-0.8	2.0
Credit	149,536	78,117	77,787	-6.3	-0.4
Total	19,539,219	20,315,655	20,415,692	0.4	0.5
<b>Policies (thousands)</b>					
Individual	158,336	142,339	141,753	-1.1	-0.4
Group (certificates)	179,685	133,443	132,648	-3.0	-0.6
Credit	35,684	14,866	14,456	-8.6	-2.8
Total	373,706	290,648	288,857	-2.5	-0.6

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. Data represent direct business, except for face amount in force which is net of reinsurance. Face amount and policies issued by fraternal benefit societies are considered individual business. Credit and Total face amounts revised for 2016.

Figure 7.1

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

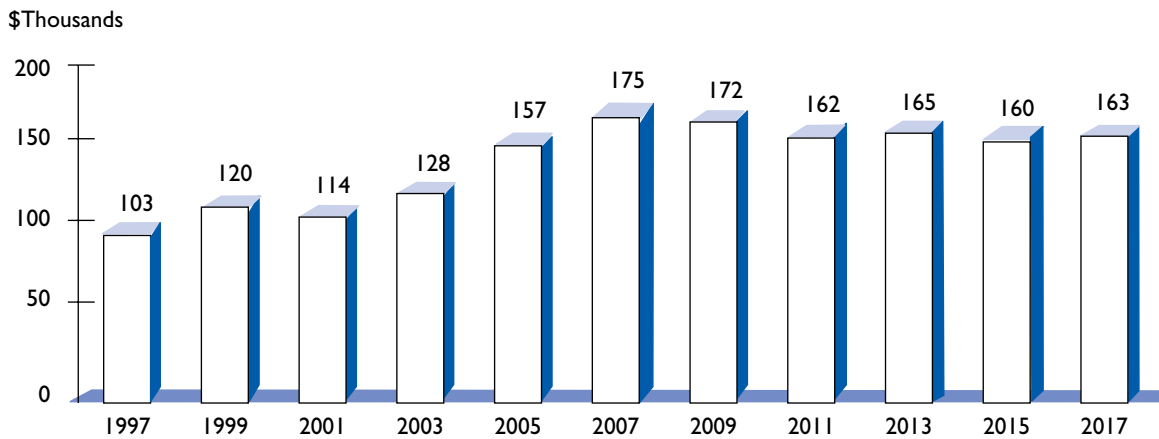


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission. NAIC does not endorse any analysis or conclusions based on use of its data.

Notes: 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.

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

Table 7.2

<b>Individual Life Insurance Purchases in the United States, by Plan Type, 2017</b>				
	<b>Policies in thousands/Amounts in millions</b>			
	<b>Policies</b>	<b>Percent</b>	<b>Face amount</b>	<b>Percent</b>
<b>Term insurance</b>				
Decreasing Level	180	1.8	\$1,179	0.1
Decreasing other term <sup>1</sup>	3,879	38.4	1,099,691	65.7
Level other term <sup>2</sup>	NA	NA	3,941	0.2
Term additions	NA	NA	69,499	4.2
Total	NA	NA	1,706	0.1
<b>Whole life and endowment</b>	4,059	40.1	1,176,016	70.3
<b>Aggregate total</b>	6,054	59.9	497,447	29.7
	10,114	100.0	1,673,463	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. Does not include fraternal benefit societies.

NA: Not available

<sup>1</sup>Includes decreasing term insurance on spouses and children under family policies.

<sup>2</sup>Includes level term insurance on spouses and children under family policies.

Table 7.3

<b>Life Insurance Purchases, by Participating Status</b>								
	<b>Individual</b>		<b>Group</b>		<b>Credit</b>		<b>Total</b>	
	<b>Face amount (millions)</b>	<b>Percent</b>	<b>Face amount (millions)</b>	<b>Percent</b>	<b>Face amount (millions)</b>	<b>Percent</b>	<b>Face amount (millions)</b>	<b>Percent</b>
<b>2007</b>								
Nonparticipating	\$1,464,841	78.6	\$1,051,328	95.3	\$94,432	83.8	\$2,610,601	84.8
Participating	398,024	21.4	51,325	4.7	18,215	16.2	467,565	15.2
Total	1,862,865	100.0	1,102,654	100.0	112,647	100.0	3,078,166	100.0
<b>2016</b>								
Nonparticipating	1,171,972	71.0	1,124,709	94.5	49,388	94.3	2,346,069	81.1
Participating	478,403	29.0	64,964	5.5	2,960	5.7	546,326	18.9
Total	1,650,375	100.0	1,189,673	100.0	52,348	100.0	2,892,395	100.0
<b>2017</b>								
Nonparticipating	1,173,763	70.1	1,236,592	94.0	49,002	97.4	2,459,357	80.9
Participating	499,731	29.9	79,058	6.0	1,301	2.6	580,090	19.1
Total	1,673,494	100.0	1,315,651	100.0	50,303	100.0	3,039,447	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; data for fraternal benefit societies not included.

Credit and Total face amounts revised for 2016.

Table 7.4

<b>Voluntary Termination Rates for Life Insurance Policies, Calculated by Face Amount (percent)</b>											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Lapse rate</b>											
Individual	5.1	6.1	5.7	5.4	4.8	4.7	4.6	4.3	4.4	4.3	4.5
Group	6.7	6.7	6.6	5.6	4.6	5.6	6.4	5.5	5.9	6.1	5.9
Credit	6.9	6.1	9.9	6.9	6.8	7.4	7.5	8.5	8.0	6.8	6.6
<b>Surrender rate</b>											
Individual	1.3	1.5	1.6	1.4	1.2	1.2	1.0	1.0	1.0	1.0	1.1
Group	0.1	0.2	0.3	0.2	0.3	0.6	0.1	0.1	0.1	0.1	0.1
Credit	7.9	8.3	7.0	6.6	7.3	8.2	9.7	14.6	9.6	7.2	7.1
<b>Combined termination rate</b>											
Individual	6.4	7.6	7.3	6.8	6.1	5.9	5.7	5.3	5.4	5.2	5.7
Group	6.8	6.9	7.0	5.8	4.9	6.2	6.5	5.6	5.9	6.2	6.1
Credit	14.8	14.4	16.9	13.5	14.1	15.6	17.1	23.1	17.6	14.0	13.6

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. 2016 rates revised for Credit.

Table 7.5

<b>Voluntary Termination Rates for Life Insurance Policies, Calculated by Number of Policies (percent)</b>											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Lapse rate</b>											
Individual	5.5	6.8	5.7	5.0	4.9	4.7	4.0	5.1	4.6	5.0	5.3
Group	6.6	6.6	10.0	6.7	5.9	5.9	8.4	7.2	6.3	5.7	5.7
Credit	5.4	5.4	10.1	7.9	7.9	7.8	8.1	9.3	7.1	5.6	5.2
<b>Surrender rate</b>											
Individual	1.1	1.1	1.2	1.2	1.1	1.1	1.0	1.1	1.0	1.0	1.1
Group	0.1	0.2	0.2	0.1	0.2	0.6	0.1	0.1	0.1	0.1	0.1
Credit	9.3	18.0	10.0	10.7	10.7	11.9	12.2	13.6	10.3	8.3	9.1
<b>Combined termination rate</b>											
Individual	6.6	7.9	6.9	6.1	6.1	5.8	5.0	6.2	5.6	6.0	6.4
Group	6.7	6.8	10.2	6.8	6.0	6.4	8.5	7.3	6.4	5.8	5.7
Credit	14.6	23.4	20.1	18.6	18.6	19.7	20.3	22.9	17.4	13.9	14.3

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

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Table 7.6

**Life Insurance With Disability Provisions, 2017**

	Policies and certificates in thousands/Amounts in millions			
	Policies	Percent of policies in force	Face amount	Percent of amount in force
<b>Individual<sup>1,2</sup></b>				
Waiver of premium	31,877	22.5	\$4,228,599	35.5
Disability income	272	0.2	12,166	0.1
Extended benefits <sup>3</sup>	0	0.0	111	0.0
Other	2,899	2.0	39,126	0.3
Total	35,049	24.7	4,280,002	35.9
<b>Group<sup>3</sup></b>				
Waiver of premium	92,867	70.0	5,264,444	62.6
Disability income	1,308	1.0	69,243	0.8
Extended benefits	1,932	1.5	129,168	1.5
Other	2,275	1.7	579,910	6.9
Total	98,382	74.2	6,042,765	71.8
<b>Credit<sup>4</sup></b>				
Waiver of premium	114	0.8	166	0.2
Disability income	87	0.6	219	0.3
Extended benefits	15	0.1	118	0.2
Total	215	1.5	503	0.6

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.

<sup>1</sup>Does not include fraternal benefit societies.

<sup>2</sup>Policies in force totaled 142 million, with a face amount of \$11.9 trillion.

<sup>3</sup>Certificates in force totaled 133 million, with a face amount of \$8.4 trillion.

<sup>4</sup>Policies in force totaled 14 million, with a face amount of \$77.8 billion.

<sup>5</sup>Less than 500 policies.

Table 7.7

**New Policy Claims Resisted or Compromised (thousands)**

	2007		2016		2017	
	Face amount	Percent	Face amount	Percent	Face amount	Percent
<b>New claims in dispute</b>	\$238,516	25.7	\$384,052	33.8	\$550,948	47.2
<b>All other claims in dispute</b>	688,101	74.3	752,754	66.2	615,874	52.8
Total claims in dispute	926,617	100.0	1,136,806	100.0	1,166,822	100.0
<b>Amount paid for new claims</b>	25,753	23.6	38,776	25.2	153,739	62.0
<b>Amount paid for claims previously resisted</b>	83,182	76.4	115,046	74.8	94,125	38.0
Total amount paid	108,935	100.0	153,822	100.0	247,865	100.0
<b>Amount resisted at year's end<sup>1</sup></b>	392,411		330,940		354,640	

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>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. 2016 rates revised for Credit.



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+
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

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 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.

‡Includes fraternal benefit societies.

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 <sup>1</sup>	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
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

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 years' 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.

\*Fewer than 500,000.

‡Includes fraternal benefit societies.

<sup>1</sup>Includes group credit certificates.

Credit and Total face amounts revised for 2016.