

# 4 INCOME

The gross income of life insurance companies comes from two main sources: premiums paid by policyholders and earnings on investments. In 2016, total income of all U.S. life insurers decreased 7.4 percent to \$986 billion (Table 4.1). Insurance premiums and annuity considerations contributed 62 percent of total income. Investment earnings contributed 28 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. 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 - decreased 6 percent to \$610 billion in 2016 (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 2016, life policies accounted for nearly a fifth of premium receipts (19%), while annuity considerations contributed over half (54%) (Figure 4.1).

Premiums for life insurance policies totaled \$119 billion in 2016, a 23.4 percent decline from the previous year (Table 4.2). Individual policy premiums accounted for the largest share at \$90 billion, or 76 percent. Most were renewals, representing \$53 billion, or 59 percent, of individual premiums (Table 4.3). Group insurance was the second-largest contributor to life insurance premiums at \$29 billion, or 24 percent of the total. Again, renewals constituted the largest portion at \$24 billion, or 84 percent, of all group premiums. Credit life provided \$613 million of all life insurance premiums (Table 4.2). Americans spent 1.03 percent of total disposable (after-tax) personal income on individual life insurance in 2016 (Table 4.5).

Annuity considerations decreased 1.9 percent in 2016 to \$327 billion (Table 4.2). Individual annuities provided \$202 billion in premium receipts, decreasing 3.2 percent from 2015. Of individual annuity considerations, first-year annuity considerations constitute the largest share of this category at \$84 billion, while group considerations counted renewals as the largest contributor with \$72 billion (Table 4.4). Individual annuity considerations amounted to 1.47 percent of disposable personal income in 2016 (Table 4.5).

Premiums for accident and health insurance increased 2.6 percent to \$164 billion in 2016 (Table 4.1) with group premiums being the largest portion at \$104 billion, up 3.3 percent from 2015 (Table 4.2). Individual accident and health premiums increased to \$59 billion, with the largest share at \$37 billion coming from guaranteed renewable contracts (Table 4.6).

## **INVESTMENT INCOME AND RATE OF RETURN**

Net investment income of life insurance companies amounted to \$266 billion in 2016 (Table 4.7). The largest source of investment income was from bonds at \$144 billion, followed by common stock (\$78 billion) and mortgage loans (\$22 billion). Gross investment income decreased 3.7 percent from 2015. Investment expenses, taxes, and deductions totaled \$13 billion, increasing 5.5 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 invested assets. The gross rate of return on total fixed income assets is calculated by dividing the gross investment income on bonds by the average net investment in bonds.

In 2016, life insurers' net rate of return on total assets was 4.50 percent, down from 4.81 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 4.86 percent in 2016, down slightly from 4.91 percent in 2015.

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 apply to fixed-income assets of both general and separate accounts. The industry's gross rate on total fixed-income assets was 4.56 percent in 2016, down from 4.64 percent in 2015.

## **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 increased 17.8 percent in 2016 to \$62 billion (Table 4.9). Net gains can be calculated separately for each major line of business. Net gains from annuities were \$32 billion compared with \$25 billion a year ago. The net gain from life insurance increased 23.7 percent to \$11 billion.

Table 4.1

	Millions			Average annual percent change	
	2006	2015	2016	2006/2016	2015/2016
<b>Income of Life Insurers</b>					
<b>Net premiums and considerations</b>					
Life insurance premiums	\$149,223	\$155,866	\$119,334	-2.2	-23.4
Annuity considerations <sup>1</sup>	302,727	333,016	326,795	0.8	-1.9
Health insurance premiums	141,198	159,855	164,002	1.5	2.6
Total	593,149	648,737	610,131	0.3	-6.0
<b>Investment income</b>	239,669	289,894	279,101	1.5	-3.7
<b>Other income<sup>2</sup></b>	50,779	126,080	96,614	6.6	-23.4
Aggregate total	883,597	1,064,712	985,845	1.1	-7.4

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

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. 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.

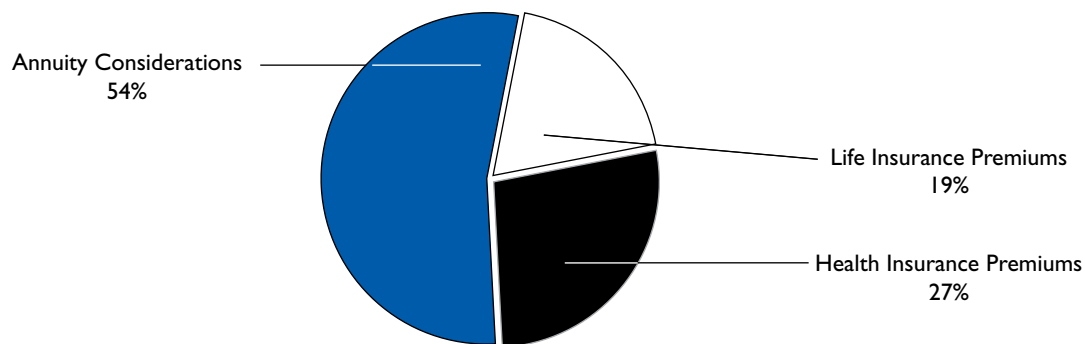
<sup>1</sup>Beginning in 2001, excludes certain deposit-type funds from income due to codification. Also excludes resources for supplementary contracts without life contingencies and annuities certain, lottery payments, structured settlements, and income payment options.

<sup>2</sup>Includes commissions and expense allowance on reinsurance ceded. Also, includes amortization of interest maintenance reserve.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance businesses.

Figure 4.1

### Distribution of Life Insurers' Net Premium Receipts, 2016



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 4.2

	Millions			Average annual percent change	
	2006	2015	2016	2006/2016	2015/2016
<b>Premium Receipts of Life Insurers</b>					
<b>Net Business</b>					
<b>Life insurance premiums</b>					
Individual	\$113,964	\$124,501	\$90,107	-2.3	-27.6
Group	34,168	30,696	28,614	-1.8	-6.8
Credit	1,092	669	613	-5.6	-8.4
Total	149,223	155,866	119,334	-2.2	-23.4
<b>Annuity considerations<sup>1</sup></b>					
Individual	187,083	208,913	202,312	0.8	-3.2
Group	115,645	124,103	124,484	0.7	0.3
Total	302,727	333,016	326,795	0.8	-1.9

Continued

Table 4.2

**Premium Receipts of Life Insurers—Continued**

	Millions			Average annual percent change	
	2006	2015	2016	2006/2016	2015/2016
<b>Health insurance premiums</b>					
Individual	55,159	58,186	59,092	0.7	1.6
Group	85,027	100,955	104,261	2.1	3.3
Credit	1,012	714	649	-4.4	-9.2
Total	141,198	159,855	164,002	1.5	2.6
Aggregate total	593,149	648,737	610,131	0.3	-6.0
<b>Direct Business</b>					
<b>Life insurance premiums</b>					
Individual	\$132,677	\$140,441	\$144,176	0.8	2.7
Group	35,247	37,824	36,428	0.3	-3.7
Credit	1,556	920	829	-6.1	-10.0
Total	169,479	179,185	181,433	0.7	1.3
<b>Annuity considerations<sup>1</sup></b>					
Individual	197,692	216,007	205,601	0.4	-4.8
Group	117,153	127,014	129,332	1.0	1.8
Total	314,844	343,022	334,933	0.6	-2.4
<b>Health insurance premiums</b>					
Individual	57,711	62,856	64,261	1.1	2.2
Group	84,313	108,847	115,380	3.2	6.0
Credit	1,431	909	822	-5.4	-9.5
Total	143,454	172,612	180,463	2.3	4.5
Aggregate total	627,778	694,819	696,829	1.0	0.3

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. 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. Differences between net and direct premiums are caused by reinsurance activities, as reported in Chapter 6.

<sup>1</sup>Beginning 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.

Table 4.3

**Individual and Group Life Insurance Net Premium Receipts, 2016 (millions)**

	Individual	Percent distribution	Group	Percent distribution	Total	Percent distribution
<b>First-year</b>	\$17,390	19.3	\$1,890	6.6	\$19,280	16.2
<b>Single<sup>1</sup></b>	19,597	21.7	2,786	9.7	22,383	18.9
<b>Renewal</b>	53,120	59.0	23,938	83.7	77,058	64.9
Aggregate total	90,107	100.0	28,614	100.0	118,721	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. Data represent U.S. life insurers and fraternal benefit societies.

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

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.4

<b>Individual and Group Annuity Considerations, 2016 (millions)</b>						
	<b>Individual<sup>1</sup></b>	<b>Percent distribution</b>	<b>Group<sup>1</sup></b>	<b>Percent distribution</b>	<b>Total</b>	<b>Percent distribution</b>
<b>First-year</b>	\$84,440	41.7	\$21,614	17.4	\$106,055	32.5
<b>Single<sup>2</sup></b>	74,089	36.6	31,140	25.0	105,228	32.2
<b>Renewal</b>	43,783	21.6	71,730	57.6	115,512	35.3
<b>Total</b>	202,312	100.0	124,484	100.0	326,795	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 in 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.

<sup>1</sup>Beginning 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.

<sup>2</sup>Includes supplementary contracts with life contingencies for individual annuity considerations.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.5

	<b>Percent</b>		
	<b>2006</b>	<b>2015</b>	<b>2016</b>
<b>Individual</b>			
Life premiums	1.32	1.03	1.03
Annuity considerations <sup>1</sup>	1.97	1.59	1.47
<b>Total</b>	<b>3.29</b>	<b>2.62</b>	<b>2.50</b>

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 fraternal benefit societies. U.S. Department of Commerce data from past years may be revised.

<sup>1</sup>Beginning 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.

Beginning with 2017 edition of Fact Book, data used in this table represent direct business. Prior editions of Fact Book used net business.

Table 4.6

	<b>Millions</b>			<b>Average annual percent change</b>	
	<b>2006</b>	<b>2015</b>	<b>2016</b>	<b>2006/2016</b>	<b>2015/2016</b>
<b>Group</b>	\$85,027	\$100,955	\$104,261	2.1	3.3
<b>Credit</b>	1,012	714	649	-4.4	-9.2
<b>Individual</b>					
Collectively renewable	85	17	13	-16.9	-19.7
Noncancelable	6,594	4,039	4,109	-4.6	1.7
Guaranteed renewable	31,590	35,319	37,289	1.7	5.6
Nonrenewable	1,762	2,907	1,713	-0.3	-41.1
Other accident	5,490	6,378	5,730	0.4	-10.2
All other	9,638	9,526	10,237	0.6	7.5
<b>Total</b>	<b>55,159</b>	<b>58,186</b>	<b>59,092</b>	<b>0.7</b>	<b>1.6</b>
<b>Aggregate total</b>	<b>141,198</b>	<b>159,855</b>	<b>164,002</b>	<b>1.5</b>	<b>2.6</b>

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 fraternal benefit societies.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.7

<b>Net Investment Income</b>					
	<b>Millions</b>			<b>Average annual percent change</b>	
	<b>2006</b>	<b>2015</b>	<b>2016</b>	<b>2006/2016</b>	<b>2015/2016</b>
<b>Gross investment income</b>					
Bonds	\$138,079	\$141,603	\$144,323	0.4	1.9
Preferred stock	3,402	607	628	-15.6	3.5
Common stock	48,389	93,014	78,318	4.9	-15.8
Mortgage loans	20,932	21,424	22,067	0.5	3.0
Real estate	4,745	5,014	5,126	0.8	2.2
Contract loans	7,180	7,962	8,029	1.1	0.8
Cash/Short-term investments	5,256	579	1,094	-14.5	88.9
Other invested assets	9,485	15,470	15,105	4.8	-2.4
Derivative instruments	1,449	3,877	3,730	9.9	-3.8
Other write-ins	750	345	681	-1.0	97.2
Total	239,669	289,894	279,101	1.5	-3.7
<b>Expenses, taxes, and deductions</b>	14,919	12,497	13,183	-1.2	5.5
<b>Net investment income</b>	224,750	277,398	265,918	1.7	-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. Data represent U.S. life insurers and fraternal benefit societies.  
NC: Not calculated

Table 4.8

<b>Rates of Return on Invested Assets of Life Insurers</b>			
	<b>Percent</b>		
	<b>2006</b>	<b>2015</b>	<b>2016</b>
<b>Net rate</b>			
Total assets	5.35	4.81	4.50
General account only	5.95	4.91	4.86
<b>Gross rate</b>			
Total fixed-income assets	5.99	4.64	4.56

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 4.9

**Net Gain From Operations After Federal Income Taxes**

	Millions			Average annual percent change	
	2006	2015	2016	2006/2016	2015/2016
<b>Life insurance</b>					
Individual	\$7,465	\$7,082	\$9,493	2.4	34.0
Group	1,784	1,747	1,416	-2.3	-19.0
Credit	163	21	34	-14.4	64.7
Total	9,412	8,850	10,943	1.5	23.7
<b>Annuities<sup>1</sup></b>					
Individual	6,989	16,280	24,116	13.2	48.1
Group	4,562	8,548	8,004	5.8	-6.4
Total	11,551	24,828	32,119	10.8	29.4
<b>Accident and health</b>					
Individual	2,327	3,159	3,245	3.4	2.7
Group	5,266	6,177	6,436	2.0	4.2
Credit	214	48	96	-7.7	98.3
Total	7,807	9,385	9,776	2.3	4.2
<b>Other<sup>2</sup></b>					
Aggregate total	35,589	52,367	61,698	5.7	17.8

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. Net gain is calculated after dividends to policyholders and federal income taxes are deducted and before realized capital 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 fraternal benefit societies.

<sup>1</sup>Beginning 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.

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

Table 4.10

**Income of Life Insurers, by Year (millions)**

Year	Net premium receipts			Total premium receipts	Investment income <sup>1</sup>	Other income <sup>2</sup>	Total income
	Life insurance premiums	Annuity considerations	Health insurance premiums				
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
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	47,679	811,469
2001	125,314	251,255^	103,413	479,982	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	511,705	179,744	35,558	727,007
2004‡	139,691	276,677^	125,752	542,120	186,827	27,863	756,810
2005‡	142,261	277,117^	118,267	537,645	206,859	34,521	779,024
2006‡	149,223	302,727^	141,198	593,149	239,669	50,779	883,597
2007‡	142,661	314,225^	151,462	608,348	267,394	74,624	950,366
2008‡	147,182	328,135^	165,034	640,350	260,123	40,166	940,638
2009‡	124,564	231,580^	166,164	522,308	211,650	47,468	781,426
2010‡	104,648	293,622^	172,717	570,987	212,841	78,741	862,570
2011‡	127,455	334,895^	171,647	633,997	221,007	60,332	915,336
2012‡	135,392	348,095^	172,300	655,788	228,084	68,483	952,355
2013‡	130,582	287,669^	175,084	593,335	237,995	75,397	906,727
2014‡	138,308	361,586^	158,391	658,285	267,486	73,579	999,351
2015‡	155,866	333,016^	159,855	648,737	289,894	126,080	1,064,712
2016‡	119,334	326,795^	164,002	610,131	279,101	96,614	985,845

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. 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.

<sup>1</sup>Beginning in 2000 represents gross investment income. Prior to 2000, figures are net of investment expenses.

<sup>2</sup>Beginning in 1975, includes commissions and expense allowance on reinsurance ceded. Beginning in 1992, includes amortization of the interest maintenance reserve.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.



Table 4.11

<b>Individual Life Insurance Premium Receipts, by Year (millions)</b>				
<b>Year</b>	<b>First-year</b>	<b>Single<sup>1</sup></b>	<b>Renewal</b>	<b>Total</b>
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
2005‡	16,680	25,363	69,873	111,915
2006‡	14,578	29,774	69,612	113,964
2007‡	14,145	40,291	49,044	103,479
2008‡	14,460	34,068	68,871	117,399
2009‡	12,395	17,930	68,253	98,579
2010‡	10,723	20,749	48,148	79,621
2011‡	18,150	19,740	62,874	100,763
2012‡	21,272	20,084	64,995	106,352
2013‡	17,796	13,244	72,171	103,210
2014‡	17,373	19,708	72,589	109,670
2015‡	16,359	19,815	88,327	124,501
2016‡	17,390	19,597	53,120	90,107

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.

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

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

Table 4.12

**Individual Annuity Considerations, by Year (millions)**

Year	First-year	Single	Renewal	Deposit-type funds <sup>1</sup>	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
2005*‡	66,771	78,354	21,907	NA	167,032
2006*‡	81,923	77,193	27,967	NA	187,083
2007*‡	92,395	71,268	28,841	NA	192,503
2008*‡	89,758	94,111	25,097	NA	208,965
2009*‡	93,919	19,331	15,603	NA	128,853
2010*‡	100,286	61,164	28,496	NA	189,946
2011*‡	120,303	60,168	37,366	NA	217,837
2012*‡	107,865	53,941	27,452	NA	189,258
2013*‡	110,625	61,068	7,885	NA	179,578
2014*‡	106,198	109,161	32,067	NA	247,426
2015*‡	99,914	69,903	39,096	NA	208,913
2016*‡	84,440	74,089	43,783	NA	202,312

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.

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

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes. Please see Chapter 6 for reinsurance business.

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
2005‡	4.90	5.88	5.96
2006‡	5.35	5.95	5.99
2007‡	5.71	6.01	6.10
2008‡	5.70	5.63	6.01
2009‡	4.60	5.25	5.91
2010‡	4.33	5.37	5.68
2011‡	4.35	5.29	5.73
2012‡	4.25	5.07	5.30
2013‡	4.20	5.09	4.91
2014‡	4.61	5.19	4.80
2015‡	4.81	4.91	4.64
2016‡	4.50	4.86	4.56

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

