

# 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 \$8.2 trillion in assets in 2020 (Table 2.1). Assets of U.S. life insurers rose 7.7 percent during 2020 (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 \$3.1 trillion at the end of 2020—up 8.9 percent from the previous year (Table 2.2). General account assets amounted to \$5.1 trillion in 2020, up 7 percent from 2019.

### 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 2020, 47 percent of life insurer assets were held in bonds. Total bond holdings of both general and separate accounts amounted to \$3.9 trillion, up \$232 billion from 2019 (Tables 2.1–2.2). Holdings of bonds in separate accounts increased 10.7 percent in 2020 to \$482 billion. Bond holdings in general accounts increased to \$3.4 trillion (Table 2.2).

Bonds are issued by a variety of borrowing organizations, including domestic and foreign corporations, the U.S. government agencies, and state, local, and foreign governments. Long-term U.S. government obligations in the general account totaled \$156 billion, and foreign government bonds \$48 billion (Table 2.3). The largest portion of long-term bonds was in unaffiliated securities, with both U.S. and foreign investments totaling \$2.5 trillion, or nearly three-fourths of all long-term general account bonds (74%). Long-term bonds issued by U.S. states, territories, and political subdivisions came to \$43 billion, while bonds issued for U.S. special revenue and assessment totaled \$176 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 2020 represented the largest component of life insurer assets at 35 percent (Table

2.1). Corporate debt issues totaled \$2.8 trillion by year's end (Table 2.2). These investments have generally increased steadily for many years and have grown at a 5.2 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 rose to \$501 billion at the end of 2020, up \$16 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 (\$445 billion) as opposed to those of foreign governments and international agencies (\$56 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. Twenty-eight percent of general account bonds held at year-end 2020 had a maturity between five and 10 years. Another 26 percent matured between one and five years, 21 percent had a maturity over 20 years, 17 percent matured between 10 and 20 years, and 8 percent had a maturity of one year or less (Table 2.4).

At the time of purchase, 40 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 (22%),

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 2020, 94 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 \$3.5 trillion in general account bonds held by insurance companies in 2020, \$2.2 trillion was invested in publicly traded bonds and \$1.3 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 90 percent of the privately traded bonds. Of the publicly traded bonds, 0.03 percent were in or near default (Class 6), compared with 0.1 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 4.6 percent between 2010 and 2020 (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 rose 7.5 percent between 2019 and 2020 to \$2.5 trillion, accounting for 30 percent of total assets. At year-end 2020, \$2.4 trillion, or 95 percent, of stock held by life insurance companies was in separate accounts (Table 2.1-2.2).

Common stock accounted for \$2.45 trillion, or 99 percent, of all stock held by life insurers in 2020 (Table 2.1). Holdings of common stock increased 8 percent in 2020, while there was a 13 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 2020, mortgages increased 4.2 percent to \$641 billion, accounting for 7.9 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 90 percent (\$578 billion) of U.S. mortgages held by life insurers at the end of 2020 (Table 2.1). Mortgages for residential properties were \$34 billion, or 5 percent of total mortgages held by life insurers on U.S. properties. Farm mortgages were \$30 billion, accounting for 5 percent of total mortgages in 2020.

Almost all of the mortgages held by life insurers were in good standing (99.4%) in 2020. Of industry-held mortgages, only 0.6 percent were either restructured, overdue, or in foreclosure in 2020 (Table 2.7).

At year-end 2020, \$10 billion (2%) was held in general account mortgages with a loan-to-value ratio above 95 percent, compared with \$527 billion (88%) 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 \$41 billion at the end of 2020. This represents a 2.3 percent decrease from 2019 (Table 2.9).

By the end of 2020, real estate amounted to .5 percent of life insurers' assets (Table 2.1). Real estate holdings in separate accounts decreased \$654 million during the year as real estate in general accounts decreased \$315 million (Table 2.2).

Real estate held to produce income totaled \$34 billion, or 83 percent of all real estate owned, while

real estate held for sale amounted to \$726 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 \$133 billion by year-end 2020, down 0.4 percent from the loans outstanding a year earlier (Tables 2.1–2.2). Policy loans accounted for 1.6 percent of company assets at the end of 2020.

## **FOREIGN-CONTROLLED ASSETS**

Foreign-controlled assets were \$1.7 trillion, or 20.8 percent of total industry assets in 2020 (Table 2.10). Canada, followed by the United Kingdom, the Netherlands, Bermuda, and Germany own the most foreign-controlled assets of U.S. life insurers.

Table 2.1

**Distribution of Life Insurer Assets, by Account Type, 2020 (millions)**

	General account		Separate account		Combined accounts	
	Year's end	Percent distribution	Year's end	Percent distribution	Year's end	Percent distribution
<b>Bonds</b>						
Government securities						
U.S.	\$374,811	7.4	\$69,981	2.3	\$444,792	5.5
Foreign	48,154	1.0	7,753	0.3	55,908	0.7
Total government	422,965	8.3	77,735	2.5	500,700	6.1
Corporate securities	2,538,081	50.1	282,002	9.1	2,820,083	34.6
Mortgage-backed securities <sup>1</sup>	426,428	8.4	122,685	4.0	549,113	6.7
Total long-term bonds	3,387,474	66.9	482,422	15.6	3,869,897	47.5
<b>Stocks</b>						
Common	102,055	2.0	2,352,703	76.3	2,454,758	30.1
Preferred	15,468	0.3	1,061	0.0	16,529	0.2
Total	117,523	2.3	2,353,764	76.3	2,471,287	30.3
<b>Mortgages</b>						
Farm	24,704	0.5	4,833	0.2	29,538	0.4
Residential	31,847	0.6	2,126	0.1	33,973	0.4
Commercial	543,875	10.7	34,024	1.1	577,899	7.1
Total	600,426	11.9	40,984	1.3	641,410	7.9
<b>Real estate</b>	22,981	0.5	17,602	0.6	40,583	0.5
<b>Policy loans</b>	133,302	2.6	-	0.0	133,302	1.6
<b>Short-term investments</b>	40,365	0.8	12,721	0.4	53,086	0.7
<b>Cash &amp; cash equivalents</b>	116,598	2.3	35,611	1.2	152,208	1.9
<b>Derivatives</b>	121,695	2.4	18,694	0.6	140,390	1.7
<b>Other invested assets</b>	265,893	5.2	92,002	3.0	357,896	4.4
<b>Non-invested assets</b>	259,300	5.1	31,031	1.0	290,330	3.6
<b>Aggregate total</b>	<b>5,065,557</b>	<b>100.0</b>	<b>3,084,832</b>	<b>100.0</b>	<b>8,150,389</b>	<b>100.0</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. Data reflect investments held at year's end. Data represent U.S. life insurers and fraternal benefit societies.

<sup>1</sup>Includes Ginnie Mae (GNMA).

Table 2.2

**Distribution of Life Insurer Assets, by Account Type and Year<sup>1</sup>**

	General account (millions)			Average annual percent change	
	2010	2019	2020	2010/2020	2019/2020
<b>Bonds</b>					
Government	\$365,700	\$413,209	\$422,965	1.5	2.4
Corporate	1,611,217	2,344,388	2,538,081	4.6	8.3
MBS <sup>1</sup>	526,877	444,475	426,428	-2.1	-4.1
Total	2,503,794	3,202,071	3,387,474	3.1	5.8
<b>Stocks</b>					
Common	73,026	97,709	102,055	3.4	4.4
Preferred	9,484	13,684	15,468	5.0	13.0
Total	82,510	111,393	117,523	3.6	5.5
<b>Mortgages</b>	317,273	578,451	600,426	6.6	3.8
<b>Real estate</b>	20,026	23,296	22,981	1.4	-1.4
<b>Policy loans</b>	126,273	133,902	133,302	0.5	-0.4
<b>Short-term investments</b>	63,688	32,369	40,365	-4.5	24.7
<b>Cash &amp; cash equivalents</b>	33,892	90,500	116,598	13.2	28.8
<b>Derivatives</b>	NA	79,625	121,695	NA	52.8
<b>Other invested assets</b>	149,940	239,531	265,893	5.9	11.0
<b>Non-invested assets</b>	160,549	242,673	259,300	4.9	6.9
Aggregate total	3,457,944	4,733,812	5,065,557	3.9	7.0

Table 2.2, continued

**Distribution of Life Insurer Assets, by Account Type and Year<sup>1</sup>, continued**

	Separate account (millions)			Average annual percent change	
	2010	2019	2020	2010/2020	2019/2020
<b>Bonds</b>					
Government	\$47,745	\$71,552	\$77,735	5.0	8.6
Corporate	89,144	244,512	282,002	12.2	15.3
MBS <sup>1</sup>	104,075	119,707	122,685	1.7	2.5
Total	240,964	435,772	482,422	7.2	10.7
<b>Stocks</b>					
Common	1,487,111	2,185,434	2,352,703	4.7	7.7
Preferred	603	992	1,061	5.8	6.9
Total	1,487,714	2,186,426	2,353,764	4.7	7.7
<b>Mortgages</b>	9,715	36,932	40,984	15.5	11.0
<b>Real estate</b>	7,826	18,257	17,602	8.4	-3.6
<b>Policy loans</b>	549	NA	-	NA	NA
<b>Short-term investments</b>	19,745	8,424	12,721	-4.3	51.0
<b>Cash &amp; cash equivalents</b>	19,316	27,092	35,611	6.3	31.4
<b>Derivatives</b>	NA	8,512	18,694	NA	119.6
<b>Other invested assets</b>	37,384	87,559	92,002	9.4	5.1
<b>Non-invested assets</b>	30,048	24,412	31,031	0.3	27.1
Aggregate total	1,853,260	2,833,387	3,084,832	5.2	8.9

Table 2.2 , continued

**Distribution of Life Insurer Assets, by Account Type and Year, continued**

	Combined accounts (millions)			Average annual percent change	
	2010	2019	2020	2010/2020	2019/2020
<b>Bonds</b>					
Government	\$413,445	\$484,761	\$500,700	1.9	3.3
Corporate	1,700,360	2,588,900	2,820,083	5.2	8.9
MBS <sup>1</sup>	630,952	564,182	549,113	-1.4	-2.7
Total	2,744,758	3,637,843	3,869,897	3.5	6.4
<b>Stocks</b>					
Common	1,560,138	2,283,143	2,454,758	4.6	7.5
Preferred	10,087	14,676	16,529	5.1	12.6
Total	1,570,225	2,297,819	2,471,287	4.6	7.5
<b>Mortgages</b>	326,988	615,383	641,410	7.0	4.2
<b>Real estate</b>	27,851	41,552	40,583	3.8	-2.3
<b>Policy loans</b>	126,821	133,902	133,302	0.5	-0.4
<b>Short-term investments</b>	83,432	40,793	53,086	-4.4	30.1
<b>Cash &amp; cash equivalents</b>	53,208	117,592	152,208	11.1	29.4
<b>Derivatives</b>	NA	88,138	140,390	NA	59.3
<b>Other invested assets</b>	187,324	327,090	357,896	6.7	9.4
<b>Non-invested assets</b>	190,597	267,085	290,330	4.3	8.7
Aggregate total	5,311,204	7,567,199	8,150,389	4.4	7.7

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

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<sup>1</sup>Includes Ginnie Mae (GNMA).

NA: Not available.



Table 2.3

### Distribution of Long-Term General Account Bond Investments

	2019		2020	
	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution
<b>U.S. government obligations</b>	\$151,766	4.7	\$155,689	4.6
<b>Foreign government</b>	46,025	1.4	48,154	1.4
<b>U.S. states and territories</b>	19,492	0.6	18,768	0.6
<b>U.S. political subdivisions</b>	25,854	0.8	23,937	0.7
<b>U.S. special revenue and assessment</b>	170,072	5.3	176,416	5.2
<b>Mortgage-backed securities</b>	444,475	13.9	426,428	12.6
<b>Other</b>				
Unaffiliated securities	2,312,860	72.2	2,506,572	74.0
Affiliated securities	31,528	1.0	31,509	0.9
<b>Total</b>	<b>3,202,071</b>	<b>100.0</b>	<b>3,387,474</b>	<b>100.0</b>

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Table 2.4

**Distribution of General Account Bonds, by Remaining Maturity, 2016-2020**

		Percentage of general account bonds held at year's end					
		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	Total
<b>Government</b>							
	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
	2019	11.6	19.2	20.9	24.1	24.3	100.0
	2020	13.7	20.5	21.6	21.2	23.0	100.0
<b>Corporate</b>							
	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
	2019	6.5	26.7	32.0	15.5	19.4	100.0
	2020	6.4	27.3	29.6	16.3	20.5	100.0
<b>Total</b>							
	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
	2019	7.5	25.1	29.7	17.2	20.4	100.0
	2020	7.8	26.0	28.1	17.2	21.0	100.0

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Table 2.5

**Distribution of General Account Long-Term Bonds, at Time of Purchase, 2020**

<b>Maturity</b>	<b>Percent distribution</b>
20 years and over	40.1
10 years to less than 20 years	33.1
5 years to less than 10 years	21.8
Less than 5 years	5.0
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 Class<sup>1</sup>**

<b>PUBLIC BONDS</b>	<b>2010</b>		<b>2019</b>		<b>2020</b>	
<b>NAIC quality class</b>	<b>Amount (millions)</b>	<b>Percentage of publicly traded bonds</b>	<b>Amount (millions)</b>	<b>Percentage of publicly traded bonds</b>	<b>Amount (millions)</b>	<b>Percentage of publicly traded bonds</b>
<b>High quality</b>						
Class 1	\$1,393,533	72.0	\$1,386,690	65.8	\$1,339,190	61.7
Class 2	440,416	22.8	650,616	30.9	743,128	34.2
<b>Medium quality</b>						
Class 3	60,506	3.1	48,805	2.3	70,109	3.2
<b>Low quality</b>						
Class 4	28,744	1.5	17,801	0.8	16,337	0.8
Class 5	9,303	0.5	3,677	0.2	2,385	0.1
Class 6	2,246	0.1	1,100	0.1	575	0.0
Total	1,934,748	100.0	2,108,690	100.0	2,171,724	100.0

Table 2.6, continued

**Distribution of General Account Bonds, by NAIC Quality Class<sup>1</sup>, continued**

PRIVATE BONDS	2010		2019		2020	
	Amount (millions)	Percentage of privately traded bonds	Amount (millions)	Percentage of privately traded bonds	Amount (millions)	Percentage of privately traded bonds
<b>High quality</b>						
Class 1	\$311,120	47.5	\$591,211	51.0	\$646,420	49.9
Class 2	265,345	40.5	470,875	40.6	524,225	40.5
<b>Medium quality</b>						
Class 3	43,303	6.6	56,914	4.9	69,814	5.4
<b>Low quality</b>						
Class 4	20,597	3.1	27,554	2.4	37,908	2.9
Class 5	10,550	1.6	11,854	1.0	14,944	1.2
Class 6	3,450	0.5	1,782	0.2	1,854	0.1
<b>Total</b>	<b>654,365</b>	<b>100.0</b>	<b>1,160,189</b>	<b>100.0</b>	<b>1,295,166</b>	<b>100.0</b>

Table 2.6, continued

**Distribution of General Account Bonds, by NAIC Quality Class<sup>1</sup>, continued**

TOTAL BONDS  NAIC quality class	2010		2019		2020	
	Amount (millions)	Percentage of general account bonds	Amount (millions)	Percentage of general account bonds	Amount (millions)	Percentage of general account bonds
<b>High quality</b>						
Class 1	\$1,704,653	65.8	\$1,977,901	60.5	\$1,985,610	57.3
Class 2	705,760	27.3	1,121,491	34.3	1,267,353	36.6
<b>Medium quality</b>						
Class 3	103,809	4.0	105,719	3.2	139,923	4.0
<b>Low quality</b>						
Class 4	49,341	1.9	45,355	1.4	54,246	1.6
Class 5	19,853	0.8	15,531	0.5	17,330	0.5
Class 6	5,696	0.2	2,882	0.1	2,429	0.1
Aggregate total	2,589,113	100.0	3,268,879	100.0	3,466,890	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.

<sup>1</sup>Includes long-term bonds, short-term investments, and cash equivalents.

Table 2.7

### Quality of Mortgages Held by Life Insurers

	2010		2019		2020	
	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution
<b>Farm</b>						
In good standing	\$17,780	99.8	\$26,694	98.7	\$29,258	99.1
Restructured	12	0.1	130	0.5	34	0.1
Overdue	16	0.1	127	0.5	195	0.7
Foreclosed	3	0.0	88	0.3	50	0.2
Total	17,811	100.0	27,039	100.0	29,538	100.0
<b>Residential</b>						
In good standing	3,894	98.6	31,955	95.9	32,209	94.8
Restructured	8	0.2	477	1.4	435	1.3
Overdue	23	0.6	519	1.6	1,046	3.1
Foreclosed	24	0.6	373	1.1	284	0.8
Total	3,948	100.0	33,325	100.0	33,973	100.0
<b>Commercial</b>						
In good standing	303,037	99.3	554,104	99.8	576,072	99.7
Restructured	917	0.3	679	0.1	926	0.2
Overdue	796	0.3	95	0.0	364	0.1
Foreclosed	479	0.2	141	0.0	537	0.1
Total	305,229	100.0	555,019	100.0	577,899	100.0
<b>All categories</b>						
In good standing	324,711	99.3	612,753	99.6	637,539	99.4
Restructured	937	0.3	1,286	0.2	1,395	0.2
Overdue	834	0.3	742	0.1	1,605	0.3
Foreclosed	506	0.2	603	0.1	871	0.1
Aggregate total	326,988	100.0	615,383	100.0	641,410	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, 2020 (millions)**

<b>Loan-to-value ratio</b>	<b>Farm</b>	<b>Non-Farm</b>	<b>Total</b>
Above 95%	\$23	\$10,467	\$10,490
91 - 95%	-	2,080	2,080
81 - 90%	8	12,255	12,264
71 - 80%	124	48,316	48,440
Below 71 %	24,549	502,604	527,152
<b>Total</b>	<b>24,704</b>	<b>575,722</b>	<b>600,426</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. Data represents U.S. life insurers and fraternal benefit societies.

Table 2.9

**Real Estate Owned by Life Insurers, by Type**

	<b>Millions</b>			<b>Average annual percent change</b>	
	<b>2010</b>	<b>2019</b>	<b>2020</b>	<b>2010/2020</b>	<b>2019/2020</b>
<b>Investment property</b>					
Held for income	\$21,486	\$34,290	\$33,637	4.6	-1.9
Held for sale	446	1,160	726	5.0	-37.4
<b>Total</b>	<b>21,932</b>	<b>35,450</b>	<b>34,363</b>	<b>4.6</b>	<b>-3.1</b>
<b>Occupied by company</b>	<b>5,919</b>	<b>6,102</b>	<b>6,220</b>	<b>0.5</b>	<b>1.9</b>
<b>Aggregate total</b>	<b>27,851</b>	<b>41,552</b>	<b>40,583</b>	<b>3.8</b>	<b>-2.3</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. Data represent U.S. life insurers and fraternal benefit societies.

Table 2.10

<b>Foreign-Controlled Assets of U.S. Life Insurers, by Country and Year (millions)</b>					
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Bermuda	\$121,070	\$137,600	\$156,495	\$170,597	\$213,697
Canada	356,693	386,661	363,099	380,189	436,482
Cayman Islands	26,800	50,351	50,323	58,205	66,627
France	180,995	202,002	197,142	2,177	2,030
Germany	153,145	164,365	170,255	187,702	204,192
Japan	128,467	137,579	154,162	177,179	187,333
Netherlands	213,801	217,573	201,204	214,535	233,783
Panama	113	115	121	123	131
Spain	82	84	59	59	65
Switzerland	41,056	41,249	40,003	37,950	39,157
United Kingdom	220,391	246,487	242,465	283,109	312,476
<b>Total</b>	<b>1,442,612</b>	<b>1,584,066</b>	<b>1,575,329</b>	<b>1,511,825</b>	<b>1,695,974</b>
<b>Percentage of industry assets</b>	<b>21.3%</b>	<b>22.1%</b>	<b>22.5%</b>	<b>20.0%</b>	<b>20.8%</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. 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

Table 2.11, continued

**Asset Distribution of Life Insurers, by Year (millions), continued**

<b>Year</b>	<b>Bonds</b>	<b>Stocks</b>	<b>Mortgages</b>	<b>Real estate</b>	<b>Policy loans</b>	<b>Miscellaneous assets</b>	<b>Total</b>
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
2019	3,637,843	2,297,819	615,383	41,552	133,902	840,699	7,567,199
2020	3,869,897	2,471,287	641,410	40,583	133,302	993,910	8,150,389

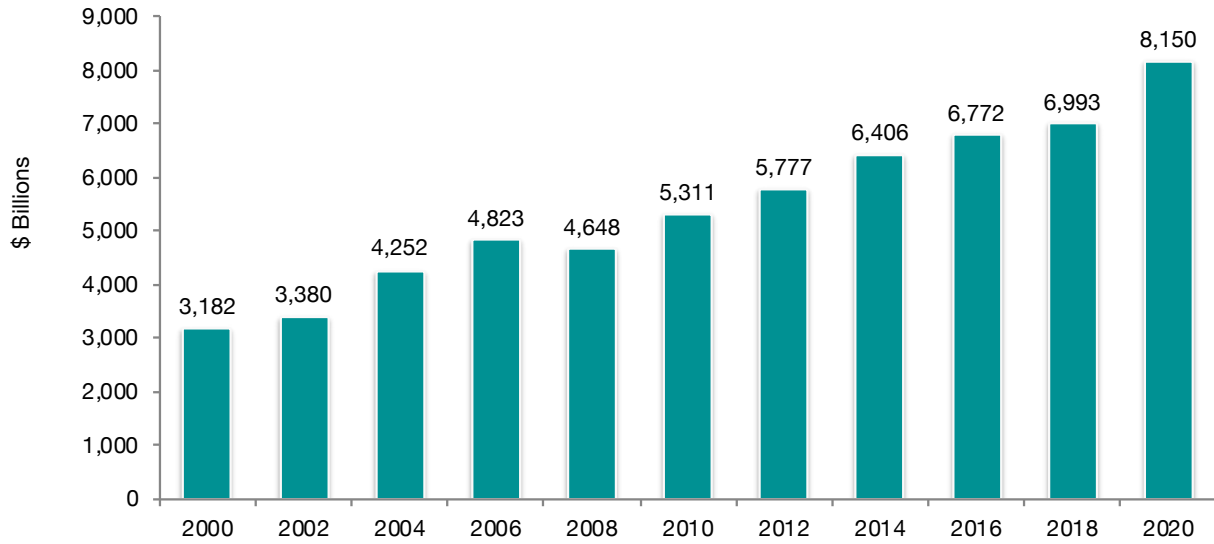
Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

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

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

Figure 2.1

**Growth of Life Insurer Assets**

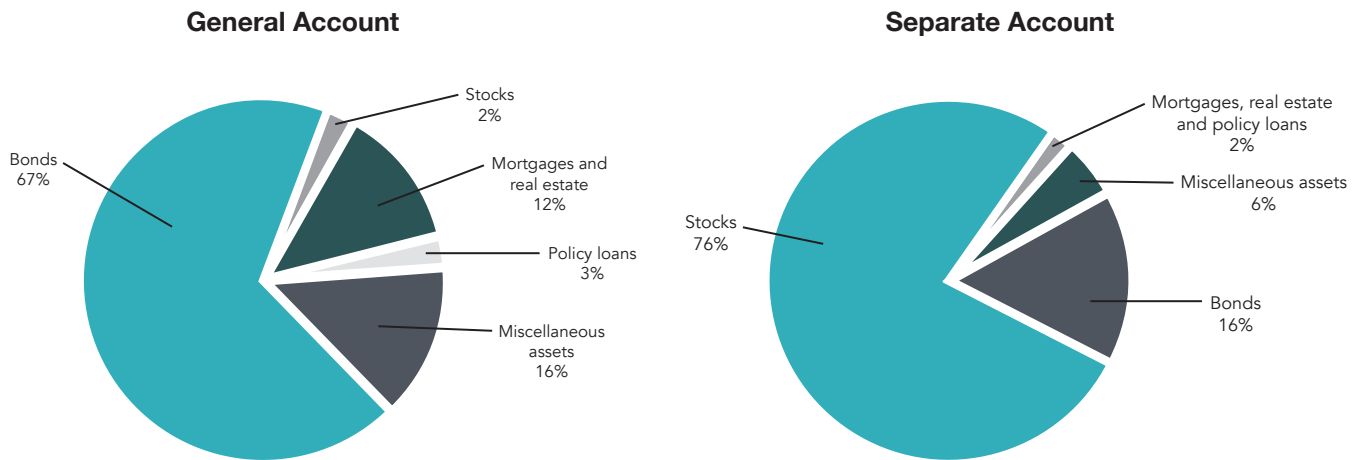


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

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Figure 2.2

**Asset Distribution of Life Insurers, 2020**

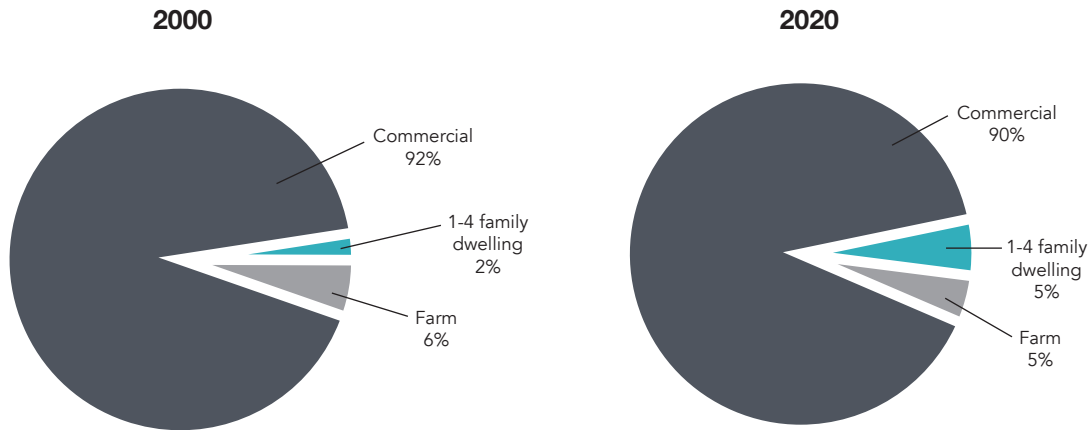


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

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.

Figure 2.3

### Mortgages Held by Life Insurers, by Type

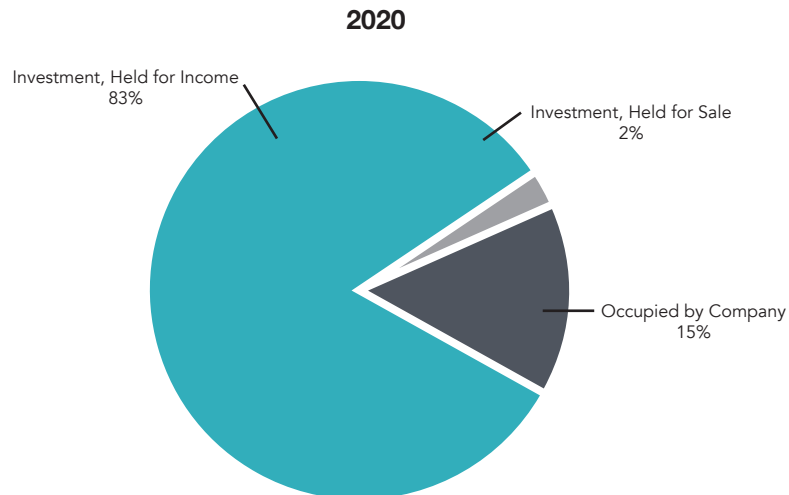


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers, and fraternal benefit societies for 2020.

Figure 2.4

### Real Estate Owned by Life Insurers



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.