ACLI
Financial Security for Life

2022

American Council of Life Insurers

LIFE INSURERS FACT BOOK

American Council of Life Insurers

LIFE INSURERS FACT BOOK 2022

The American Council of Life Insurers is a Washington, D.C.-based trade association. Its member companies offer life insurance, long-term care insurance, disability income insurance, reinsurance, annuities, pensions, and other retirement and financial protection products.

Library of Congress Catalog Number 47–27134

Contents

Illustrations

TABLES

Overview

Assets

Liabilities

Income

Household Ownership and Access To Insurance Products

In the States

Industry Rankings

Life Expectancy and Changing Demographics

FIGURES

Preface

The *Life Insurers Fact Book*, the annual statistical report of the American Council of Life Insurers (ACLI), provides information on trends and statistics about the life insurance industry. ACLI represents approximately 280 legal reserve life insurer and fraternal benefit society member companies operating in the United States. These member companies represent 94 percent of industry assets.

ACLI advocates the interests of life insurers and their millions of policyholders before federal and state legislators, state insurance departments, administration officials, federal regulatory agencies, and the courts. ACLI expands awareness of how the products offered by life insurers—life insurance, pensions, annuities, disability income insurance, and long-term care insurance—help Americans plan for and achieve financial and retirement security.

Unless otherwise noted, the data reported in the *Life Insurers Fact Book* are ACLI tabulations of the National Association of Insurance Commissioners (NAIC) 2021 statutory data for the life industry as of June 2022, and represent U.S. legal reserve life insurance companies and fraternal benefit societies. NAIC data are used by permission. The NAIC does not endorse any analysis or conclusions based on use of its data.

We would like to acknowledge ACLI staff who prepared the *Life Insurers Fact Book 2022*: Michele Alexander, Aaron Hoppenstedt, Vagiz Sultanbikov, and Jiangmei Wang.

Andrew Melnyk, Ph.D.
Vice President, Research & Chief Economist

Khari Cook
Senior Research Analyst

Methodology

Unless otherwise noted, data in the *Life Insurers Fact Book* come from the annual statements of life insurers filed with the National Association of Insurance Commissioners (NAIC). These data represent the U.S. insurance business of companies (or branches of foreign companies) regulated by state insurance commissioners. Unless otherwise noted, data for years after 2002 include information for both life insurance companies and for fraternal benefit societies that sell life insurance products. Prior to 2003, data do not include fraternal benefit insurance sales. Where fraternal data are included, they are included as individual, rather than group, business. Data on life insurance sales by savings banks and the U.S. Department of Veterans Affairs are provided separately in Chapter 1 only.

Most of the Fact Book data are reported in standardized tables that summarize information for the current year (2021 data), last year (2020 data), and 10 years previous (2011 data), along with the average annual percentage change over the last year and the last ten years. In cases where 2011 data are not available, then the oldest available data are reported.

Company ownership is reflected on a fleet basis. That is, if a stock company is owned by a mutual parent, both are now classified as mutual companies. The same is true for insurance companies owned by non-U.S. parents. This affects most notably tables in Chapter 1.

The assets of a fleet typically differ slightly from the sum of the assets of individual companies in the fleet, because the net value (stockholder equity) of the subsidiary is counted at both the subsidiary and the parent level. This same double-counting discrepancy exists for liabilities, investment income, and surplus. Adjustments have been made, when possible, to eliminate the double-counting of assets, liabilities, investment income, and surplus.

Chapter 4 presents calculations of gross and net rates of return on investment based on formulas traditionally used in the industry. The net rate of return is calculated as:

(net investment income)/ 2-year average net invested assets. The formula for average net invested assets is (current year net invested assets + current year investment income due – current year borrowed money – current year payable for securities – current year capital notes – current year surplus notes + previous year net invested assets + previous year investment income due – previous year borrowed money – previous year payable for securities – previous year capital notes – previous year surplus notes – net investment income) / 2.

The gross rate of return on fixed-rate assets is calculated as:

(Gross investment income on bonds)/ average net investment in bonds. The denominator is (CY bonds + PY Bonds – gross investment income on bonds) /2.

Key U.S. Life Insurers Statistics

	2011	2020	2021	Average annual percent change 2011/2021	2020/2021
Life insurance in force (millions)[1]					
Individual	$10,993,501	$12,849,985	$13,568,826	2.1	5.6
Group	8,119,879	7,478,454	7,524,156	-0.8	0.6
Credit	105,685	97,170	95,433	-1.0	-1.8
Total	19,219,065	20,425,609	21,188,415	1.0	3.7
Annuity considerations (millions)[2]					
Individual[3]	$217,837	$150,086	$152,071	-3.5	1.3
Group	117,058	151,255	138,561	1.7	-8.4
Total	334,895	301,341	290,632	-1.4	-3.6
Payments under life insurance and annuity contracts (millions)					
Payments to beneficiaries	$62,132	$90,429	$100,188	4.9	10.8
Surrender values[4]	239,677	327,908	367,467	4.4	12.1
Policyholder dividends	15,547	18,053	17,777	1.3	-1.5
Annuity payments[5]	74,518	91,559	97,695	2.7	6.7
Matured endowments	606	497	528	-1.4	6.3
Other payments[6]	676	685	671	-0.1	-2.0
Total	393,156	529,130	584,327	4.0	10.4
Income of life insurers (millions)					
Life insurance premiums	$127,455	$147,965	$164,604	2.6	11.2
Annuity considerations[2]	334,895	301,341	290,632	-1.4	-3.6
Health insurance premiums	171,647	186,336	192,035	1.1	3.1
Total	633,997	635,643	647,271	0.2	1.8
Investment income	221,007	293,154	338,312	4.3	15.4
Other income[7]	60,332	91,413	100,902	5.3	10.4
Aggregate total	915,336	1,020,211	1,086,485	1.7	6.5
Life insurers doing business in the United States (units)					
Stock	687	553	542	-2.3	-2.0
Mutual[8]	117	110	114	-0.3	3.6
Fraternal[9]	85	74	71	-1.8	-4.1
Other[10]	6	10	10	5.2	0.0
Total	895	747	737	-1.9	-1.3

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. Data represent U.S. life insurers and fraternal benefit societies. NA: Not available. [1]Data represent net business. [2]Excludes deposits for guaranteed interest contracts due to codification. Data represents net business. [3]Includes supplementary contracts with life contingencies. [4]Excludes payments under deposit-type contracts, and includes annuity withdrawals of funds, for which a comparable amount in prior years is not available. [5]Excludes payments under deposit-type contracts. [6]Includes some disability benefits and retained assets. [7]Includes commissions and expense allowance on reinsurance ceded. Also, includes amortization of interest maintenance reserve. [8]Includes stock companies owned by mutual holding companies. [9]Includes stock companies owned by fraternal benefit societies. [10]Includes farm bureau, reciprocal, and risk retention groups.