

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 trillion of new life insurance coverage in 2018, a 1.9 percent decrease from 2017. By the end of 2018, total life insurance coverage in the United States was \$19.6 trillion, a decrease of 4.1 percent from 2017 (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 62 percent of all life insurance in force in the United States at year-end 2018 (Table 7.1). Typically purchased through life insurance agents, this insurance is issued under individual policies with face amounts as low as \$10,000, 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 \$12.1 trillion at the end of 2018 and has grown at an average annual rate of 1.7 percent since 2008, when \$10.3 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 \$168,000 in 2018 (Figure 7.2). The number of individual policies purchased totaled 10.3 million in 2018 (Table 7.1).

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

* 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 2018, 40 percent, or 4 million, were term insurance, totaling \$1.2 trillion, or 72 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 2018, direct purchases of permanent life constituted 60 percent of U.S. individual life insurance policies issued and 28 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 \$1.2 trillion (71%) in 2018 (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 2018 (Table 7.4). Of the individual life policies that have been voluntarily terminated, 19% 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 2018, 90 percent, or 29 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 2018, group insurance represented 43 percent of all life insurance policies in force (Table 7.1).

Group purchases decreased 5.4 percent in 2018 to \$1.2 trillion. At the end of 2018, group life insurance provided \$7.4 trillion of protection, 12.4 percent less 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 2018, at \$1.2 trillion (Table 7.3).

The voluntary termination rate of group life insurance policies decreased to 5.1 percent from 6.1 percent a year earlier. The voluntary lapses in 2018 decreased to 5.0 percent from 5.9 percent in 2017 (Table 7.4).

Group policies also provide disability benefits. Of group life policies in force in 2018, 95 percent, or 95 million, provided for waiver of premium, representing \$5.3 trillion, or 85 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 2018, \$84 billion of credit life insurance was in force, up 7.4 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 2018, 98 percent, or \$47 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 2018, \$600 million in new claims along with \$619 million in other claims were in dispute. Of this amount, \$110 million was paid in 2018 and \$363 million still resisted at the end of the year (Table 7.7).

Table 7.1

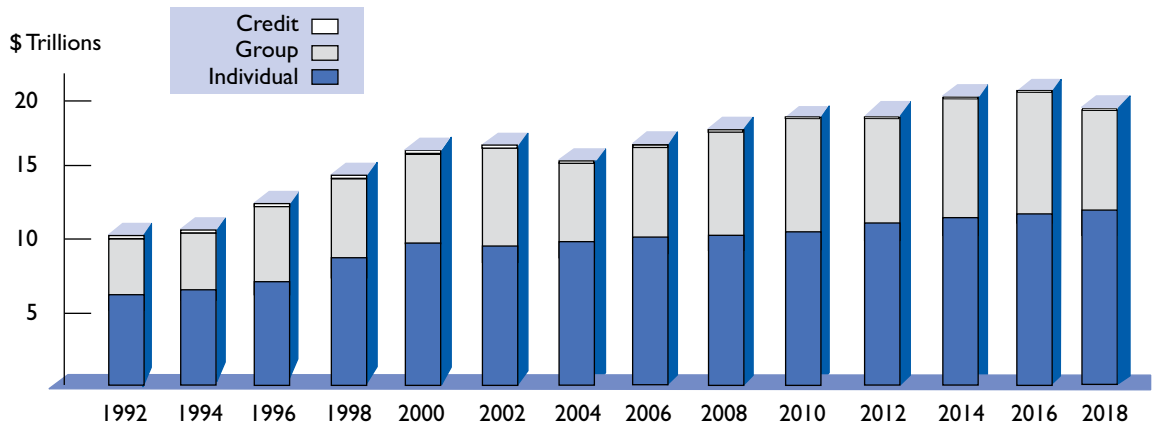
| Life Insurance in the United States | | | | | |
|--|-----------------------|--------------|--------------|--------------------------------------|------------------|
| | Life Insurance | | | Average annual percent change | |
| | 2008 | 2017 | 2018 | 2008/2018 | 2017/2018 |
| PURCHASES | | | | | |
| Face amount (millions) | | | | | |
| Individual | \$1,869,554 | \$1,711,545 | \$1,727,874 | -0.8 | 1.0 |
| Group | 1,073,273 | 1,315,651 | 1,244,329 | 1.5 | -5.4 |
| Credit | 104,482 | 50,303 | 48,253 | -7.4 | -4.1 |
| Total | 3,047,309 | 3,077,499 | 3,020,456 | -0.1 | -1.9 |
| Policies (thousands) | | | | | |
| Individual | 10,207 | 10,478 | 10,289 | 0.1 | -1.8 |
| Group (certificates) | 18,392 | 17,557 | 17,459 | -0.5 | -0.6 |
| Credit | 13,005 | 8,164 | 7,849 | -4.9 | -3.9 |
| Total | 41,604 | 36,198 | 35,597 | -1.5 | -1.7 |
| IN FORCE | | | | | |
| Face amount (millions) | | | | | |
| Individual | \$10,254,379 | \$11,927,253 | \$12,120,445 | 1.7 | 1.6 |
| Group | 8,717,453 | 8,410,652 | 7,366,765 | -1.7 | -12.4 |
| Credit | 148,443 | 77,787 | 83,534 | -5.6 | 7.4 |
| Total | 19,120,276 | 20,415,692 | 19,570,744 | 0.2 | -4.1 |
| Policies (thousands) | | | | | |
| Individual | 156,008 | 141,753 | 138,471 | -1.2 | -2.3 |
| Group (certificates) | 147,728 | 132,648 | 114,699 | -2.5 | -13.5 |
| Credit | 30,949 | 14,456 | 13,720 | -7.8 | -5.1 |
| Total | 334,685 | 288,857 | 266,890 | -2.2 | -7.6 |

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.

Figure 7.1

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

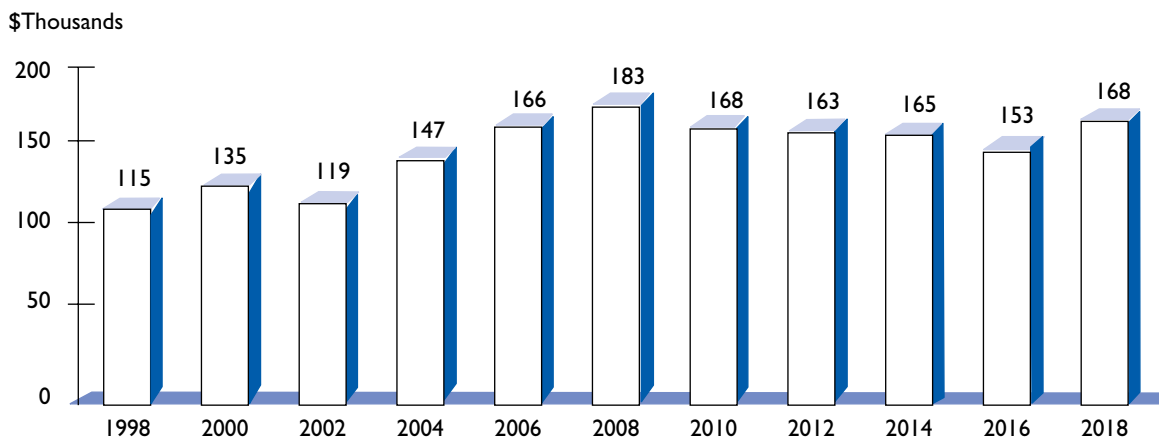


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission. NAIC does not endorse any analysis or conclusions based on use of its data.

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

| | Policies in thousands/Amounts in millions | | | |
|------------------------------------|---|---------|-------------|---------|
| | Policies | Percent | Face amount | Percent |
| Term insurance | | | | |
| Decreasing Level | 262 | 2.6 | \$5,404 | 0.3 |
| Decreasing other term ¹ | 3,727 | 37.5 | 1,129,917 | 66.9 |
| Level other term ² | NA | NA | 3,781 | 0.2 |
| Term additions | NA | NA | 70,795 | 4.2 |
| Total | NA | NA | 1,422 | 0.1 |
| Whole life and endowment | 3,990 | 40.2 | 1,211,320 | 71.8 |
| Aggregate total | 5,941 | 59.8 | 476,601 | 28.2 |
| | 9,931 | 100.0 | 1,687,921 | 100.0 |

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

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NA: Not available

¹Includes decreasing term insurance on spouses and children under family policies.

²Includes level term insurance on spouses and children under family policies.

Table 7.3

| | Individual | | Group | | Credit | | Total | |
|------------------|------------------------|---------|------------------------|---------|------------------------|---------|------------------------|---------|
| | Face amount (millions) | Percent | Face amount (millions) | Percent | Face amount (millions) | Percent | Face amount (millions) | Percent |
| 2008 | | | | | | | | |
| Nonparticipating | \$1,456,909 | 79.1 | \$1,027,759 | 95.8 | \$86,880 | 83.2 | \$2,571,548 | 85.2 |
| Participating | 384,756 | 20.9 | 45,514 | 4.2 | 17,603 | 16.8 | 447,873 | 14.8 |
| Total | 1,841,665 | 100.0 | 1,073,273 | 100.0 | 104,483 | 100.0 | 3,019,421 | 100.0 |
| 2017 | | | | | | | | |
| 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 |
| 2018 | | | | | | | | |
| Nonparticipating | 1,196,400 | 70.9 | 1,163,579 | 93.5 | 47,025 | 97.5 | 2,407,004 | 80.8 |
| Participating | 491,540 | 29.1 | 80,750 | 6.5 | 1,227 | 2.5 | 573,517 | 19.2 |
| Total | 1,687,940 | 100.0 | 1,244,329 | 100.0 | 48,252 | 100.0 | 2,980,521 | 100.0 |

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Table 7.4

| Voluntary Termination Rates for Life Insurance Policies, Calculated by Face Amount (percent) | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Lapse rate | | | | | | | | | | | |
| Individual | 6.1 | 5.7 | 5.4 | 4.8 | 4.7 | 4.6 | 4.3 | 4.4 | 4.3 | 4.5 | 4.7 |
| Group | 6.7 | 6.6 | 5.6 | 4.6 | 5.6 | 6.4 | 5.5 | 5.9 | 6.1 | 5.9 | 5.0 |
| Credit | 6.1 | 9.9 | 6.9 | 6.8 | 7.4 | 7.5 | 8.5 | 8.0 | 6.8 | 6.6 | 5.8 |
| Surrender rate | | | | | | | | | | | |
| Individual | 1.5 | 1.6 | 1.4 | 1.2 | 1.2 | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 |
| Group | 0.2 | 0.3 | 0.2 | 0.3 | 0.6 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Credit | 8.3 | 7.0 | 6.6 | 7.3 | 8.2 | 9.7 | 14.6 | 9.6 | 7.2 | 7.1 | 7.2 |
| Combined termination rate | | | | | | | | | | | |
| Individual | 7.6 | 7.3 | 6.8 | 6.1 | 5.9 | 5.7 | 5.3 | 5.4 | 5.2 | 5.7 | 5.7 |
| Group | 6.9 | 7.0 | 5.8 | 4.9 | 6.2 | 6.5 | 5.6 | 5.9 | 6.2 | 6.1 | 5.1 |
| Credit | 14.4 | 16.9 | 13.5 | 14.1 | 15.6 | 17.1 | 23.1 | 17.6 | 14.0 | 13.6 | 13.0 |

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Table 7.5

| Voluntary Termination Rates for Life Insurance Policies, Calculated by Number of Policies (percent) | | | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|------|------|------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Lapse rate | | | | | | | | | | | |
| Individual | 6.8 | 5.7 | 5.0 | 4.9 | 4.7 | 4.0 | 5.1 | 4.6 | 5.0 | 5.3 | 5.6 |
| Group | 6.6 | 10.0 | 6.7 | 5.9 | 5.9 | 8.4 | 7.2 | 6.3 | 5.7 | 5.7 | 4.7 |
| Credit | 5.4 | 10.1 | 7.9 | 7.9 | 7.8 | 8.1 | 9.3 | 7.1 | 5.6 | 5.2 | 5.0 |
| Surrender rate | | | | | | | | | | | |
| Individual | 1.1 | 1.2 | 1.2 | 1.1 | 1.1 | 1.0 | 1.1 | 1.0 | 1.0 | 1.1 | 1.1 |
| Group | 0.2 | 0.2 | 0.1 | 0.2 | 0.6 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Credit | 18.0 | 10.0 | 10.7 | 10.7 | 11.9 | 12.2 | 13.6 | 10.3 | 8.3 | 9.1 | 8.4 |
| Combined termination rate | | | | | | | | | | | |
| Individual | 7.9 | 6.9 | 6.1 | 6.1 | 5.8 | 5.0 | 6.2 | 5.6 | 6.0 | 6.4 | 6.7 |
| Group | 6.8 | 10.2 | 6.8 | 6.0 | 6.4 | 8.5 | 7.3 | 6.4 | 5.8 | 5.7 | 4.7 |
| Credit | 23.4 | 20.1 | 18.6 | 18.6 | 19.7 | 20.3 | 22.9 | 17.4 | 13.9 | 14.3 | 13.4 |

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Table 7.6

| Life Insurance With Disability Provisions, 2018 | | | | |
|---|-----------------|-------------------------------------|--------------------|-----------------------------------|
| Policies and certificates in thousands/Amounts in millions | | | | |
| | Policies | Percent of policies in force | Face amount | Percent of amount in force |
| Individual¹ | | | | |
| Waiver of premium | 28,931 | 20.9 | 4,169,826 | 34.4 |
| Disability income | 203 | 0.1 | 9,101 | 0.1 |
| Extended benefits ² | 0 | 0.0 | 0 | 0.0 |
| Other | 3,062 | 2.2 | 33,455 | 0.3 |
| Total | 32,197 | 23.3 | 4,212,382 | 34.8 |
| Group² | | | | |
| Waiver of premium | 95,043 | 82.9 | 5,289,442 | 71.8 |
| Disability income | 934 | 0.8 | 32,618 | 0.4 |
| Extended benefits | 1,892 | 1.6 | 123,409 | 1.7 |
| Other | 2,460 | 2.1 | 743,289 | 10.1 |
| Total | 100,329 | 87.5 | 6,188,758 | 84.0 |
| Credit³ | | | | |
| Waiver of premium | 2 | 0.0 | 147 | 0.2 |
| Disability income | 36 | 0.3 | 191 | 0.2 |
| Extended benefits | 14 | 0.1 | 115 | 0.1 |
| Total | 52 | 0.4 | 453 | 0.5 |

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

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¹Policies in force totaled 138 million, with a face amount of \$12.1 trillion.

²Certificates in force totaled 115 million, with a face amount of \$7.4 trillion.

³Policies in force totaled 14 million, with a face amount of \$83.5 billion.

⁴Less than 500 policies and \$200,000 face amount.

Table 7.7

| New Policy Claims Resisted or Compromised (thousands) | | | | | | |
|--|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| | 2008 | | 2017 | | 2018 | |
| | Face amount | Percent | Face amount | Percent | Face amount | Percent |
| New claims in dispute | \$373,024 | 34.4 | \$550,948 | 47.2 | \$599,922 | 49.2 |
| All other claims in dispute | 712,443 | 65.6 | 615,874 | 52.8 | 619,171 | 50.8 |
| Total claims in dispute | 1,085,467 | 100.0 | 1,166,822 | 100.0 | 1,219,093 | 100.0 |
| Amount paid for new claims | 21,867 | 24.3 | 153,739 | 62.0 | 38,878 | 35.2 |
| Amount paid for claims previously resisted | 68,143 | 75.7 | 94,125 | 38.0 | 71,542 | 64.8 |
| Total amount paid | 90,011 | 100.0 | 247,865 | 100.0 | 110,420 | 100.0 |
| Amount resisted at year's end¹ | 482,539 | | 354,640 | | 363,252 | |

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.

¹Not equal to subtracting total amount paid from total claims in dispute. The amount paid for claims disposed of usually varies from the amount claimed.

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 |
| 2018‡ | 10,289 | 1,727,874 | 17,459 | 1,244,329 | 27,748 | 2,972,203 |

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 ¹ | 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 |
| 2018‡ | 138 | 12,120,445 | 115 | 7,366,765 | 14 | 83,534 | 267 | 19,570,744 |

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.

¹Includes group credit certificates.