

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.

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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.

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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:

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

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

$$\frac{(\text{Gross investment income on bonds})}{\text{average net investment in bonds}}$$
 The denominator is $(\text{CY bonds} + \text{PY Bonds} - \text{gross investment income on bonds}) / 2$.

Key U.S. Life Insurers Statistics

				Average annual percent change	
	2011	2020	2021	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. ¹Data represent net business. ²Excludes deposits for guaranteed interest contracts due to codification. Data represents net business. ³Includes supplementary contracts with life contingencies. ⁴Excludes payments under deposit-type contracts, and includes annuity withdrawals of funds, for which a comparable amount in prior years is not available. ⁵Excludes payments under deposit-type contracts. ⁶Includes some disability benefits and retained assets. ⁷Includes commissions and expense allowance on reinsurance ceded. Also, includes amortization of interest maintenance reserve. ⁸Includes stock companies owned by mutual holding companies. ⁹Includes stock companies owned by fraternal benefit societies. ¹⁰Includes farm bureau, reciprocal, and risk retention groups.

FACT BOOK 2022

1

OVERVIEW

U.S. life insurance companies sell the vast majority of life insurance and annuities purchased in the United States. Fraternal organizations and federal government agencies are also in the marketplace, and certain Canadian life insurers with U.S. legal reserves are allowed to sell insurance directly from their Canadian offices to U.S. purchasers. Data from Canadian companies are not included in this chapter.

At the end of 2021, 737 life insurance companies were in business in the United States (Table 1.1). The number of active companies peaked in 1988 (Table 1.7), and has since fallen steadily, mostly due to company mergers and consolidations. This streamlining has helped to reduce operating costs and general overhead, and has significantly increased efficiency.

ORGANIZATIONAL STRUCTURE

Stock and Mutual Life Insurers

Most life insurers are organized as either stock or mutual companies. Stock life insurance companies issue stock and are owned by their stockholders. Mutual companies are legally owned by their

policyholders and consequently do not issue stock.

Stock life insurers can be owned by other stock life insurance companies, mutual life insurance companies, or companies outside the life insurance industry. Only policyholders own a mutual company, however. If a stock company is owned by a mutual company, that stock company is categorized as a mutual company. The majority of life insurers are stock companies—542, or 74 percent of the industry (Table 1.1). Many life insurers are affiliated with other life and non-life insurance companies in fleets with a single owner.

Besides consolidation, another trend in the life insurance industry is demutualization and the formation of mutual holding companies—a structure that allows easier and less expensive access to capital. In creating a mutual holding company, the mutual insurer either starts a stock insurance company or acquires a stock company. For data in this chapter, mutual holding companies are included in the totals for pure mutual companies.

Together, stock and mutual life insurers provide most of the insurance and annuities underwritten by U.S.

organizations (Table 1.2). Mutual companies had \$7.8 trillion of life insurance in force in 2021 and stock life insurers, \$12.8 trillion. Fraternal societies and other type companies underwrite the remainder of U.S. insurance.

Other Life Insurance Providers

Fraternal benefit societies provide both social and insurance benefits to their members. These organizations are legally required to operate through a lodge system, allowing only lodge members and their families to own the fraternal society's insurance. In 2021, there were 71 fraternal life insurance companies that had \$364 billion of life insurance in force and \$203 billion in assets (Tables 1.1 and 1.2).

The Department of Veterans Affairs provides protection to U.S. veterans under six insurance programs: U.S. Government Life Insurance, National Service Life Insurance, Veterans' Special Life Insurance, Service-Disabled Veterans Insurance, Veterans' Reopened Insurance, and Veterans' Mortgage Life Insurance. The federal agency also oversees three life insurance programs for members of the uniformed services: Servicemembers' Group Life Insurance, SGLI Family Coverage, and Veterans' Group Life Insurance.

Veterans' Special Life Insurance in force totaled \$860 million in 2021 (Table 1.3). U.S. Government Life Insurance, covering World War I veterans, had less than \$100,000 of insurance in force in 2021, while National Service Life Insurance, for veterans of World War II and those covered by the Insurance Act of 1951, totaled \$1.1 billion. Service-Disabled Veterans Insurance—for veterans separated from service after April 1951 who have a service-connected disability but are otherwise insurable—had \$2.9 billion of insurance in force in 2021.

The largest life insurance plan, Servicemembers' Group Life Insurance, had \$818 billion of insurance in force with 2.2 million policies at year-end 2021 (Table 1.3).

EMPLOYMENT

The insurance industry plays an important role in the nation's economy. In 2021, U.S. insurers employed 2.8 million individuals in all of their branches, a 1.2 percent decrease from a year earlier (Table 1.4).

Government data on employees of insurance agencies and home offices in 2021 show 1.6 million insurance home-office personnel (338,500 in life insurance) and 1.2 million insurance agents, brokers, and service personnel.

FOREIGN OWNERSHIP

The proportion of life insurance companies operating in the United States that are foreign-owned was 12.6 percent in 2021 (Table 1.5).

Practically, the same countries have fielded the major foreign players in the U.S. market since the mid-1990s. Among life insurance companies operating in the United States during 2021, Canada controlled 25 companies; Bermuda, 17; Japan, 14; Switzerland, 11; Cayman Islands, 7; the United Kingdom, 7; Germany, 5; France, 3; the Netherlands, 2; Panama, 1; and Spain, 1 (Table 1.6).

Table 1.1

Number of U.S. Life Insurers, by Organizational Structure			
	In business at year's end		Average annual percent change
	2020	2021	2020/2021
Stock	553	542	-2.0
Mutual¹	110	114	3.6
Fraternal²	74	71	-4.1
Other³	10	10	0.0
Total	747	737	-1.3

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

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

¹ Includes stock companies owned by mutual parents (life & PC) and mutual holding companies.

² Includes stock companies owned by fraternal benefit societies.

³ Includes farm bureau, reciprocal, and risk retention groups.

Table 1.2

Size of U.S. Life Insurers, by Organizational Structure, 2021 (millions)					
	Stock	Mutual ¹	Fraternal	Other ²	Total
Life insurance in force	\$12,822,867	\$7,775,769	\$364,427	\$225,352	\$21,188,415
Life insurance purchased	2,076,026	1,143,583	40,095	30,061	3,289,765
Assets	6,275,225	2,160,676	202,985	31,854	8,670,739
Benefit Payments³	565,964	160,835	12,632	1,976	741,406
Premium income⁴	476,916	160,680	7,727	1,948	647,272

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

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

¹ Includes stock companies owned by mutual holding companies.

² Includes farm bureau, reciprocal, and risk retention groups.

³ Includes payments to beneficiaries, surrender values, policy dividends, annuity payments, matured endowments, and other payments.

⁴ Includes life insurance premiums, annuity considerations, and accident and health premiums.

Table 1.3

Veterans Life Insurance, 2021

	Policies	Face amount in force (millions)
Veterans programs		
U.S. Government Life Insurance	3	\$0
National Service Life Insurance	83,526	1,061
Veterans' Special Life Insurance	57,151	860
Service-Disabled Veterans Insurance	275,237	2,898
Veterans' Reopened Insurance	3,419	34
Veterans' Mortgage Life Insurance	2,433	347
Total	421,769	5,200
Uniformed service member programs		
Servicemembers' Group Life Insurance (SGLI)	2,241,500	818,174
Traumatic Injury Protection (TSGLI)*	-	216,150
SGLI Family Coverage	2,623,000	108,458
Veterans' Group Life Insurance	441,467	85,797
Total	5,305,967	1,228,579
Aggregate total	5,727,736	1,233,779

Source: U.S. Department of Veterans Affairs.

*TSGLI is a rider to the basic SGLI coverage.

Table 1.4

Insurance Industry Employment in the United States					
	Number employed			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Home-office personnel					
Life insurance	346,700	357,800	338,500	-0.2	-5.4
Health insurance	442,300	587,800	572,900	2.6	-2.5
Other	637,200	681,500	655,500	0.3	-3.8
Total	1,426,200	1,627,100	1,566,900	0.9	-3.7
Agents, brokers, and service personnel	910,300	1,208,800	1,234,900	3.1	2.2
Aggregate total	2,336,500	2,835,900	2,801,800	1.8	-1.2

Source: U.S. Department of Labor, Bureau of Labor Statistics. Current Employment Statistics survey (National).

Note: The Bureau of Labor Statistics adjusts annual employment data in April of the year following its survey.

Table 1.5

Foreign-Owned U.S. Life Insurers, 2017-2021							
	Number of companies					Average annual percent change	
	2017	2018	2019	2020	2021	2017/2021	2020/2021
U.S. life insurers	781	773	761	747	737	-1.4	-1.3
Foreign-owned U.S. life insurers	107	105	98	93	93	-3.4	-
Percentage of U.S. life insurers	13.7%	13.6%	12.9%	12.4%	12.6%		

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. Companies are defined as foreign owned if 50 percent or more of stock is owned by a foreign entity or entities.

Table 1.6

Foreign-Owned Life Insurers Operating in the United States, by Country of Origin

	Number of companies				
	2017	2018	2019	2020	2021
Bermuda	15	14	14	14	17
Canada	27	27	26	23	25
Cayman Islands	11	10	10	9	7
France	8	8	3	3	3
Germany	5	5	5	5	5
Japan	15	16	16	16	14
Netherlands	4	4	3	2	2
Panama	1	1	1	1	1
Spain	2	1	1	1	1
Switzerland	14	14	12	12	11
United Kingdom	5	5	7	7	7
Total	107	105	98	93	93

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 owned if 50 percent or more of stock is owned by a foreign entity or entities.

Table 1.7

U.S. Life Insurers Organizational Structure, by Year

Year	In business at year's end				Total
	Stock	Mutual	Fraternal	Other	
1950	507	142	NA	NA	649
1955	942	165	NA	NA	1,107
1960	1,286	155	NA	NA	1,441
1965	1,475	154	NA	NA	1,629
1970	1,627	153	NA	NA	1,780
1975	1,603	143	NA	NA	1,746
1980	1,823	135	NA	NA	1,958
1981	1,855	136	NA	NA	1,991
1982	1,926	134	NA	NA	2,060
1983	1,985	132	NA	NA	2,117
1984	2,062	131	NA	NA	2,193
1985	2,133	128	NA	NA	2,261
1986	2,128	126	NA	NA	2,254
1987	2,212	125	NA	NA	2,337
1988	2,225	118	NA	NA	2,343
1989	2,153	117	NA	NA	2,270
1990	2,078	117	NA	NA	2,195
1991	1,947	117	NA	NA	2,064
1992	1,835	109	NA	NA	1,944
1993	1,736	108	NA	NA	1,844
1994	1,565	115	NA	10	1,690
1995*	1,356	259	NA	35	1,650
1996*	1,331	240	NA	36	1,607
1997*	1,193	238	NA	45	1,476
1998*	1,167	248	NA	29	1,444
1999*	1,064	250	NA	33	1,347
2000*	1,018	221	NA	30	1,269
2001*	986	222	117	16	1,341
2002*	956	204	114	10	1,284
2003*	931	180	105	11	1,227
2004*	901	161	108	9	1,179
2005*	857	151	102	9	1,119
2006*	818	142	103	9	1,072
2007*	768	133	99	9	1,009
2008*	741	132	95	8	976

Table 1.7, continued

U.S. Life Insurers Organizational Structure, by Year, Continued					
Year	In business at year's end				Total
	Stock	Mutual	Fraternal	Other	
2009*	714	131	93	8	946
2010*	700	121	89	7	917
2011*	687	117	85	6	895
2012*	660	120	82	6	868
2013*	648	113	82	7	850
2014*	636	106	81	7	830
2015*	616	110	81	7	814
2016*	598	113	78	8	797
2017*	584	112	76	9	781
2018*	580	109	75	9	773
2019*	570	108	74	9	761
2020*	553	110	74	10	747
2021*	542	114	71	10	737

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. After 1993, data include life insurance companies that sell accident and health insurance.

NA: Not available.

*Beginning with 1995 data, stock companies that are part of fleets headed by non-stock companies are counted by the parent's ownership type, not as stock companies.

Table 1.8

Insurance Industry Employment in the United States, by Year

Year	Home-office personnel				Agents, brokers, and service personnel	Aggregate total
	Life insurance	Health insurance	Other	Total		
1960	452,400	50,200	329,100	831,700	217,300	1,049,000
1965	481,200	54,200	358,000	893,400	250,300	1,143,700
1970	525,600	93,900	410,200	1,029,700	288,000	1,317,700
1975	520,500	122,100	442,700	1,085,300	356,600	1,441,900
1980	531,900	141,900	550,300	1,224,100	463,800	1,687,900
1981	542,200	142,700	552,000	1,236,900	475,800	1,712,700
1982	546,100	142,100	549,100	1,237,300	485,900	1,723,200
1983	539,900	144,800	544,200	1,228,900	498,900	1,727,800
1984	536,700	153,900	549,100	1,239,700	525,000	1,764,700
1985	559,300	170,700	561,600	1,291,600	548,200	1,839,800
1986	578,200	188,100	598,500	1,364,800	579,400	1,944,200
1987	578,000	202,100	634,900	1,415,000	611,800	2,026,800
1988	570,400	216,500	648,500	1,435,400	639,600	2,075,000
1989	550,200	228,100	660,100	1,438,400	651,800	2,090,200
1990	522,600	204,200	611,600	1,338,400	677,800	2,016,200
1991	537,200	219,000	613,500	1,369,700	681,400	2,051,100
1992	530,600	228,300	627,000	1,385,900	672,200	2,058,100
1993	552,500	237,900	640,400	1,430,800	684,000	2,114,800
1994	562,600	249,400	649,300	1,461,300	700,300	2,161,600
1995	547,200	260,100	626,800	1,434,100	712,600	2,146,700
1996	510,000	278,000	642,800	1,430,800	726,400	2,157,200
1997	505,300	292,100	678,800	1,476,200	744,100	2,220,300
1998	510,600	306,200	729,400	1,546,200	766,300	2,312,500
1999	496,100	319,200	742,800	1,558,100	783,400	2,341,500
2000	481,100	330,600	732,600	1,544,300	806,800	2,351,100
2001	470,300	340,500	728,600	1,539,400	823,000	2,362,400
2002	446,000	348,000	743,000	1,537,000	839,400	2,376,400
2003	440,500	351,400	753,400	1,545,300	856,200	2,401,500
2004	392,400	374,900	721,000	1,488,300	879,200	2,367,500
2005	334,500	430,400	680,900	1,445,800	893,200	2,339,000
2006	362,400	428,200	677,100	1,467,700	911,400	2,379,100
2007	352,800	434,400	674,000	1,461,200	930,500	2,391,700
2008	356,300	444,500	674,600	1,475,400	929,600	2,405,000

Table 1.8, continued

Insurance Industry Employment in the United States, by Year, Continued

Year	Home-office personnel				Agents, brokers, and service personnel	Aggregate total
	Life insurance	Health insurance	Other	Total		
2009	362,600	440,300	660,400	1,463,300	907,400	2,370,700
2010	366,400	437,700	641,100	1,445,200	895,500	2,340,700
2011	346,700	442,300	637,200	1,426,200	910,300	2,336,500
2012	347,300	463,900	625,200	1,436,400	931,800	2,368,200
2013	340,600	472,600	619,900	1,433,100	955,800	2,388,900
2014	334,400	494,600	619,800	1,448,800	1,017,100	2,465,900
2015	330,200	499,500	636,700	1,466,400	1,071,800	2,538,200
2016	347,800	471,100	668,800	1,487,700	1,105,000	2,592,700
2017	345,600	504,800	666,300	1,516,700	1,142,900	2,659,600
2018	344,900	537,900	658,100	1,540,900	1,171,800	2,712,700
2019	352,800	578,400	678,900	1,610,100	1,192,200	2,802,300
2020	357,800	587,800	681,500	1,627,100	1,208,800	2,835,900
2021	338,500	572,900	655,500	1,566,900	1,234,900	2,801,800

Source: U.S. Department of Labor, Bureau of Labor Statistics. Current Employment Statistics survey (National).

Notes: Figures comprise only those on the payroll of insurers that participate in the unemployment insurance program; The Bureau of Labor Statistics adjusts annual employment data in April of the year following its survey.

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 \$8.7 trillion in assets in 2021 (Table 2.1). Assets of U.S. life insurers rose 6.4 percent during 2021 (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 \$3.3 trillion at the end of 2021—up 8.5 percent from the previous year (Table 2.2). General account assets amounted to \$5.3 trillion in 2021, up 5.1 percent from 2020.

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 2021, 47 percent of life insurer assets were held in bonds. Total bond holdings of both general and separate accounts amounted to \$4.1 trillion, up \$183 billion from 2020 (Tables 2.1–2.2). Holdings of bonds in separate accounts increased 7.5 percent in 2021 to \$519 billion. Bond holdings in general accounts increased to \$3.5 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 \$157 billion, and foreign government bonds \$53 billion (Table 2.3). The largest portion of long-term bonds was in unaffiliated securities, with both U.S. and foreign investments totaling \$2.7 trillion, or three-fourths of all long-term general account bonds (75%). 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 \$178 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 2021 represented the largest component of life insurer assets at 35 percent (Table

2.1). Corporate debt issues totaled \$3 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 \$524 billion at the end of 2021, up \$23 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 (\$464 billion) as opposed to those of foreign governments and international agencies (\$60 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-seven percent of general account bonds held at year-end 2021 had a maturity between five and 10 years. Another 25 percent matured between one and five years, 22 percent had a maturity over 20 years, 18 percent matured between 10 and 20 years, and 7 percent had a maturity of one year or less (Table 2.4).

At the time of purchase, 41 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 (21%), 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 2021, 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 0.2 percent.

Of the \$3.6 trillion in general account bonds held by insurance companies in 2021, \$2.2 trillion was invested in publicly traded bonds and \$1.4 billion in privately traded bonds (Table 2.6). Ninety-seven 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 0.3 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 5.7 percent between 2011 and 2021 (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 8.8 percent between 2020 and 2021 to \$2.7 trillion, accounting for 31 percent of total assets. At year-end 2021, \$2.6 trillion, or 95 percent, of stock held by life insurance companies was in separate accounts (Table 2.1-2.2).

Common stock accounted for \$2.67 trillion, or 99 percent, of all stock held by life insurers in 2021 (Table 2.1). Holdings of common stock increased 8.6 percent in 2021, while there was a 31.5 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 2021, mortgages increased 7.7 percent to \$691 billion and accounting for 8 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 88 percent (\$611 billion) of U.S. mortgages held by life insurers at the end of 2021 (Table 2.1). Mortgages for residential properties were \$47 billion, or 7 percent of total mortgages held by life insurers on U.S. properties. Farm mortgages were \$32 billion, accounting for 5 percent of total mortgages in 2021.

Almost all of the mortgages held by life insurers were in good standing (99.3%) in 2021. Of industry-held mortgages, only 0.7 percent were either restructured, overdue, or in foreclosure in 2021 (Table 2.7).

At year-end 2021, \$11 billion (2%) was held in general account mortgages with a loan-to-value ratio above 95 percent, compared with \$559 billion (87%) 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 \$39 billion at the end of 2021. This represents a 4.8 percent decrease from 2020 (Table 2.9).

By the end of 2021, real estate amounted to .4 percent of life insurers' assets (Table 2.1). Real estate holdings in separate accounts decreased \$1.8 billion during the year as real estate in general accounts decreased \$144 million (Table 2.2).

Real estate held to produce income totaled \$32 billion, or 83 percent of all real estate owned, while real estate held for sale amounted to \$414 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 \$131 billion by year-end 2021, down 1.4 percent from the loans outstanding a year earlier (Tables 2.1–2.2). Policy loans accounted for 1.5 percent of company assets at the end of 2021.

FOREIGN-CONTROLLED ASSETS

Foreign-controlled assets were \$1.6 trillion, or 18.1 percent of total industry assets in 2021 (Table 2.10). Canada, followed by Bermuda, the Netherlands, Germany, and Japan own the most foreign-controlled assets of U.S. life insurers.

Table 2.1

Distribution of Life Insurer Assets, by Account Type, 2021 (millions)

	General account		Separate account		Combined accounts	
	Year's end	Percent distribution	Year's end	Percent distribution	Year's end	Percent distribution
Bonds						
Government securities						
U.S.	\$378,014	7.1	\$85,962	2.6	\$463,976	5.4
Foreign	52,800	1.0	7,351	0.2	60,151	0.7
Total government	430,814	8.1	93,313	2.8	524,127	6.0
Corporate securities	2,693,328	50.6	314,820	9.4	3,008,148	34.7
Mortgage-backed securities ¹	409,489	7.7	110,668	3.3	520,157	6.0
Total long-term bonds	3,533,631	66.4	518,800	15.5	4,052,432	46.7
Stocks						
Common	116,960	2.2	2,549,862	76.2	2,666,822	30.8
Preferred	20,540	0.4	1,201	0.0	21,742	0.3
Total	137,500	2.6	2,551,063	76.2	2,688,564	31.0
Mortgages						
Farm	25,515	0.5	6,411	0.2	31,926	0.4
Residential	43,959	0.8	3,442	0.1	47,401	0.5
Commercial	570,377	10.7	40,872	1.2	611,250	7.0
Total	639,851	12.0	50,725	1.5	690,577	8.0
Real estate	22,837	0.4	15,795	0.5	38,632	0.4
Policy loans	131,482	2.5	-	-	131,482	1.5
Short-term investments	38,119	0.7	18,395	0.5	56,513	0.7
Cash & cash equivalents	109,865	2.1	34,314	1.0	144,179	1.7
Derivatives	96,809	1.8	18,276	0.5	115,085	1.3
Other invested assets	333,613	6.3	108,399	3.2	442,011	5.1
Non-invested assets	278,869	5.2	32,396	1.0	311,266	3.6
Aggregate total	5,322,576	100.0	3,348,163	100.0	8,670,739	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 reflect investments held at year's end. Data represent U.S. life insurers and fraternal benefit societies.

¹Includes Ginnie Mae (GNMA).

Table 2.2

Distribution of Life Insurer Assets, by Account Type and Year¹

	General account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Bonds					
Government	\$403,793	\$422,965	\$430,814	0.6	1.9
Corporate	1,702,987	2,538,081	2,693,328	4.7	6.1
MBS ¹	512,417	426,428	409,489	-2.2	-4.0
Total	2,619,196	3,387,474	3,533,631	3.0	4.3
Stocks					
Common	74,328	102,055	116,960	4.6	14.6
Preferred	8,492	15,468	20,540	9.2	32.8
Total	82,820	117,523	137,500	5.2	17.0
Mortgages	333,243	600,426	639,851	6.7	6.6
Real estate	20,934	22,981	22,837	0.9	-0.6
Policy loans	128,826	133,302	131,482	0.2	-1.4
Short-term investments	62,651	40,365	38,119	-4.8	-5.6
Cash & cash equivalents	37,230	116,598	109,865	11.4	-5.8
Derivatives	44,358	121,695	96,809	8.1	-20.4
Other invested assets	140,334	265,893	333,613	9.0	25.5
Non-invested assets	173,939	259,300	278,869	4.8	7.5
Aggregate total	3,643,531	5,065,557	5,322,576	3.9	5.1

Table 2.2, continued

Distribution of Life Insurer Assets, by Account Type and Year¹, continued

	Separate account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Bonds					
Government	\$59,673	\$77,735	\$93,313	4.6	20.0
Corporate	103,994	282,002	314,820	11.7	11.6
MBS ¹	94,628	122,685	110,668	1.6	-9.8
Total	258,296	482,422	518,800	7.2	7.5
Stocks					
Common	1,462,647	2,352,703	2,549,862	5.7	8.4
Preferred	618	1,061	1,201	6.9	13.2
Total	1,463,265	2,353,764	2,551,063	5.7	8.4
Mortgages	9,588	40,984	50,725	18.1	23.8
Real estate	7,975	17,602	15,795	7.1	-10.3
Policy loans	507	-	-	NA	NA
Short-term investments	21,565	12,721	18,395	-1.6	44.6
Cash & cash equivalents	18,392	35,611	34,314	6.4	-3.6
Derivatives	998	18,694	18,276	33.7	-2.2
Other invested assets	42,419	92,002	108,399	9.8	17.8
Non-invested assets	26,122	31,031	32,396	2.2	4.4
Aggregate total	1,849,127	3,084,832	3,348,163	6.1	8.5

Table 2.2 , continued

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

	Combined accounts (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Bonds					
Government	\$463,466	\$500,700	\$524,127	1.2	4.7
Corporate	1,806,981	2,820,083	3,008,148	5.2	6.7
MBS ¹	607,045	549,113	520,157	-1.5	-5.3
Total	2,877,492	3,869,897	4,052,432	3.5	4.7
Stocks					
Common	1,536,975	2,454,758	2,666,822	5.7	8.6
Preferred	9,110	16,529	21,742	9.1	31.5
Total	1,546,085	2,471,287	2,688,564	5.7	8.8
Mortgages	342,831	641,410	690,577	7.3	7.7
Real estate	28,909	40,583	38,632	2.9	-4.8
Policy loans	129,333	133,302	131,482	0.2	-1.4
Short-term investments	84,216	53,086	56,513	-3.9	6.5
Cash & cash equivalents	55,622	152,208	144,179	10.0	-5.3
Derivatives	45,356	140,390	115,085	9.8	-18.0
Other invested assets	182,753	357,896	442,011	9.2	23.5
Non-invested assets	200,062	290,330	311,266	4.5	7.2
Aggregate total	5,492,658	8,150,389	8,670,739	4.7	6.4

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. Data reflect investments held at year's end. Data represent U.S. life insurers and fraternal benefit societies.

¹Includes Ginnie Mae (GNMA).

NA: Not available.

Table 2.3

Distribution of Long-Term General Account Bond Investments				
	2020		2021	
	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution
U.S. government obligations	\$155,689	4.6	\$157,018	4.4
Foreign government	48,154	1.4	52,800	1.5
U.S. states and territories	18,768	0.6	18,112	0.5
U.S. political subdivisions	23,937	0.7	24,629	0.7
U.S. special revenue and assessment	176,416	5.2	178,255	5.0
Mortgage-backed securities	426,428	12.6	409,489	11.6
Other				
Unaffiliated securities	2,506,572	74.0	2,653,478	75.1
Affiliated securities	31,509	0.9	39,850	1.1
Total	3,387,474	100.0	3,533,631	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 2.4

Distribution of General Account Bonds, by Remaining Maturity, 2017-2021

		Percentage of general account bonds held at year's end					Total
		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	
Government							
	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
	2021	10.3	20.8	20.8	23.4	24.6	100.0
Corporate							
	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
	2021	6.2	26.3	28.7	17.2	21.5	100.0
Total							
	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
	2021	6.9	25.4	27.3	18.3	22.1	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 2.5

Distribution of General Account Long-Term Bonds, at Time of Purchase, 2021

Maturity	Percent distribution
20 years and over	40.7
10 years to less than 20 years	33.2
5 years to less than 10 years	20.9
Less than 5 years	5.2
Total	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 2.6

Distribution of General Account Bonds, by NAIC Quality Class¹

PUBLIC BONDS	2011		2020		2021	
NAIC quality class	Amount (millions)	Percentage of publicly traded bonds	Amount (millions)	Percentage of publicly traded bonds	Amount (millions)	Percentage of publicly traded bonds
High quality						
Class 1	\$1,434,049	71.4	\$1,339,190	61.7	\$1,326,321	60.9
Class 2	469,744	23.4	743,128	34.2	775,469	35.6
Medium quality						
Class 3	61,466	3.1	70,109	3.2	58,151	2.7
Low quality						
Class 4	31,873	1.6	16,337	0.8	15,082	0.7
Class 5	8,447	0.4	2,385	0.1	1,834	0.1
Class 6	2,376	0.1	575	0.0	553	0.0
Total	2,007,954	100.0	2,171,724	100.0	2,177,410	100.0

Table 2.6, continued

Distribution of General Account Bonds, by NAIC Quality Class¹, continued

PRIVATE BONDS						
	2011		2020		2021	
NAIC quality class	Amount (millions)	Percentage of privately traded bonds	Amount (millions)	Percentage of privately traded bonds	Amount (millions)	Percentage of privately traded bonds
High quality						
Class 1	\$321,099	46.5	\$646,420	49.9	\$714,951	50.3
Class 2	296,131	42.9	524,225	40.5	570,998	40.1
Medium quality						
Class 3	44,173	6.4	69,814	5.4	78,758	5.5
Low quality						
Class 4	17,714	2.6	37,908	2.9	40,019	2.8
Class 5	8,146	1.2	14,944	1.2	13,012	0.9
Class 6	2,562	0.4	1,854	0.1	4,876	0.3
Total	689,825	100.0	1,295,166	100.0	1,422,615	100.0

Table 2.6, continued

Distribution of General Account Bonds, by NAIC Quality Class¹, continued

TOTAL BONDS	2011		2020		2021	
NAIC quality class	Amount (millions)	Percentage of general account bonds	Amount (millions)	Percentage of general account bonds	Amount (millions)	Percentage of general account bonds
High quality						
Class 1	\$1,755,148	65.1	\$1,985,610	57.3	\$2,041,272	56.7
Class 2	765,874	28.4	1,267,353	36.6	1,346,467	37.4
Medium quality						
Class 3	105,639	3.9	139,923	4.0	136,909	3.8
Low quality						
Class 4	49,586	1.8	54,246	1.6	55,102	1.5
Class 5	16,593	0.6	17,330	0.5	14,847	0.4
Class 6	4,938	0.2	2,429	0.1	5,429	0.2
Aggregate total	2,697,778	100.0	3,466,890	100.0	3,600,025	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.

¹Includes long-term bonds, short-term investments, and cash equivalents.

Table 2.7

Quality of Mortgages Held by Life Insurers

	2011		2020		2021	
	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution	Amount (millions)	Percent distribution
Farm						
In good standing	\$18,103	99.8	\$29,258	99.1	\$31,708	99.3
Restructured	15	0.1	34	0.1	98	0.3
Overdue	15	0.1	195	0.7	98	0.3
Foreclosed	2	0.0	50	0.2	22	0.1
Total	18,134	100.0	29,538	100.0	31,926	100.0
Residential						
In good standing	4,564	98.8	32,209	94.8	44,337	93.5
Restructured	11	0.2	435	1.3	423	0.9
Overdue	20	0.4	1,046	3.1	2,405	5.1
Foreclosed	27	0.6	284	0.8	236	0.5
Total	4,622	100.0	33,973	100.0	47,401	100.0
Commercial						
In good standing	317,765	99.3	576,072	99.7	609,927	99.8
Restructured	1,402	0.4	926	0.2	999	0.2
Overdue	625	0.2	364	0.1	155	0.0
Foreclosed	283	0.1	537	0.1	168	0.0
Total	320,075	100.0	577,899	100.0	611,250	100.0
All categories						
In good standing	340,432	99.3	637,539	99.4	685,972	99.3
Restructured	1,428	0.4	1,395	0.2	1,520	0.2
Overdue	660	0.2	1,605	0.3	2,659	0.4
Foreclosed	312	0.1	871	0.1	426	0.1
Aggregate total	342,831	100.0	641,410	100.0	690,577	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, 2021 (millions)			
Loan-to-value ratio	Farm	Non-Farm	Total
Above 95%	\$23	\$11,403	\$11,426
91 - 95%	76	2,236	2,312
81 - 90%	22	13,964	13,986
71 - 80%	68	52,891	52,959
Below 71 %	25,326	533,843	559,169
Total	25,515	614,336	639,851

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					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Investment property					
Held for income	\$22,632	\$33,637	\$32,199	3.6	-4.3
Held for sale	420	726	414	-0.2	-43.0
Total	23,053	34,363	32,613	3.5	-5.1
Occupied by company	5,857	6,220	6,019	0.3	-3.2
Aggregate total	28,909	40,583	38,632	2.9	-4.8

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. Data represent U.S. life insurers and fraternal benefit societies.

Table 2.10

Foreign-Controlled Assets of U.S. Life Insurers, by Country and Year (millions)					
	2017	2018	2019	2020	2021
Bermuda	\$137,600	\$156,495	\$170,597	\$213,697	\$334,455
Canada	386,661	363,099	380,189	436,482	456,066
Cayman Islands	50,351	50,323	58,205	66,627	39,190
France	202,002	197,142	2,177	2,030	1,810
Germany	164,365	170,255	187,702	204,192	205,375
Japan	137,579	154,162	177,179	187,333	200,633
Netherlands	217,573	201,204	214,535	233,783	238,338
Panama	115	121	123	131	132
Spain	84	59	59	65	59
Switzerland	41,249	40,003	37,950	39,157	41,583
United Kingdom	246,487	242,465	283,109	312,476	51,288
Total	1,584,066	1,575,329	1,511,825	1,695,974	1,568,929
Percentage of industry assets	22.1%	22.5%	20.0%	20.8%	18.1%

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. 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

Year	Bonds	Stocks	Mortgages	Real estate	Policy loans	Miscellaneous assets	Total
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
2021	4,052,432	2,688,564	690,577	38,632	131,482	1,069,054	8,670,739

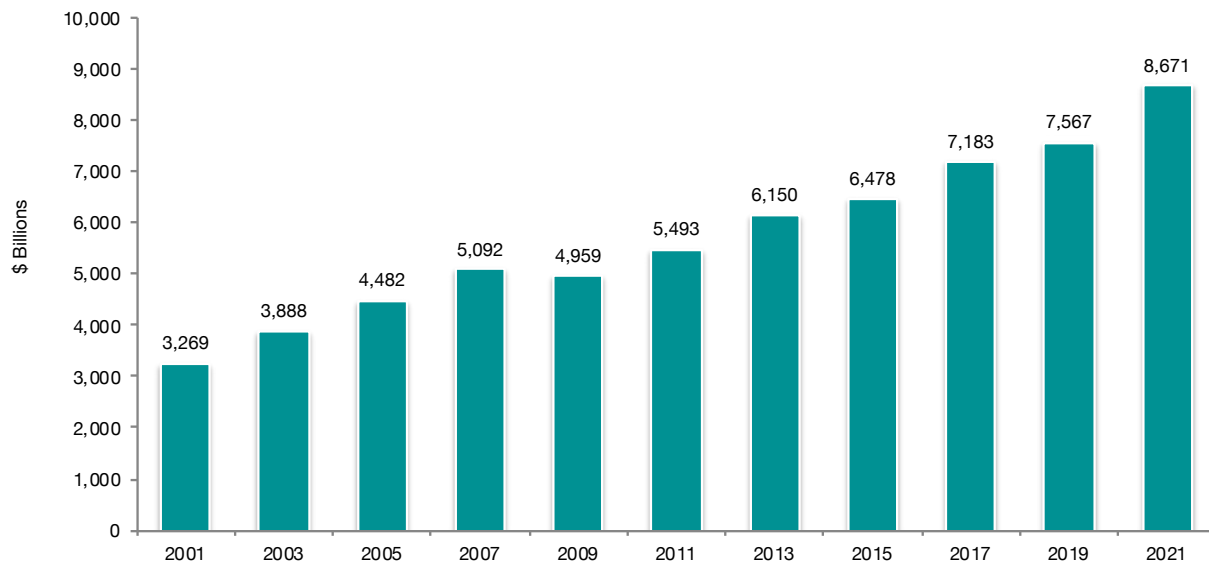
Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

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

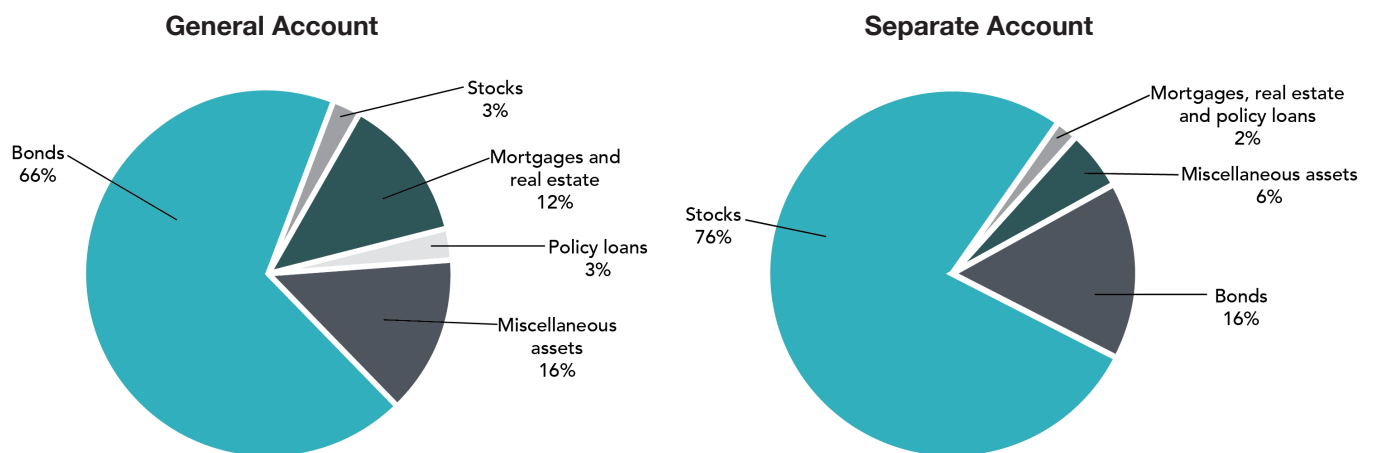


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Figure 2.2

Asset Distribution of Life Insurers, 2021

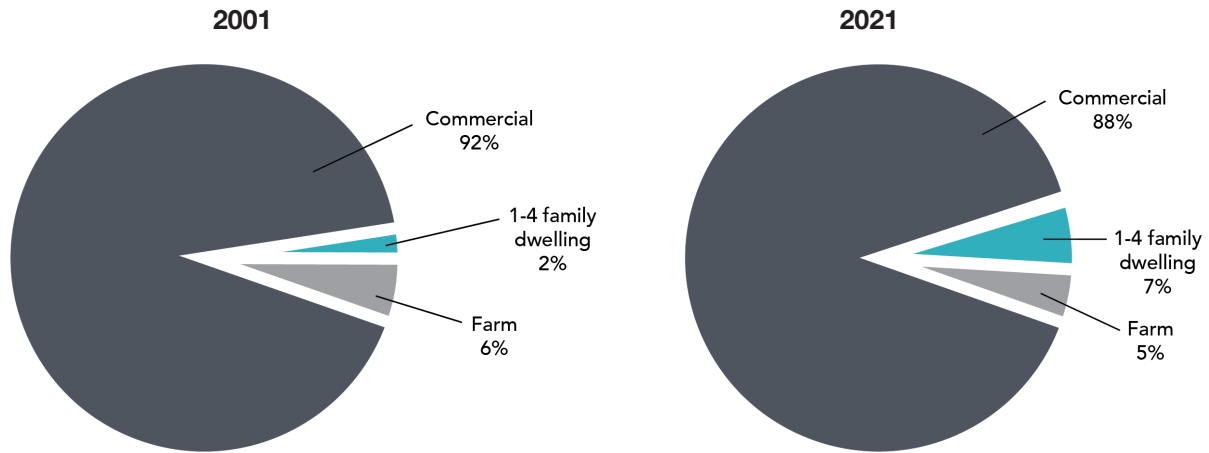


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

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

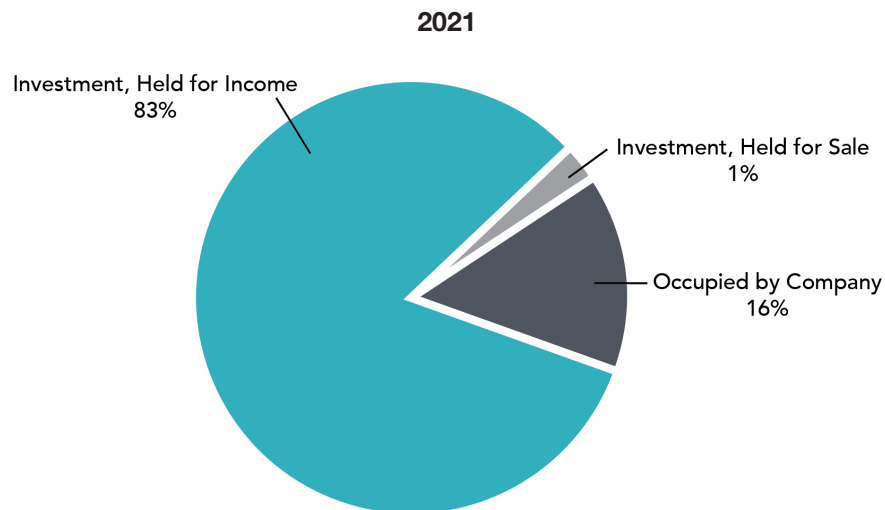


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

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 2021.

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.

3

LIABILITIES

The liabilities of U.S. life insurers primarily comprise the reserves held by each insurer to back its obligations to policyholders and their beneficiaries. Of the many different kinds of reserves, policy and asset fluctuation reserves are the most important. Liabilities also include small amounts of other funds and obligations.

Based on standard accounting principles applied to all businesses, total liabilities plus the company's net value must equal its total assets. Net value is a company's surplus plus its capital stock and is available to support policyholder claims if necessary.

POLICY RESERVES

Policy reserves concern an insurer's obligation to its customers arising from its product in force. State law requires each company to maintain its policy reserves at a level that will assure payment of all policy obligations as they fall due. That level is calculated on an actuarial basis, taking into account funds from future premium payments, assumed future interest earnings, and expected mortality experience. At the end of 2021, policy reserves of U.S. life insurers totaled \$6.4 trillion, 4.7 percent higher than 2020 (Table 3.1).

Policy reserves are held and identified for each type of business conducted by a life insurer:

- Life insurance policies
- Annuities and supplementary contracts
- Health insurance policies

The composition of life insurer policy reserves has changed over the years, reflecting a shift in the basic types of business undertaken. Annuity contract reserves now account for a larger proportion of total policy reserves, while reserves set aside for life insurance policies have a lesser share.

In 2021, reserves for life insurance comprised 29 percent of total policy reserves, at \$1.8 trillion (Figure 3.2, Table 3.2). This proportion has shrunk from 1980, when life insurance products commanded 51 percent of total reserves (Table 3.7). In 2021, these reserves consisted of \$1.6 trillion for individual life policies, \$201 billion for group policies, and less than \$1 billion for credit life policies (Table 3.2).

By contrast, reserves for annuities and supplementary contracts climbed to two-thirds of total reserves in

2021 (67%), or \$4.3 trillion, from 46 percent in 1980. Much of the increase reflects the strong growth in retirement plans administered by life insurers.

In 2021, annuity reserves consisted of \$2.9 trillion for individual annuities, up 4.7 percent from 2020, and \$1.3 trillion for group annuities, up 3.9 percent. General account annuity reserves decreased 0.1 percent while separate account annuity reserves rose 8 percent (Table 3.2).

Reserves held under supplementary contracts with life contingencies in 2021 totaled \$28 billion, and for health insurance policies, \$271 billion.

DEPOSIT-TYPE CONTRACTS

Contracts issued by life insurers that do not incorporate mortality or morbidity risks are known as deposit-type contracts. Benefit payments under these contracts are not contingent upon death or disability as they are in life and disability insurance contracts, or upon continued survival as they are in annuity contracts. Categories of deposit-type contracts, as defined by the National Association of Insurance Commissioners (NAIC), include GICs, supplementary contracts without life contingencies, annuities certain, premium and other deposit funds, dividend and coupon accumulations, lottery payouts, and structured settlements.

Under codified statutory accounting practices implemented in 2001, cash inflows and outflows on deposit-type contracts are no longer reported as income and expenditure. Instead, they are recorded directly as increasing or decreasing reserves. During 2021, \$363 billion was deposited to these contracts and \$329 billion was withdrawn, with a total reserve of \$702 billion at year's end (Table 3.3).

In 2021, premium and other deposit funds remained the largest category of the deposit-type business with \$248 billion in deposits, \$225 billion in payments, and \$312 billion in reserve at year-end. GICs received \$90 billion from policyholders and paid out \$77 billion in 2021, leaving a reserve of \$261 billion at year's end.

ASSET FLUCTUATION RESERVES

Besides policy reserves, insurers are required to establish two statutory reserves to absorb gains and losses in their invested assets.

The asset valuation reserve (AVR) absorbs both realized and unrealized, credit-related capital gains and losses. The AVR consists of a default component, which provides for credit-related losses on fixed-income assets, and an equity component, which provides for all types of equity investments.

The interest maintenance reserve (IMR) captures all realized, interest-related capital gains and losses on fixed-income assets. The IMR amortizes these gains and losses into income over the remaining life of the investments sold.

In 2021, the industry's total AVR increased 23.2 percent to \$96 billion, and its IMR increased 16.5 percent to \$41 billion (Table 3.1).

OTHER LIABILITIES

In addition to reserves, other liability funds of U.S. life insurers at the end of 2021 included \$64 billion in policy and contract claims; \$18 billion set aside for the following year's dividend payments to policyholders; and \$830 billion for liabilities not directly allocable to policyholders—incurred expenses, mandatory reserves for fluctuations in security values, and insurance premiums paid in advance, for example (Table 3.1).

SURPLUS FUNDS AND CAPITAL STOCK

Surplus and capital amounted to \$497 billion for U.S. life insurers at the end of 2021 (Table 3.1). Surplus funds provide extra reserve safeguards for such contingencies as an unexpected rise in death rates among policyholders, unusual changes in the value of securities, and general protection for policy obligations. Several factors influence the amount of surplus that a life insurer retains, including company size, kinds of insurance written, mortality experience, general business conditions, and government regulation. Capital refers to the total par value of shares of the companies' capital stock.

CAPITAL RATIOS

One measure of the adequacy of a life insurer's surplus is its capital ratio: surplus funds plus capital stock plus AVR as a percentage of general account assets. Theoretically, the higher the capital ratio, the better a company is able to withstand adverse investment and mortality experience. However, the type of company and the distribution of its book of business can make comparisons among companies and with an industry wide average much less meaningful. In 2021, the aggregate capital ratio of U.S. life insurers was 11.1 percent (Table 3.4).

Life insurance regulators created the risk-based capital (RBC) ratio to monitor life insurance company solvency. Risk-based capital, calculated according to an NAIC model law, is considered the minimum amount of capital an insurer needs to avoid triggering regulatory action. The RBC ratio is total adjusted capital divided by risk-based capital, for a threshold ratio of 100 percent. The ratio provides a means for evaluating the adequacy of an insurer's capital relative

to the risks inherent in the insurer's operations.

From 1993 when life insurers began reporting risk-based capital, the average RBC ratio rose steadily to a plateau of 290 percent in 1997, which remained unbroken until 2001. That year, the ratio jumped to 346 percent, mainly due to two changes enacted by NAIC: accounting codification and an adjusted RBC formula that reflects changed risks for assets. The ratio reached its peak of 489 percent in 2014 and declined until it reached 424 in 2018. From 2020 to 2021, the ratio increased 15 percentage points to 443 (Table 3.5).

Most companies have an RBC ratio well above the regulatory minimum level of 100 percent. By year-end 2021, 676 companies, or 93.5 percent of life insurers, had a ratio of 200 percent or more. These companies carried 99.1 percent of the industry's total assets.

Table 3.1

Liabilities and Surplus Funds of Life Insurers

	General account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Reserves					
Policy reserves	\$2,616,022	\$3,355,747	\$3,426,078	2.7	2.1
Other reserves					
Liabilities for deposit-type contracts	276,033	386,422	436,604	4.7	13.0
Asset valuation reserve (AVR)	39,725	78,260	96,394	9.3	23.2
Policy and contract claims	43,607	58,880	63,933	3.9	8.6
Funds set aside for policyholder dividends	17,328	18,019	18,461	0.6	2.5
Interest maintenance reserve (IMR)	21,054	35,107	40,471	6.8	15.3
Miscellaneous reserves ¹	23,611	34,070	33,454	3.5	-1.8
Total other reserves	421,358	610,757	689,317	5.0	12.9
Total reserves	3,037,380	3,966,505	4,115,395	3.1	3.8
Non-reserve liabilities	288,935	648,439	715,031	9.5	10.3
Total liabilities	3,326,315	4,614,943	4,830,426	3.8	4.7
Capital and surplus	317,216	450,614	492,150	4.5	9.2
Total liabilities and surplus funds	3,643,531	5,065,557	5,322,576	3.9	5.1

	Separate account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Reserves					
Policy reserves	\$1,628,428	\$2,748,507	\$2,962,398	6.2	7.8
Other reserves					
Liabilities for deposit-type contracts	137,010	239,473	265,482	6.8	10.9
Interest maintenance reserve (IMR)	176	350	831	NC	NC
Total other reserves	137,186	239,823	266,313	6.9	11.0
Total reserves	1,765,615	2,988,330	3,228,711	6.2	8.0
Non-reserve liabilities	79,603	92,984	114,539	3.7	23.2
Total liabilities	1,845,218	3,081,314	3,343,250	6.1	8.5
Surplus	3,910	3,517	4,913	2.3	39.7
Total liabilities and surplus funds	1,849,127	3,084,832	3,348,163	6.1	8.5

Table 3.1, continued

Liabilities and Surplus Funds of Life Insurers, continued

	Combined account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Reserves					
Policy reserves	\$4,244,451	\$6,104,255	\$6,388,476	4.2	4.7
Other reserves					
Liabilities for deposit-type contracts	413,044	625,895	702,086	5.4	12.2
Asset valuation reserve (AVR)	39,725	78,260	96,394	9.3	23.2
Policy and contract claims	43,607	58,880	63,933	3.9	8.6
Funds set aside for policyholder dividends	17,328	18,019	18,461	0.6	2.5
Interest maintenance reserve (IMR)	21,230	35,457	41,302	6.9	16.5
Miscellaneous reserves ¹	23,611	34,070	33,454	3.5	-1.8
Total other reserves	558,544	850,580	955,630	5.5	12.4
Total reserves	4,802,995	6,954,835	7,344,106	4.3	5.6
Non-reserve liabilities	368,538	741,423	829,569	8.5	11.9
Total liabilities	5,171,533	7,696,258	8,173,676	4.7	6.2
Capital and surplus	321,126	454,131	497,063	4.5	9.5
Total liabilities and surplus funds	5,492,658	8,150,389	8,670,739	4.7	6.4

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. Data represent U.S. life insurers and fraternal benefit societies.

NC: Not calculated.

¹ Includes insurance premiums paid in advance. The amount previously was included in non-reserve liabilities.

Table 3.2

Policy Reserves of Life Insurers, by Line of Business

	General account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Life insurance					
Individual	\$997,563	\$1,253,273	\$1,311,016	2.8	4.6
Group	55,502	58,773	66,494	1.8	13.1
Credit	667	507	508	-2.7	0.3
Total	1,053,732	1,312,553	1,378,018	2.7	5.0
Annuities					
Individual	994,467	1,322,374	1,323,317	2.9	0.1
Group	323,913	442,378	438,985	3.1	-0.8
Supplementary contracts with life contingencies	17,161	25,023	25,470	4.0	1.8
Total	1,335,541	1,789,775	1,787,772	3.0	-0.1
Health insurance					
Total	226,749	253,419	260,288	1.4	2.7
Aggregate total	2,616,022	3,355,747	3,426,078	2.7	2.1

	Separate account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Life insurance					
Individual	\$143,793	\$296,174	\$319,027	8.3	7.7
Group	88,159	128,835	134,230	4.3	4.2
Total	231,952	425,009	453,257	6.9	6.6
Annuities					
Individual	845,707	1,479,605	1,611,423	6.7	8.9
Group	547,212	831,856	884,697	4.9	6.4
Supplementary contracts with life contingencies	847	1,898	2,084	9.4	9.8
Total	1,393,767	2,313,358	2,498,205	6.0	8.0
Health insurance					
Total	2,709	10,140	10,936	15.0	7.9
Aggregate total	1,628,428	2,748,507	2,962,398	6.2	7.8

Table 3.2, continued

Policy Reserves of Life Insurers, by Line of Business, continued

	Combined account (millions)			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Life insurance					
Individual	\$1,141,356	\$1,549,446	\$1,630,043	3.6	5.2
Group	143,661	187,609	200,725	3.4	7.0
Credit	667	507	508	-2.7	0.3
Total	1,285,684	1,737,562	1,831,276	3.6	5.4
Annuities					
Individual	1,840,174	2,801,979	2,934,740	4.8	4.7
Group	871,126	1,274,234	1,323,682	4.3	3.9
Supplementary contracts with life contingencies	18,008	26,921	27,554	4.3	2.4
Total	2,729,308	4,103,134	4,285,976	4.6	4.5
Health insurance					
Total	229,459	263,559	271,224	1.7	2.9
Aggregate total	4,244,451	6,104,255	6,388,476	4.2	4.7

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 3.3

Deposit-Type Contracts, 2021 (millions)			
	Deposits	Withdrawals	Reserves
General account			
Guaranteed interest contracts (GICs)	\$75,253	\$59,471	\$134,503
Annuities certain	10,678	10,411	54,155
Supplementary contracts			
without life contingencies	13,683	13,441	53,790
Dividend accumulations or refunds	673	1,702	14,611
Premium and other deposit funds	221,973	198,845	179,545
Total	322,260	283,870	436,604
Separate account			
Guaranteed interest contracts (GICs)	14,567	17,480	126,568
Annuities certain	816	526	1,746
Supplementary contracts			
without life contingencies	60	76	255
Dividend accumulations or refunds	-	135	4,667
Premium and other deposit funds	25,619	26,539	132,246
Total	41,062	44,755	265,482
Combined account			
Guaranteed interest contracts (GICs)	89,820	76,952	261,070
Annuities certain	11,494	10,937	55,901
Supplementary contracts			
without life contingencies	13,743	13,516	54,045
Dividend accumulations or refunds	673	1,837	19,278
Premium and other deposit funds	247,592	225,384	311,791
Total	363,322	328,625	702,086

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 3.4

Capital Ratios of Life Insurers (percent)			
	2011	2020	2021
Including AVR	9.9	10.5	11.1
Excluding AVR	8.8	9.0	9.3

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. Capital ratio is equal to capital plus surplus plus the asset valuation reserve (AVR) divided by general account assets. Data represent U.S. life insurers and fraternal benefit societies.

Table 3.5

Levels of Risk-Based Capital Held by Life Insurers, 2011 - 2021

Risk-based capital ratio	Number of companies										
	2011	2012	2013	2014	2015	2016	2017	2018*	2019	2020	2021
200% or more	794	776	780	768	747	733	723	711	708	697	676
175 - 199	19	22	17	15	14	17	10	16	16	16	22
150 - 174	23	15	12	7	12	10	13	10	10	11	12
125 - 149	11	17	7	3	4	3	4	4	5	4	8
100 - 124	9	6	5	8	6	3	5	5	4	2	2
Less than 100%	10	8	7	5	9	10	6	9	6	5	3
Total	866	844	828	806	792	776	761	755	749	735	723
Average risk-based capital ratio	457%	466%	481%	489%	486%	480%	470%	424%	433%	428%	443%

Risk-based capital ratio	Percentage of companies (percent)										
	2011	2012	2013	2014	2015	2016	2017	2018*	2019	2020	2021
200% or more	91.7	91.9	94.2	95.3	94.3	94.5	95.0	94.2	94.5	94.8	93.5
175 - 199	2.2	2.6	2.1	1.9	1.8	2.2	1.3	2.1	2.1	2.2	3.0
150 - 174	2.7	1.8	1.4	0.9	1.5	1.3	1.7	1.3	1.3	1.5	1.7
125 - 149	1.3	2.0	0.8	0.4	0.5	0.4	0.5	0.5	0.7	0.5	1.1
100 - 124	1.0	0.7	0.6	1.0	0.8	0.4	0.7	0.7	0.5	0.3	0.3
Less than 100%	1.2	0.9	0.8	0.6	1.1	1.3	0.8	1.2	0.8	0.7	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Risk-based capital ratio	Distribution of total assets (percent)										
	2011	2012	2013	2014	2015	2016	2017	2018*	2019	2020	2021
200% or more	98.9	99.2	99.5	99.8	99.3	99.7	99.3	98.5	99.1	99.1	99.1
175 - 199	0.3	0.3	0.1	0.1	0.0	0.2	0.6	1.4	0.8	0.8	0.9
150 - 174	0.7	0.2	0.3	0.0	0.5	0.0	0.0	0.0	0.1	0.0	0.0
125 - 149	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
100 - 124	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less than 100%	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	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. Risk-based capital ratio is total adjusted capital divided by total risk-based capital. Data represent U.S. life insurers and fraternal benefit societies.

*The change in Risk-Based Capital ratio from 2017 to 2018 can be partly attributed to the 2017 Tax Cuts and Jobs Act.

Table 3.6

Life Insurers Policy Reserves for Accident and Health Contracts, by Line of Business

	Millions		Average annual percent change
	2020	2021	2020/2021
Comprehensive	\$1,511	\$1,375	-9.0
Medicare/Medicaid	2,492	2,574	3.3
Dental only	253	267	5.4
Vision only	49	51	3.0
Disability income	73,077	72,574	-0.7
Long term care	153,454	159,995	4.3
Credit	865	845	-2.3
Other	31,858	33,544	5.3
Total	263,559	271,224	2.9

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 3.7

Life Insurers Policy Reserves, by Line of Business and Year (millions)

Year	Amount	Year	Amount	Year	Amount	Year	Amount
1890	\$670	1910	\$3,226	1925	\$9,927	1940	\$27,238
1900	1,443	1915	4,399	1930	16,231	1945	38,667
1905	2,295	1920	6,338	1935	20,404	1950	54,946

Table 3.7, continued

Life Insurers Policy Reserves, by Line of Business and Year (millions), continued

Year	Life insurance	Health insurance	Annuities ¹		Supplementary contracts ²	Total
			Individual	Group		
1955	\$54,588	\$575	*	\$13,216	\$6,980	\$75,359
1960	70,791	865	\$4,327	14,952	7,538	98,473
1965	90,795	1,432	5,028	22,187	8,178	127,620
1970	115,442	3,474	6,951	34,009	7,903	167,779
1975	150,063	6,293	12,442	59,907	8,411	237,116
1980	197,865	11,015	31,543	140,417	9,499	390,339
1985	235,854	18,805	96,969	303,021	10,653	665,302
1986	252,035	21,294	121,146	355,756	11,693	761,924
1987	276,404	23,994	156,135	392,540	13,060	862,133
1988	299,901	26,852	193,820	433,889	14,501	968,963
1989	324,178	29,855	239,593	473,934	16,118	1,083,678
1990	348,774	33,448	282,129	515,794	16,822	1,196,967
1991	372,082	38,225	328,325	548,191	17,955	1,304,778
1992	402,413	45,159	380,677	559,774	19,068	1,407,091
1993	436,293	51,386	439,390	601,836	20,898	1,549,803
1994	468,469	58,019	482,172	612,394	22,989	1,644,043
1995	511,021	63,233	594,147	618,666	25,258	1,812,325
1996	556,133	69,567	622,012	690,482	27,596	1,965,790
1997	606,260	74,902	693,011	761,951	28,435	2,164,559
1998	655,983	82,020	763,329	845,164	30,952	2,377,449
1999	705,226	91,662	873,519	907,181	32,338	2,609,926
2000	741,603	95,704	880,874	960,128	33,542	2,711,851
2001	815,544	100,706	944,961	571,451	13,309	2,445,972
2002	832,927	110,768	980,065	569,856	13,699	2,507,314
2003	921,142	123,451	1,172,623	662,474	15,315	2,895,003
2004	987,568	133,641	1,311,552	712,149	15,587	3,160,497
2005	1,029,486	140,895	1,415,104	758,484	15,847	3,359,815
2006	1,109,868	153,104	1,521,074	806,944	16,753	3,607,743
2007	1,148,256	166,148	1,615,276	843,146	17,819	3,790,645
2008	1,134,470	186,105	1,421,597	715,587	13,107	3,470,867
2009	1,178,290	196,131	1,623,764	797,989	16,077	3,812,251
2010	1,223,899	213,896	1,779,931	863,100	16,761	4,097,587
2011	1,285,684	229,459	1,840,174	871,126	18,008	4,244,451
2012	1,302,046	227,521	1,942,530	958,095	19,239	4,449,433
2013	1,365,035	228,227	2,137,385	1,028,743	20,344	4,779,735

Table 3.7, continued

Life Insurers Policy Reserves, by Line of Business and Year (millions), continued

Year	Life insurance	Health insurance	Annuities ¹		Supplementary contracts ²	Total
			Individual	Group		
2014	\$1,422,537	\$233,867	\$2,227,842	\$1,049,840	\$21,637	\$4,955,724
2015	1,462,842	242,231	2,276,004	1,021,589	22,582	5,025,249
2016	1,500,319	264,489	2,390,559	1,053,070	23,234	5,231,672
2017	1,562,691	278,501	2,548,346	1,128,756	23,781	5,542,077
2018	1,573,847	247,422	2,449,318	1,079,362	25,407	5,375,356
2019	1,650,390	257,269	2,675,444	1,178,535	26,087	5,787,725
2020	1,737,562	263,559	2,801,979	1,274,234	26,921	6,104,255
2021	1,831,276	271,224	2,934,740	1,323,682	27,554	6,388,476

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 1947, the business of health insurance departments of life insurers was not included in this series. Codification effective with 2001 Annual Statement filings changed the reporting of annuities. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

* Included with group annuities.

¹ Beginning in 2001, excludes reserves for guaranteed interest contracts (GICs). Figures for GICs are shown in Table 3.3.

² Beginning in 2001, includes reserves for supplementary contracts with life contingencies; reserves for supplementary contracts without life contingencies are included in liabilities for deposit-type contracts in Table 3.3.

Table 3.8

Life Insurance Policy Reserves, by Type and Year (millions)				
Year	Individual	Group	Credit	Total
1956	\$56,875	\$787	--	\$57,662
1960	69,524	1,267	--	70,791
1965	88,784	2,011	--	90,795
1970	112,349	3,093	--	115,442
1975	144,368	4,995	\$700	150,063
1980	187,872	8,818	1,175	197,865
1981	196,407	9,379	1,200	206,986
1982	202,789	9,766	1,228	213,783
1983	209,466	10,148	1,354	220,968
1984	215,309	9,111	1,484	225,904
1985	224,204	9,927	1,723	235,854
1986	239,295	10,770	1,970	252,035
1987	263,515	10,559	2,330	276,404
1988	285,853	11,581	2,467	299,901
1989	309,168	12,569	2,441	324,178
1990	332,808	13,506	2,460	348,774
1991	355,719	13,950	2,413	372,082
1992	381,323	18,684	2,406	402,413
1993	412,542	21,336	2,415	436,293
1994	441,894	23,911	2,664	468,469
1995	480,967	27,342	2,712	511,021
1996	523,901	29,396	2,836	556,133
1997	565,601	37,787	2,872	606,260
1998	608,283	44,515	3,184	655,983
1999	645,499	56,426	3,302	705,226
2000	679,546	58,493	3,564	741,603
2001	720,583	91,563	3,398	815,544
2002	746,383	83,742	2,802	832,927
2003	827,892	91,049	2,200	921,142
2004	881,817	103,931	1,820	987,568
2005	923,429	104,463	1,594	1,029,486
2006	988,620	119,841	1,407	1,109,868
2007	1,011,179	135,733	1,343	1,148,256
2008	999,991	133,291	1,189	1,134,470
2009	1,043,493	133,828	969	1,178,290
2010	1,083,731	139,360	807	1,223,899

Table 3.8, continued

Life Insurance Policy Reserves, by Type and Year (millions), continued				
Year	Individual	Group	Credit	Total
2011	\$1,141,356	\$143,661	\$667	\$1,285,684
2012	1,148,376	153,034	637	1,302,046
2013	1,197,727	166,687	620	1,365,035
2014	1,246,789	175,127	621	1,422,537
2015	1,292,526	169,683	634	1,462,842
2016	1,319,065	180,687	567	1,500,319
2017	1,383,172	179,010	510	1,562,691
2018	1,392,110	181,206	531	1,573,847
2019	1,471,277	178,542	571	1,650,390
2020	1,549,446	187,609	507	1,737,562
2021	1,630,043	200,725	508	1,831,276

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. Credit life insurance is limited to insurance on loans of 10 years' or less duration. Prior to 1973, all credit insurance was included in the individual and group categories. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Table 3.9

Life Insurer Liabilities and Surplus Funds, by Year (millions)

Year	Policy reserves	Liabilities for deposit-type contracts ¹	Funds set aside for policy dividends	Other obligations	Policy and contract claims ²	Mandatory securities or asset valuation reserves ³	Interest maintenance reserve	Capital and surplus funds	Total
1952	\$62,579	\$1,675	\$841	\$3,024	--	NA	--	\$5,256	\$73,375
1955	75,359	2,239	1,201	3,562	--	\$1,063	--	7,008	90,432
1960	98,473	3,381	1,780	4,851	--	1,417	--	9,674	119,576
1965	127,620	4,326	2,647	7,295	--	3,160	--	13,836	158,884
1970	167,779	6,068	3,540	10,295	--	2,249	--	17,323	207,254
1975	237,116	8,814	4,875	16,241	--	1,695	--	20,563	289,304
1980	390,339	12,727	7,659	27,701	--	6,426	--	34,358	479,210
1985	665,302	14,638	11,710	66,932	--	10,539	--	56,780	825,901
1986	761,924	15,174	11,704	69,270	--	15,330	--	64,149	937,551
1987	862,133	15,837	12,043	71,063	--	16,013	--	67,370	1,044,459
1988	968,963	16,601	12,478	75,939	--	17,939	--	74,950	1,166,870
1989	1,083,678	17,278	13,373	82,306	--	19,438	--	83,683	1,299,756
1990	1,196,967	18,000	13,921	73,164	--	14,783	--	91,373	1,408,208
1991	1,304,778	18,531	13,196	89,804	--	18,854	--	106,038	1,551,201
1992	1,407,091	19,189	13,102	85,212	--	20,801	\$3,899	115,237	1,664,531
1993	1,549,803	19,619	13,172	72,525	\$20,680	25,063	10,245	128,020	1,839,127
1994	1,644,043	19,702	13,150	74,646	21,993	25,010	6,988	136,741	1,942,273
1995	1,812,325	19,950	13,739	83,923	23,987	29,676	9,000	150,944	2,143,544
1996	1,965,790	20,441	14,863	111,629	25,399	33,202	9,360	147,240	2,327,924
1997	2,164,559	20,456	16,197	141,042	29,181	36,159	11,398	160,086	2,579,078
1998	2,377,449	20,520	16,831	155,266	31,309	37,882	14,567	172,695	2,826,520
1999	2,609,920	20,808	17,356	157,860	31,096	40,089	12,275	181,248	3,070,653
2000	2,711,851	21,149	18,137	162,300	33,161	37,893	8,746	188,499	3,181,736
2001	2,445,972	337,713	18,689	201,087	35,721	30,603	8,507	190,727	3,269,019
2002	2,507,314	363,514	18,489	220,160	35,043	22,851	10,310	202,318	3,380,000
2003	2,895,003	410,554	18,825	251,209	37,202	29,187	14,890	231,321	3,888,190
2004	3,160,497	445,431	18,416	287,629	37,880	35,125	17,764	249,643	4,252,386
2005	3,359,815	456,325	18,810	300,912	36,719	37,832	17,011	254,572	4,481,995
2006	3,607,743	487,490	19,494	345,648	39,361	43,389	13,827	265,872	4,822,824
2007	3,790,645	516,905	20,134	383,090	41,120	45,913	11,948	281,831	5,091,586
2008	3,470,867	453,860	18,582	368,303	42,493	21,243	9,521	263,278	4,648,147
2009	3,812,251	416,478	17,591	337,219	42,358	20,667	10,908	301,221	4,958,693
2010	4,097,587	420,494	17,356	367,469	42,106	31,340	16,133	318,720	5,311,204
2011	4,244,451	413,044	17,328	392,148	43,607	39,725	21,230	321,126	5,492,658

Table 3.9

Life Insurer Liabilities and Surplus Funds, by Year (millions), continued

Year	Policy reserves	Liabilities for deposit-type contracts ¹	Funds set aside for policy dividends	Other obligations	Policy and contract claims²	Mandatory securities or asset valuation reserves³	Interest maintenance reserve	Capital and surplus funds	Total
2012	\$4,449,433	\$430,531	\$17,150	\$424,835	\$43,281	\$45,411	\$26,339	\$340,442	\$5,777,420
2013	4,779,735	450,448	17,603	436,347	43,425	48,365	26,509	347,868	6,150,300
2014	4,955,724	468,150	18,153	472,516	43,463	52,862	26,938	368,155	6,405,961
2015	5,025,249	470,429	18,494	463,235	44,121	49,489	23,935	382,867	6,477,819
2016	5,231,672	495,471	17,942	507,710	45,795	51,514	23,702	398,209	6,772,014
2017	5,542,077	530,434	17,727	549,041	48,489	57,393	25,280	412,931	7,183,372
2018	5,375,356	524,237	18,162	530,203	49,472	56,342	20,334	418,688	6,992,794
2019	5,787,725	571,580	18,317	600,960	51,666	71,899	23,725	441,327	7,567,199
2020	6,104,255	625,895	18,019	775,492	58,880	78,260	35,457	454,131	8,150,389
2021	6,388,476	702,086	18,461	863,023	63,933	96,394	41,302	497,063	8,670,739

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 annuities and deposit-type funds, as explained in footnotes. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

NA: Not available.

¹ Prior to 2001, represents policyholder dividend accumulations. Beginning in 2001, includes liabilities for guaranteed interest contracts, supplementary contracts without life contingencies, policyholder dividend accumulations, and premium and other deposits.

² Prior to 1993, included with other obligations.

³ Beginning in 1992, asset valuation reserve replaced mandatory securities valuation reserve.

Table 3.10

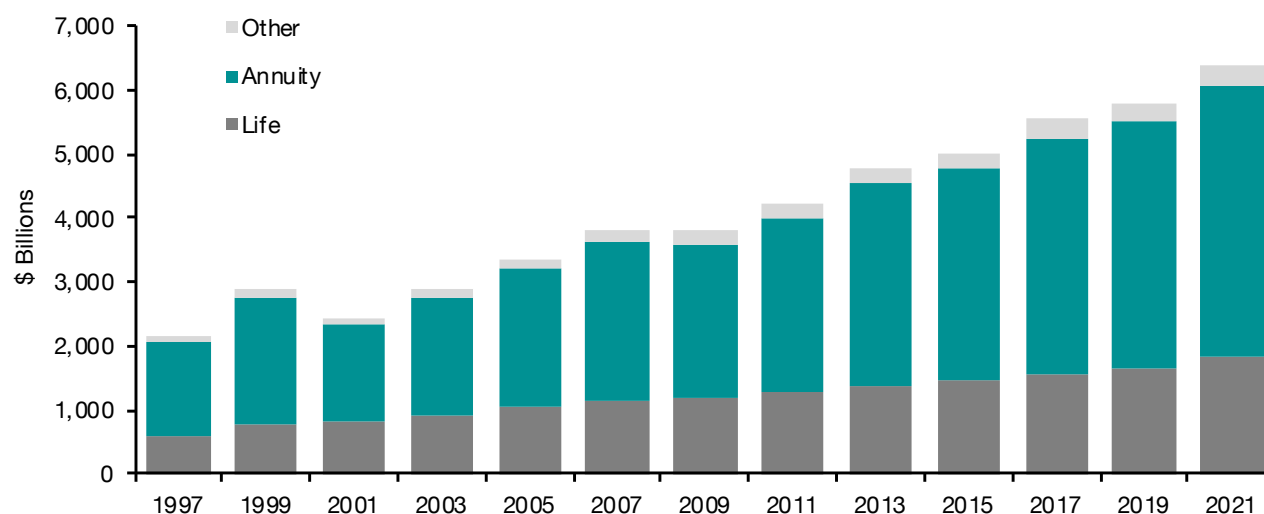
Capital Ratios of Life Insurers, by Year (percent)					
Year	Including MSVR/AVR	Excluding MSVR/AVR	Year	Including MSVR/AVR	Excluding MSVR/AVR
1970	9.7	8.6	2004	9.8	8.6
1975	8.1	7.4	2005	9.7	8.5
1980	9.2	7.7	2006	10.0	8.6
1985	9.1	7.7	2007	10.3	8.9
1990	8.5	7.3	2008	8.7	8.1
1991	9.3	7.9	2009	9.7	9.1
1992	9.6	8.1	2010	10.1	9.2
1993	10.0	8.4	2011	9.9	8.8
1994	10.2	8.6	2012	10.4	9.2
1995	10.7	9.0	2013	10.4	9.2
1996	11.9	10.0	2014	10.6	9.3
1997	10.6	8.7	2015	10.7	9.5
1998	11.0	9.0	2016	10.6	9.4
1999	11.1	9.1	2017	10.6	9.3
2000	11.1	9.2	2018	10.6	9.3
2001	10.1	8.7	2019	10.8	9.3
2002	9.3	8.4	2020	10.5	9.0
2003	9.6	8.5	2021	11.1	9.3

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. Capital ratio is equal to capital plus surplus plus the asset valuation reserve (AVR), or mandatory securities valuation reserve (MSVR) prior to 1992, divided by general account assets. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Figure 3.1

Growth of Life Insurers' Policy Reserves

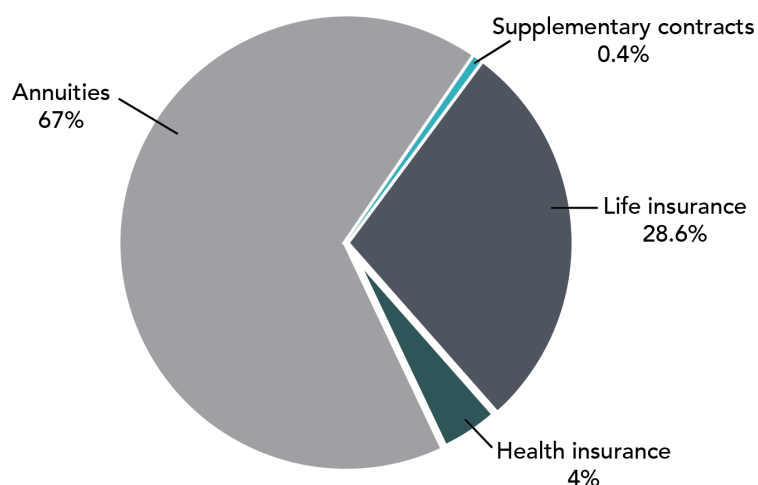


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

Notes: NAIC does not endorse any analysis or conclusions based on use of its data. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

Figure 3.2

Distribution of Life Insurers' Policy Reserves, 2021



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.

4

INCOME

The gross income of life insurance companies comes from two main sources: premiums paid by policyholders and earnings on investments. In 2021, total income of all U.S. life insurers increased 6.5 percent to \$1.1 trillion (Table 4.1). Insurance premiums and annuity considerations contributed 60 percent of total income. Investment earnings contributed 31 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 - increased 1.8 percent to \$647 billion in 2021 (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 2021, life policies accounted for a quarter of premium receipts (25%), while annuity considerations contributed almost a half (45%) (Figure 4.1).

Premiums for life insurance policies totaled \$165 billion in 2021, a 11.2 percent increase from the previous year (Table 4.2). Individual policy premiums accounted for the largest share at \$137 billion, or 83 percent. Most were renewals, representing \$95 billion, or 70 percent, of individual premiums (Table 4.3). Group insurance was the second-largest contributor to life insurance premiums at \$27 billion, or 17 percent of the total (Table 4.2). Again, renewals constituted the largest portion at \$17 billion, or 63 percent, of all group premiums (Table 4.3). Credit life provided \$593 million of all life insurance premiums (Table 4.2). Americans spent 0.91 percent of total disposable (after-tax) personal income on direct individual life insurance in 2021 (Table 4.5).

Annuity considerations decreased 3.6 percent in 2021 to \$291 billion (Table 4.2). Individual annuities provided \$152 billion in premium receipts, increasing 1.3 percent from 2020. Of individual annuity considerations, first-year annuity considerations constitute the largest share of this category at \$76 billion, or 50 percent, while group considerations counted renewals as the largest contributor with \$90 billion, or 65 percent (Table 4.4). Direct individual annuity considerations amounted to 1.32 percent of disposable personal income in 2021 (Table 4.5).

Premiums for accident and health insurance increased 3.1 percent to \$192 billion in 2021 with group premiums being the largest portion at \$127 billion, up 1.1 percent from 2020 (Table 4.2). Individual accident and health premiums increased 7.4 percent to \$64 billion, with the largest share at \$32 billion, or 50 percent, coming from guaranteed renewable contracts (Table 4.6).

INVESTMENT INCOME AND RATE OF RETURN

Net investment income of life insurance companies amounted to \$323 billion in 2021 (Table 4.7). The largest source of investment income was from bonds at \$152 billion, followed by common stock (\$103 billion) and other invested assets (\$32 billion). Gross investment income increased 15.4 percent in 2021 to \$338 billion. Investment expenses, taxes, and deductions totaled \$16 billion, increasing 2.7 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 2021, life insurers' net rate of return on total assets was 4.28 percent, up from 3.93 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 4.40 percent in 2021, up from 4.28 percent in 2020.

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 3.94 percent in 2021, down from 4.15 percent in 2020.

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 36.5 percent in 2021 to \$54 billion (Table 4.9). Net gains can be calculated separately for each major line of business. Net gains from annuities increased to \$39 billion while net gain from life insurance fell to negative \$8 billion.

Table 4.1

Income of Life Insurers

	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Net Premiums and considerations					
Life insurance premiums	\$127,455	\$147,965	\$164,604	2.6	11.2
Annuity considerations	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 income¹	60,332	91,413	100,902	5.3	10.4
Aggregate total	915,336	1,020,211	1,086,485	1.7	6.5

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.

¹ 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 business.

Table 4.2

Premium Receipts of Life Insurers					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
NET BUSINESS					
Life insurance premiums					
Individual	\$100,763	\$120,706	\$136,651	3.1	13.2
Group	25,819	26,711	27,360	0.6	2.4
Credit	873	548	593	-3.8	8.2
Total	127,455	147,965	164,604	2.6	11.2
Annuity considerations					
Individual	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
Health insurance premiums					
Individual	80,785	59,863	64,263	-2.3	7.4
Group	90,152	125,809	127,140	3.5	1.1
Credit	710	665	633	-1.2	-4.9
Total	171,647	186,336	192,035	1.1	3.1
Aggregate total	633,997	635,643	647,271	0.2	1.8
DIRECT BUSINESS					
Life insurance premiums					
Individual	\$135,174	\$152,832	\$168,900	2.3	10.5
Group	31,512	39,210	41,986	2.9	7.1
Credit	1,225	687	744	-4.9	8.3
Total	167,910	192,729	211,630	2.3	9.8
Annuity considerations					
Individual	220,349	213,742	245,141	1.1	14.7
Group	122,454	163,163	160,212	2.7	-1.8
Total	342,802	376,905	405,353	1.7	7.5
Health insurance premiums					
Individual	84,601	68,784	71,910	-1.6	4.5
Group	93,007	140,946	144,355	4.5	2.4
Credit	929	725	761	-2.0	5.0
Total	178,538	210,455	217,027	2.0	3.1
Aggregate total	689,250	780,089	834,009	1.9	6.9

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

Table 4.3

Individual and Group Life Insurance Net Premium Receipts, 2021 (millions)

	Individual	Percent distribution	Group	Percent distribution	Total	Percent distribution
First-year	\$20,799	15.2	\$5,198	19.0	\$25,997	15.9
Single¹	20,673	15.1	4,896	17.9	25,570	15.6
Renewal	95,178	69.7	17,266	63.1	112,444	68.6
Aggregate total	136,651	100.0	27,360	100.0	164,011	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. Credit life premiums on loans of 10 years' or less duration are excluded. Data represent U.S. life insurers and fraternal benefit societies.

¹ 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

Individual and Group Annuity Considerations, 2021 (millions)

	Individual	Percent distribution	Group ¹	Percent distribution	Total	Percent distribution
First-year	\$75,766	49.8	\$9,963	7.2	\$85,729	29.5
Single²	49,281	32.4	38,550	27.8	87,831	30.2
Renewal	27,023	17.8	90,049	65.0	117,072	40.3
Total	152,071	100.0	138,561	100.0	290,632	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.

¹Excludes 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.

²Includes 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

Individual Life Premiums and Annuity Considerations as Percentage of Disposable Personal Income			
	Percent		
	2011	2020	2021
Individual			
Life premiums	1.14	0.88	0.91
Annuity considerations ¹	1.85	1.23	1.32
Total	2.99	2.10	2.24

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. Data represent U.S. life insurers and fraternal benefit societies. U.S. Department of Commerce data from past years may be revised.

¹ 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

Accident and Health Insurance Net Premium Receipts					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Group	\$90,152	\$125,809	\$127,140	3.5	1.1
Credit	710	665	633	-1.2	-4.9
Individual					
Collectively renewable	27	11	8	-11.1	-26.6
Noncancelable	7,705	1,531	2,286	-11.4	49.4
Guaranteed renewable	36,694	31,137	32,398	-1.2	4.1
Nonrenewable	5,529	1,566	1,725	-11.0	10.2
Other accident	12,648	5,849	5,245	-8.4	-10.3
All other	18,182	19,769	22,600	2.2	14.3
Total	80,785	59,863	64,263	-2.3	7.4
Aggregate total	171,647	186,336	192,035	1.1	3.1

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. 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

Net Investment Income					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Gross investment income					
Bonds	\$147,105	\$151,232	\$152,149	0.3	0.6
Preferred stock	554	791	924	5.2	16.8
Common stock	29,895	76,056	103,358	13.2	35.9
Mortgage loans	20,006	27,628	28,982	3.8	4.9
Real estate	3,908	4,524	4,282	0.9	-5.3
Contract loans	8,028	8,175	8,087	0.1	-1.1
Cash/Short-term investments	352	1,659	768	8.1	-53.7
Other invested assets	9,389	17,553	31,534	12.9	79.7
Derivative instruments	1,582	4,915	7,572	16.9	54.1
Other write-ins	188	622	655	13.3	5.4
Total	221,007	293,154	338,312	4.3	15.4
Expenses, taxes, and deductions	11,050	15,143	15,547	3.5	2.7
Net investment income	209,956	278,011	322,765	4.4	16.1

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

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

Table 4.8

Rates of Return on Invested Assets of Life Insurers			
	Percent		
	2011	2020	2021
Net rate			
Total assets	4.35	3.93	4.28
General account only	5.29	4.28	4.40
Gross rate			
Total fixed-income assets	5.73	4.15	3.94

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		
	2011	2020	2021
Life insurance			
Individual	\$4,378	-\$2,172	-\$5,563
Group	1,382	115	-2,504
Credit	171	41	-53
Total	5,930	-2,016	-8,120
Annuities¹			
Individual	1,401	16,916	33,749
Group	5,406	2,782	5,256
Total	6,807	19,698	39,005
Accident and health			
Total	9,722	17,674	16,700
Other²	5,124	4,295	6,551
Aggregate total	27,583	39,651	54,137

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 capitals gains or (losses) are added. Data represent U.S. life insurers and fraternal benefit societies.

¹Excludes 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.

²Includes 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				Investment income ¹	Other income ²	Total income
	Life insurance premiums	Annuity considerations	Health insurance premiums	Total premium receipts			
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
1990	76,692	129,064	58,254	264,010	111,853	26,337	402,200
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

Table 4.10, continued

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

Year	Net Premium receipts				Investment income ¹	Other income ²	Total income
	Life insurance premiums	Annuity considerations	Health insurance premiums	Total premium receipts			
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
2017	141,794	294,861	170,498	607,152	280,764	85,522	973,438
2018	150,192	279,298	185,446	614,935	312,524	80,763	1,008,222
2019	156,623	347,494	188,088	692,205	314,493	87,660	1,094,358
2020	147,965	301,341	186,336	635,643	293,154	91,413	1,020,211
2021	164,604	290,632	192,035	647,271	338,312	100,902	1,086,485

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. Beginning in 1986, unusually large increase due to NAIC-mandated change in reporting method for group annuity considerations. 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.

¹Beginning in 2001, excludes certain deposit-type funds from income due to codification.

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

²Beginning 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

Individual Life Insurance Premium Receipts, by Year (millions)

Year	First-year	Single¹	Renewal	Total
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

Table 4.11, continued

Individual Life Insurance Premium Receipts, by Year (millions), continued				
Year	First-year	Single ¹	Renewal	Total
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
2017	16,984	19,584	75,507	112,075
2018	17,955	17,846	82,161	117,962
2019	19,200	19,437	86,964	125,600
2020	18,372	18,261	84,072	120,706
2021	20,799	20,673	95,178	136,651

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 years¹ or less in duration are excluded. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

¹ 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 ¹	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

Table 4.12, continued

Individual Annuity Considerations, by Year (millions), continued					
Year	First-year	Single	Renewal	Deposit-type funds ¹	Total
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
2017	79,375	67,178	18,237	NA	164,790
2018	91,891	47,113	15,656	NA	154,660
2019	95,691	79,758	28,860	NA	204,309
2020	88,856	67,017	-5,787	NA	150,086
2021	75,766	49,281	27,023	NA	152,071

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.

¹First 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
1985	9.63	9.87	12.23
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

Table 4.13, continued

Rates of Return on Invested Assets of Life Insurers, by Year (percent), continued

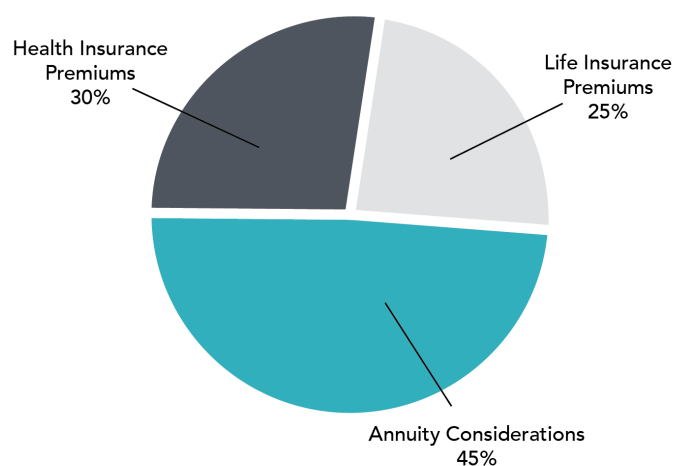
Year	Net rate		Gross rate
	Total assets	General account only	Total fixed-income assets
2011	4.35	5.29	5.73
2012	4.25	5.07	5.30
2013	4.20	5.09	4.91
2014	4.61	5.19	4.80
2015	4.81	4.91	4.64
2016	4.50	4.86	4.56
2017	4.28	4.80	4.43
2018	4.72	4.75	4.40
2019	4.57	4.58	4.43
2020	3.93	4.28	4.15
2021	4.28	4.40	3.94

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.

NA: Not available.

Figure 4.1

Distribution of Life Insurers' Net Premium Receipts, 2021

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.

Note: Data represent U.S. life insurers and fraternal benefit societies.

5

EXPENDITURES

Life insurance company expenditures include benefit payments and other contract payments, operating expenses, taxes, additions to reserves, and investment expenses. Contract payments accounted for 76 percent of expenditures at \$741 billion in 2021 (Table 5.1, Figure 5.1). Operating expenses were \$137 billion for the second-largest category at 14 percent.

Additions to reserves comprised 6 percent of 2021 total expenditures, investment expenses claimed 2 percent, and taxes also claimed 2 percent. Each expenditure category is detailed in this chapter, with the exception of reserves, which are discussed in Chapter 3.

CONTRACT PAYMENTS

From Life Insurance Policies

Several factors affect the pattern of life insurance benefit payments. Primary among them are changes in the death rate of policyholders and the growth in group life insurance and other term insurance policies that do not incorporate a cash value.

These payments have increased steadily for many

years, reflecting greater use of life insurance not only to provide funds for the family whose breadwinner dies, but also for family financial needs during the policyholder's lifetime.

To Beneficiaries

During 2021, life insurers paid \$100 billion to beneficiaries of policyholders who died; a 10.8 percent increase from 2020 (Table 5.2). Of this total, individual life insurance policies accounted for the largest share at \$73 billion, or 73 percent. Group life insurance payments to beneficiaries ranked second at \$26 billion, or 26 percent of total death payments. Benefits paid under short-term individual and group credit life insurance policies (on loans of 10 years' or less duration) totaled \$384 million in 2021.

To Policyholders

Although the basic purpose of life insurance is to protect against the economic risks of death, it can also generate value for the individual policyholder. Cash surrender values paid on life insurance policies terminated voluntarily during 2021 decreased by 7 percent to \$28 billion from a year earlier (Table 5.2).

Policyholder dividends represent the return of part

of the payments that policyholders made on policies sold on a participating basis, and reflect the portion not needed by the company after payment of claims, additions to reserves, and administrative expenses. Dividends accounted for \$15 billion, or 10 percent of payments from life insurance policies in 2021.

Endowment insurance guarantees that the policy's face amount will be paid by the insurance company regardless of whether the insured dies during the policy's term, as long as premiums are paid as required. These policies specify a maturity date. Matured endowment payments totaled \$528 million in 2021.

Other payments, including disability payments and retained assets under life insurance policies, totaled \$656 million in 2021.

From Annuity Contracts

Annuity benefit payments increased by 6.7 percent to \$98 billion in 2021 (Table 5.3).

Fifty-nine percent of the annuity benefit payments, or \$57 billion, was paid to individual annuity owners, while \$38 billion, or 39 percent, was paid to group annuity owners. The remainder was paid under supplementary contracts with life contingencies—an agreement between an insurer and a life insurance policyholder or beneficiary in which the beneficiary chooses to receive the policy's proceeds over a lifetime rather than in a lump sum.

Life insurers paid \$339 billion on voluntarily terminated annuities in 2021, \$2.9 billion in dividends to annuity owners, and small amounts of death benefits, disability benefits, and matured endowments.

From Health Insurance Policies

Health insurance has become a notable aspect of

U.S. life insurers' services. Life insurance companies paid \$147 billion in health insurance benefits to Americans in 2021 (Table 5.4). Life insurers' total health insurance benefit payments to Americans increased 6.9 percent from 2020 (Table 5.1).

These statistics do not include disability payments under life insurance policies, health insurance and accidental death and dismemberment payments by casualty and other health insurance companies, or administrative-service-only arrangements.

OPERATING EXPENSES

Operating expenses of life insurance companies include commissions to agents, other commissions, and home- and field-office expenses. In 2021, home- and field-office expenses comprised 7 percent of expenditures at \$72 billion (Table 5.1). Commissions to agents were \$51 billion, or 5 percent of total expenditures. Other commissions accounted for \$15 billion, or 2 percent of total expenditures.

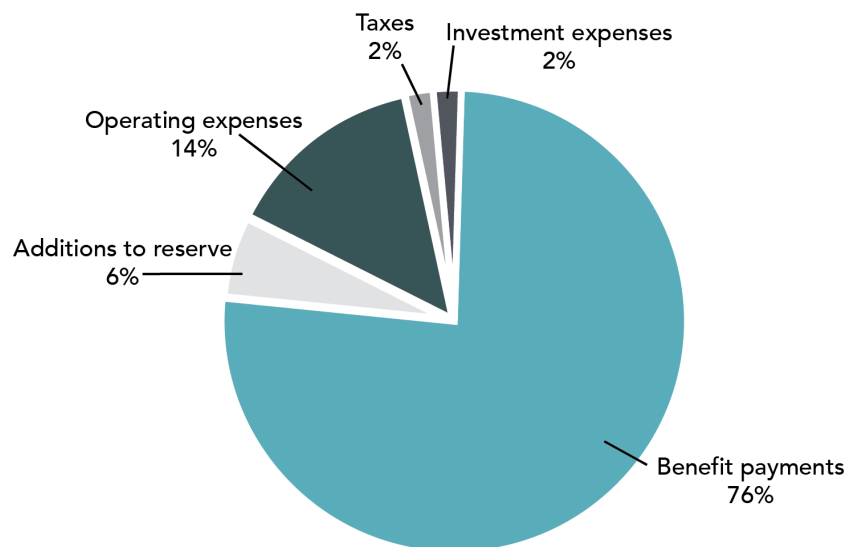
Of total office expenses, \$46 billion, or 64 percent, was in salaries and payments to employee and agent benefit plans (Table 5.5). In 2021, life insurers also spent \$8 billion on office equipment and supplies, \$4 billion on fees associated with policy issuance and claim settlement, \$2 billion on office rent, \$2 billion on advertising, and \$496 million on travel.

INVESTMENT EXPENSES

Expenses, fees, and taxes associated with investment management totaled \$16 billion in 2021 (Table 5.6). Salaries and welfare expenses is the largest category at \$3.2 billion followed by interest expenses at \$2.6 billion.

Figure 5.1

Distribution of Life Insurers' Expenditures, 2021



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 5.1

Expenditures of Life Insurers					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Contract payments					
Life insurance	\$109,354	\$136,756	\$144,590	2.8	5.7
Annuities ¹	283,803	392,374	439,736	4.5	12.1
Health insurance	120,650	137,741	147,219	2.0	6.9
Other payments ²	11,000	10,793	9,861	-1.1	-8.6
Total	524,806	677,664	741,406	3.5	9.4
Additions to policy reserve funds³	201,740	90,362	62,807	-11.0	-30.5
Operating expenses					
Commissions to agents	43,068	45,355	50,682	1.6	11.7
Other commissions	9,438	15,476	14,835	4.6	-4.1
Home- and field-office expenses	60,021	68,820	71,516	1.8	3.9
Total	112,527	129,650	137,032	2.0	5.7
Taxes⁴	16,231	19,910	20,497	2.4	2.9
Investment expenses⁵	11,050	15,143	15,547	3.5	2.7
Aggregate total	866,354	932,729	977,289	1.2	4.8

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. Data represent U.S. life insurers and fraternal benefit societies.

¹ Excludes payments under deposit-type contracts (such payments are shown in Table 3.3). Does not include payments from supplementary contracts without life contingencies and annuities certain, lottery payouts, structured settlements, and income payout options.

² Includes group conversions and interest on policy or contract funds.

³ Excludes addition to reserves for deposit-type contracts.

⁴ Includes foreign and U.S. federal income taxes, including taxes on capital gains; excludes investment taxes.

⁵ Includes investment-related taxes and fees.

Table 5.2

Payments From Life Insurance Policies					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Payments to beneficiaries					
Individual	\$41,869	\$67,217	\$73,418	5.8	9.2
Group	19,832	22,916	26,386	2.9	15.1
Credit	431	296	384	-1.1	29.5
Total	62,132	90,429	100,188	4.9	10.8
Surrender values					
Individual	32,107	28,667	27,375	-1.6	-4.5
Group	1,405	1,780	943	-3.9	-47.0
Total	33,511	30,447	28,318	-1.7	-7.0
Policyholder dividends	12,581	14,707	14,899	1.7	1.3
Matured endowments	577	497	528	-0.9	6.3
Other payments¹	553	676	656	1.7	-2.9
Aggregate total	109,354	136,756	144,590	2.8	5.7

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.

¹ Includes disability benefits and retained assets.

Table 5.3

Payments From Annuity Contracts					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Annuity benefits¹					
Individual ¹	\$47,342	\$53,235	\$57,495	2.0	8.0
Group ¹	25,196	35,613	37,615	4.1	5.6
Supplementary contracts with life contingencies	1,980	2,711	2,585	2.7	-4.6
Total	74,518	91,559	97,695	2.7	6.7
Surrender values²					
Individual	116,620	163,243	195,388	5.3	19.7
Group	89,546	134,218	143,761	4.8	7.1
Total	206,166	297,461	339,149	5.1	14.0
Policyholder dividends	2,966	3,346	2,878	-0.3	-14.0
Other payments³	152	9	15	-20.9	68.1
Aggregate total	283,803	392,374	439,736	4.5	12.1

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.

¹Excludes payments under deposit-type contracts (such payments are shown in Table 3.3). Does not include payments from annuities certain and supplementary contracts without life contingencies, lottery payouts, structured settlements, and income payout options.

²Excludes surrender benefits and fund withdrawals from deposit-type contracts.

³Includes death benefits, disability benefits, matured endowments and retained assets.

Table 5.4

Payments From Health Insurance Policies, by Line of Business

	Millions		Average annual percent change
	2020	2021	2020/2021
Comprehensive	\$35,022	\$36,634	4.6
Medicare/Medicaid	46,174	50,920	10.3
Dental only	9,067	9,648	6.4
Vision only	1,045	1,158	10.9
Disability income	16,994	18,774	10.5
Long term care	8,253	7,850	-4.9
Credit	216	202	-6.4
Other	20,970	22,031	5.1
Total	137,741	147,219	6.9

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 5.5

Life Insurer Home- and Field-Office Expenses

	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Rental	\$2,529	\$2,378	\$2,354	-0.7	-1.0
Employment					
Salaries	28,847	35,840	37,907	2.8	5.8
Welfare contributions and payments	6,802	7,477	7,644	1.2	2.2
Total	35,649	43,318	45,551	2.5	5.2
Fees associated with policy issuance/claim settlement	2,912	3,838	4,291	4.0	11.8
Travel	1,219	457	496	-8.6	8.4
Advertising	2,875	2,195	2,289	-2.3	4.3
Office equipment/supplies	6,980	7,975	8,216	1.6	3.0
Miscellaneous	7,858	8,659	8,319	0.6	-3.9
Aggregate total	60,021	68,820	71,516	1.8	3.9

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 exclude investment expenses. Data represent U.S. life insurers and fraternal benefit societies.

Table 5.6

Investment Expenses of Life Insurers					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Rental	\$197	\$233	\$222	1.2	-4.5
Employment					
Salaries	1,706	2,631	2,843	5.2	8.1
Welfare contributions/payments	277	369	401	3.7	8.4
Total	1,984	3,000	3,243	5.0	8.1
Real estate expenses	1,471	1,492	1,387	-0.6	-7.0
Interest	2,320	2,625	2,647	1.3	0.9
Depreciation on invested assets	763	965	969	2.4	0.3
Investment taxes and fees¹					
Real estate	478	622	573	1.8	-7.9
Other	95	102	116	2.0	14.1
Total	574	724	689	1.9	-4.8
Other	3,742	6,104	6,389	5.5	4.7
Aggregate total	11,050	15,143	15,547	3.5	2.7

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.

¹ Excludes federal income taxes and taxes on capital gains.

Table 5.7

Payments Under Life Insurance Policies and Annuity Contracts, by Year (millions)

Year	Payments to beneficiaries	Surrender values ¹		Policyholder dividends	Annuity payments ²	Matured endowments	Other payments ³	Total
		Life policies	Annuity contracts ²					
1940	\$995	\$652	NA	\$468	\$176	\$269	\$104	\$2,664
1945	1,280	211	NA	466	216	407	88	2,668
1950	1,590	592	NA	627	327	495	100	3,731
1955	2,241	896	NA	1,021	501	614	110	5,383
1960	3,346	1,633	NA	1,512	830	673	124	8,118
1965	4,831	1,932	NA	2,259	1,300	931	163	11,416
1970	7,017	2,887	NA	3,214	2,120	978	233	16,449
1975	9,192	3,763	NA	4,544	3,665	946	426	22,536
1980	12,884	6,678	NA	6,785	10,195	908	592	38,042
1985	18,226	15,589	NA	10,121	21,259	779	536	66,510
1986	19,479	14,741	NA	10,122	22,657	766	540	68,305
1987	20,530	14,864	NA	10,466	24,316	752	504	71,432
1988	21,660	14,456	NA	11,046	25,665	751	513	74,091
1989	23,261	14,859	NA	11,417	29,383	727	554	80,201
1990	24,567	18,022	NA	11,953	32,575	700	568	88,385
1991	25,407	16,282	NA	12,066	36,615	668	547	91,585
1992	27,235	16,814	NA	12,203	37,550	649	592	95,043
1993	28,819	16,904	NA	12,714	40,325	598	615	99,975
1994	32,583	18,014	\$92,779	15,915	40,412	647	459	200,809
1995	34,545	19,501	105,449	17,816	48,457	1,007	860	227,635
1996	36,257	24,454	115,747	18,064	51,069	741	614	246,946
1997	37,488	24,016	140,842	17,981	55,080	563	608	276,578
1998	40,101	26,816	154,463	18,865	60,410	572	607	301,834
1999	41,363	32,833	198,311	19,149	62,485	528	620	355,288
2000	44,143	27,173	213,989	20,001	68,668	604	605	375,181
2001	46,512	30,653	151,315	19,993	55,197	549	648	304,867
2002	48,166	32,909	142,948	21,033	54,950	621	649	301,276
2003	51,661	35,943	140,261	20,761	57,110	596	650	306,982
2004	51,576	35,485	162,876	18,981	61,162	595	866	331,541
2005	52,996	39,157	190,329	17,919	63,935	640	695	365,672
2002	48,166	32,909	142,948	21,033	54,950	621	649	301,276
2003	51,661	35,943	140,261	20,761	57,110	596	650	306,982
2004	51,576	35,485	162,876	18,981	61,162	595	866	331,541
2005	52,996	39,157	190,329	17,919	63,935	640	695	365,672

Table 5.7, continued

Payments Under Life Insurance Policies and Annuity Contracts, by Year (millions), continued

Year	Payments to beneficiaries	Surrender values ¹		Policyholder dividends	Annuity payments ²	Matured endowments	Other payments ³	Total
		Life policies	Annuity contracts ²					
2006	\$55,694	\$38,463	\$237,813	\$18,429	\$71,087	\$612	\$566	\$422,664
2007	57,957	47,670	262,343	19,519	72,332	623	564	461,008
2008	59,949	58,629	236,654	19,053	69,648	614	555	445,101
2009	59,470	48,141	182,705	16,163	67,068	573	768	374,888
2010	58,392	35,843	184,071	15,942	70,090	562	699	365,599
2011	62,132	33,511	206,166	15,547	74,518	606	676	393,156
2012	63,259	31,479	216,843	15,530	74,039	442	612	402,204
2013	64,350	28,704	222,808	15,965	78,751	396	655	411,629
2014	67,850	27,765	256,693	16,672	73,840	375	651	443,846
2015	74,306	28,828	247,169	18,524	77,778	424	686	447,715
2016	76,039	30,199	238,036	18,447	79,120	448	708	442,998
2017	77,057	33,175	279,404	17,725	81,649	464	608	490,083
2018	79,703	35,279	319,073	18,405	83,408	405	676	536,949
2019	78,358	34,066	310,441	18,222	88,099	446	663	530,295
2020	90,429	30,447	297,461	18,053	91,559	497	685	529,130
2021	100,188	28,318	339,149	17,777	97,695	528	671	584,327

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, as of 2003, fraternal benefit societies.

NA: Not available.

¹Beginning in 1994, includes annuity withdrawals of funds. An amount comparable to prior years is not available.

²Beginning in 2001, excludes payments under deposit-type contracts (see Table 3.3).

³Includes some disability benefits and retained assets.

Table 5.8

Payments to Life Insurance Beneficiaries, by Year

Year	Policies in thousands/Amounts in millions							
	Individual		Group		Credit ¹		Total	
	Policies	Amount	Certificates	Amount	Policies	Amount	Policies	Amount
1940	974	\$891	50	\$104	--	--	1,024	\$995
1945	1,226	1,109	92	171	--	--	1,318	1,280
1950	1,246	1,307	133	283	--	--	1,379	1,590
1955	1,418	1,650	243	591	--	--	1,661	2,241
1960	1,644	2,231	394	1,115	--	--	2,038	3,346
1965	1,866	3,007	636	1,824	--	--	2,502	4,831
1970	1,974	3,990	767	3,027	--	--	2,741	7,017
1975	1,998	4,901	591	3,807	337	\$484	2,926	9,192
1980	2,045	6,587	637	5,671	285	626	2,967	12,884
1985	2,013	9,264	683	8,275	262	687	2,958	18,226
1986	2,039	10,030	686	8,675	246	774	2,971	19,479
1987	1,981	10,593	690	9,073	262	864	2,933	20,530
1988	2,044	11,416	695	9,346	276	898	3,015	21,660
1989	1,988	12,332	763	10,029	240	900	2,991	23,261
1990	1,965	13,439	728	10,281	238	847	2,931	24,567
1991	1,984	13,949	674	10,582	219	876	2,877	25,407
1992	1,926	15,287	643	11,022	186	926	2,755	27,235
1993	1,945	16,584	668	11,572	136	663	2,749	28,819
1994	2,388	18,792	870	12,914	240	877	3,498	32,583
1995	2,405	20,116	767	13,527	224	912	3,396	34,545
1996	2,401	21,351	867	14,016	273	890	3,541	36,257
1997	2,480	22,695	843	13,898	274	895	3,597	37,488
1998	2,435	24,838	819	14,425	391	838	3,644	40,101
1999	2,715	25,274	875	15,260	380	829	3,970	41,363
2000	2,561	27,267	877	16,055	383	821	3,821	44,143
2001	2,688 *	28,346	935	17,393	313	773	3,936	46,512
2002	2,632	30,117	942	17,308	341	741	3,915	48,166
2003	2,673	32,901	1,107	18,064	293	695	4,073	51,661
2004	2,786	32,222	826	18,708	241	646	3,853	51,576
2005	2,586	32,760	989	19,633	310	603	3,885	52,996
2002	2,632	30,117	942	17,308	341	741	3,915	48,166
2003	2,673	32,901	1,107	18,064	293	695	4,073	51,661
2004	2,786	32,222	826	18,708	241	646	3,853	51,576
2005	2,586	32,760	989	19,633	310	603	3,885	52,996

Table 5.8, continued

Payments to Life Insurance Beneficiaries, by Year, continued

Year	Policies/Certificates in thousands/Amounts in millions							
	Individual		Group		Credit ¹		Total	
	Policies	Amount	Certificates	Amount	Policies	Amount	Policies	Amount
2006	2,568	\$34,525	1,027	\$20,601	276	\$568	3,870	\$55,694
2007	2,483	36,272	1,016	21,168	262	516	3,761	57,957
2008	2,463	37,893	1,027	21,525	281	531	3,771	59,949
2009	2,402	38,306	964	20,638	237	527	3,603	59,470
2010	2,407	39,045	943	18,890	214	458	3,564	58,392
2011	2,563	41,869	917	19,832	92	431	3,572	62,132
2012	3,512	43,109	946	19,820	185	331	4,644	63,259
2013	3,146	43,405	978	20,615	110	331	4,235	64,350
2014	2,799	46,419	1,034	21,121	77	310	3,909	67,850
2015	2,936	52,436	1,012	21,576	78	294	4,026	74,306
2016	2,798	54,214	977	21,527	102	298	3,877	76,039
2017	2,596	54,960	1,053	21,811	87	286	3,736	77,057
2018	2,697	56,749	1,032	22,679	86	276	3,815	79,703
2019	2,843	57,477	1,016	20,623	84	258	3,943	78,358
2020	3,101	67,217	1,116	22,916	82	296	4,299	90,429
2021	3,070	73,418	1,213	26,386	94	384	4,377	100,188

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, as of 2003, fraternal benefit societies.

*Corrected to include industrial policies.

¹ Prior to 1973, death payments under credit life are included in individual and group categories.

Table 5.9

Health Insurance Benefit Payments by Life Insurers, by Year (millions)

Year	Total	Year	Total
1948	\$326	1998	\$70,030
1950	494	1999	74,464
1955	1,390	2000	78,784
1960	2,633	2001	76,304
1965	4,413	2002	78,723
1970	8,208	2003	81,129
1975	14,320	2004	87,789
1980	23,038	2005	78,928
1981	24,474	2006	96,455
1982	26,055	2007	105,623
1983	26,912	2008	118,465
1984	27,053	2009	121,578
1985	27,298	2010	122,075
1986	28,966	2011	120,650
1987	34,869	2012	123,419
1988	38,383	2013	127,133
1989	39,432	2014	113,269
1990	40,010	2015	114,992
1991	42,605	2016	119,586
1992	44,950	2017	126,446
1993	46,007	2018	131,945
1994	60,074	2019	141,645
1995	64,714	2020	137,741
1996	66,698	2021	147,219
1997	67,432		

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 exclude policy dividends. 1994-96 data have been revised to reflect the addition of life insurers that sell accident and health insurance. Data represent U.S. life insurers and, as of 2003, fraternal benefit societies.

6

REINSURANCE

Reinsurance is a risk management tool used by insurers to spread risk and manage capital. The insurer transfers some or all of an insurance risk to another insurer. The insurer transferring the risk is called the “ceding insurer”. The insurer accepting the risk is called the “assuming insurer” or “reinsurer”. For life insurers, the risk transferred may be mortality, longevity or morbidity risk, surrender or expense risk, investment risk, or a combination of these risks.

Reinsurance has made possible the protection of a wider array of individuals and groups than would otherwise be feasible. An insurer who is approached by an applicant who presents an unusual risk—or who needs an amount of life insurance policy that is larger than the insurer’s retention limit (the amount of risk an insurer has determined it can judiciously retain)—may still be able to offer the policy to the consumer if part of the risk is transferred to a reinsurer. A ceding insurer also uses reinsurance to limit its risk on a group of policies to avoid fluctuations in claim levels or to lower the risk of claims involving multiple deaths from single events.

Virtually all life insurers buy reinsurance to improve

their risk profile. In 2021, 91 percent of life insurers with life premiums ceded at least some of those premiums as reinsurance. Among insurers with accident and health premiums, 84 percent ceded accident and health premiums as reinsurance. Fifty-three percent of insurers doing annuity business in 2021 ceded annuity considerations, excluding deposit-type funds. The Society of Actuaries annually publishes more detailed data on the life reinsurance marketplace in the *Reinsurance News*.

ALLOCATING RISK

In order for families to have peace of mind and for economies to thrive, there must be a mechanism to deal with large financial risk. Life insurers provide that financial security. Reinsurance spreads the risk of loss between two insurance companies. The risk can be spread even further if the ceding insurer uses more than one reinsurer, or the reinsurer in turn transfers some of that risk to another reinsurer, or retrocessionaire.

In the most basic reinsurance arrangement, a single insurer issuing policies to the public cedes business to a

single reinsurer, usually an independent firm operating in the open marketplace. Insurers sometimes cede business to affiliates to aggregate similar risks in one entity for efficient risk management. Insurance groups also use captive reinsurers to reinsure risks exclusively from affiliated companies to access capital markets.

When reinsurance exists, the ceding insurer transferring the risk retains its financial relationship with, and legal obligation to pay claims to, the policyholder. The policyholder will not even be aware that part of the risk in their policy is covered by a reinsurer. The reinsurer indemnifies, or reimburses, the ceding insurer for losses incurred on the reinsured policies.

Reinsurance is now a global business. Of the \$379 billion total reinsurance premiums paid by U.S. life insurers in 2021, 57 percent was paid to reinsurers domiciled in the U.S. and 43 percent to reinsurers domiciled in other countries.

REINSURANCE RELATIONSHIP

Underwriting Strength

A closely related motivation for reinsurance is obtaining the reinsurer's underwriting assistance and proficiency. Reinsurers review and maintain policy and claim records on a large volume of risks from many ceding companies whose policyholders are diverse and geographically distributed. The risk pool from which they develop and provide underwriting knowledge is larger and wider than is normally available to a single primary insurer.

Underwriting is further strengthened when risk is spread to more than one reinsurer or retrocessionaire, because of the exposure to an even broader range of

policies and claims. Confidence that underwriters are competently and professionally meeting its underwriting needs allows a ceding insurer to concentrate on other activities to expand its business.

Product Flexibility

Another reason to reinsure is the opportunity it gives a ceding insurer to exit from some product lines and enter others. If an insurer has issued policies in a particular product line that it wishes to discontinue, the insurer can reinsure most or all of the risk on those policies.

Conversely, if an insurer wants to enter a particular product line, reinsurers can help with product development and assume some of the product's risk. Later, as the primary insurer gains more confidence in its ability to underwrite and develop the product, the insurer might retain more of the risk on new business and recapture provisions in the reinsurance treaty might allow it to take back some of the risk the reinsurer assumed.

Capital Management

Reinsurance also helps a ceding insurer manage its capital efficiently. This is especially helpful to a life insurer issuing new policies because initial costs (expenses plus reserves) are often higher than premiums received. Sharing those initial costs and risks with a reinsurer helps the ceding insurer manage its cash flows.

TYPES OF REINSURANCE

Various reinsurance plans are available based on ceding companies' needs and their reasons for reinsuring. Plans can be broadly classified as either proportional reinsurance, specifying in advance the amounts or percentages of risk for which the reinsurer is liable, or nonproportional, specifying instead the loss limits,

time limits, or conditions beyond which a reinsurer will reimburse some or all of the ceding insurer's benefit payments.

Proportional Reinsurance

Specified amounts or percentages are shared between ceding companies and reinsurers in proportional reinsurance. Excess of retention allocates risk by amount. The ceding insurer establishes a dollar amount beyond which it is unwilling to retain risk, and the reinsurer assumes risk over this amount, up to the reinsurer's retention limit. In contrast, quota share allocates by percentage, where the ceding insurer and reinsurer establish the percentage of risk for which each will retain or assume responsibility.

Proportional plans commonly used in life insurance include:

Yearly renewable term (YRT) In this type, mortality risk is the only risk transferred to the reinsurer. The reinsurance premium varies each year with the age of the insured. YRT reinsurance allows a ceding insurer to transfer mortality risk, but it leaves the insurer responsible for establishing reserves for the remainder of the policy benefits. Despite its name, YRT is not yearly renewable. The reinsurer may not terminate coverage until the original insurance policy terminates.

Coinsurance The ceding insurer transfers a proportionate share of all the policy risks and cash flows. The reinsurer receives its share of premiums, pays its share of benefits, sets up its share of reserves, and pays an allowance to the ceding insurer to cover its share of the costs of administering the policy.

Modified coinsurance The reinsurer transfers its share of reserves back to the ceding insurer while the risk remains with the reinsurer. The ceding insurer,

however, must pay interest to replace what the reinsurer would have earned had it retained its share of the reserve. This arrangement allows the ceding insurer to reduce potential credit risk and to retain control over investments. The latter is particularly important where the insurer is using a unique investment strategy.

Nonproportional Reinsurance

Nonproportional plans can be used for all types of insurance. Common uses include:

Stop loss The reinsurer remits some or all of a ceding insurer's aggregate claims above a predetermined dollar amount (the attachment point), or above a percentage of premiums during a specified period.

Excess of time Most often used for disability or long-term care reinsurance, this type of plan specifies the time after which a reinsurer pays some or all of the claims.

Catastrophe The reinsurer covers claims that exceed a specified amount or number of insureds due to a single event resulting in more than one loss, as in an accident, or natural disaster.

Table 6.1

Reinsurance Assumed and Ceded - Premiums			
	Millions		Average annual percentage change
	2020	2021	2020/2021
PREMIUMS PAID ON CEDED BUSINESS			
Life insurance			
Individual	\$86,996	\$105,830	21.7
Affiliates	42,560	47,730	12.1
Non-Affiliates	44,436	58,100	30.8
Group	24,022	28,147	17.2
Affiliates	13,621	13,939	2.3
Non-Affiliates	10,400	14,207	36.6
Credit	262	282	7.5
Total	111,280	134,259	20.7
Annuity considerations¹			
Individual	88,311	141,687	60.4
Affiliates	33,174	83,410	151.4
Non-Affiliates	55,137	58,277	5.7
Group	36,735	51,785	41.0
Affiliates	9,718	27,488	182.9
Non-Affiliates	27,018	24,297	-10.1
Total	125,046	193,471	54.7
Accident and health insurance			
Individual	26,058	19,701	-24.4
Affiliates	10,473	11,673	11.5
Non-Affiliates	15,584	8,027	-48.5
Group	33,240	31,611	-4.9
Affiliates	16,836	15,727	-6.6
Non-Affiliates	16,404	15,884	-3.2
Credit	212	241	13.8
Total	59,510	51,553	-13.4
Aggregate total	295,835	379,283	28.2

Table 6.1, continued

Reinsurance Assumed and Ceded - Premiums, continued			
	Millions		Average annual percentage change
	2020	2021	2020/2021
PREMIUMS FROM ASSUMED BUSINESS			
Life insurance			
Individual	\$54,871	\$73,544	34.0
Affiliates	15,685	18,894	20.5
Non-Affiliates	39,187	54,650	39.5
Group	11,526	13,520	17.3
Affiliates	2,250	2,437	8.3
Non-Affiliates	9,277	11,083	19.5
Credit	118	127	6.9
Total	66,516	87,191	31.1
Annuity considerations¹			
Individual	24,651	48,617	97.2
Affiliates	13,127	14,621	11.4
Non-Affiliates	11,524	33,996	195.0
Group	24,827	30,134	21.4
Affiliates	74	3,109	NC
Non-Affiliates	24,753	27,025	9.2
Total	49,478	78,751	59.2
Accident and health insurance			
Individual	17,060	12,079	-29.2
Affiliates	8,163	4,832	-40.8
Non-Affiliates	8,897	7,247	-18.5
Group	18,175	14,402	-20.8
Affiliates	3,968	4,441	11.9
Non-Affiliates	14,207	9,961	-29.9
Credit	101	111	10.2
Total	35,336	26,592	-24.7
Aggregate total	151,330	192,533	27.2

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.

¹ Excludes deposit-type funds as income due to codification, making data incomparable with previous years.

NC: Not computed.

Table 6.2

Life Reinsurance Assumed (face amount)					
	Millions			Average annual percentage change	
	2011	2020	2021	2011/2021	2020/2021
Face amount (millions)					
Individual	\$2,390,588	\$1,038,971	\$1,136,702	-7.2	9.4
Group	224,317	982,668	434,233	6.8	-55.8
Credit	3,833	15,527	13,362	13.3	-13.9
Total	2,618,738	2,037,165	1,584,297	-4.9	-22.2
Policies (units)					
Individual	26,045,804	10,594,781	11,149,777	-8.1	5.2
Group	4,134,575	11,385,581	18,380,251	16.1	61.4
Credit	941,169	1,385,343	884,999	-0.6	-36.1
Total	31,121,548	23,365,705	30,415,027	-0.2	30.2

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.

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 \$3.3 trillion of new life insurance coverage in 2021, a 1.3 percent decrease from 2020. By the end of 2021, total life insurance coverage in the United States was \$21.2 trillion, an increase of 3.7 percent from 2020 (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 64 percent of all life insurance in force in the United States at year-end 2021 (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 \$13.6 trillion at the end of 2021 and has grown at an average annual rate of 2.1 percent since 2011, when \$11 trillion was in force (Table 7.1).

The average size of new individual life policies purchased has increased from \$162,230 in 2011 to \$189,830 in 2021 (Figure 7.2). The number of individual policies purchased totaled 10.4 million in 2021 (Table 7.1).

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

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 2021, 40 percent, or 4.1 million, were term insurance, totaling \$1.4 trillion, or 71 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 2021, direct purchases of permanent life constituted 60 percent of U.S. individual life insurance policies issued and 29 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. More than two-thirds of individual life policies' face amount purchased were nonparticipating at \$1.4 trillion (70%) in 2021 (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 4.6 percent by 2021 (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 with disability provisions in 2021, 93 percent, or 33 million, allowed the premium to be waived during disability. This represents \$4.5 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 2021, group insurance represented 43 percent of all life insurance policies in force (Table 7.1).

Group purchases decreased 11.9 percent in 2021 to \$1.3 trillion. At the end of 2021, group life insurance provided \$7.5 trillion of protection, a 0.6 percent increase over 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—95 percent of those purchased in 2021, at \$1.2 trillion (Table 7.3).

The voluntary termination rate of group life insurance policies increased to 6.2 percent from 5.7 percent a year earlier. The voluntary lapses in 2021 increased to 6.2 percent from 5.6 percent in 2020 (Table 7.4).

Group policies also provide disability benefits. Of group life policies in force with disability provisions in 2021, 90 percent, or 95 million, provided for waiver of premium. This represents \$5.5 trillion, or 84 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 2021, \$95 billion of credit life insurance was in force, down 1.8 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.

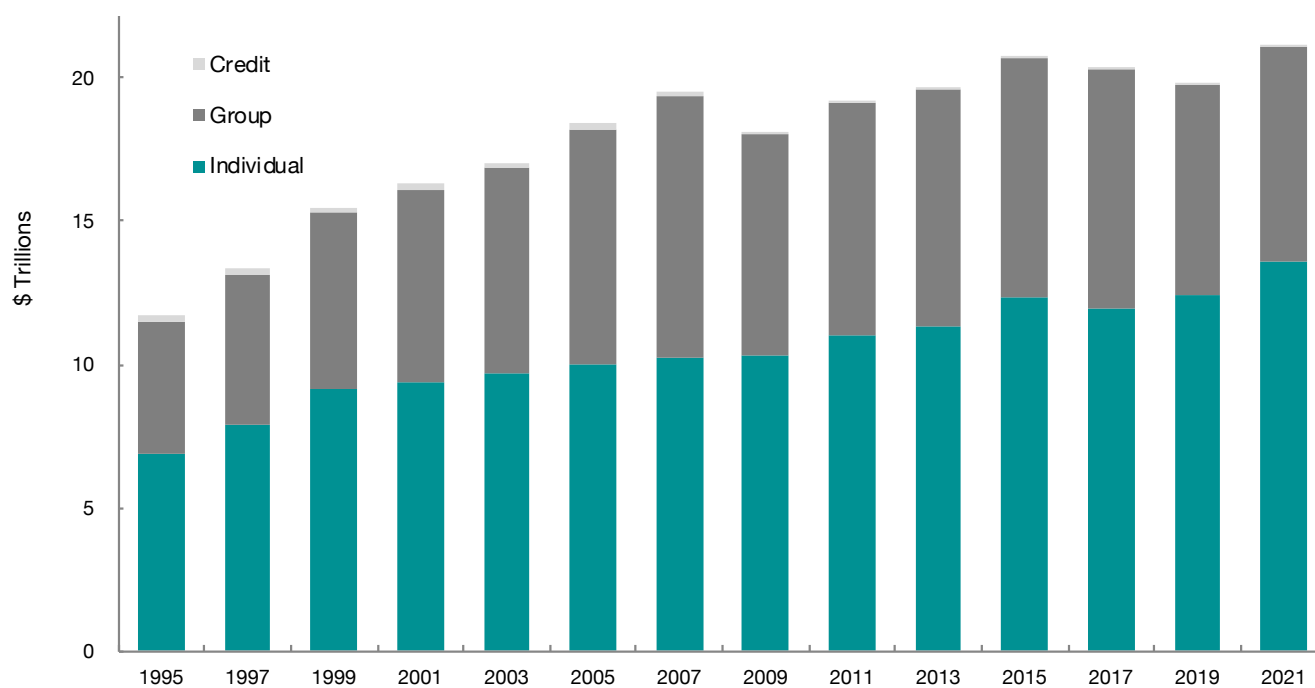
As with other life policies, credit policies can be purchased on either a participating or nonparticipating basis. Of credit life policies purchased in 2021, 98 percent, or \$46 billion, were nonparticipating (Table 7.3).

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 2021, \$301 million in new claims along with \$631 million in other claims were in dispute. Of this amount, \$219 million was paid in 2021 and \$363 million still resisted at the end of the year (Table 7.7).

Figure 7.1

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

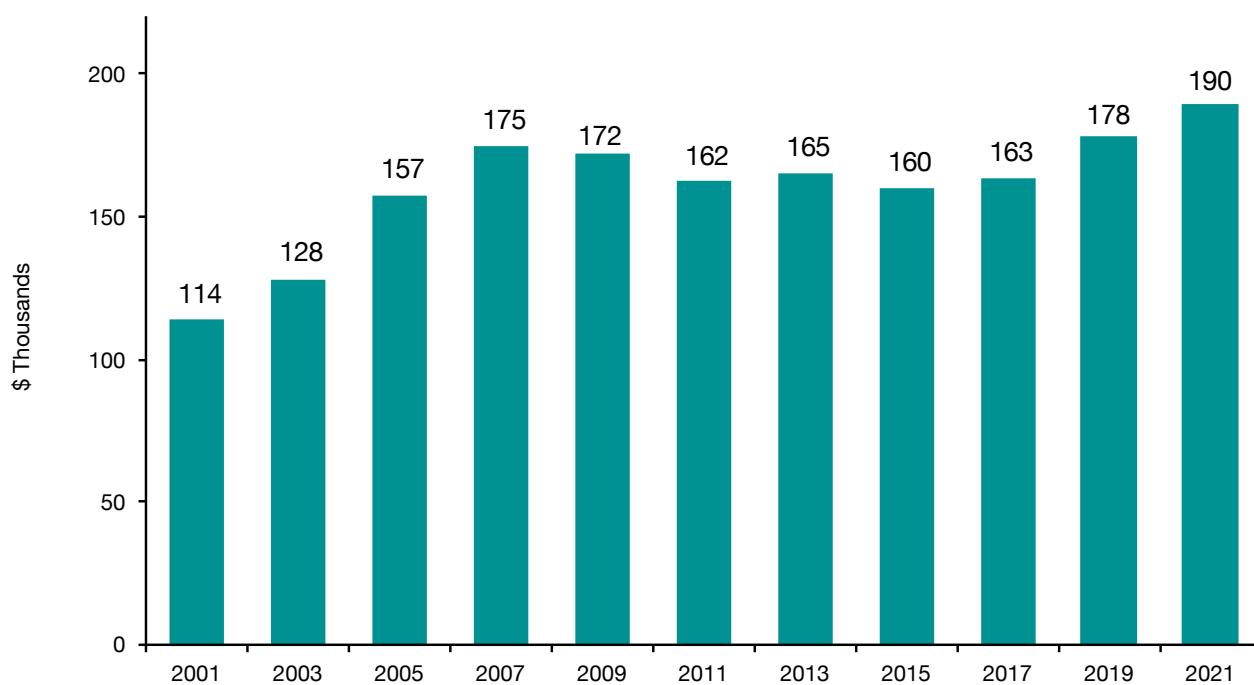


Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission. NAIC does not endorse any analysis or conclusions based on use of its data.

Note: 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.

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

Table 7.1

Life Insurance in the United States

	Life Insurance			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
PURCHASES					
Face amount (millions)					
Individual ¹	\$1,672,514	\$1,853,914	\$1,974,418	1.7	6.5
Group	1,159,934	1,439,540	1,268,487	0.9	-11.9
Credit	57,999	41,073	46,860	-2.1	14.1
Total	2,890,447	3,334,528	3,289,765	1.3	-1.3
Policies (thousands)					
Individual	10,309	10,088	10,401	0.1	3.1
Group (certificates)	16,867	25,345	24,027	3.6	-5.2
Credit	12,143	7,639	11,271	-0.7	47.5
Total	39,320	43,072	45,699	1.5	6.1
IN FORCE					
Face amount (millions)					
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
Policies (thousands)					
Individual	150,702	136,737	137,167	-0.9	0.3
Group (certificates)	112,119	105,183	112,255	0.0	6.7
Credit	23,495	13,011	11,279	-7.1	-13.3
Total	286,315	254,931	260,701	-0.9	2.3

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. Data represent direct business, except for face amount in force which is net of reinsurance.

¹ Policies issued by fraternal benefits societies are considered individual business.

Table 7.2

Individual Life Insurance Purchases in the United States, by Plan Type, 2021

	Policies in thousands/Amounts in millions			
	Policies	Percent	Face amount	Percent
Term insurance				
Decreasing	98	0.9	\$1,540	0.1
Level	4,022	38.7	1,308,789	66.3
Decreasing other term ¹	NA	NA	3,577	0.2
Level other term ²	NA	NA	83,652	4.2
Term additions	NA	NA	3,336	0.2
Total	4,119	39.6	1,400,895	71.0
Whole life and endowment	6,281	60.4	573,522	29.0
Aggregate total	10,401	100.0	1,974,418	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.

NA: Not available.

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

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

Table 7.3

Life Insurance Purchases, by Participating Status

	Individual		Group		Credit		Total	
	Face amount (millions)	Percent	Face amount (millions)	Percent	Face amount (millions)	Percent	Face amount (millions)	Percent
2011								
Nonparticipating	\$1,241,499	74.2	\$1,104,112	95.2	\$48,006	82.8	\$2,393,617	82.8
Participating	431,015	25.8	55,822	4.8	9,993	17.2	496,830	17.2
Total	1,672,514	100.0	1,159,934	100.0	57,999	100.0	2,890,447	100.0
2020								
Nonparticipating	1,308,923	70.6	1,389,895	96.6	40,385	98.3	2,739,202	82.1
Participating	544,992	29.4	49,646	3.4	689	1.7	595,326	17.9
Total	1,853,914	100.0	1,439,540	100.0	41,073	100.0	3,334,528	100.0
2021								
Nonparticipating	1,374,995	69.6	1,204,887	95.0	46,143	98.5	2,626,025	79.8
Participating	599,424	30.4	63,599	5.0	717	1.5	663,740	20.2
Total	1,974,418	100.0	1,268,487	100.0	46,860	100.0	3,289,765	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 7.4

Voluntary Termination Rates for Life Insurance Policies, Calculated by Face Amount (percent)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Lapse rate											
Individual	4.8	4.7	4.6	4.3	4.4	4.3	4.5	4.7	4.4	4.1	3.7
Group	4.6	5.6	6.4	5.5	5.9	6.1	5.9	5.0	5.8	5.6	6.2
Credit	6.8	7.4	7.5	8.5	8.0	6.8	6.6	5.8	5.3	4.6	5.4
Surrender rate											
Individual	1.2	1.2	1.0	1.0	1.0	1.0	1.1	1.1	1.1	0.9	0.9
Group	0.3	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Credit	7.3	8.2	9.7	14.6	9.6	7.2	7.1	7.2	8.6	6.8	6.0
Combined termination rate											
Individual	6.1	5.9	5.7	5.3	5.4	5.2	5.7	5.7	5.5	5.0	4.6
Group	4.9	6.2	6.5	5.6	5.9	6.2	6.1	5.1	5.9	5.7	6.2
Credit	14.1	15.6	17.1	23.1	17.6	14.0	13.6	13.0	13.9	11.4	11.4

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. Data represent U.S. life insurers and fraternal benefit societies.

Table 7.5

Voluntary Termination Rates for Life Insurance Policies, Calculated by Number of Policies (percent)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Lapse rate											
Individual	4.9	4.7	4.0	5.1	4.6	5.0	5.3	5.6	5.8	5.7	5.0
Group	5.9	5.9	8.4	7.2	6.3	5.7	5.7	4.7	5.9	4.8	4.5
Credit	7.9	7.8	8.1	9.3	7.1	5.6	5.2	5.0	4.7	4.4	4.5
Surrender rate											
Individual	1.1	1.1	1.0	1.1	1.0	1.0	1.1	1.1	1.1	1.0	1.0
Group	0.2	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Credit	10.7	11.9	12.2	13.6	10.3	8.3	9.1	8.4	12.6	6.7	7.0
Combined termination rate											
Individual	6.1	5.8	5.0	6.2	5.6	6.0	6.4	6.7	6.9	6.7	5.9
Group	6.0	6.4	8.5	7.3	6.4	5.8	5.7	4.7	6.0	4.8	4.5
Credit	18.6	19.7	20.3	22.9	17.4	13.9	14.3	13.4	17.2	11.1	11.5

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 7.6

Life Insurance With Disability Provisions, 2021

	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	32,656	23.8	\$4,477,081	33.0
Disability income	179	0.1	10,259	0.1
Extended benefits	-	-	-	-
Other	2,399	1.7	24,518	0.2
Total	35,234	25.7	4,511,858	33.3
Group²				
Waiver of premium	94,889	84.5	5,462,325	72.6
Disability income	1,551	1.4	106,529	1.4
Extended benefits	2,807	2.5	186,922	2.5
Other	5,861	5.2	773,433	10.3
Total	105,108	93.6	6,529,208	86.8
Credit³				
Waiver of premium	320	2.8	90	0.1
Disability income	19	0.2	62	0.1
Extended benefits	6	0.1	95	0.1
Total	344	3.1	247	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. Data represent U.S. life insurers and fraternal benefit societies.

¹ Policies in force totaled 137 million, with a face amount of \$13.6 trillion.

² Certificates in force totaled 112 million, with a face amount of \$7.5 trillion.

³ Policies in force totaled 11 million, with a face amount of \$95 billion.

Table 7.7

New Policy Claims Resisted or Compromised (thousands)						
	2011		2020		2021	
	Face amount	Percent	Face amount	Percent	Face amount	Percent
New claims in dispute	\$307,078	23.1	\$372,243	38.0	\$300,777	32.3
All other claims in dispute	1,025,116	76.9	607,652	62.0	630,575	67.7
Total claims in dispute	1,332,195	100.0	979,895	100.0	931,351	100.0
Amount paid for new claims	28,044	13.2	177,221	55.3	78,426	35.8
Amount paid for claims previously resisted	184,358	86.8	143,305	44.7	140,875	64.2
Total amount paid	212,402	100.0	320,526	100.0	219,301	100.0
Amount resisted at year's end¹	443,641		310,771		362,609	

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.

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

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 +

Table 7.8, continued

Life Insurance Purchases, by Year, continued

Year	Policies and certificates in thousands/Amounts in millions					
	Individual		Group		Total	
	Policies	Face amount	Certificates	Face amount	Policies/Certificates	Face amount
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
2019	10,118	1,802,511	21,238	1,239,463	31,356	3,041,974
2020	10,088	1,853,914	25,345	1,439,540	35,433	3,293,455
2021	10,401	1,974,418	24,027	1,268,487	34,428	3,242,905

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 of 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.

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

Table 7.9, continued

Life Insurance in Force in the United States, by Year (millions), continued

Year	Individual		Group		Credit		Total	
	Policies	Face amount	Certificates	Face amount	Policies ¹	Face amount	Policies/Certificates	Face amount
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
2019	137	12,388,298	108	7,358,413	13	87,346	259	19,834,056
2020	137	12,849,985	105	7,478,454	13	97,170	255	20,425,609
2021	137	13,568,826	112	7,524,156	11	95,433	261	21,188,415

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

*Fewer than 500,000 policies/certificates.

¹ Includes group credit certificates.

8

ANNUITIES

Annuities are financial contracts that pay a steady stream of income for either a fixed period of time or for the lifetime of the annuity owner (the *annuitant*). Most pension and retirement plan assets held by life insurers are annuity contracts. Because they can guarantee a stream of income for life, annuities protect annuity owners against the possibility of outliving their financial resources.

Annuities are sold as either immediate annuities or deferred annuities. Immediate annuities begin making annuity payments immediately, while deferred annuities defer the onset of annuity payments until some later date (typically when the annuity owner retires). During the deferral or accumulation phase, the annuity owner makes premium payments into the annuity and the savings inside the annuity grows to maximize the later annuity payments back to the annuity owner.

During 2021, payments into annuities, known as considerations, decreased 2.4 percent to \$316 billion (Table 8.1), while annuity reserves increased 4.5 percent to \$4.4 trillion (Table 8.2).

Annuities provide a variety of features designed to

meet different needs. Depending on risk tolerance, an annuitant can choose a *fixed annuity*, which provides stable returns, or a *variable annuity* which is backed by equity investments for potentially greater, but uncertain, returns. A joint and survivor annuity ensures an income stream as long as either spouse is alive. Under some options, payouts will continue to a designated beneficiary after the annuitant's death.

GROUP AND INDIVIDUAL ANNUITIES

Contributions to group annuities, which are sold through employer-sponsored retirement plans, decreased to \$139 billion in 2021, 8.4 percent lower than in 2020 (Table 8.1). Reserves for this type of annuity accounted for nearly one-third of all annuity reserves by the end of 2021 (30%), or \$1.3 trillion (Table 8.2). Benefit payments to group annuitants increased to \$38 billion, up 5.6 percent from 2020 (Table 8.3).

Employer-sponsored retirement plans are divided between two types that differ according to their benefits structure. *Defined benefit plans* provide a specified monthly benefit during retirement. The

benefit amount is usually based on an employee's salary and length of service. The employer funds such plans and bears the entire investment risk.

Profit-sharing, 401(k), 403(b), and 457 plans are *defined contribution plans*. Rather than specifying benefits and retirement income, this type of plan specifies contributions, usually as a fixed amount or a percentage of income, where the employee bears the investment risk. The benefit received under defined contribution plans is determined by contributions, investment returns, and expenses. Annuitization of the balance at retirement is not mandatory, and lump sums have been the most popular distribution method.

A person can also buy an annuity directly from a life insurer. During 2021, Americans deposited \$152 billion in individual annuities, up 1.3 percent from 2020 (Table 8.1). Individual annuity owners received \$60 billion in benefit payments (Table 8.3), leaving \$3 trillion in individual annuity reserves at year-end 2021 (Table 8.2).

SUPPLEMENTARY CONTRACTS, ANNUITIES CERTAIN, AND OTHER ANNUITIES

A *supplementary contract* is an agreement between an insurer and a life insurance policyholder or beneficiary in which the beneficiary chooses to receive the policy's proceeds over a period of time instead of as a lump sum. If this period is the lifetime of the beneficiary, the contract is a supplementary contract with life contingencies, essentially a life annuity; if the payments continue for a specific period, the contract is called a supplementary contract without life contingencies, or an annuity certain.

During 2021, \$25 billion was deposited into

supplementary contracts without life contingencies and annuities certain, 14 percent more than in 2020 (Table 8.1), and \$24 billion was paid to policyholders or beneficiaries (Table 8.3), leaving a total reserve of \$110 billion at the end of 2021 to back future claims (Table 8.2).

Table 8.1

Annuity Considerations					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Individual annuities ¹	\$217,837	\$150,086	\$152,071	-3.5	1.3
Group annuities	117,058	151,255	138,561	1.7	-8.4
Annuities certain and supplementary contracts without life contingencies	24,247	22,130	25,237	0.4	14.0
Total	359,142	323,472	315,869	-1.3	-2.4

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. Data represent U.S. life insurers and fraternal benefit societies.

¹ Includes supplementary contracts with life contingencies.

Premiums are net of reinsurance business and fluctuate with reinsurance activities as well as sale changes.

Please see Chapter 6 for reinsurance business.

Table 8.2

Reserves for Annuity Contracts					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Individual annuities ¹	\$1,858,182	\$2,828,900	\$2,962,294	4.8	4.7
Group annuities	871,126	1,274,234	1,323,682	4.3	3.9
Annuities certain and supplementary contracts without life contingencies	81,410	104,376	109,946	3.1	5.3
Total	2,810,717	4,207,510	4,395,923	4.6	4.5

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.

¹ Includes supplementary contracts with life contingencies.

Table 8.3

Annuity Benefit Payments					
	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
Individual annuities¹	\$49,322	\$55,946	\$60,079	2.0	7.4
Group annuities	25,196	35,613	37,615	4.1	5.6
Annuities certain and supplementary contracts without life contingencies	25,893	20,879	24,453	-0.6	17.1
Total	100,411	112,438	122,148	2.0	8.6

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.

¹ Includes supplementary contracts with life contingencies.

Table 8.4

Annuity Considerations, by Year (millions)				
Year	Individual ¹	Group ²	Other ³	Total
1977	\$4,552	\$10,422	NA	\$14,974
1978	4,454	11,885	NA	16,339
1979	4,976	12,963	NA	17,939
1980	6,296	16,133	NA	22,429
1981	10,290	17,289	NA	27,579
1982	15,196	19,448	NA	34,644
1983	14,003	16,541	NA	30,544
1984	15,706	27,153	NA	42,859
1985	20,891	33,008	NA	53,899
1986	26,117	57,595	NA	83,712
1987	33,764	54,913	NA	88,677
1988	43,784	59,494	NA	103,278
1989	49,407	65,590	NA	114,997
1990	53,665	75,399	NA	129,064
1991	51,671	71,919	NA	123,590
1992	61,348	71,297	NA	132,645
1993	76,987	79,458	NA	156,445
1994	80,832	73,017	NA	153,849
1995	77,370	82,565	NA	159,935
1996	84,067	92,228	NA	176,295
1997	90,192	107,355	NA	197,547
1998	95,446	134,047	NA	229,493
1999	115,621	154,591	NA	270,212
2000	143,071	163,622	NA	306,693
2001	141,656	109,599	\$22,675	273,930
2002	168,428	100,861	22,608	291,897
2003	165,943	102,614	21,811	290,369
2004	172,140	104,537	24,352	301,029
2005	167,032	110,084	25,479	302,596
2006	187,083	115,645	26,344	329,071
2007	192,503	121,722	27,119	341,344
2008	208,965	119,169	26,842	354,976
2009	128,853	102,727	24,053	255,633
2010	189,946	103,677	27,372	320,995
2011	217,837	117,058	24,247	359,142
2012	189,258	158,837	21,340	369,435

Table 8.4, continued

Annuity Considerations, by Year (millions), continued				
Year	Individual¹	Group²	Other³	Total
2013	\$179,578	\$108,091	\$19,591	\$307,260
2014	247,426	114,160	20,057	381,642
2015	208,913	124,103	19,347	352,363
2016	202,312	124,484	19,869	346,664
2017	164,790	130,070	18,811	313,671
2018	154,660	124,638	20,024	299,322
2019	204,309	143,185	20,646	368,141
2020	150,086	151,255	22,130	323,472
2021	152,071	138,561	25,237	315,869

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, as of 2003, fraternal benefit societies.

Codification effective with 2001 Annual Statement filings changed the way certain lines of business are categorized and reported, particularly deposit-type contracts. Since most guaranteed interest contracts (GICs) and other deposit-type funds are under group contracts, this accounting change has had a substantial effect on group annuities.

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

NA: Not available.

¹ Beginning in 2001, includes supplementary contracts with life contingencies.

² Beginning in 1986, data reflect a change in statutory reporting methods mandated by the National Association of Insurance Commissioners.

³ Includes supplementary contracts without life contingencies, annuities certain, lottery payouts, structured settlements, and income payment options.

Table 8.5

Annuity Reserves, by Year			
Year	Reserves (millions)	Year	Reserves (millions)
1950	\$5,600	1999	\$1,780,699
1960	18,850	2000	1,819,680
1965	27,350	2001	1,585,008
1970	41,175	2002	1,619,075
1975	72,210	2003	1,899,994
1980	166,850	2004	2,105,882
1981	193,210	2005	2,258,240
1982	233,790	2006	2,415,158
1983	269,425	2007	2,548,490
1984	313,215	2008	2,223,441
1985	373,475	2009	2,512,334
1986	441,390	2010	2,739,686
1987	495,420	2011	2,810,717
1988	562,155	2012	3,003,685
1989	624,290	2013	3,271,345
1990	695,700	2014	3,385,586
1991	745,950	2015	3,407,220
1992	768,215	2016	3,556,845
1993	825,375	2017	3,790,733
1994	878,460	2018	3,647,244
1995	972,560	2019	3,976,017
1996	1,312,494	2020	4,207,510
1997	1,454,962	2021	4,395,923
1998	1,608,494		

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, as of 2003, fraternal benefit societies.

Codification effective with 2001 Annual Statement filings changed the way certain lines of business are categorized and reported, particularly deposit-type contracts. Since most guaranteed interest contracts (GICs) and other deposit-type funds are under group contracts, this accounting change has had a substantial effect on group annuities.

9

HOUSEHOLD OWNERSHIP AND ACCESS TO INSURANCE PRODUCTS

Households purchase life insurers' products to manage risk. Life insurance helps maintain household income when an income earner dies; and, disability income insurance, long-term care insurance and supplemental products protect assets in the event of illness or when assistance with activities of daily living is required. Most households are underinsured in one or more of these areas, if they are insured at all. Coverage can be obtained through individual products or employer-sponsored group products.

EMPLOYER-SPONSORED BENEFITS

Most Americans have access to life insurance products and retirement savings accounts through their employer. In 2021, 57 percent of all private industry employees had access to life insurance through their employer (Table 9.1). In the past, as mentioned in the previous chapter, many employers provided pensions to their employees known as defined benefit plans.

On January 1, 1980, the Revenue Act of 1978 went into effect. Section 401(k) of the Act had a provision which allowed employees to defer compensation from bonuses or stock options tax-free. The IRS soon issued regulations which permitted employees to contribute to their retirement savings through salary deductions. Since that time, defined contribution plans, such as 401(k), 403(b), and 457 plans, have gained in prominence while defined benefit plans have diminished.

In 2021, 66 percent of all private industry employees (both part-time and full-time) had access to a defined contribution plan, compared to 15 percent which had access to defined benefit plans (Table 9.1). In 2011, only 58 percent had *access* to a defined contribution plan and 20 percent had access to a defined benefit plan through their employers. These trends are expected to continue. Similarly, many employers sponsor other benefits such as group life insurance,

short and long-term disability income insurance, and long-term care insurance. Access to these benefits has not changed as substantially since 2011.

RETIREMENT SAVINGS

In the absence of a sound defined benefit plan, sufficient retirement savings are necessary for a secure retirement. Though needs and individual circumstances vary widely, some financial advisors say that individuals entering retirement require up to ten times their pre-retirement income in savings.

Since the 1980s, the percent of households with dedicated retirement savings, as well as retirement savings balances, have been steadily increasing (Table 9.2). In 2019, more than half of U.S. households had dedicated retirement savings with a median balance of \$65,000 and an average balance of \$255,200. Retirement savings make up about 36 percent of an average household's financial assets, holding relatively steady since 2007.

Though retirement savings has trended upward, disparities exist (Tables 9.3 and 9.4). In 2019, 34.9 percent of Black Americans and 25.5 percent of Hispanics had dedicated retirement savings, compared to 50.5 percent for the total population. Similarly, median balances were \$35,000 and \$30,400, respectively. Growth in balances from 2016 to 2019 were greater than for the total population, 42 percent for Black households and 35 percent for Hispanic households, compared to 8.3 percent overall growth, though median and average balances remain below the overall population.

LIFE INSURANCE OWNERSHIP

The percent of households with any life insurance

coverage has been steadily decreasing since the early 1970s, though median face value of in-force policies has held steady at \$100,000 since 2004 (Table 9.5). This decline is true for both term and permanent life insurance, with the later declining more sharply. In 2019, 59.4 percent of households had at least some coverage, with 48 percent owning a term policy and 19.6 percent holding a cash-value policy.

DISABILITY INCOME INSURANCE

Prolonged unemployment due to disability can jeopardize a worker's lifestyle and savings for retirement. The risk of becoming disabled is significant: According to the U.S. Census Bureau, nearly seventeen percent of working-age Americans reported a disability in 2010. Of those with a disability, 19.2 percent were employed compared to the 63.9 percent of working-age Americans with no disability in 2021.

Disability income policies commonly provide 50 to 70 percent of an insured employee's pre-disability income while they are unable to work due to accident or illness. In addition to choices in benefits and elimination periods, some policies provide comprehensive protection while others define disability more narrowly, covering only accidental injury or illness. Policies may also include coverage for partial disability, residual benefits, cost-of-living adjustments, survivor benefits, and pension supplements. Many also include benefits to help people return to work following a disability.

Often insurers will reduce benefits if an employee is receiving disability payments from other sources. Workers compensation pays cash benefits to workers disabled by an on-the-job accident or illness. Because workers compensation is a state-administered

program, rules governing payment, benefit levels, and length of coverage vary considerably from state to state. Workers whose illness or injury is not caused on the job may be eligible for paid sick leave or state-mandated short-term disability benefits. The federal disability insurance program under the Social Security Administration, known as SSDI, provides cash assistance to people with long-term disabilities who are unable to work. SSDI's modest income support is limited to those who meet a very strict test of work disability.

Both individual and group disability income insurance pay benefits as an indemnity—usually weekly or monthly. Disability income insurance may be offered by employers, purchased individually, or used to protect a business. Employers may offer insurance for either short- or long-term disabilities, or provide comprehensive disability protection. Some policies reimburse businesses for expenses associated with disability. Each of these types of policies is described below.

Individual Disability Income Insurance

Individual disability income policies are sold to the self-employed, professionals, and to a market of diverse needs. Some people prefer individual coverage rather than group coverage because the former is portable. Workers, whose employers provide only basic coverage, may buy additional disability insurance through an individual policy. Companies also purchase disability income insurance to protect or dispose of the business if a key employee or the owner becomes disabled.

Personal Coverage

Most people buy individual disability income insurance to protect against long-term disability.

Individual policies typically cover both occupational and non-occupational accidents and sickness for a selected term. Individual long-term disability benefits are not subject to income tax if the policyholder pays the premiums in full. Since benefits are designed to replace earned income, most people do not purchase coverage beyond their working years.

Disability income insurance for individuals is offered primarily in two forms. Non-cancellable policies give policyholders the right to continue coverage as long as premiums are paid on time. The insurer cannot change the premiums or benefits prior to an age stated in the policy, usually 65. Insurers also offer guaranteed renewable policies that can be automatically renewed with the same benefits. The premium for this type of policy may be increased only if it is changed for the entire class of policyholders.

Business Coverage

A small proportion of individual disability income policies is bought by business owners.

Key-person disability insurance replaces income lost when an essential employee or owner is unable to work. Some policies pay benefits directly to the insured as salary continuation, while others pay benefits to the business to protect the company from sudden loss of income, credit, or profits. Another form of protection is disability buy-sell insurance, which pays benefits to the business to enable owners to purchase interest in the company from a disabled partner or owner.

Businesses frequently obtain a disability income policy to cover business overhead expenses, including wages, in case the owner becomes disabled. A business also can purchase reducing term disability insurance to help cover loan repayments, purchase agreements, or salary contracts if the owner or key employee becomes

disabled. This type of insurance is in effect for the length of the loan or other commitment, and coverage is reduced as the amount due is paid off.

Group Disability Income Insurance

Many disability income policies are offered as part of an employee group benefit package. Employers purchase disability coverage from an insurance company or self-insure the benefits. According to the U.S. Bureau of Labor Statistics, 43 percent of all private industry employees have access to short-term disability income insurance in 2021; 35 percent have access to long-term disability income insurance (Table 9.1).

Short-Term Coverage

Short-term coverage helps protect against loss of income for employees unable to work because of a temporary illness or injury. Such sickness and accident plans replace a portion of earnings for a fixed period of time. Benefits commonly last 24 weeks, although coverage can range from 13 to 104 weeks. Short-term disability income insurance also can offer protection during the waiting period before a worker becomes eligible for SSDI or long-term disability coverage.

Disability income insurance pays short-term benefits as either a percentage of employee earnings or a flat dollar amount. The most common plans pay a percentage of earnings, typically replacing from one-half to two-thirds of pre-disability income. A majority of these plans places a dollar limit on the weekly or monthly benefit. Benefits also can vary depending on length of service and other factors. Most short-term coverage requires a waiting period, usually one to seven days, before benefits begin.

Long-Term Coverage

Long-term disability income plans cover both

occupational and non-occupational sickness and accidents. Benefits typically start when short-term benefits are exhausted after a waiting period of three to six months following the onset of disability. These policies generally provide benefits for persons up to age 65 or Social Security retirement age. In certain cases, long-term coverage may provide benefits for life.

Almost all group long-term disability plans coordinate with Social Security and typically require claimants to apply for SSDI benefits. Disability insurers frequently offset benefits payable under private insurance dollar-for-dollar with SSDI payments. Benefits also are subject to income tax if the employer pays the premiums; they are not taxable if the employee pays the premiums.

LONG-TERM CARE INSURANCE

Long-term care insurance pays for services to help policyholders who are unable to perform certain activities of daily living without assistance—such as bathing, eating, dressing, using the toilet, and transferring from bed to chair. This insurance also pays benefits when the insured person requires supervision due to a cognitive impairment such as Alzheimer’s disease.

Since the likelihood of chronic illness or disability increases with age, long-term care insurance traditionally has been sold to older Americans. However, the younger the purchaser, the lower the premiums, and within the last 10 years, group insurance plans have begun covering working-age people. In 2021, life insurers collected \$11.5 billion in long-term care insurance premiums (Table 9.6).

The market for private long-term care insurance is closely linked to federal and state government policy.

Public funding for long-term care comes from two main sources. Medicaid—a joint federal-state program that targets low-income people—is the primary government funding source for long-term care. To qualify, beneficiaries must deplete most of their assets and meet a strict income test. Medicare primarily pays for medically related recovery and rehabilitation services at home or in a nursing home.

There are two basic types of long-term care insurance: individual insurance and group. The latter is employer-sponsored or offered through an association. These products are considered long-term if the benefit is one year or longer. Long-term care protection also is available through life insurance policies that accelerate the death benefits for individuals with chronic conditions.

Long-term care insurance has evolved in response to changes in the long-term care delivery system and consumer preferences. When first sold in 1972, policies covered only skilled care in a nursing home after a period of hospitalization. Since the mid-1980s, consumers have demanded greater choice and more help in maintaining their quality of life. Insurers now offer policies covering services that promote independent living including personal care, assisted living, care management, support for family caregivers, home modifications, homemaker services, and hospice, in addition to institutional care.

Coverage for long-term care also varies by how benefits are paid. Traditional indemnity policies offer a fixed daily payment to eligible beneficiaries, usually in a nursing home. Other policies reimburse the insured for expenses, up to the policy's daily maximum—for example, \$150 per day for nursing home care or \$100 per day for home care. Most reimbursement policies now pool benefit dollars under more flexible spending

limits, so that a beneficiary can receive payment for either nursing-home care or home- and community-based care. A third payment method uses a disability model, providing a cash benefit when eligibility requirements are met, regardless of whether the insured actually uses any long-term care services.

Individual Long-Term Care Coverage

Individual long-term care insurance can be tailored to meet financial and lifestyle goals. The policyholder selects the length of benefit term (one to five years or a lifetime) and other options such as the amount of maximum daily benefit, length of elimination period, level of care, inflation protection, and nonforfeiture benefits.

Most individual long-term care insurance is offered as a guaranteed renewable policy—renewable with the same benefits as long as premiums are paid on time. Premiums cannot be increased unless they are changed for the entire class of policyholders. Since long-term care policies do not build cash value, buying a nonforfeiture benefit or selecting a policy with contingent nonforfeiture protection allows the insured to receive benefits upon surrendering the policy. Some policies offer riders that return premiums upon the death of the insured.

Group Long-Term Care Coverage

Businesses, some state governments, unions, and fraternal and other associations such as AARP sponsor group long-term care insurance. Groups can either purchase long-term care coverage from an insurance company or self-insure. Under self-insured plans, the members of the group, usually employees, assume all risks and expenses of providing long-term care coverage. Most employers offering this benefit purchase group insurance coverage.

Group long-term care insurance typically is offered as a voluntary benefit for which the employee pays some or all of the premium. Long-term care insurance purchased through the workplace also is portable: Employees can retain coverage in retirement or if they change employers by paying the entire premium directly to the insurer.

policy holders as well.

According to the U.S. Bureau of Labor Statistics, 15 percent of all workers in private industry had access to long-term care insurance at work in 2021 (Table 9.1).

ACCELERATED AND SUPPLEMENTAL BENEFITS

To help pay long-term care costs, certain life insurance policies allow the policyholder to access benefits prior to death. Circumstances that can trigger these accelerated benefits include diagnosis of a terminal illness or a medical condition that would drastically shorten the policyholder's life span, the need for long-term care, or permanent confinement in a nursing home. Accelerated benefit provisions may be integrated in the policy or more typically attached as a rider.

Supplemental benefits products are insurance policies that provide financial protection against expenses associated with accidents or illnesses not covered by major medical insurance. These products, provided through employers or offered on an individual basis, are key to the financial security of many families across the nation. Table 9.6 highlights some of the selected supplemental benefits (accident/AD&D, dental) that life insurers provide. Along with life insurers, other health insurers provide supplemental benefits, which also includes critical illness or specified disease, hospital indemnity, stop-loss, vision, and wellness, to

Table 9.1

Access to Employer Sponsored Benefits, Percent All Private Industry Employees

Year	Life Insurance	Defined Contribution Retirement Plan	Defined Benefit Retirement Plan	Short-Term Disability Income Insurance	Long-Term Disability Income Insurance	Long-Term Care Insurance
	(%)	(%)	(%)	(%)	(%)	(%)
2010	59	59	20	39	33	14
2011	58	58	20	38	32	14
2012	57	59	19	39	33	16
2013	57	59	19	40	33	16
2014	57	60	19	40	34	16
2015	57	61	18	40	34	17
2016	55	62	18	40	33	17
2017	55	62	18	41	33	17
2018	57	64	17	42	34	15
2019	56	64	16	42	34	15
2020	56	65	15	42	35	14
2021	57	66	15	43	35	15

Sources: United States, Bureau of Labor Statistics, National Compensation Survey, various years.

Note: Includes full and part-time workers.

Table 9.2

Household Ownership of Dedicated Retirement Saving Accounts

Year	Retirement Account Assets as a Percent of Total Financial Assets	Households with Retirement Savings Account(s)	Median Retirement Savings*	Mean Retirement Savings*
	(%)	(%)		
1989	21.5	37.1	\$11,000	\$37,500
1992	25.8	40.1	14,000	45,500
1995	28.3	45.3	17,000	57,000
1998	27.8	48.9	24,000	76,300
2001	29.0	52.8	29,500	104,700
2004	32.4	49.9	35,300	123,100
2007	35.0	53.0	45,000	147,300
2010	38.1	50.4	44,000	171,200
2013	38.8	49.2	59,000	201,300
2016	35.6	52.1	60,000	228,900
2019	36.0	50.5	65,000	255,200

Source: Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances data, various years.

*Only households with retirement savings accounts.

Table 9.3

Household Ownership of Dedicated Retirement Saving Accounts, By Race*				
Year	All Households	White	Black	Hispanic
	(%)	(%)	(%)	(%)
1989	37.1	43.5	17.1	15.5
1992	40.1	45.6	23.7	20.1
1995	45.3	49.3	28.4	32.8
1998	48.9	53.8	34.2	21.7
2001	52.8	57.7	40.1	31.5
2004	49.9	56.4	32.7	25.3
2007	53.0	58.5	37.0	30.8
2010	50.4	58.1	33.0	27.8
2013	49.2	56.7	35.2	25.1
2016	52.1	60.4	33.6	29.7
2019	50.5	57.2	34.9	25.5

Source: Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances data, various years.

*Publicly available Survey of Consumer Finances data does not include other racial categories.

Dedicated retirement savings accounts include all defined contribution plans, IRAs, and Roth IRAs.

Table 9.4

Median Household Retirement Saving Balance, By Race*				
Year	All Households	White	Black	Hispanic
1989	\$11,000	\$12,000	\$6,000	\$6,000
1992	14,000	15,000	5,500	6,500
1995	17,000	18,200	8,000	12,000
1998	24,000	26,000	11,000	11,000
2001	29,500	35,000	8,500	10,000
2004	35,300	41,000	15,000	14,700
2007	45,000	53,000	26,000	17,000
2010	44,000	54,000	18,000	18,000
2013	59,000	76,300	19,000	16,100
2016	60,000	77,000	24,600	22,600
2019	65,000	80,000	35,000	30,400

Source: Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances data, various years.

*Publicly available Survey of Consumer Finances data does not include other racial categories.

In 2019 USD. Dedicated retirement savings accounts include all defined contribution plans, IRAs, and Roth IRAs.

Only considers households with dedicated retirement savings.

Table 9.5

Households with Life Insurance Coverage						
Year	Any Life Insurance		Term Life Insurance		Cash-Value Life Insurance	
	Percent with Coverage	Median Face Value	Percent with Coverage	Median Face Value	Percent with Coverage	Median Face Value
1998	69.2%	\$61,000	52.2%	\$60,000	29.6%	\$45,000
2001	69.3%	70,000	52.9%	78,000	28.0%	40,000
2004	65.4%	100,000	51.3%	100,000	25.6%	50,000
2007	64.9%	100,000	50.8%	100,000	24.0%	54,000
2010	62.6%	100,000	49.5%	100,000	20.7%	50,000
2013	60.1%	100,000	48.4%	100,000	19.8%	50,000
2016	61.1%	100,000	49.4%	102,000	20.6%	50,000
2019	59.4%	100,000	48.0%	110,000	19.6%	50,000

Source: ACLI tabulations of Federal Reserve Board of Governors, Federal Reserve Survey of Consumer Finances, various years.

*Publicly available Survey of Consumer Finances data does not include other racial categories.

Households reporting any life insurance coverage.

Median calculations are based on households reporting coverage.

Table 9.6

Selected Accident and Health Products of Life Insurers

	Millions			Average annual percent change	
	2011	2020	2021	2011/2021	2020/2021
PREMIUMS					
Disability Income	\$20,386	\$28,115	\$28,863	3.5	2.7
Individual	6,212	7,302	7,257	1.6	-0.6
Group	14,174	20,813	21,606	4.3	3.8
Long-Term Care	10,228	11,673	11,544	1.2	-1.1
Individual	8,389	9,291	9,234	1.0	-0.6
Group	1,839	2,382	2,310	2.3	-3.0
Dental	10,915	14,064	13,077	1.8	-7.0
Individual	400	1,219	1,363	13.0	11.8
Group	10,515	12,845	11,715	1.1	-8.8
Accident/AD&D	5,105	6,913	6,399	2.3	-7.4
Individual	2,372	2,730	2,590	0.9	-5.1
Group	2,733	4,183	3,809	3.4	-8.9
INCURRED CLAIMS					
Disability Income	\$16,870	\$21,128	\$21,740	2.6	2.9
Individual	5,333	5,342	4,678	-1.3	-12.4
Group	11,537	15,786	17,062	4.0	8.1
Long-Term Care	6,904	10,321	10,901	4.7	5.6
Individual	6,057	9,023	9,492	4.6	5.2
Group	847	1,297	1,410	5.2	8.6
Dental	8,272	9,128	9,762	1.7	6.9
Individual	192	589	735	14.3	24.7
Group	8,080	8,539	9,027	1.1	5.7
Accident/AD&D	1,957	2,366	2,259	1.4	-4.5
Individual	900	861	777	-1.5	-9.8
Group	1,057	1,505	1,482	3.4	-1.5

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.

10

IN THE STATES

The life insurance industry is integral to the economies of all 50 states and the District of Columbia. In 2021, 723 life insurers were domiciled in the United States, and another 14 were domiciled in U.S. territories (Table 10.1). The companies' investments contribute to state economies as Americans and their families achieve financial security through life insurance products.

Billions of dollars of life insurance coverage is purchased in each state every year, ranging from \$379 billion in California to \$4 billion in Vermont in 2021 (Table 10.2). Total life insurance in force ranged from \$4.4 trillion in California to \$56 billion in Vermont (Table 10.3).

Payments from life insurers are a mainstay of financial security for residents in every state. Death payments under life insurance policies were greatest in California (\$13.2 billion) and Texas (\$11.1 billion) during 2021 (Table 10.4). Life insurance beneficiaries in 23 other states received payments totaling over \$2 billion, and 10 states had death payments between \$1 billion and \$2 billion. Table 10.5 breaks down death payments among individual, group, and credit policies.

Annuity payments are another source of financial security provided by life insurers nationwide. In 2021, payments from annuities totaled \$9.9 billion in California followed by \$7.2 billion in Florida (Table 10.4). Residents of 29 other states received annuity payments totaling more than \$1 billion.

Table 10.6 reports the distribution of premium receipts by state in 2021 across the various product lines offered by life insurers—life insurance, annuities, accident and health insurance (including disability income and long-term care insurance), and deposit-type funds. The greatest premium amounts for life insurance, accident and health insurance, and annuities were collected in California (\$75 billion) and Texas (\$60 billion).

Life insurers are a significant source of investment capital in each state, particularly through real estate loans. U.S. life insurers held \$649 billion in domestic mortgages in 2021. Mortgage holdings ranged from \$111 million in Vermont to \$142 billion in California (Table 10.7). Life insurers also directly own real estate across the country—\$38.4 billion worth in 2021 (Table 10.8). California and Texas had the most real estate owned by life insurers, with \$9.6 billion and \$3.4 billion, respectively.

Table 10.1

Life Insurers, by State of Domicile, 2021			
Alabama	9	Nebraska	30
Alaska	-	Nevada	-
Arizona	24	New Hampshire	-
Arkansas	14	New Jersey	5
California	11	New Mexico	-
Colorado	10	New York	84
Connecticut	22	North Carolina	2
Delaware	22	North Dakota	3
District of Columbia	-	Ohio	38
Florida	10	Oklahoma	20
Georgia	12	Oregon	2
Hawaii	4	Pennsylvania	27
Idaho	1	Rhode Island	1
Illinois	47	South Carolina	6
Indiana	21	South Dakota	2
Iowa	31	Tennessee	11
Kansas	11	Texas	98
Kentucky	7	Utah	10
Louisiana	24	Vermont	1
Maine	3	Virginia	3
Maryland	3	Washington	3
Massachusetts	14	West Virginia	-
Michigan	16	Wisconsin	20
Minnesota	9	Wyoming	-
Mississippi	9	Total U.S.	723
Missouri	22		
Montana	1	Guam	1
		Puerto Rico	13
		Virgin Islands	-
		Aggregate total	737

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 10.2

Life Insurance Purchases, by State, 2021 (face amount in millions)

	Individual	Group	Credit	Total
Alabama	\$27,168	\$12,495	\$1,301	\$40,964
Alaska	5,703	2,184	4	7,891
Arizona	34,315	16,925	385	51,624
Arkansas	14,718	7,333	128	22,179
California	253,874	124,783	758	379,416
Colorado	41,178	17,891	192	59,260
Connecticut	27,247	24,328	55	51,630
Delaware	11,979	14,637	20	26,636
District of Columbia	6,596	8,380	32	15,009
Florida	133,070	50,534	3,054	186,658
Georgia	74,081	42,803	3,145	120,028
Hawaii	8,745	1,976	180	10,901
Idaho	10,754	4,845	154	15,753
Illinois	74,696	51,460	570	126,725
Indiana	32,330	22,981	761	56,071
Iowa	18,349	6,765	357	25,470
Kansas	16,647	8,699	348	25,694
Kentucky	19,944	10,352	1,021	31,316
Louisiana	27,241	14,773	1,084	43,098
Maine	6,080	2,804	234	9,118
Maryland	39,235	18,888	547	58,670
Massachusetts	45,544	64,424	67	110,035
Michigan	42,436	38,961	1,245	82,642
Minnesota	37,826	18,432	213	56,470
Mississippi	17,616	5,951	1,279	24,846
Missouri	34,180	49,132	734	84,046
Montana	5,919	2,186	44	8,148
Nebraska	12,930	3,815	75	16,821
Nevada	17,306	5,369	64	22,739
New Hampshire	7,104	5,427	361	12,893
New Jersey	73,919	36,447	244	110,610
New Mexico	9,661	7,326	374	17,361
New York	132,524	66,320	2,216	201,059
North Carolina	56,566	27,056	2,506	86,128
North Dakota	8,419	1,492	169	10,080
Ohio	48,446	33,047	1,210	82,703
Oklahoma	18,700	8,763	646	28,110

Table 10.2, continued

Life Insurance Purchases, by State, 2021 (face amount in millions), continued				
	Individual	Group	Credit	Total
Oregon	\$17,831	\$7,586	\$184	\$25,600
Pennsylvania	63,403	52,001	1,102	116,506
Rhode Island	4,644	9,066	4	13,714
South Carolina	27,894	10,420	2,490	40,804
South Dakota	11,276	2,083	87	13,446
Tennessee	40,757	21,118	1,754	63,629
Texas	174,766	107,523	7,851	290,141
Utah	28,895	10,470	289	39,654
Vermont	2,454	1,159	32	3,645
Virginia	47,329	33,048	642	81,018
Washington	51,710	27,239	226	79,175
West Virginia	4,970	2,352	310	7,632
Wisconsin	30,341	21,124	460	51,925
Wyoming	3,663	1,350	36	5,050
Total U.S.	1,962,977	1,146,523	41,243	3,150,743
Other ¹	21,783	117,378	3,846	143,008
Aggregate total	1,984,760	1,263,901	45,089	3,293,750

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 direct business of U.S. life insurers and fraternal benefit societies.

¹ Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.3

Life Insurance In Force, by State, 2021

	Thousands of policies/Millions of dollars					Total
	Individual		Group ¹	Credit		
	Policies	Face amount		Policies ²	Face amount	
Alabama	4,797	\$305,555	\$164,999	248	\$1,168	\$471,722
Alaska	171	47,744	29,054	1	7	76,805
Arizona	1,805	389,588	245,401	47	930	635,919
Arkansas	1,499	148,202	87,350	41	200	235,752
California	10,312	2,843,573	1,558,778	169	1,164	4,403,516
Colorado	1,891	462,579	251,144	44	305	714,028
Connecticut	1,347	385,155	213,281	42	323	598,759
Delaware	482	116,217	152,327	7	50	268,595
District of Columbia	249	59,416	129,090	5	31	188,537
Florida	7,513	1,386,447	645,011	412	2,698	2,034,157
Georgia	5,244	743,923	472,703	667	2,592	1,219,219
Hawaii	579	108,635	48,824	39	304	157,762
Idaho	529	112,061	55,003	60	279	167,343
Illinois	6,028	1,000,637	568,145	140	1,122	1,569,904
Indiana	2,967	370,250	275,619	128	939	646,808
Iowa	1,720	264,000	126,431	54	590	391,021
Kansas	1,370	209,158	109,230	81	608	318,996
Kentucky	2,094	208,854	182,574	391	1,093	392,521
Louisiana	3,602	303,077	164,547	374	2,344	469,968
Maine	425	65,773	46,790	34	283	112,847
Maryland	3,236	459,329	325,428	212	904	785,661
Massachusetts	2,342	627,042	394,762	18	121	1,021,925
Michigan	3,683	556,217	402,068	302	2,323	960,608
Minnesota	2,555	510,615	277,441	51	448	788,504
Mississippi	1,971	165,265	84,912	293	1,583	251,761
Missouri	2,885	389,409	287,516	123	910	677,835
Montana	358	64,098	29,063	8	70	93,231
Nebraska	1,027	171,776	71,990	23	131	243,896
Nevada	811	176,612	77,386	19	93	254,091
New Hampshire	476	98,049	59,383	72	753	158,184
New Jersey	3,553	975,598	627,713	36	375	1,603,685
New Mexico	629	79,190	75,538	57	602	155,330
New York	7,119	1,776,559	824,117	531	3,846	2,604,522
North Carolina	5,351	686,270	431,958	496	2,771	1,120,999

Table 10.3, continued

Life Insurance In Force, by State, 2021, continued

	Thousands of policies/Millions of dollars					Total
	Individual		Group ¹	Credit		
	Policies	Face amount		Policies ²	Face amount	
North Dakota	390	\$64,976	\$28,597	28	\$354	\$93,927
Ohio	5,271	672,185	479,586	218	1,694	1,153,465
Oklahoma	1,403	195,055	134,455	81	752	330,263
Oregon	1,037	217,645	146,851	87	289	364,785
Pennsylvania	6,145	876,083	563,926	192	1,811	1,441,820
Rhode Island	354	72,082	50,081	3	20	122,183
South Carolina	3,016	304,300	189,372	548	1,917	495,590
South Dakota	493	106,462	31,880	20	158	138,500
Tennessee	3,492	454,782	306,374	246	1,694	762,850
Texas	10,927	1,777,293	1,141,427	995	9,896	2,928,616
Utah	849	253,640	133,045	151	624	387,309
Vermont	232	36,180	19,414	12	85	55,679
Virginia	3,743	586,467	445,874	157	1,081	1,033,421
Washington	1,989	459,199	353,738	44	298	813,236
West Virginia	847	61,236	55,607	41	388	117,231
Wisconsin	2,829	414,006	254,900	88	689	669,595
Wyoming	218	40,847	16,947	5	54	57,848
Total U.S.	133,855	22,859,314	13,847,649	8,140	53,768	36,760,731
Other ³	3,311	240,835	120,520	3,139	10,281	371,636
Aggregate total	137,167	23,100,150	13,968,169	11,279	64,049	37,132,368

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. Credit category is limited to life insurance on loans of 10 years or less duration. Ordinary and group categories include credit life insurance on loans of more than 10 years duration. Data represent direct business of U.S. life insurers and fraternal benefit societies.

¹Omits policies due to double counting.

²Includes group credit certificates.

³Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.4

Life Insurance and Annuity Benefit Payments, by State, 2021 (thousands)

	Policy and contract dividends	Death payments	Annuity payments ¹	Surrender values	Other payments ²	Total
Alabama	\$185,425	\$2,565,673	\$1,065,637	\$3,996,741	\$22,727	\$7,836,202
Alaska	26,501	216,337	126,641	658,871	2,012	1,030,362
Arizona	274,070	2,341,600	2,270,480	9,235,608	34,105	14,155,863
Arkansas	102,534	1,321,626	723,927	2,063,461	9,390	4,220,938
California	1,522,614	13,238,654	9,894,904	37,699,874	137,968	62,494,014
Colorado	334,640	2,196,731	1,695,437	7,084,666	23,354	11,334,828
Connecticut	402,863	1,987,533	2,701,866	16,369,892	21,649	21,483,804
Delaware	65,262	968,563	1,065,016	7,185,132	13,604	9,297,577
District of Columbia	48,403	405,521	202,628	1,304,564	91,648	2,052,763
Florida	1,168,782	9,465,509	7,172,049	29,385,318	111,000	47,302,658
Georgia	521,460	5,115,274	2,057,543	9,446,747	49,276	17,190,299
Hawaii	85,752	465,138	440,003	1,917,488	9,804	2,918,184
Idaho	85,002	579,669	465,048	1,452,795	5,948	2,588,462
Illinois	928,495	5,637,046	4,208,176	15,381,397	86,210	26,241,324
Indiana	357,450	2,612,706	2,009,729	7,356,020	34,840	12,370,745
Iowa	318,753	1,653,616	2,980,585	8,689,608	22,510	13,665,071
Kansas	179,770	1,338,170	879,397	3,326,019	13,822	5,737,177
Kentucky	178,553	1,592,098	1,051,071	3,633,105	23,502	6,478,328
Louisiana	213,936	2,208,967	1,160,909	4,908,699	22,869	8,515,380
Maine	84,225	495,501	424,345	1,495,335	8,741	2,508,148
Maryland	363,167	2,674,136	2,044,380	7,014,450	27,433	12,123,567
Massachusetts	587,937	2,941,099	2,996,750	14,247,924	33,658	20,807,369
Michigan	535,031	5,006,651	4,266,102	13,169,388	46,544	23,023,716
Minnesota	411,273	5,635,255	1,895,230	9,375,557	29,427	17,346,742
Mississippi	87,376	1,328,361	553,664	1,893,597	11,571	3,874,569
Missouri	330,874	2,613,291	2,356,824	9,197,634	33,492	14,532,116
Montana	64,626	368,480	275,197	846,441	5,057	1,559,802
Nebraska	138,790	979,878	1,025,018	2,832,253	9,330	4,985,268
Nevada	108,405	1,032,606	699,119	2,414,231	9,452	4,263,814
New Hampshire	113,265	526,543	572,297	2,376,554	9,063	3,597,723
New Jersey	788,437	4,793,605	3,625,168	17,360,130	77,568	26,644,907
New Mexico	79,883	655,122	513,037	1,460,619	12,429	2,721,089
New York	1,966,018	9,249,425	6,971,182	32,365,476	137,881	50,689,982
North Carolina	591,930	5,216,481	2,835,191	10,280,921	47,173	18,971,696
North Dakota	54,743	351,710	232,553	1,020,569	3,692	1,663,266

Table 10.4, continued

Life Insurance and Annuity Benefit Payments, by State, 2021 (thousands), continued

	Policy and contract dividends	Death payments	Annuity payments¹	Surrender values	Other payments²	Total
Ohio	\$595,381	\$5,145,044	\$4,401,024	\$14,717,791	\$73,755	\$24,932,994
Oklahoma	152,726	1,555,338	904,122	2,853,065	9,962	5,475,214
Oregon	168,294	1,158,352	1,435,630	4,036,612	14,873	6,813,761
Pennsylvania	931,124	6,343,616	5,448,977	19,204,663	105,559	32,033,939
Rhode Island	72,497	418,557	424,037	1,434,503	8,046	2,357,640
South Carolina	239,947	2,278,309	1,406,940	5,133,687	23,890	9,082,773
South Dakota	70,765	543,714	306,483	1,097,250	5,519	2,023,730
Tennessee	290,865	3,270,561	1,894,818	6,839,276	28,731	12,324,251
Texas	955,101	11,069,505	6,856,334	22,921,173	79,454	41,881,566
Utah	128,308	1,325,475	751,247	3,028,873	9,553	5,243,457
Vermont	57,728	199,123	266,167	747,477	4,988	1,275,484
Virginia	497,742	4,041,198	2,358,610	8,301,965	36,679	15,236,193
Washington	327,461	2,084,004	2,395,512	6,565,451	26,154	11,398,581
West Virginia	96,033	642,029	526,617	1,558,344	10,608	2,833,631
Wisconsin	541,608	2,487,989	2,428,885	8,688,044	45,707	14,192,233
Wyoming	34,668	292,232	145,881	546,069	2,300	1,021,150
Total U.S.	18,466,491	142,633,620	105,408,385	406,121,330	1,724,527	674,354,352
Other ³	187,838	1,163,303	579,417	4,702,305	273,084	6,905,948
Aggregate total	18,654,329	143,796,923	105,987,801	410,823,635	1,997,611	681,260,300

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 direct business of U.S. life insurers and fraternal benefit societies.

¹Excludes payments from deposit-type contracts due to codification.

²Includes matured endowments, disability payments, and payments on guaranteed interest contracts (GICs).

³Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.5

Payments to Life Insurance Beneficiaries, by State, 2021 (thousands)				
	Individual	Group	Credit	Total
Alabama	\$1,807,650	\$748,797	\$9,226	\$2,565,673
Alaska	149,572	66,729	36	216,337
Arizona	1,604,576	734,645	2,379	2,341,600
Arkansas	918,008	402,177	1,442	1,321,626
California	10,080,729	3,151,830	6,095	13,238,654
Colorado	1,611,923	583,088	1,721	2,196,731
Connecticut	1,479,922	506,991	620	1,987,533
Delaware	651,775	316,221	567	968,563
District of Columbia	227,852	177,357	312	405,521
Florida	7,020,423	2,423,148	21,938	9,465,509
Georgia	3,597,460	1,495,726	22,088	5,115,274
Hawaii	358,956	105,178	1,004	465,138
Idaho	428,243	149,660	1,766	579,669
Illinois	4,089,118	1,540,626	7,302	5,637,046
Indiana	1,699,610	904,443	8,653	2,612,706
Iowa	1,321,051	330,474	2,091	1,653,616
Kansas	1,012,781	321,294	4,095	1,338,170
Kentucky	1,063,882	518,010	10,206	1,592,098
Louisiana	1,626,864	567,891	14,212	2,208,967
Maine	290,563	202,933	2,005	495,501
Maryland	1,723,620	946,884	3,632	2,674,136
Massachusetts	2,141,673	798,970	456	2,941,099
Michigan	3,599,271	1,392,174	15,206	5,006,651
Minnesota	5,037,892	593,856	3,507	5,635,255
Mississippi	935,730	378,813	13,818	1,328,361
Missouri	1,816,440	789,996	6,855	2,613,291
Montana	272,384	95,600	496	368,480
Nebraska	762,650	216,546	682	979,878
Nevada	734,286	297,840	481	1,032,606
New Hampshire	376,018	148,624	1,902	526,543
New Jersey	3,130,659	1,661,425	1,521	4,793,605
New Mexico	395,393	257,002	2,726	655,122
New York	7,343,613	1,889,606	16,206	9,249,425
North Carolina	3,857,294	1,336,564	22,623	5,216,481
North Dakota	279,526	70,505	1,679	351,710
Ohio	3,703,260	1,430,410	11,374	5,145,044

Table 10.5, continued

Payments to Life Insurance Beneficiaries, by State, 2021 (thousands), continued				
	Individual	Group	Credit	Total
Oklahoma	\$1,038,249	\$512,664	\$4,425	\$1,555,338
Oregon	865,342	291,045	1,965	1,158,352
Pennsylvania	4,680,536	1,648,937	14,143	6,343,616
Rhode Island	308,055	110,334	168	418,557
South Carolina	1,587,164	667,954	23,192	2,278,309
South Dakota	473,283	69,735	696	543,714
Tennessee	2,153,009	1,101,213	16,339	3,270,561
Texas	7,443,616	3,576,286	49,603	11,069,505
Utah	985,766	335,884	3,825	1,325,475
Vermont	152,421	46,258	444	199,123
Virginia	2,561,886	1,470,835	8,477	4,041,198
Washington	1,409,519	672,893	1,592	2,084,004
West Virginia	391,910	247,316	2,803	642,029
Wisconsin	1,877,816	606,730	3,442	2,487,989
Wyoming	222,911	68,967	355	292,232
Total U.S.	103,302,148	38,979,083	352,388	142,633,620
Other ¹	835,324	284,110	43,869	1,163,303
Aggregate total	104,137,473	39,263,194	396,257	143,796,923

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 direct business of U.S. life insurers and fraternal benefit societies.

¹ Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.6

Direct Premium Receipts of Life Insurers, by State, 2021 (millions)

	Life	Annuity	Accident and Health			Deposit-type funds ¹	Total
			Disability Income	Long-Term Care	Other Health		
Alabama	\$2,856	\$4,432	\$386	\$112	\$1,520	\$301	\$9,606
Alaska	560	673	54	12	225	28	1,551
Arizona	3,030	9,553	450	188	4,090	505	17,815
Arkansas	1,453	2,351	192	57	951	413	5,415
California	21,019	39,074	2,544	904	11,456	3,303	78,300
Colorado	3,171	7,793	505	222	3,848	6,121	21,661
Connecticut	2,841	7,166	401	232	2,660	13,701	27,000
Delaware	2,089	2,960	118	36	851	84,352	90,406
District of Columbia	461	1,056	179	34	1,065	698	3,494
Florida	12,143	28,599	1,532	704	15,659	1,317	59,954
Georgia	5,937	10,125	936	289	8,446	1,684	27,417
Hawaii	919	1,956	121	93	1,179	78	4,345
Idaho	766	1,762	107	41	787	105	3,569
Illinois	7,910	16,860	1,052	448	5,551	4,623	36,444
Indiana	3,223	7,517	519	159	4,824	1,368	17,611
Iowa	2,202	9,933	245	197	1,149	12,112	25,838
Kansas	1,599	3,034	207	128	3,679	2,116	10,764
Kentucky	1,799	3,925	359	112	1,434	477	8,107
Louisiana	2,640	5,084	379	88	2,204	272	10,666
Maine	494	1,804	115	54	833	71	3,372
Maryland	3,498	7,313	583	247	3,578	771	15,990
Massachusetts	4,569	12,084	949	297	3,295	2,634	23,828
Michigan	5,218	14,672	768	238	2,865	980	24,741
Minnesota	5,375	9,068	603	307	1,203	862	17,418
Mississippi	1,550	2,002	209	61	1,617	94	5,532
Missouri	3,265	8,319	457	220	4,230	679	17,170
Montana	458	922	64	38	382	41	1,904
Nebraska	1,587	2,762	171	132	1,298	674	6,624
Nevada	1,479	2,863	197	50	1,334	178	6,102
New Hampshire	746	2,959	131	58	712	122	4,727
New Jersey	7,279	15,178	1,016	391	7,687	1,447	32,999
New Mexico	722	1,554	95	46	794	131	3,342
New York	13,444	26,614	2,956	797	9,108	99,508	152,427
North Carolina	6,323	11,995	867	354	5,773	843	26,156
North Dakota	585	1,166	68	54	233	156	2,263

Table 10.6, continued

Direct Premium Receipts of Life Insurers, by State, 2021 (millions), continued

	Life	Annuity	Accident and Health			Deposit-type funds ¹	Total
			Disability Income	Long-Term Care	Other Health		
Ohio	\$5,949	\$15,222	\$906	\$328	\$6,829	\$27,685	\$56,919
Oklahoma	1,657	2,823	250	78	1,537	210	6,556
Oregon	1,430	4,151	349	127	2,000	225	8,282
Pennsylvania	7,579	20,455	1,278	421	7,175	2,571	39,479
Rhode Island	747	1,563	75	36	437	187	3,045
South Carolina	2,663	5,645	390	184	3,799	267	12,948
South Dakota	1,519	1,468	70	68	324	375	3,825
Tennessee	3,655	7,864	630	218	3,715	924	17,006
Texas	14,326	25,519	2,040	614	17,098	3,113	62,711
Utah	1,737	3,458	230	39	1,350	1,749	8,563
Vermont	278	808	60	24	330	77	1,578
Virginia	4,986	8,961	764	377	4,613	805	20,506
Washington	3,330	8,204	688	303	3,058	434	16,016
West Virginia	776	1,576	108	27	759	113	3,358
Wisconsin	3,337	7,450	545	245	3,265	893	15,735
Wyoming	324	547	31	18	378	28	1,328
Total U.S.	187,501	400,843	27,951	10,508	173,186	282,423	1,082,411
Other ²	3,033	1,555	156	9	2,850	119	7,722
Aggregate total	190,533	402,398	28,107	10,517	176,036	282,542	1,090,133

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 direct business of U.S. life insurers and fraternal benefit societies.

¹Includes guaranteed interest contracts, supplemental contracts and annuities certain, dividend accumulations or refunds, and other deposit funds.

²Includes Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, Canada, N. Mariana Islands and other aggregates.

Table 10.7

Mortgages Owned by Life Insurers, by Type and State, 2021 (thousands)			
	Farm	Non-farm	Total
Alabama	\$1,190,970	\$2,815,552	\$4,006,522
Alaska	-	244,078	244,078
Arizona	540,020	13,012,883	13,552,903
Arkansas	1,537,252	816,142	2,353,394
California	7,836,321	134,501,866	142,338,186
Colorado	246,823	16,268,705	16,515,528
Connecticut	28,993	4,298,471	4,327,464
Delaware	12,088	1,406,112	1,418,200
District of Columbia	-	13,828,972	13,828,972
Florida	1,027,778	39,799,583	40,827,361
Georgia	471,800	17,914,825	18,386,625
Hawaii	31,709	2,684,493	2,716,202
Idaho	1,225,710	1,168,640	2,394,350
Illinois	1,744,909	25,782,229	27,527,138
Indiana	871,637	5,041,566	5,913,204
Iowa	921,487	984,869	1,906,356
Kansas	200,196	3,470,714	3,670,910
Kentucky	102,066	2,823,892	2,925,958
Louisiana	625,464	1,270,403	1,895,868
Maine	93,476	320,028	413,503
Maryland	6,358	15,998,543	16,004,901
Massachusetts	62,929	22,270,727	22,333,656
Michigan	470,227	6,652,770	7,122,997
Minnesota	644,943	7,645,114	8,290,057
Mississippi	640,450	1,394,776	2,035,227
Missouri	1,075,106	5,069,001	6,144,107
Montana	495,833	167,086	662,919
Nebraska	789,808	1,694,071	2,483,879
Nevada	108,160	4,894,178	5,002,339
New Hampshire	-	616,367	616,367
New Jersey	279,968	26,873,063	27,153,031
New Mexico	171,961	776,409	948,370
New York	42,877	54,504,147	54,547,024
North Carolina	423,786	15,869,698	16,293,485
North Dakota	203,289	418,628	621,917
Ohio	291,135	13,091,200	13,382,335
Oklahoma	157,369	1,412,831	1,570,200

Table 10.7, continued

Mortgages Owned by Life Insurers, by Type and State, 2021 (thousands), continued			
	Farm	Non-farm	Total
Oregon	\$819,432	\$8,497,948	\$9,317,381
Pennsylvania	129,924	14,086,121	14,216,045
Rhode Island	-	764,365	764,365
South Carolina	39,012	5,588,329	5,627,341
South Dakota	420,029	108,110	528,140
Tennessee	132,918	9,230,388	9,363,305
Texas	1,573,686	56,881,283	58,454,970
Utah	43,590	8,459,355	8,502,945
Vermont	-	110,903	110,903
Virginia	87,912	16,549,077	16,636,989
Washington	2,129,211	25,211,228	27,340,439
West Virginia	232,809	273,877	506,686
Wisconsin	337,260	5,095,419	5,432,678
Wyoming	73,358	174,227	247,586
Total U.S.	30,592,040	618,833,266	649,425,305
Other ¹	1,330,757	39,820,509	41,151,267
Aggregate total	31,922,797	658,653,775	690,576,572

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.

¹ Includes U.S. territories and possessions, various/multistate categories, and foreign countries.

Table 10.8

Real Estate Owned by Life Insurers, by State, 2021 (thousands)			
Alabama	\$274,815	Nebraska	\$196,846
Alaska	8,735	Nevada	108,649
Arizona	419,175	New Hampshire	199
Arkansas	151,576	New Jersey	1,387,420
California	9,565,719	New Mexico	-
Colorado	700,704	New York	1,708,066
Connecticut	594,305	North Carolina	749,428
Delaware	56,039	North Dakota	4,474
District of Columbia	1,598,868	Ohio	133,133
Florida	2,947,985	Oklahoma	49,991
Georgia	1,385,172	Oregon	697,647
Hawaii	542	Pennsylvania	354,268
Idaho	15,905	Rhode Island	18,621
Illinois	1,433,451	South Carolina	187,792
Indiana	287,471	South Dakota	17,343
Iowa	703,580	Tennessee	792,729
Kansas	69,661	Texas	3,438,600
Kentucky	40,369	Utah	387,826
Louisiana	52,709	Vermont	54,521
Maine	83,270	Virginia	901,007
Maryland	490,605	Washington	1,322,540
Massachusetts	2,703,763	West Virginia	-
Michigan	341,088	Wisconsin	1,027,916
Minnesota	721,787	Wyoming	13,222
Mississippi	73,437	Total U.S.	38,354,276
Missouri	81,307	Other ¹	277,587
Montana	-	Aggregate total	38,631,862

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.

¹ Includes U.S. territories and possessions, various/multistate categories, and foreign countries.

11

RANKINGS

The U.S. life insurance industry in 2021 is made up of 737 companies with sales and operations across the country and U.S. territories. Many of these companies are stand-alone entities, with no life insurer affiliate or subsidiary operating in the United States. Others are organized into groups or fleets of affiliates and subsidiaries. This chapter presents rankings of the 25 largest life insurance groups (counting stand-alone companies as a group of one) based on assets, premiums and annuity considerations, and life insurance coverage.

Table 11.1

Largest Life Insurers, by Total Assets, 2021 (millions)

Prudential Financial	\$707,207
MetLife, Inc.	461,437
New York Life	391,062
Massachusetts Mutual	369,048
TIAA-CREF	360,224
American International Group	345,825
Northwestern Mutual	334,765
Lincoln Financial	334,508
Jackson National	321,914
Manulife Financial	309,176
Equitable Holdings, Inc.	254,856
Principal Financial	240,190
Transamerica Corporation	238,338
Nationwide	230,386
Brighthouse Financial	222,094
Athene Group	206,922
Pacific Life	186,151
Allianz	178,443
Voya Financial	146,485
Talcott Resolution Group	136,498
Ameriprise Financial	123,468
Global Atlantic Financial	120,402
Thrivent Financial	115,542
Sammons Financial	109,627
Protective Life	96,698

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.2

Largest Life Insurers, by General Account Assets, 2021 (millions)

New York Life	\$318,111
MetLife, Inc.	305,788
TIAA-CREF	304,162
Northwestern Mutual	292,382
Massachusetts Mutual	285,025
Prudential Financial	226,167
American International Group	223,801
Athene Group	150,545
Lincoln Financial	135,786
Allianz	125,717
Manulife Financial	124,910
Global Atlantic Financial	114,804
Pacific Life	112,219
Sammons Financial	103,096
Nationwide	91,668
State Farm	87,987
Principal Financial	87,909
Transamerica Corporation	85,587
Brighthouse Financial	81,541
Guardian	80,981
Protective Life	79,887
Thrivent Financial	73,589
Jackson National	72,861
Equitable Holdings, Inc.	72,241
American Equity Investment Group	63,257

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.3

Largest Life Insurers, by Separate Account Assets, 2021 (millions)

Prudential Financial	\$481,040
Jackson National	249,053
Lincoln Financial	198,722
Manulife Financial	184,266
Equitable Holdings, Inc.	182,614
MetLife, Inc.	155,649
Transamerica Corporation	152,751
Principal Financial	152,280
Brighthouse Financial	140,554
Nationwide	138,719
American International Group	122,024
Talcott Resolution Group	110,684
Voya Financial	101,151
Ameriprise Financial	96,806
Massachusetts Mutual	84,022
Pacific Life	73,933
New York Life	72,951
Athene Group	56,378
TIAA-CREF	56,061
Allianz	52,726
Fidelity Investments	46,885
Northwestern Mutual	42,383
Thrivent Financial	41,953
Securian Financial Group	33,963
Great West	29,945

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.4

Largest Life Insurers, by Individual Net Life Insurance Premiums, 2021 (millions)	
Northwestern Mutual	\$17,934
Prudential Financial	11,560
New York Life	11,411
Resolution Life US Holdings Group	10,494
Massachusetts Mutual	10,262
RGA Group	5,934
State Farm	5,480
Guardian	4,741
Pacific Life	3,864
Sammons Financial	3,471
Swiss Re America	3,120
Protective Life	2,980
Manulife Financial	2,942
MetLife, Inc.	2,676
Nationwide	2,667
Globe Life, Inc.	2,182
National Life	2,103
Securian Financial Group	1,918
Mutual of Omaha	1,870
Transamerica Corporation	1,827
Western and Southern Financial	1,784
Thrivent Financial	1,776
Penn Mutual	1,676
Allianz	1,361
Berkshire Hathaway	1,266

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Figures are net of reinsurance.

Table 11.5

Largest Life Insurers, by Group Net Life Insurance Premiums, 2021 (millions)	
MetLife, Inc.	\$8,376
New York Life	4,215
Prudential Financial	2,329
Securian Financial Group	1,034
Nationwide	908
Lincoln Financial	722
UNUM	661
Sun Life Assurance	654
Guardian	628
CUNA Mutual	556
Homesteaders Life Company	517
Principal Financial	472
Globe Life, Inc.	432
HCSC	342
Zurich Financial	303
Mutual of Omaha	294
Hartford Life, Inc.	287
Transamerica Corporation	237
Anthem, Inc.	234
Trustmark	221
UnitedHealth	204
Meiji Yasuda Life Insurance Group	194
National Guardian Life Insurance Group	168
Sumitomo Life Group	159
Berkshire Hathaway	159

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Figures are net of reinsurance.

Table 11.6

Largest Life Insurers, by Total Net Life Insurance Premiums, 2021 (millions)	
Northwestern Mutual	\$17,940
New York Life	15,626
Prudential Financial	13,889
MetLife, Inc.	11,063
Resolution Life US Holdings Group	10,500
Massachusetts Mutual	10,358
RGA Group	6,006
State Farm	5,574
Guardian	5,368
Pacific Life	3,864
Nationwide	3,576
Sammons Financial	3,517
Swiss Re America	3,120
Manulife Financial	3,100
Protective Life	3,070
Securian Financial Group	3,011
Globe Life, Inc.	2,614
Mutual of Omaha	2,164
National Life	2,103
Transamerica Corporation	2,065
Western and Southern Financial	1,787
Thrivent Financial	1,776
CUNA Mutual	1,706
Penn Mutual	1,679
Berkshire Hathaway	1,440

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Figures are net of reinsurance.

Table 11.7

Largest Life Insurers, by Individual Direct Life Insurance Premiums, 2021 (millions)	
Northwestern Mutual	\$18,874
New York Life	12,050
Massachusetts Mutual	11,619
Prudential Financial	8,341
Lincoln Financial	6,825
State Farm	5,486
Manulife Financial	5,249
Guardian	4,990
Transamerica Corporation	4,625
Pacific Life	4,553
Sammons Financial	4,337
MetLife, Inc.	4,147
Protective Life	3,622
American International Group	3,593
Nationwide	3,011
Equitable Holdings, Inc.	2,937
Primerica	2,838
Penn Mutual	2,670
National Life	2,563
Globe Life, Inc.	2,392
Mutual of Omaha	2,271
Brighthouse Financial	2,265
Securian Financial Group	2,094
Principal Financial	2,082
Western and Southern Financial	1,902

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.8

Largest Life Insurers, by Group Direct Life Insurance Premiums, 2021 (millions)	
MetLife, Inc.	\$12,543
Prudential Financial	5,137
New York Life	3,608
Securian Financial Group	2,689
Hartford Life, Inc.	2,097
UNUM	1,721
Lincoln Financial	1,454
Meiji Yasuda Life Insurance Group	1,089
Nationwide	939
Sun Life Assurance	715
Guardian	707
Mutual of Omaha	679
CUNA Mutual	562
Voya Financial	540
Homesteaders Life Company	517
Tokio Marine Holdings	498
Principal Financial	473
Globe Life, Inc.	439
Zurich Financial	362
National Guardian Life Insurance Group	361
HCSC	348
AAA Life Insurance Group	345
Transamerica Corporation	293
Trustmark	224
CIGNA	223

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.9

Largest Life Insurers, by Total Direct Life Insurance Premiums, 2021 (millions)

Northwestern Mutual	\$18,885
MetLife, Inc.	16,705
New York Life	15,659
Prudential Financial	13,478
Massachusetts Mutual	11,750
Lincoln Financial	8,279
Guardian	5,698
State Farm	5,581
Manulife Financial	5,303
Transamerica Corporation	4,919
Securian Financial Group	4,866
Pacific Life	4,553
Sammons Financial	4,386
Nationwide	3,950
Protective Life	3,637
American International Group	3,603
Equitable Holdings, Inc.	3,021
Mutual of Omaha	2,950
Primerica	2,838
Globe Life, Inc.	2,831
Penn Mutual	2,673
National Life	2,563
Principal Financial	2,555
UNUM	2,414
Brighthouse Financial	2,265

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.10

Largest Life Insurers, by Individual Life Insurance Issued, 2021 (millions)

Northwestern Mutual	\$197,914
Lincoln Financial	117,218
State Farm	115,356
New York Life	100,250
Primerica	97,843
Massachusetts Mutual	96,823
Protective Life	86,627
Prudential Financial	69,830
Legal & General	62,855
Principal Financial	59,820
National Life	58,031
Transamerica Corporation	56,775
American International Group	55,861
Sammons Financial	50,166
Guardian	46,017
Pacific Life	45,343
Globe Life, Inc.	41,869
Manulife Financial	38,854
Penn Mutual	36,541
Nationwide	28,787
USAA	27,063
Mutual of Omaha	22,220
Zurich Financial	21,449
Equitable Holdings, Inc.	21,084
Southern Farm Bureau Life	18,897

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.11

Largest Life Insurers, by Group Life Insurance Issued, 2021 (millions)

MetLife, Inc.	\$294,099
Prudential Financial	96,588
Hartford Life, Inc.	91,209
New York Life	82,732
Lincoln Financial	79,775
UNUM	76,757
Meiji Yasuda Life Insurance Group	71,780
Securian Financial Group	56,888
Principal Financial	55,352
Sun Life Assurance	51,715
Mutual of Omaha	44,210
Guardian	44,138
Voya Financial	43,551
Tokio Marine Holdings	27,501
UnitedHealth	15,731
AAA Life Insurance Group	11,797
HCSC	10,992
Anthem, Inc.	10,236
Equitable Holdings, Inc.	9,989
Sumitomo Life Group	8,153
5 Star Life Insurance Company	7,657
Trustmark	6,439
Medical Mutual of Ohio Group	5,821
Allstate	4,878
Arkansas Blue Cross & Blue Shield	4,706

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.12

Largest Life Insurers, by Total Life Insurance Issued, 2021 (millions)

MetLife, Inc.	\$301,443
Northwestern Mutual	198,538
Lincoln Financial	196,993
New York Life	182,982
Prudential Financial	166,419
State Farm	115,541
Principal Financial	115,172
Massachusetts Mutual	100,055
Primerica	97,843
Hartford Life, Inc.	91,240
Guardian	90,155
Protective Life	88,363
UNUM	87,256
Securian Financial Group	80,722
Meiji Yasuda Life Insurance Group	71,862
Mutual of Omaha	66,430
Legal & General	62,898
Transamerica Corporation	60,408
National Life	58,031
American International Group	55,863
Sun Life Assurance	51,732
Sammons Financial	50,195
Pacific Life	45,343
Globe Life, Inc.	44,114
Voya Financial	43,853

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021.

Table 11.13

Largest Life Insurers, by Individual Life Insurance in Force, 2021 (millions)

Northwestern Mutual	\$1,387,396
State Farm	1,046,426
Swiss Re America	903,395
New York Life	899,939
Prudential Financial	719,647
Protective Life	583,966
RGA Group	580,314
Transamerica Corporation	428,730
American International Group	403,931
Pacific Life	340,551
Berkshire Hathaway	324,498
Guardian	297,453
Equitable Holdings, Inc.	270,180
Massachusetts Mutual	251,252
USAA	249,324
Lincoln Financial	220,365
Nationwide	214,489
National Life	176,109
MetLife, Inc.	171,862
Globe Life, Inc.	171,856
Manulife Financial	158,015
Brighthouse Financial	144,532
Southern Farm Bureau Life	138,097
Principal Financial	136,286
Thrivent Financial	131,548

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude reinsurance ceded.

Table 11.14

Largest Life Insurers, by Group Life Insurance in Force, 2021 (millions)

MetLife, Inc.	\$1,939,424
New York Life	1,187,019
Prudential Financial	965,780
Securian Financial Group	417,491
Lincoln Financial	411,175
UNUM	288,918
Sun Life Assurance	281,676
Hartford Life, Inc.	241,258
Guardian	159,068
Principal Financial	154,361
Mutual of Omaha	109,401
HCSC	109,291
Anthem, Inc.	102,123
UnitedHealth	96,715
Sumitomo Life Group	73,502
OneAmerica Financial	56,489
Manulife Financial	55,854
Nationwide	55,732
Arkansas Blue Cross & Blue Shield	53,102
Tokio Marine Holdings	49,332
Berkshire Hathaway	48,423
Talcott Resolution Group	38,359
Equitable Holdings, Inc.	37,410
Protective Life	37,044
SCOR Group	35,255

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude reinsurance ceded.

Table 11.15

Largest U.S. Life Insurers, by Total Life Insurance in Force, 2021 (millions)

MetLife, Inc.	\$2,113,223
New York Life	2,086,958
Prudential Financial	1,685,427
Northwestern Mutual	1,390,540
State Farm	1,059,550
Swiss Re America	903,395
Lincoln Financial	631,540
Protective Life	621,406
RGA Group	621,097
Securian Financial Group	521,823
Guardian	456,521
Transamerica Corporation	451,515
American International Group	408,678
Berkshire Hathaway	385,299
UNUM	346,557
Pacific Life	340,560
Equitable Holdings, Inc.	307,589
Sun Life Assurance	291,687
Principal Financial	290,646
Massachusetts Mutual	274,059
Nationwide	270,220
USAA	249,350
Hartford Life, Inc.	241,564
Manulife Financial	213,868
Globe Life, Inc.	199,342

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude reinsurance ceded.

Table 11.16

Largest Life Insurers, by Individual Direct Annuity Considerations, 2021 (millions)

Jackson National	\$19,138
American International Group	15,787
Allianz	13,911
Massachusetts Mutual	12,686
Lincoln Financial	12,220
Equitable Holdings, Inc.	12,100
Nationwide	11,415
New York Life	10,649
Athene Group	9,034
Brighthouse Financial	8,687
Pacific Life	7,625
Global Atlantic Financial	7,375
Sammons Financial	6,763
Prudential Financial	6,365
Fidelity National Financial	6,165
American Equity Investment Group	5,956
TIAA-CREF	5,616
Ameriprise Financial	5,615
Sumitomo Life Group	4,160
SBL Holdings Group	3,828
Sterling Financial Insurance Group	3,684
Delaware Life Holding	3,453
Western and Southern Financial	3,399
Thrivent Financial	3,028
USAA	2,778

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.17

Largest Life Insurers, by Group Direct Annuity Considerations, 2021 (millions)	
Prudential Financial	\$18,380
Manulife Financial	15,674
Transamerica Corporation	14,576
Athene Group	14,100
Voya Financial	13,164
Massachusetts Mutual	12,674
MetLife, Inc.	9,631
TIAA-CREF	8,241
New York Life	5,449
Nationwide	5,090
Lincoln Financial	4,575
OneAmerica Financial	4,272
Securian Financial Group	4,267
Meiji Yasuda Life Insurance Group	3,775
Great West	3,419
American International Group	3,396
Equitable Holdings, Inc.	3,030
Mutual of America Life Insurance Company	1,990
Principal Financial	1,804
Pacific Life	1,689
Ameritas	1,279
CUNA Mutual	1,254
Fidelity National Financial	1,147
Legal & General	1,073
Mutual of Omaha	980

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.18

Largest Life Insurers, by Total Direct Annuity Considerations, 2021 (millions)	
Massachusetts Mutual	\$25,360
Prudential Financial	24,745
Athene Group	23,134
Jackson National	19,619
American International Group	19,183
Lincoln Financial	16,795
Nationwide	16,506
Transamerica Corporation	16,118
New York Life	16,098
Manulife Financial	15,736
Equitable Holdings, Inc.	15,129
Allianz	13,911
TIAA-CREF	13,857
Voya Financial	13,331
MetLife, Inc.	10,052
Pacific Life	9,315
Brighthouse Financial	8,739
Global Atlantic Financial	7,731
Fidelity National Financial	7,312
Sammons Financial	6,971
American Equity Investment Group	5,956
Ameriprise Financial	5,668
Securian Financial Group	4,774
OneAmerica Financial	4,593
Meiji Yasuda Life Insurance Group	4,497

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.19

Largest Life Insurers, by Individual Annuity Reserves, 2021 (millions)

Jackson National	\$231,063
TIAA-CREF	193,665
Lincoln Financial	186,316
Prudential Financial	182,979
American International Group	182,026
Brighthouse Financial	152,335
Allianz	135,184
New York Life	117,375
Nationwide	113,409
Equitable Holdings, Inc.	101,656
Pacific Life	92,851
Athene Group	91,186
Ameriprise Financial	90,323
Transamerica Corporation	88,731
Massachusetts Mutual	67,254
Thrivent Financial	55,709
American Equity Investment Group	51,415
Talcott Resolution Group	49,833
Sammons Financial	47,415
Fidelity Investments	47,057
MetLife, Inc.	44,138
Manulife Financial	36,936
Global Atlantic Financial	33,778
Northwestern Mutual	33,212
Protective Life	32,865

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.20

Largest Life Insurers, by Group Annuity Reserves, 2021 (millions)

Prudential Financial	\$132,350
MetLife, Inc.	126,428
Manulife Financial	122,803
Voya Financial	122,147
TIAA-CREF	81,519
Equitable Holdings, Inc.	80,364
Transamerica Corporation	71,656
American International Group	71,061
Massachusetts Mutual	66,511
Nationwide	47,840
Athene Group	45,207
New York Life	35,842
Lincoln Financial	33,428
Securian Financial Group	30,481
Jackson National	29,477
Great West	29,456
OneAmerica Financial	29,355
Principal Financial	21,620
Meiji Yasuda Life Insurance Group	18,688
Talcott Resolution Group	10,972
Pacific Life	10,500
Delaware Life Holding	10,409
Sentry Insurance Group	9,304
Ameritas	9,300
Northwestern Mutual	8,716

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude deposit-type funds and supplementary contracts.

Table 11.21

Largest Life Insurers, by Total Annuity Reserves, 2021 (millions)

Prudential Financial	\$315,329
TIAA-CREF	275,184
Jackson National	260,540
American International Group	253,087
Lincoln Financial	219,744
Equitable Holdings, Inc.	182,020
MetLife, Inc.	170,566
Nationwide	161,250
Transamerica Corporation	160,388
Manulife Financial	159,739
Brighthouse Financial	158,240
New York Life	153,217
Athene Group	136,393
Allianz	135,191
Massachusetts Mutual	133,765
Voya Financial	130,719
Pacific Life	103,351
Ameriprise Financial	90,961
Talcott Resolution Group	60,805
Thrivent Financial	55,709
Sammons Financial	52,970
American Equity Investment Group	51,415
Principal Financial	47,785
Fidelity Investments	47,057
Northwestern Mutual	41,928

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. Group totals represent a collection of life insurers based on organizational structure. Data are as of December 31, 2021. Amounts exclude deposit-type funds and supplementary contracts.

12

LIFE EXPECTANCY AND CHANGING DEMOGRAPHICS

U.S. mortality rates and life expectancies have improved dramatically over the long term. The aggregate, age-adjusted death rate (per 1,000 population) has fallen from 17.9 in 1940 to 8.4 in 2020 (Table 12.1). The death rate among males dropped from 19.8 to 10.0, and among females, from 16.0 to 7.0 over this period. The crude death rate for 2020 is 10.3 (Table 12.3).

Life expectancy at age 25 is currently 50.5 years for males and 55.7 years for females in 2020 (Table 12.2). A man who retired in 2020 at age 65 could expect to live 17.0 years more on average, while a 65-year-old woman could expect to live another 19.8 years.

Examining trend data for life expectancy over the past century yields startling contrasts. A 25-year-old during 1900–02 could expect to live 39.1 years more vs. 53.0 additional years for a 25-year-old in 2020. Because of increased longevity, Table 12.2 has been extended to include life expectancy for men and women at age 100 after 1997.

Changing Demographics

Ownership of life insurance products is driven by many factors, including demographics. A disproportionately young and dependent population is more likely to drive demand for life insurance, whereas a disproportionately older population is more likely to drive sales of annuities and long-term care insurance. Similarly, a population with few working people would have less need for disability income insurance.

The number of people in the United States who are age 19 or younger has either declined or remained flat in every year since 2011 until 2021 (Table 12.4). There are currently 82.1 million people in that age group, compared to 82.8 million in 2011. Similarly, the number of those age 65 or older has been rapidly increasing. There are currently 55.8 million seniors (those age 65 and over) in the United States. Since 2011, the number of seniors increased by 35 percent, or 14.5 million. When coupled with those approaching retirement (age 50 to 64), the percent of those in or approaching retirement totals 119.6 million, or 36 percent of the population (Table 12.5).

Table 12.1

Death Rates in the United States

Age-adjusted rate per 1,000 population ¹			
Year	Male	Female	Total
1940	19.8	16.0	17.9
1950	16.7	12.4	14.5
1960	16.1	11.1	13.4
1970	15.4	9.7	12.2
1975	14.2	8.6	10.9
1980	13.5	8.2	10.4
1985	12.8	7.8	9.9
1986	12.6	7.8	9.8
1987	12.5	7.7	9.7
1988	12.5	7.8	9.8
1989	12.2	7.6	9.5
1990	12.0	7.5	9.4
1991	11.8	7.4	9.2
1992	11.6	7.3	9.1
1993	11.8	7.5	9.3
1994	11.6	7.4	9.1
1995	11.4	7.4	9.1
1996	11.2	7.3	8.9
1997	10.9	7.3	8.8
1998	10.7	7.2	8.7
1999	10.7	7.3	8.8
2000	10.5	7.3	8.7
2001	10.4	7.3	8.6
2002	10.3	7.2	8.6
2003	10.1	7.2	8.4
2004	9.7	6.9	8.1
2005	9.7	6.9	8.2
2006	9.4	6.7	7.9
2007	9.2	6.6	7.8
2008	9.2	6.6	7.7
2009	8.9	6.4	7.5
2010	8.9	6.3	7.5
2011	8.8	6.3	7.4
2012	8.7	6.2	7.3
2013	8.6	6.2	7.3
2014	8.6	6.2	7.2

Table 12.1, continued

Death Rates in the United States, continued			
Age-adjusted rate per 1,000 population ¹			
Year	Male	Female	Total
2015	8.6	6.2	7.3
2016	8.6	6.2	7.3
2017	8.6	6.2	7.3
2018	8.6	6.1	7.2
2019	8.5	6.0	7.2
2020	10.0	7.0	8.4

Source: U.S. Department of Health and Human Services' National Center for Health Statistics, National Vital Statistics Reports.

¹Based on population estimates from the 2000 census, which were modified for consistency with Office of Management and Budget racial categories as of 1977. All death rates have been revised, and may differ from previously published rates that were based on 1990 population estimates.

Table 12.2

Life Expectancy by Age and Gender, 1900-2020				
1900-02	Age	Male	Female	Total
	Newborn	47.9	50.7	49.2
	1	54.4	56.1	55.2
	5	54.2	55.8	55.0
	15	46.1	47.6	46.8
	25	38.4	39.9	39.1
	35	31.2	32.7	31.9
	45	24.1	25.4	24.8
	55	17.4	18.4	17.9
	65	11.5	12.2	11.9
	75	6.8	7.3	7.1
	85	3.8	4.1	4.0
1909-11	Age	Male	Female	Total
	Newborn	49.9	53.2	51.5
	1	56.0	58.4	57.1
	5	55.1	57.4	56.2
	15	46.7	48.9	47.7
	25	38.6	40.7	39.6
	35	30.9	33.0	31.9
	45	23.8	25.4	24.5
	55	17.0	18.1	17.6
	65	11.2	12.0	11.6
	75	6.8	7.2	7.0
	85	3.9	4.1	4.0

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
1919-21	Age	Male	Female	Total
	Newborn	55.5	57.4	56.4
	1	59.5	60.5	59.9
	5	57.6	58.4	58.0
	15	49.1	49.7	49.4
	25	41.1	41.9	41.5
	35	33.4	34.4	33.9
	45	25.8	26.7	26.3
	55	18.5	19.3	18.9
	65	12.2	12.7	12.5
	75	7.3	7.7	7.5
	85	4.1	4.3	4.2
1929-31	Age	Male	Female	Total
	Newborn	57.7	60.9	59.2
	1	60.8	65.4	61.9
	5	58.1	60.7	59.3
	15	49.2	51.5	50.3
	25	40.8	43.1	41.9
	35	32.7	34.9	33.7
	45	24.9	26.9	25.8
	55	17.8	19.4	18.5
	65	11.7	12.8	12.2
	75	7.0	7.6	7.3
	85	4.0	4.3	4.2
1939-41	Age	Male	Female	Total
	Newborn	61.6	65.9	63.6
	1	64.0	67.7	65.8
	5	60.8	64.4	62.5
	15	51.4	55.0	53.1
	25	42.5	45.9	44.1
	35	33.8	37.0	35.3
	45	25.5	28.5	26.9
	55	18.2	20.5	19.3
	65	12.1	13.6	12.8
	75	7.2	8.0	7.6
	85	4.1	4.5	4.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
1949-51	Age	Male	Female	Total
	Newborn	65.5	71.0	68.1
	1	66.7	71.8	69.2
	5	63.1	68.2	65.5
	15	53.6	58.5	55.9
	25	44.4	49.0	46.6
	35	35.2	39.6	37.3
	45	26.6	30.6	28.5
	55	19.0	22.3	20.6
	65	12.7	15.0	13.8
	75	7.8	8.9	8.4
	85	4.4	4.9	4.7
1959-61	Age	Male	Female	Total
	Newborn	66.8	73.2	69.9
	1	67.8	73.9	70.8
	5	64.1	70.2	67.0
	15	54.4	60.5	57.3
	25	45.2	50.8	47.9
	35	35.9	41.3	38.5
	45	27.1	32.1	29.5
	55	19.3	23.5	21.4
	65	13.0	15.8	14.4
	75	8.0	9.3	8.7
	85	4.4	4.7	4.6
1969-71	Age	Male	Female	Total
	Newborn	67.0	74.6	70.8
	1	67.6	75.0	71.2
	5	63.8	71.2	67.4
	15	54.1	61.4	57.7
	25	45.1	51.8	48.4
	35	36.0	42.3	39.1
	45	27.2	33.1	30.1
	55	19.4	24.6	22.0
	65	13.0	16.8	15.0
	75	8.1	10.3	9.3
	85	4.7	5.6	5.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
1979-81	Age	Male	Female	Total
	Newborn	70.1	77.6	73.9
	1	70.1	77.5	73.8
	5	66.3	73.7	70.0
	15	56.5	63.8	60.2
	25	47.4	54.2	50.8
	35	38.2	44.5	41.4
	45	29.2	35.2	32.3
	55	21.1	26.4	23.9
	65	14.2	18.4	16.5
	75	8.9	11.6	10.5
	85	5.1	6.4	6.0
1989-91	Age	Male	Female	Total
	Newborn	71.8	78.8	75.4
	1	71.6	78.5	75.1
	5	67.7	74.6	71.2
	15	57.9	64.7	61.4
	25	48.7	55.0	51.9
	35	39.6	45.4	42.6
	45	30.7	36.0	33.4
	55	22.3	27.1	24.8
	65	15.1	19.0	17.3
	75	9.4	12.1	11.0
	85	5.3	6.7	6.2
1998	Age	Male	Female	Total
	Newborn	73.8	79.5	76.7
	1	73.4	79.0	76.3
	5	69.5	75.1	72.4
	15	59.7	65.2	62.5
	25	50.3	55.5	53.0
	35	41.0	45.8	43.5
	45	31.9	36.4	34.3
	55	23.5	27.4	25.5
	65	16.0	19.2	17.8
	75	10.0	12.2	11.3
	85	5.5	6.7	6.3
	100	2.3	2.7	2.6

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
1999	Age	Male	Female	Total
	Newborn	73.9	79.4	76.7
	1	73.5	78.9	76.3
	5	69.6	75.0	72.4
	15	59.8	65.1	62.5
	25	50.4	55.4	53.0
	35	41.1	45.7	43.5
	45	32.0	36.3	34.3
	55	23.5	27.3	25.5
	65	16.1	19.1	17.7
	75	10.0	12.1	11.2
	85	5.5	6.6	6.3
	100	2.4	2.7	2.6
2000	Age	Male	Female	Total
	Newborn	74.1	79.5	76.9
	1	73.7	79.0	76.4
	5	69.8	75.1	72.5
	15	59.9	65.2	62.6
	25	50.6	55.4	53.1
	35	41.3	45.8	43.6
	45	32.2	36.3	34.4
	55	23.8	27.4	25.7
	65	16.3	19.2	17.9
	75	10.1	12.1	11.3
	85	5.6	6.7	6.3
	100	2.4	2.7	2.6
2001	Age	Male	Female	Total
	Newborn	74.4	79.8	77.2
	1	74.0	79.3	76.7
	5	70.1	75.4	72.8
	15	60.2	65.5	62.9
	25	50.9	55.7	53.4
	35	41.5	46.0	43.9
	45	32.5	36.6	34.7
	55	24.0	27.7	26.0
	65	16.4	19.4	18.1
	75	10.2	12.4	11.5
	85	5.7	6.9	6.5
	100	2.5	2.8	2.7

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
2002	Age	Male	Female	Total
	Newborn	74.5	79.9	77.3
	1	74.1	79.4	76.8
	5	70.2	75.4	72.9
	15	60.3	65.5	63.0
	25	51.0	55.8	53.5
	35	41.6	46.1	44.0
	45	32.6	36.7	34.8
	55	24.1	27.7	26.1
	65	16.6	19.5	18.2
	75	10.3	12.4	11.5
	85	5.7	6.9	6.5
	100	2.5	2.8	2.7
2003	Age	Male	Female	Total
	Newborn	74.8	80.1	77.5
	1	74.3	79.6	77.0
	5	70.4	75.7	73.1
	15	60.6	65.8	63.2
	25	51.2	56.0	53.7
	35	41.9	46.4	44.2
	45	32.8	37.0	35.0
	55	24.4	28.0	26.3
	65	16.8	19.8	18.4
	75	10.5	12.6	11.8
	85	6.0	7.2	6.8
	100	2.3	2.6	2.6
2004	Age	Male	Female	Total
	Newborn	75.2	80.4	77.8
	1	74.7	79.9	77.4
	5	70.8	76.0	73.5
	15	61.0	66.1	63.6
	25	51.6	56.3	54.0
	35	42.2	46.6	44.5
	45	33.1	37.2	35.3
	55	24.7	28.3	26.6
	65	17.1	20.0	18.7
	75	10.7	12.8	11.9
	85	6.1	7.2	6.8
	100	2.3	2.6	2.6

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2005	Age	Male	Female	Total
	Newborn	75.2	80.4	77.8
	1	74.7	79.9	77.4
	5	70.8	76.0	73.5
	15	61.0	66.1	63.6
	25	51.6	56.4	54.1
	35	42.3	46.7	44.6
	45	33.2	37.3	35.3
	55	24.8	28.3	26.7
	65	17.2	20.0	18.7
	75	10.8	12.8	12.0
	85	6.1	7.2	6.8
	100	2.3	2.6	2.6
2006	Age	Male	Female	Total
	Newborn	75.1	80.2	77.7
	1	74.7	79.7	77.2
	5	70.8	75.8	73.3
	15	60.9	65.9	63.4
	25	51.5	56.1	53.9
	35	42.2	46.4	44.4
	45	33.1	37.0	35.2
	55	24.7	28.0	26.5
	65	17.0	19.7	18.5
	75	10.5	12.3	11.6
	85	5.7	6.8	6.4
	100	2.0	2.3	2.3
2007	Age	Male	Female	Total
	Newborn	75.4	80.4	77.9
	1	74.9	79.9	77.5
	5	71.0	76.0	73.6
	15	61.1	66.1	63.7
	25	51.8	56.3	54.1
	35	42.5	46.7	44.6
	45	33.3	37.2	35.4
	55	24.9	28.2	26.7
	65	17.2	19.9	18.6
	75	10.6	12.5	11.7
	85	5.8	6.8	6.5
	100	2.1	2.3	2.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2008	Age	Male	Female	Total
	Newborn	75.5	80.5	78
	1	75.1	80	77.6
	5	71.2	76.1	73.7
	15	61.3	66.1	63.8
	25	51.9	56.4	54.2
	35	42.6	46.7	44.7
	45	33.4	37.2	35.4
	55	24.9	28.3	26.7
	65	17.2	19.9	18.7
	75	10.6	12.5	11.7
	85	5.8	6.8	6.5
	100	2.1	2.3	2.3
2009	Age	Male	Female	Total
	Newborn	76.0	80.9	78.6
	1	75.6	80.4	78.1
	5	71.6	76.5	74.2
	15	61.7	66.6	64.3
	25	52.3	56.8	54.7
	35	43.0	47.1	45.2
	45	33.8	37.7	35.9
	55	25.4	28.7	27.2
	65	17.7	20.3	19.2
	75	11.0	12.9	12.2
	85	5.9	7.0	6.6
	100	2.1	2.4	2.4
2010	Age	Male	Female	Total
	Newborn	76.2	81.0	78.7
	1	75.7	80.5	78.1
	5	71.8	76.6	74.2
	15	61.9	66.6	64.3
	25	52.4	56.9	54.7
	35	43.1	47.2	45.2
	45	33.9	37.7	35.9
	55	25.4	28.8	27.2
	65	17.7	20.3	19.1
	75	11.0	12.9	12.1
	85	5.8	6.9	6.5
	100	2.1	2.3	2.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2011	Age	Male	Female	Total
	Newborn	76.3	81.1	78.7
	1	75.8	80.5	78.2
	5	71.9	76.6	74.3
	15	62.0	66.7	64.4
	25	52.5	56.9	54.8
	35	43.2	47.2	45.3
	45	34.0	37.8	36.0
	55	25.5	28.8	27.2
	65	17.8	20.3	19.2
	75	11.1	12.9	12.1
	85	5.9	6.9	6.5
	100	2.1	2.3	2.3
2012	Age	Male	Female	Total
	Newborn	76.4	81.2	78.8
	1	75.9	80.6	78.3
	5	72.0	76.7	74.4
	15	62.1	66.8	64.5
	25	52.6	57.0	54.9
	35	43.3	47.3	45.4
	45	34.1	37.9	36.1
	55	25.6	28.9	27.3
	65	17.9	20.5	19.3
	75	11.2	12.9	12.2
	85	5.9	7.0	6.6
	100	2.0	2.3	2.3
2013	Age	Male	Female	Total
	Newborn	76.4	81.2	78.8
	1	75.9	80.6	78.3
	5	72.0	76.7	74.4
	15	62.1	66.8	64.5
	25	52.6	57.0	54.8
	35	43.3	47.3	45.4
	45	34.1	37.9	36.1
	55	25.6	28.9	27.3
	65	17.9	20.5	19.3
	75	11.2	12.9	12.2
	85	5.9	7.0	6.6
	100	2.0	2.3	2.3

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued

2014	Age	Male	Female	Total
	Newborn	76.5	81.3	78.9
	1	76.0	80.7	78.4
	5	72.0	76.8	74.4
	15	62.1	66.8	64.5
	25	52.7	57.0	54.9
	35	43.4	47.4	45.4
	45	34.2	38.0	36.1
	55	25.6	29.0	27.4
	65	18.0	20.6	19.4
	75	11.3	13.1	12.3
	85	6.0	7.1	6.7
	100	2.1	2.4	2.3
2015	Age	Male	Female	Total
	Newborn	76.3	81.2	78.8
	1	75.8	80.6	78.2
	5	71.9	76.7	74.3
	15	62.0	66.8	64.4
	25	52.5	57.0	54.8
	35	43.3	47.4	45.4
	45	34.2	37.9	36.1
	55	25.6	28.9	27.3
	65	18.0	20.6	19.4
	75	11.2	13.0	12.3
	85	6.0	7.0	6.6
	100	2.1	2.4	2.3
2016	Age	Male	Female	Total
	Newborn	76.1	81.1	78.6
	1	75.6	80.5	78.1
	5	71.7	76.6	74.1
	15	61.8	66.6	64.2
	25	52.4	56.9	54.7
	35	43.2	47.3	45.3
	45	34.2	37.9	36.1
	55	25.6	28.9	27.3
	65	18.0	20.6	19.4
	75	11.3	13.0	12.2
	85	5.9	7.0	6.6
	100	2.0	2.3	2.2

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
2017	Age	Male	Female	Total
	Newborn	76.1	81.1	78.6
	1	75.6	80.5	78.1
	5	71.7	76.6	74.1
	15	61.8	66.7	64.2
	25	52.4	56.9	54.7
	35	43.2	47.3	45.3
	45	34.2	37.9	36.1
	55	25.6	28.9	27.4
	65	18.0	20.6	19.4
	75	11.3	13.0	12.3
	85	5.9	7.0	6.6
	100	2.0	2.2	2.2
2018	Age	Male	Female	Total
	Newborn	76.2	81.2	78.7
	1	75.7	80.7	78.2
	5	71.8	76.7	74.3
	15	61.9	66.8	64.3
	25	52.4	57.0	54.8
	35	43.3	47.5	45.4
	45	34.2	38.1	36.2
	55	25.7	29.0	27.4
	65	18.1	20.7	19.5
	75	11.3	13.1	12.3
	85	6.0	7.0	6.6
	100	2.0	2.2	2.2

Table 12.2, continued

Life Expectancy by Age and Gender, 1900-2020, continued				
2019	Age	Male	Female	Total
	Newborn	76.3	81.4	78.8
	1	75.8	80.8	78.3
	5	71.9	76.9	74.4
	15	62.0	66.9	64.5
	25	52.5	57.2	54.9
	35	43.4	47.6	45.5
	45	34.4	38.2	36.3
	55	25.8	29.2	27.5
	65	18.2	20.8	19.6
	75	11.4	13.2	12.4
	85	6.0	7.1	6.7
	100	2.0	2.3	2.2
2020	Age	Male	Female	Total
	Newborn	74.2	79.9	77.0
	1	73.6	79.3	76.4
	5	69.7	75.3	72.5
	15	59.8	65.4	62.6
	25	50.5	55.7	53.0
	35	41.5	46.2	43.8
	45	32.7	36.9	34.8
	55	24.3	28.0	26.2
	65	17.0	19.8	18.5
	75	10.6	12.4	11.6
	85	5.5	6.5	6.1
	100	1.8	2.0	2.0

Source: U.S. Department of Health and Human Services' National Center for Health Statistics, *National Vital Statistics Reports*.

Notes: Alaska and Hawaii are included as of 1959. For decennial periods prior to 1929-31, data represent death registration states only: 1900-02 and 1909-11, 10 states and the District of Columbia; 1919-21, 34 states and the District of Columbia. Beginning with 1970, data exclude deaths of nonresidents of the United States.

Table 12.3

U.S. Registered Births and Deaths

Year	Number of Registered Births	Crude Birth Rate*	General Fertility Rate**	Number of Registered Deaths	Crude Death Rate*
1910	2,777,000	30.1	126.8	696,856	14.7
1920	2,950,000	27.7	117.9	1,118,070	13.0
1930	2,618,000	21.3	89.2	1,327,240	11.3
1940	2,559,000	19.4	79.9	1,417,269	10.8
1945	2,858,000	20.4	85.9	1,401,719	10.6
1950	3,632,000	24.1	106.2	1,452,454	9.6
1955	4,097,000	25.0	118.3	1,528,717	9.3
1960	4,257,850	23.7	118.0	1,711,982	9.5
1965	3,760,358	19.4	96.3	1,828,000	9.4
1970	3,731,386	18.4	87.9	1,921,031	9.5
1975	3,144,198	14.6	66.0	1,893,000	8.8
1980	3,612,258	15.9	68.4	1,989,841	8.8
1985	3,760,561	15.8	66.3	2,086,000	8.8
1990	4,158,212	16.7	70.9	2,148,463	8.6
1991	4,110,907	16.2	69.3	2,170,000	8.6
1992	4,065,014	15.8	68.4	2,176,000	8.5
1993	4,000,240	15.4	67.0	2,269,000	8.7
1994	3,952,767	15.0	65.9	2,279,000	8.7
1995	3,899,589	14.6	64.6	2,312,000	8.7
1996	3,891,494	14.4	64.1	2,315,000	8.6
1997	3,880,894	14.2	63.6	2,314,000	8.5
1998	3,941,553	14.3	64.3	2,337,000	8.5
1999	3,959,417	14.2	64.4	2,391,000	8.6
2000	4,058,814	14.4	65.9	2,403,351	8.5
2001	4,025,933	14.1	65.3	2,416,000	8.5
2002	4,021,726	13.9	64.8	2,443,000	8.5
2003	4,089,950	14.1	66.1	2,448,000	8.4
2004	4,112,052	14.0	66.4	2,398,000	8.2
2005	4,138,349	14.0	66.7	2,448,000	8.3
2006	4,265,555	14.3	68.6	2,426,000	8.1
2007	4,316,233	14.3	69.3	2,424,000	8.0
2008	4,247,694	14.0	68.1	2,472,000	8.1
2009	4,130,665	13.5	66.2	2,437,000	7.9
2010	3,999,386	13.0	64.1	2,468,435	8.0
2011	3,953,590	12.7	63.2	2,515,458	8.1

Table 12.3, continued

U.S. Registered Births and Deaths, continued

Year	Number of Registered Births	Crude Birth Rate*	General Fertility Rate**	Number of Registered Deaths	Crude Death Rate*
2012	3,952,841	12.6	63.0	2,543,279	8.1
2013	3,932,181	12.4	62.5	2,596,993	8.2
2014	3,988,076	12.5	62.9	2,626,418	8.2
2015	3,978,000	12.4	62.5	2,712,630	8.4
2016	3,945,875	12.2	62.0	2,744,248	8.5
2017	3,855,500	11.8	60.3	2,813,503	8.6
2018	3,791,712	11.6	59.1	2,839,205	8.7
2019	3,747,540	11.4	58.3	2,854,838	8.7
2020	3,613,647	11.0	55.7	3,383,729	10.3

Source: U.S. Department of Health and Human Services' National Center for Health Statistics, National Vital Statistics Reports. United States Center for Disease Control, Live Births, Birth Rates, and Fertility Rates, by Race: United States, 1909-2003. Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED).

*Crude Birth Rate refers to live births per 1,000 population; Crude Death Rate refers to deaths per 1,000 population.

**General fertility rate refers to the number of births per 1,000 women age 15 to 44.

Table 12.4

U.S. Resident Population (thousands)					
Year	Total Population	Population age 19 or less	Population age 20 to 49	Population age 50 to 64	Population age 65 and over
1910	92,407	38,716	40,666	9,039	3,986
1920	106,461	43,371	46,730	11,431	4,929
1930	123,077	47,575	54,300	14,496	6,706
1940	132,122	45,285	59,832	17,975	9,031
1945	139,928	46,247	63,367	19,820	10,494
1950	152,271	51,673	66,495	21,707	12,397
1955	165,931	59,992	68,067	23,346	14,525
1960	180,671	69,519	69,188	25,289	16,675
1965	194,303	76,277	72,039	27,536	18,451
1970	205,052	77,272	77,826	29,848	20,107
1975	215,973	75,646	85,613	32,017	22,696
1980	223,012	68,925	95,125	33,413	25,549
1985	233,727	66,594	105,825	33,063	28,245
1990	249,623	71,918	113,978	32,479	31,247
1995	268,365	76,646	120,687	35,177	35,855
2000	282,162	80,575	124,310	42,209	35,070
2005	295,517	82,005	126,141	50,720	36,650
2006	298,380	82,324	126,390	52,501	37,164
2007	301,231	82,749	126,387	54,269	37,826
2008	304,094	83,118	126,402	55,797	38,778
2009	306,772	83,280	126,458	57,410	39,623
2010	309,322	83,182	126,528	59,134	40,478
2011	311,557	82,827	126,749	60,631	41,350
2012	313,831	82,482	127,073	61,146	43,130
2013	315,994	82,245	127,295	61,824	44,629
2014	318,301	82,106	127,545	62,493	46,157
2015	320,635	82,080	127,908	62,996	47,651
2016	322,941	82,107	128,445	63,188	49,202
2017	324,986	82,063	128,963	63,207	50,753
2018	326,688	81,885	129,350	63,083	52,369
2019	328,240	81,625	129,630	62,926	54,058
2020	329,878	81,318	129,819	62,874	55,866
2021	331,894	82,131	130,204	63,710	55,848

Sources: United States, Bureau of the Census, Intercental Tables.

Note: Population estimates as of July.

Table 12.5

U.S. Resident Population, Age Distribution

Year	Percent of Population age 19 or less	Percent of Population age 20 to 49	Percent of Population age 50 to 64	Percent of Population age 65 and over
1910	41.9	44.0	9.8	4.3
1920	40.7	43.9	10.7	4.6
1930	38.7	44.1	11.8	5.4
1940	34.3	45.3	13.6	6.8
1945	33.1	45.3	14.2	7.5
1950	33.9	43.7	14.3	8.1
1955	36.2	41.0	14.1	8.8
1960	38.5	38.3	14.0	9.2
1965	39.3	37.1	14.2	9.5
1970	37.7	38.0	14.6	9.8
1975	35.0	39.6	14.8	10.5
1980	30.9	42.7	15.0	11.5
1985	28.5	45.3	14.1	12.1
1990	28.8	45.7	13.0	12.5
1995	28.6	45.0	13.1	13.4
2000	28.6	44.1	15.0	12.4
2005	27.7	42.7	17.2	12.4
2006	27.6	42.4	17.6	12.5
2007	27.5	42.0	18.0	12.6
2008	27.3	41.6	18.3	12.8
2009	27.1	41.2	18.7	12.9
2010	26.9	40.9	19.1	13.1
2011	26.6	40.7	19.5	13.3
2012	26.3	40.5	19.5	13.7
2013	26.0	40.3	19.6	14.1
2014	25.8	40.1	19.6	14.5
2015	25.6	39.9	19.6	14.9
2016	25.4	39.8	19.6	15.2
2017	25.3	39.7	19.4	15.6
2018	25.1	39.6	19.3	16.0
2019	24.9	39.5	19.2	16.5
2020	24.7	39.4	19.1	16.9
2021	24.7	39.2	19.2	16.8

Sources: United States, Bureau of the Census, Interennial Tables.

APPENDIX

GLOSSARY

A **Accelerated death benefit** Benefit paid, under clearly defined health-related circumstances, to a policyholder prior to his or her death. Accelerated death benefits are also known as living benefits.

Accidental death benefit A provision added to a life insurance policy for payment of an additional benefit if death is caused by an accident. Also known as double indemnity.

Actuary A person professionally trained in the technical aspects of insurance and related fields, particularly in the mathematics of insurance such as the calculation of premiums, reserves, and other values.

Adjustable life insurance A type of life insurance that allows the policyholder to change the plan of insurance, raise or lower the policy's face amount, increase or decrease the premium, and lengthen or shorten the protection period.

Adjuster A person, usually employed by a property/casualty insurer, who evaluates losses and settles claims. Independent adjusters are independent contractors who adjust claims for the insurance companies.

Agent A representative of an insurance company who is authorized to sell and service insurance contracts. Life insurance agents are also known as life underwriters or producers.

Annuitant The person whose life expectancy is used to determine the payout of an annuity.

Annuity A financial contract issued by a life insurance company that offers tax-deferred

savings and a choice of payout options to meet an owner's needs in retirement: income for life, income for a certain period of time, or a lump sum.

Annuity certain A contract that provides an income for a specified number of years, regardless of life or death.

Annuity consideration The payment, or one of regular periodic payments, that a policyholder makes to an annuity.

Application A statement of information made by a prospective purchaser that helps the insurer assess the acceptability of risk.

Assets Property owned by an insurance company—including stocks, bonds and real estate. Insurance accounting focuses on solvency and the ability to pay claims, therefore a conservative valuation of assets is required. This prohibits companies from listing assets on their balance sheets when values are uncertain.

Asset valuation reserve (AVR) A reserve that makes provisions for credit-related losses on fixed-income assets (default component) as well as all types of equity investments (equity component).

Assignment The legal transfer of one person's interest in an insurance policy to another person.

Assume To accept the risk of potential loss from another insurer.

Assumption reinsurance A reinsurance agreement in which one company permanently transfers full responsibility for a block of policies to another company. After the transfer, the ceding company is no longer a party to the insurance agreement.

Automatic premium loan A loan provision in a life insurance policy allowing any premium not paid by the end of the grace period (usually 30 or 31 days) to be paid automatically through a policy loan if cash value is sufficient.

B Balance sheet Information on a company's financial condition at a single point in time showing assets, investments, and liabilities. The balance sheet also reveals a company's equity, known as policyholder surplus. Changes in the surplus are one indicator of a company's financial standing.

Bank holding company A company that owns or controls one or more banks. The Federal Reserve regulates and supervises bank holding company activities such as approving mergers

and acquisitions. The authority of the Reserve applies even though a bank owned by a holding company may be under the primary supervision of the Comptroller of the Currency or the FDIC.

Beneficiary The person or financial entity (for instance, a trust fund) named in a life insurance policy or annuity contract as the recipient of policy proceeds in the event of the policyholder's death.

Benefit The amount payable by the insurance company to a claimant, assignee, or beneficiary when the insured suffers a loss covered by the policy.

Bond A security obligating the issuer to pay interest at specified intervals and to repay the principal at maturity. Bonds are a form of suretyship: Various types guarantee a payment or reimbursement for financial losses resulting from dishonesty, failure to perform, and other failures.

Bond rating An evaluation of a bond's financial strength by an established rating agency such as Standard & Poor's or Moody's Investor Services.

Broker A sales and service representative who handles insurance for clients and generally sells insurance of various kinds from one company or several.

Business disability insurance Disability insurance purchased by a business on a member of a firm. This insurance is often used to protect business partners against loss caused by a partner's disability and to reimburse corporations for loss caused by the disability of a key employee.

Business life insurance Insurance purchased by a business on the life of a member of the firm. This insurance protects surviving business partners against loss caused by the death of a partner and reimburses corporations for loss caused by the death of a key employee.

C Capacity The amount of insurance available to meet demand. Availability depends on the industry's capacity for risk. For an individual insurer, it is the maximum amount of risk it can underwrite based on its financial condition. An insurer's capital relative to its exposure to loss is an important measure of its solvency.

Capital stock The initial book value of stock sold by a company to start its operations.
Captive agent A person who represents only one insurance company and is restricted by agreement from submitting business to any other company unless rejected first by the captive agent's company.

Cash balance plan A defined benefit plan that strongly resembles a defined contribution plan. Benefits accrue through employer contributions to employee accounts and interest credits to balances in those accounts. The accounts serve as bookkeeping devices to track benefit accruals.

Cash value The amount available in cash upon surrender of a permanent life insurance policy. Also known as cash surrender value.

Cede To transfer the risk of potential loss to another insurer.

Certificate A statement issued to persons insured under a group policy that defines the essential provisions of their coverage.

Claim Notification to an insurance company that payment of an amount is due under the terms of a policy.

COBRA (Consolidated Omnibus Budget Reconciliation Act) A federal law under which group health plans sponsored by employers with twenty or more employees must offer continuation of insurance coverage to employees and their dependents after they leave their employment. Under COBRA, coverage can be continued for up to 18 months; the employee pays the entire premium.

Codification A process undertaken by NAIC to redefine life company statutory accounting to ensure consistency in how companies present their accounts in their annual statements. This process culminated in the 2001 annual statements, the structure of which was noticeably different from the previous years.

Convertible term insurance Term insurance that can be exchanged, at the option of the policyholder and without evidence of insurability, for another plan of insurance.

Credit disability insurance Disability insurance issued through a lender or lending agency to cover payment of a loan, an installment purchase, or other obligation in case of disability.

Credit life insurance Term life insurance issued through a lender or lending agency to cover payment of a loan, an installment purchase, or other obligation in case of death.

D Declination Rejection of an application for insurance coverage by an insurance company, usually due to the applicant's health or occupation.

Deductible The amount of loss paid by the policyholder. Either a specified dollar amount, a percentage of the claim amount, or a specified amount of time that must elapse before

benefits are paid. The larger the deductible, the lower the premium charged for the same coverage.

Deferred annuity A contract in which annuity payouts begin at a future date.

Deferred group annuity A type of group annuity providing for the purchase each year of a paid-up deferred annuity for each group member. The total amount received by a member at retirement is the sum of these deferred annuities.

Defined benefit plan A pension plan that specifies the benefits an employee will receive after retirement. Benefits typically are based on length of service and salary, and are usually funded by the employer on behalf of each plan participant.

Defined contribution plan A pension plan that specifies the contributions made by employees, and in many cases the employer, on behalf of each plan participant. These funds accumulate for each participant until retirement, when they are distributed as a lump sum or monthly annuity. Benefits are based on the amount of contributions plus earnings.

Deposit administration group annuity A type of group annuity that allows contributions to accumulate in an undivided fund, out of which annuities are purchased as each member of the group retires.

Deposit term insurance A form of term insurance in which the first-year premium is larger than subsequent premiums. A partial endowment typically is paid at the end of the term period. In many cases, the partial endowment can be applied toward the purchase of a new term or whole life policy.

Deposit-type contracts Contracts that do not include mortality or morbidity risks.

Disability A physical or mental condition that makes an insured person incapable of working.

Disability benefit The benefit paid under a disability income insurance policy; also a feature added to some life insurance policies providing for waiver of premium, and sometimes payment of monthly income, if the policyholder becomes totally and permanently disabled.

Disability income insurance Insurance that provides periodic payments, or in some cases a lump-sum payment, based on the insured's income replacement needs, when the insured is unable to work due to illness or injury.

Dividend An amount of money returned to the holder of a participating life insurance

policy. The money results from actual mortality, interest, and expenses that were more favorable than expected when the premiums were set. The amount of any dividend is set by the insurer based on the insurer's standards.

Dividend addition An amount of paid-up insurance purchased with a policy dividend and added to the policy's face amount.

E **Earned premium** The portion of premium that applies to the expired part of the policy period. Insurance premiums are payable in advance but the insurance company does not fully earn them until the policy period expires.

Endowment Life insurance payable to the policyholder on the policy's maturity date, or to a beneficiary if the insured dies prior to that date.

Evidence of insurability The common requirement by life insurance companies that potential policyholders undergo a physical examination or medical tests, such as blood pressure or cholesterol screening, before the applicant can purchase an individual life insurance policy.

Extended term insurance A form of insurance available as a non-forfeiture option providing the original amount of insurance for a limited time.

Extra risk A person possessing a greater-than-average likelihood of loss.

F **Face amount** The amount stated on the face of a life insurance policy that will be paid upon death or policy maturity. The amount excludes dividend additions or additional amounts payable under accidental death or other special provisions.

Family policy A life insurance policy providing insurance on all or several family members in one contract. It generally provides whole life insurance on the principal breadwinner and small amounts of term insurance on the spouse and children, including those born after the policy is issued.

Fiduciary A person or organization authorized to control or manage pension assets to administer a pension plan. Fiduciaries are legally obligated to discharge their duties solely in the interest of plan participants and beneficiaries, and are accountable for any actions that may be construed by courts as breaching that trust.

Fixed annuity A deferred annuity contract in which the life insurance company credits a fixed rate of return on premiums paid or an immediate annuity in which the periodic amount is fixed.

Flexible premium policy or annuity A life insurance policy or annuity contract that allows the amount and frequency of premium payments to be varied.

401(k) plan An employment-based retirement savings plan that allows employees to make tax-deferred contributions from current earnings.

403(b) plan A retirement savings plan, similar to a 401(k), for employees of charitable and educational organizations.

457 plan A retirement savings plan, similar to a 401(k), for employees of state and municipal governments.

Fraternal life insurance Life insurance provided by fraternal orders or societies to their members.

Fraud Intentional lying or concealment by policyholders to obtain payment of an insurance claim that would otherwise not be paid, or lying or misrepresentation by the insurance company managers, employees, agents, and brokers for financial gain.

G General account An undivided account in which life insurers record all incoming funds. A general account is usually an insurer's largest, although separate accounts can also be used to fund specific liabilities as well.

Grace period A period of usually a number of days following each insurance premium due date except the first, during which an overdue premium may be paid and the policy be maintained. All policy provisions remain in force during this period.

Group annuity A pension plan providing annuities at retirement to a group of people under a master contract, usually issued to an employer for the benefit of employees. Each group member holds a certificate as evidence of his or her annuity.

Group life insurance Life insurance on a group of people, usually issued to an employer for the benefit of employees. Each group member holds a certificate as evidence of his or her insurance.

Guaranteed interest contract (GIC) A contract offered by an insurance company guaranteeing a rate of return on assets for a fixed period, and payment of principal and accumulated interest at the end of the period. GICs sometimes are used to fund the fixed-income option in defined contribution plans, such as 401(k)s.

Immediate annuity An annuity contract in which periodic payments begin immediately or

within one year of the policy's issue.

Indemnity reinsurance A form of reinsurance in which the risk is passed to a reinsurer, which reimburses the ceding company for covered losses. The ceding company retains its liability to and contractual relationship with the insured.

Individual life insurance Paid by an individual and is payable upon death. Premiums can be paid annually, semiannually, quarterly, or monthly.

Individual policy pension trust A type of pension plan frequently used for small groups and administered by trustees authorized to purchase individual level-premium policies or annuity contracts for each plan member. The policies usually provide both life insurance and retirement benefits.

Individual retirement account (IRA) An account to which a person can make annual contributions of earnings up to a specified dollar limit. These contributions are tax-deductible for workers who are not covered by an employment-based retirement plan, regardless of income, or whose income does not exceed certain taxable income levels.

Insolvency Insurer's legal inability to pay its future policyholder obligations. Insurance insolvency standards and the regulatory actions taken vary from state to state. Typically, the first indications of an insurer's financial stress are its inability to pass the financial tests regulators routinely administer.

Institutional investor An organization such as a bank or insurance company that buys and sells large quantities of securities.

Insurable Interest This doctrine requires that a person or company be in a position to suffer monetary loss before they can purchase life insurance on another person's life, or property insurance on another's property. The interest must exist at the time the insurance contract is issued.

Insurable risk Risks for which it is relatively easy to get insurance. Such risks meet certain criteria including being definable, accidental in nature, and part of a group of similar risks large enough to make losses predictable. Such conditions make it possible for an insurer to offer insurance at a reasonable rate.

Insurance A system to make coverage of large financial losses affordable by pooling the risks of many individuals or business entities and transferring them to an insurance company in return for a premium.

Insurance examiner The state insurance department representative assigned to conduct the official audit and examination of an insurance company's operations.

Insured The person on whose life an insurance policy is issued. Also known as insured life.

Interest maintenance reserve (IMR) A reserve that captures all realized, interest-related capital gains and losses on fixed-income assets. These gains and losses are amortized into income over the remaining life of the investment sold.

J **Joint and survivor annuity** An annuity in which payments are made to the owner for life and, after the owner's death, to the designated beneficiary for life.

K **Keogh (H.R. 10) account** A retirement savings account to which a self-employed person can make annual tax-deductible contributions, subject to limitations.

L **Lapsed policy** An insurance policy terminated at the end of the grace period because of nonpayment of premiums. See non-forfeiture value.

Legal reserve life insurance company A life insurer operating under state insurance laws that specify the minimum basis for reserves that the company must maintain on its policies.

Level premium life insurance Life insurance for which the premium remains the same from year to year. The premium is more than the actual cost of protection during earlier years of the policy and less than the actual cost in later years. The initial overpayments build a reserve which, together with interest to be earned, balances the underpayments of later years.

Life annuity An annuity contract that provides periodic income payments for life.

Life expectancy The average years of life remaining for a group of persons of a given age, according to a mortality table.

Life insurance in force The sum of face amounts and dividend additions of life insurance policies outstanding at a given time. Additional amounts payable under accidental death or other special provisions are excluded.

Limited payment life insurance Whole life insurance on which premiums are payable for a specified number of years, or until death if it occurs before the end of the specified period.

Long-term care insurance Insurance that provides financial protection for persons who become unable to care for themselves because of chronic illness, disability, or cognitive impairment such as Alzheimer's disease.

Lump-sum distribution The non-periodic withdrawal of money invested in an annuity.

M **Malpractice insurance** Professional liability coverage for physicians, lawyers, and other specialists against lawsuits alleging negligence or errors and omissions that have harmed their clients.

Managed care An arrangement between an employer or insurer and selected providers to provide comprehensive health care at a discount to members of the insured group and coordinate the financing and delivery of health care. Managed care uses medical protocols and procedures agreed on by the medical profession to be cost effective. These protocols are also known as medical practice guidelines.

Master policy A policy issued to an employer or trustee establishing a group insurance plan for designated members of an eligible group.

Mediation Legal procedure in which a third party or parties attempts to resolve a conflict between two other parties. Mediation can be binding or non-binding.

Medicaid A federal and state public assistance program created in 1965 and administered by the states for people whose income and resources are insufficient to pay for health care.

Medicare Federal program for people sixty-five years or older that pays part of the costs associated with their health care such as hospital stays, surgery, home care and nursing care.

Mortality and expense charge The fee for a guarantee that annuity payments will continue for life.

Mortality table A statistical table showing the death rate at each age, usually expressed per thousand.

Mutual life insurance company A life insurance company without stockholders whose management is directed by a board elected by the policyholders. Mutual companies generally issue participating insurance.

N **Non-forfeiture value** The value of an insurance policy if it is cancelled or required premium payments are not paid. The value is available to the policyholder either as cash or reduced paid-up insurance.

Non-medical limit The maximum face value of a policy that a given company will issue without a medical examination of the applicant.

Nonparticipating policy A life insurance policy under which the company does not

distribute to policyholders any part of its surplus. Premiums usually are lower than for comparable participating policies. Some nonparticipating policies have both a maximum premium and a current lower premium, which reflects anticipated experience more favorable than the company is willing to guarantee. The current premium may change from time to time for the entire block of business to which the policy belongs. See participating policy.

Nonproportional reinsurance A form of reinsurance in which the reinsurer's liability depends on the number or amount of claims incurred in a given period.

O **Operating expenses** The cost of maintaining a business, including property, insurance, taxes, utilities and rent, but excludes income tax, depreciation, and other financing expenses.

Options Contracts that allow, but do not oblige, the buying or selling of assets at a certain date at a set price.

Ordinary life insurance A life insurance policy that remains in force for the insured's lifetime, usually for a level premium. Also referred to as whole life insurance. In contrast, term life insurance only lasts for a specified number of years (but may be renewable).

P **Paid-up insurance** Insurance on which all required premiums have been paid; frequently refers to the reduced paid-up insurance available as a nonforfeiture option.

Partial disability benefit A benefit sometimes found in disability income policies providing payment of reduced monthly income if the insured cannot work full time or is unable to earn a specified percentage of predisability earnings due to a disability.

Participating policy A life insurance policy under which the company distributes to policyholders the part of its surplus that its board of directors determines is not needed at the end of the business year. Such a distribution reduces the premium that the policyholder had paid. See policy dividend and nonparticipating policy.

Pensions Programs to provide employees with retirement income after they meet minimum age and service requirements. Life insurers hold some of these funds. Over the last 25 years, the responsibility of funding these retirement accounts has shifted from the employers (who offered defined benefit plans promising a specific retirement income) to employees (who now have defined contribution plans that are financed by their own contributions and not always matched by employers).

Permanent life insurance Generally, insurance that can stay in force for the life of the insured and accrues cash value, such as whole life or endowment. May also be referred to as ordinary life insurance.

Policy The printed document that a company issues to the policyholder, which states the terms of the insurance contract.

Policy dividend A refund of part of the premium on a participating life insurance policy, reflecting the difference between the premium charged and actual experience.

Policyholder/Policy owner The owner of an insurance policy, who may be the insured, a relative of the insured such as a spouse, or a nonnatural person such as a partnership or corporation.

Policy illustration A depiction of how a life insurance policy will work, showing premiums, death benefits, cash values, and information about other factors that may affect policy costs.

Policy loan The amount a policyholder can borrow at a specified rate of interest from the issuing company, using the insurance policy's value as collateral. If the policyholder dies with the debt partially or fully unpaid, the insurance company deducts the amount borrowed, plus accumulated interest, from the amount payable to beneficiaries.

Policy reserves The funds that a life insurance company holds specifically for fulfilling its policy obligations. Reserves are required by law to be calculated so that, together with future premium payments and anticipated interest earnings, they enable the company to pay all future claims.

Preferred risk A person considered less of a risk than the standard risk.

Premium The payment, or one of the periodic payments, that a policyholder makes to own an insurance policy or annuity.

Premium loan A policy loan for paying premiums.

Proportional reinsurance A form of reinsurance in which the amount ceded is defined at the point the risk is transferred, not at the point of claim. The amount of risk may vary with time by formula.

Q **Qualified plan** An employee benefit plan that meets Internal Revenue Code requirements. Employer contributions to such plans are immediately deductible. Contributions to and earnings in such plans are not included in the employee's income until distributed to the employee. Also known as tax-qualified plan.

R **Rated policy** An insurance policy issued at a higher-than-standard premium rate to cover extra risk, as when the insured has impaired health or a hazardous occupation. Also known

as extra-risk policy.

Reduced paid-up insurance A form of insurance available as a nonforfeiture option providing for continuation of the original insurance plan at a reduced amount.

Reinstatement The restoration of a lapsed insurance policy. The company requires evidence of insurability and payment of past-due premiums plus interest.

Reinsurance The transfer of some or all of the insurance risk to another insurer. The company transferring the risk is called the ceding company; the company receiving the risk is called the assuming company or reinsurer.

Reinsure To transfer the risk of potential loss from one insurer to another insurer.

Renewable term insurance Term insurance that can be renewed at the end of the term, at the policyholder's option and without evidence of insurability, for a limited number of successive terms. Rates increase at each renewal as the insured ages.

Reserve The amount required to be carried as a liability on an insurer's financial statement to provide for future commitments under policies outstanding.

Retrocede To cede insurance risk from one reinsurer to another reinsurer.

Retrocessionaire A reinsurer that contractually accepts from another reinsurer a portion of the ceding company's underlying risk. The transfer is known as a retrocession.

Return-to-work program A program that helps persons with activity limitations return to work. Assistance may involve maximizing medical improvement to diminish the effect of limitations, or facilitating job or job-site accommodations, retraining, or other means of taking activity limitations into account.

Rider An amendment to an insurance policy that expands or restricts the policy's benefits or excludes certain conditions from coverage. See accelerated death benefit and accidental death benefit.

Risk-based capital (RBC) Method developed by the National Association of Insurance Commissioners to measure the minimum amount of capital that an insurance company needs to support its overall business operations. RBC sets capital requirements that consider the size and degree of risk taken by the insurer and presumes that stakeholders will still receive limited payment should insolvency occur. RBC has four components:

Asset risk Determines an asset's default of principal or interest, or fluctuation in

market value, as a result of market changes.

Credit risk Measures the default risk on amounts due from policyholders, reinsurers, or creditors.

Off-balance-sheet risk Measures the risk from excessive growth rates, contingent liabilities, or other items not reflected on the balance sheet.

Underwriting risk Calculates the risk from underestimating liabilities from business already written, or inadequately pricing current or prospective business.

Risk classification The process by which a company decides how its premium rates for life insurance should differ according to the risk characteristics of persons insured—their age, occupation, gender, and health status, for example—and how the resulting rules are applied to individual applications. See underwriting.

Roth IRA An individual retirement account (IRA) in which earnings on contributions are not taxed at distribution, as long as the contributions have been in the account for five years and the account holder is at least age 59 1/2, disabled, or deceased. Contributions to a Roth IRA are not tax-deductible.

S Self-insured plan A retirement plan funded through a fiduciary—generally a bank but sometimes a group of people—which directly invests the accumulated funds. Retirement payments are made from these funds as they fall due. Also known as trustee plan or directly invested plan.

Separate account An asset account maintained independently from the insurer's general investment account and used primarily for retirement plans and variable life products. This arrangement permits wider latitude in the choice of investments, particularly in equities.

Settlement options The several ways, other than immediate payment in cash, that a policyholder or beneficiary may choose to have policy benefits paid. See supplementary contract.

Standard risk A person possessing an average likelihood of loss.

Stock life insurance company A life insurance company owned by stockholders who elect a board to direct the company's management. Stock companies generally issue nonparticipating insurance.

Straight life annuity An annuity whose periodic payouts stop when the annuitant dies.

Straight life insurance Whole life insurance on which premiums are payable for life.

Structured settlement An agreement allowing a person who is responsible for making payments to a claimant to assign to a third party the obligation of making those payments. An annuity contract is often used to make structured settlement payments.

Substandard risk A person who cannot meet the normal health requirements of a standard insurance policy. Protection is provided under a waiver, special policy form, or higher premium charge. Also known as impaired risk.

Supplementary contract An agreement between a life insurance company and a policyholder or beneficiary in which the company retains the cash sum payable under an insurance policy and makes payments according to the settlement option chosen.

Surplus The remainder after an insurer's liabilities are subtracted from its assets. The financial cushion that protects policyholders in case of unexpectedly high claims.

T **Term-certain annuity** An annuity which makes periodic payments over a fixed number of years. See annuity certain.

Term insurance Insurance that covers the insured for a certain period of time, known as the term. The policy pays death benefits only if the insured dies during the term, which can be one, five, ten or even twenty years.

Terminal funded group plans The reserves under an annuity contract for benefits accumulated outside of the contract, such as under a defined benefit retirement plan that has been terminated.

Third-party administrator Outside group that performs administrative functions for an insurance company.

Title insurance Insurance that indemnifies real estate owners in case clear ownership of the property is challenged by the discovery of faults in the title.

Tort A legal term denoting a wrongful act resulting in injury or damage on which a civil court action or legal proceeding may be based.

Total disability The inability of a person to perform all essential functions of his or her occupation, or in some cases any occupation, due to a physical or mental impairment.

U **Umbrella policy** Coverage for losses beyond the limits of underlying property-casualty, homeowners, or auto insurance policies. While the umbrella applies to losses over the dollar

amount in underlying policies, coverage terms are sometimes broader than those specified in the underlying policies.

Unallocated contract A contract under which premiums and contributions are deposited to a fund, rather than used immediately, to purchase annuities for benefit plan participants.

Underwriting The process of classifying applicants for insurance by identifying such characteristics as age, gender, health, occupation, and hobbies. People with similar characteristics are grouped together and charged a premium based on the group's level of risk.

Uninsurable risk Risks for which insurance coverage may not be available.

Universal life insurance A type of permanent life insurance that allows the insured, after the initial payment, to pay premiums at various times and in varying amounts, subject to certain minimums and maximums. To increase the death benefit, the insurance company usually requires the policyholder to furnish satisfactory evidence of continued good health. Also known as adjustable life insurance.

V **Variable annuity** A contract in which the premiums paid are invested in separate accounts which holds funds, including bond and stock funds. The selection of funds is guided by the level of risk assumed. The account value reflects the performance of the funds that the owner has chosen for investment.

Variable life insurance A type of permanent insurance providing death benefits and cash values that vary with the performance of a portfolio of investments. The policyholder may allocate premiums among investments offering varying degrees of risk, including stocks, bonds, combinations of both, and accounts that guarantee interest and principal.

Variable-universal life insurance A type of permanent insurance that combines the premium flexibility of universal life insurance with a death benefit that varies as in variable life insurance. Excess interest credited to the cash value depends on the investment results of separate accounts investing in equities, bonds, real estate, and others. The policyholder selects the accounts to which premium payments are made.

Vesting The right of an employee to all or a portion of the benefits he or she has accrued, even if employment terminates. Employee contributions, as in a 401(k) plan, always are fully vested. Employer contributions vest according to a schedule defined by the plan and are usually based on years of service.

Viatical settlement companies Life insurance companies that purchase life insurance

policies at a discounted value from a policyholder who is elderly or terminally ill. The companies then assume the premium payments and collect the face value of the policy upon the death of the person originally insured.

Void When an insurance policy is freed from legal obligations for reasons specified in the policy contract (i.e., a policy could be voided by an insurer if information given by a policyholder is proven untrue).

W

Waiver of premium A provision that sets conditions under which an insurance company would keep a policy in full force without the payment of premiums. The waiver is used most frequently for policyholders who become totally and permanently disabled.

Whole life insurance The most common type of permanent life insurance, in which premiums generally remain constant over the life of the policy and must be paid periodically in the amount specified in the policy. Also known as ordinary life insurance.

Workers compensation Insurance that pays for medical care related to on-the-job injuries and physical rehabilitation. Workers compensation helps cover lost wages while an injured worker is unable to work. State laws vary widely on benefit amounts paid and other compensation provisions.

HISTORIC DATES

- 1759** The first life insurance company in the United States—The Corporation for Relief of the Poor and Distressed Presbyterian Ministers and of the Poor and Distressed Widows and Children of Presbyterian Ministers—is established in Philadelphia by the Synod of the Presbyterian Church.
- 1769** Benjamin Franklin said: “A policy of life assurance is the cheapest and safest mode of making certain provision for one’s family. It is time our people understood and practiced more generally life assurance. Many a widow and orphan have great reason to be thankful that the advantage of life assurance was understood and embraced by the husband and father. A large amount has been paid... to widows and orphans when it formed almost their only recourse.”
- 1777** The Corporation for Relief of Poor and Distressed Presbyterian Ministers and of the Poor and Distressed Widows and Children of Presbyterian Ministers voted to lend the Continental Loan Office 5,000 pounds, which amounted to over half the Corporation’s total reserves. This loan was used to finance the war effort of the Continental Army during the American Revolution.
- 1789** Professor Edward Wigglesworth of Harvard prepares a modified table of mortality based on Massachusetts experience, the first computation of premiums and reserves on a scientific basis in the United States.
- 1794** The Insurance Company of North America is chartered as the first general insurance company to sell life insurance in America. In five years, only six policies are issued, and the company discontinues its life insurance business in 1804.
- 1812** The Pennsylvania Company for Insurance on Lives and Granting Annuities is incorporated, the first corporation to be organized in America solely for issuing life insurance policies and annuities. The first policy is issued in 1813. The company discontinues issuing life policies in 1872.

- 1830** New York Life Insurance and Trust Company, the first American life insurance company to employ agents, is started. The company later discontinues its life insurance business and subsequently is merged with the Bank of New York.
- 1835** A charter is granted to New England Mutual Life Insurance Company of Boston—the first to a mutual company in America. The company begins operating in December 1843.
- 1836** The Girard Life Insurance, Annuity and Trust Company of Philadelphia is established on the new principle of granting policyholders participation in profits. The first policy dividends are allotted in 1844 as additions of insurance to policies in force three or more years. Initially a stock company, the insurer later becomes a trust company.
- 1840** The New York Legislature passes a bill providing that the proceeds of a policy made out to a widow as beneficiary must be paid to her, exempt from creditors' claims. Enacted into law, this measure strengthens the protective power of life insurance policies.
- 1842** The Mutual Life Insurance Company of New York is chartered. The company's first policy is issued February 1, 1843, marking the beginning of mutual life insurance as it is known today.
- 1848** The first policy loans are granted.
- 1849** New York passes the first general insurance law.
- 1851** New Hampshire establishes the first regulatory body to examine the affairs of insurance companies.
- 1853** Policy valuation tables, which Elizur Wright developed over nine years, are published.
- 1857** New York City establishes a pension fund for its policemen, the first pension plan covering state or local government employees.
- 1859** New York establishes the first state insurance department.
- 1861** Massachusetts is the first state to require nonforfeiture values as part of life policies.
- The first war risk insurance is written by life insurance companies during the Civil War.
- 1864** The Manhattan Life Insurance Company is the first U.S. company to write an incontestable clause into a policy.
- 1866** The Treasury Department rules that death benefits from a life insurance policy are not subject to an income tax enacted in 1862 to fund the Civil War.
- 1868** The American Experience Table of Mortality is published as part of a New York law. Covering

experience from 1843 to 1858, it remains the table most widely used by American companies until the 1940s.

1869 The U.S. Supreme Court holds insurance not to be a transaction in commerce, and affirms the validity of state regulation of insurance.

The earliest organization of life insurance agents is recorded in Chicago.

1871 The first convention of state insurance commissioners is held in New York City.

1873 The first weekly premium policy is issued in the United States.

1875 The industrial insurance agency system is introduced in the United States.

The first pension plan in U.S. industry is established by the American Express Company, financed solely by the employer.

1880 The first formal pension plan supported jointly by employer and employee contributions is established by the Baltimore & Ohio Railroad Company.

Cash surrender values are first established by law in Massachusetts.

1892 Columbia University adopts a pension plan for its professors, the first private college retirement plan, effective at age 65 with a minimum of 15 years' service.

1893 The first pension plan for public school teachers is established in Chicago.

1901 Carnegie Steel Company establishes the first enduring pension plan in a manufacturing company. This plan, with some modifications, is taken over by the United States Steel Company in 1911.

1905 The first functioning trade union pension plan is established by the Granite Cutters. Earlier trade union plans, set up by the Pattern Makers (1900) and National Association of Letter Carriers (1902), never paid benefits before dissolution.

The Armstrong investigation of life insurance by the New York Legislature results in many changes in insurance laws.

1911 The first group life insurance for employees is introduced.

1913 Modern tax code enacted: maintains public policy of exempting benefits from a life insurance policy.

1917 Government-sponsored life insurance for World War I servicemen is offered under the War Risk Insurance Act. This program subsequently becomes known as U.S. Government Life Insurance.

1920 Congress creates the Federal Civil Service Retirement and Disability Fund.

1921 Metropolitan Life Insurance Company issues the first group annuity contract in the United States.

The Revenue Act makes employer contributions to profit-sharing trusts tax-exempt. Its provisions are extended to pension trusts in 1926.

1928 The first examinations are held for chartered life underwriters.

1935 The Social Security Act is enacted.

The Railroad Retirement System is established. It is amended in 1937 to create a unified system for the industry.

1939 The temporary National Economic Committee begins an investigation of the life insurance business.

1940 Congress adopts the National Service Life Insurance Act, providing insurance for men and women in service in World War II.

1941 New York forms the first state guaranty association mechanism for life and health insurance companies.

1944 The U.S. Supreme Court holds that insurance is commerce, and that when conducted across state lines, it is interstate commerce and subject to federal laws.

1945 The McCarran-Ferguson Act declares that state regulation of insurance is in the public interest and grants an exemption from antitrust laws to the extent that the business is regulated by state law.

1946 The first issue of the Life Insurance Fact Book was published by the Institute of Life Insurance, a predecessor of ACLI.

1949 The U.S. Supreme Court rules that employers are required to bargain on pensions.

1952 The College Retirement Equities Fund is established as the first variable annuity fund.

1954 The Participating Annuity Life Insurance Company offers the first variable annuity contracts to the general public.

The Federal Employees' Group Life Insurance Act is introduced, providing group life insurance and accidental death and dismemberment insurance to civilian officers and employees of the U.S. government through private insurance companies.

1959 Arkansas is the first state to pass laws permitting life insurance companies to issue variable annuities

and authorizing the establishment of separate accounts.

Early 1960s Most states now have laws specifically allowing life insurance companies to maintain separate accounts, freeing pension fund investments from some of the limitations applied to companies' general accounts.

1962 H.R. 10 (Keogh Act), officially known as the Self-Employed Individual Retirement Act, is adopted.

1963–64 The Securities and Exchange Commission rules that separate account acquisitions are an issuance of securities subject to regulation under the Securities Act, but tax-qualified group pension plans, including variable annuities, are exempted from the act's registration and prospectus requirements.

The Civil Rights Act was passed, eliminating the discriminatory practice of charging different life insurance premiums based on race that had been ongoing since the 1940s.

1965 The Servicemen's Group Life Insurance Act is introduced, providing members on active duty in the uniformed services with group life insurance underwritten by private insurers through a contract with the Veterans Administration.

1974 The Employee Retirement Income Security Act (ERISA) is signed into law. ERISA primarily protects the benefits of participants in private plans, assures reasonable vesting provisions, and broadens the opportunity to set up plans for the self-employed and workers who have no private retirement plans.

1975 The Institute of Life Insurance and the American Life Insurance Association merge to become the American Council of Life Insurance. The headquarters were moved to Washington, D.C.

1976 The first individual variable life insurance policy is issued in the United States.

1977 The first universal life insurance policy is issued in the United States.

1978 The Age Discrimination in Employment Act Amendments raise the mandatory retirement age from 65 to 70 for most private-sector and state and local government employees, and eliminate it for federal employees.

1981 The Economic Recovery Tax Act is signed into law. It allows all workers to claim tax deductions, within limits, for retirement savings; liberalizes tax deductions for retirement savings, interest, and dividend exclusions; and reduces or eliminates estate and gift taxes for most individuals.

1982 The Tax Equity and Fiscal Responsibility Act revises the life insurance company taxation formula and repeals the use of modified coinsurance in tax calculations; imposes a penalty tax on certain

annuity withdrawals; places limitations on pension plan benefits; and imposes additional restrictions on certain plans.

- 1983** The U.S. Supreme Court decides in *Arizona Governing Committee for Tax-Deferred Annuity and Deferred Compensation Plans v. Norris* that employee retirement benefits based on contributions made after August 1, 1983, must be calculated without regard to the employee's gender.

The Social Security Amendments increase Social Security taxes and make a portion of Social Security benefits taxable for high-income retirees; limit cost-of-living adjustments under some circumstances; make new federal employees, members of Congress, the president, and other federal officials subject to Social Security taxes; and gradually increase the retirement age to 67 by 2027.

- 1984** The Retirement Equity Act lowers the minimum age for vesting and participation in retirement plans; requires the spouse's written consent before joint and survivor coverage may be waived under pension plans; and requires payment of a survivor annuity if a vested participant dies before the annuity's starting date.

The Tax Reform Act significantly changes the basis on which life insurance companies are taxed and includes universal life insurance within the definition of life insurance, preserving its positive tax treatment.

- 1985** Montana becomes the first state to forbid gender discrimination in the setting of premium rates for all types of insurance, effective October 1.

- 1986** The Tax Reform Act eliminates the tax deductibility of individual retirement account (IRA) contributions for highly paid persons covered by pension plans; reduces the maximum contribution to salary reduction [401(k)] plans; and limits the deductibility of interest paid on loans against corporate-owned life insurance policies.

- 1987** The Revenue Act establishes faster funding requirements for underfunded pension plans, a variable-rate Pension Benefit Guaranty Corp. premium, and a lower full-funding limitation for qualified plans.

- 1988** The Technical and Miscellaneous Revenue Act creates a new class of life insurance contract—in which policy loans and surrender payments are subject to taxation similar to that of deferred annuities—and increases the excise tax on excess pension assets upon termination of qualified plans.

- 1990** A significant federal tax is imposed on life insurers' deferred acquisition costs. It becomes known as the DAC tax.

- 1991** All 50 states and Puerto Rico now have life and health insurance company guaranty association

mechanisms.

- 1993** The Omnibus Budget Reconciliation Act reduces the amount of annual compensation for calculating retirement benefits to \$150,000 from \$235,840.

In *John Hancock v. Harris Trust and Savings Bank*, the U.S. Supreme Court rules that certain assets in John Hancock Life Insurance Company's general account are "plan assets" and that the company's actions regarding their management and disposition must be judged against ERISA's fiduciary standards.

- 1995** In *NationsBank v. Variable Annuity Life Insurance Company*, the U.S. Supreme Court rules that annuities are not a form of insurance under the National Bank Act, effectively allowing national banks to sell annuities without limitation.

The Internal Revenue Service states in proposed regulations that bank-issued, hybrid CD-annuities are taxable to purchasers.

- 1996** The Small Business Job Protection Act (SBA) amends ERISA to clarify the U.S. Supreme Court's decision in *John Hancock v. Harris Trust and Savings Bank* and to protect insurers from lawsuits brought for past actions taken in good-faith reliance on government rules. SBA also contains a wide variety of pension simplification provisions and creates a new SIMPLE plan for small employers.

The Health Insurance Portability and Accountability Act (HIPAA) clarifies the tax treatment of long-term care and accelerated death benefits. HIPAA permits qualified long-term care insurance and services to be treated like accident and health insurance for tax purposes, and treats accelerated death benefits paid to terminally and chronically ill individuals as amounts paid by reason of the death of the insured under a life insurance contract.

- 1997** The Financial Services Agreement of the General Agreement on Trade in Services locks in liberalization measures in crucial world markets. Its framework reduces or eliminates government barriers that either prevent financial services from being freely provided across national borders or discriminate against firms with foreign ownership.

Section 408A of the Taxpayer Relief Act, beginning January 1, 1998, creates the Roth IRA, in which contributions are not deductible but qualified distributions are excluded from gross income.

- 1998** The Insurance Marketplace Standards Association (IMSA) is launched. The voluntary membership organization promotes high ethical standards in the sale of individual life insurance and individual annuity products through IMSA's Principles and Code of Ethical Market Conduct.

- 1999** The Gramm-Leach-Bliley Financial Services Modernization Act eliminates laws enacted during

the Depression to restrict affiliations among insurers, banks, and securities firms. The act clarifies that insurance regulators oversee the insurance activities of all financial institutions and prohibits insurance underwriting in bank operating subsidiaries. The new law also prevents banking regulators from unilaterally broadening banks' insurance powers or circumventing the state insurance regulatory system; requires federal courts to grant equal deference to federal and state regulators in resolving insurance disputes; and permits a mutual life insurer to relocate if its state fails to enact a mutual holding company law.

George Nichols III elected as the NAIC's first African-American president in its 128-year history.

- 2000** The Electronic Signatures in Global and National Commerce Act ensures that life insurers and their customers can transact business over the Internet by setting national standards and making electronic signatures and records legally binding.

Legislation granting permanent normal trade relations to China is enacted, setting the stage for China's accession to the World Trade Organization.

- 2001** The Economic Growth and Tax Relief Reconciliation Act, containing pension reform measures and retirement saving incentives, is signed into law. The act raises the limits on contributions to 401(k)-type retirement plans and IRAs, and indexes the limits for inflation; allows those 50 and older to make additional catch-up contributions to 401(k)-type plans and IRAs annually; shortens vesting schedules for 401(k) plans; eases rules on rolling over retirement savings among private-sector, public-sector, and nonprofits' plans; and reduces administrative requirements for small businesses that set up and maintain retirement plans.

The USA Patriot Act is signed into law, requiring life insurers and other financial institutions to establish anti-money-laundering programs with internal procedures and controls, a designated compliance officer, ongoing employee training, and independent audits.

- 2002** The Victims of Terrorism Tax Relief Act is enacted, protecting life insurers that issue structured settlement annuities from adverse tax treatment when a beneficiary transfers the stream of income from such an annuity to a third party.

- 2003** NAIC adopts the Senior Protection in Annuity Transactions Model Law.

- 2004** Congress passes and the President signs the Pension Funding Equity Act of 2004. The bill establishes a two-year temporary replacement for the 30-year Treasury interest rate and becomes effective January 1, 2005. Included in the bill is a permanent repeal of section 809 of the tax code, which affects mutual life insurance companies.

- 2005** Commissioners' 2001 Standard Ordinary Mortality Tables, (2001 CSO Tables), which had been

previously adopted by the NAIC, were adopted by a majority of the states, thus putting them in effect for state regulatory purposes. These new tables replace the 1980 CSO Tables.

- 2006** Interstate Insurance Product Regulation Compact Commission was created to develop uniform standards for insurance products, to provide a central clearing house for regulatory review and to enhance cooperation and coordinate efforts between state insurance departments.

Pension Protection Act of 2006 was signed into law by President Bush, strengthening the federal pension insurance system and expanding opportunities for Americans to achieve a secure retirement. The legislation makes permanent increased contribution limits to 401(k)s and IRAs; establishes defined-contribution auto-enrollment; encourages annuities as payout options in employer-sponsored retirement plans; and permits the combination of long-term care insurance and annuities.

- 2010** The Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) is signed into law creating a new Federal Insurance Office within the Department of Treasury. The Federal Insurance Office will be responsible for understanding and advising Congress and the administration on insurance-related issues and helping negotiate international regulatory equivalency agreements.

- 2011** Illinois Insurance Director Michael McRaith is appointed the first director of the new Federal Office of Insurance (FIO) created by the Dodd-Frank Act. He will report to and advise the Secretary of Treasury on all life insurance matters.

Roy Woodall, Jr., was confirmed in September 2011, by the U.S. Senate, to serve as the first independent member with insurance expertise on the Financial Stability Oversight Council (FSOC).

- 2012** The Supreme Court upholds the health care reform law, its mandate for individual health care coverage and most of its other provisions. By this decision, the Court removed major uncertainties regarding health care reform in the U.S.

The Federal Insurance Office (FIO) establishes the Federal Advisory Committee on Insurance (FACI), a fifteen member board tasked with advising the FIO Director on emerging insurance issues. The FACI convenes its first public meeting in March.

- 2013** The Federal Insurance Office (FIO) releases a report entitled *How To Modernize And Improve The System Of Insurance Regulation In The United States*. The report presents several recommendations of the FIO on how the U.S. system of insurance regulation can be updated for the 21st century.

- 2014** The Insurance Capital Standards Clarification Act of 2014 is signed into federal law. This act clarifies to the Board of Governors of the Federal Reserve that they are not required to apply Section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which relates to capital

requirements on financial institutions, to regulated insurance entities.

2015/2016 A new way of calculating life insurance reserves was ushered into existence when the 42nd state adopted a revised Standard Valuation Law. The new method, called principle-based reserves (PBR), becomes effective for new policies issued on or after 1/1/2017, and relies more heavily on computer modeling and company-specific assumptions based on actual past experience.

2017/2018 The Tax Cuts and Jobs Act, signed into law by President Trump on December 22, 2017, represents the largest overhaul of the U.S. tax code since 1986. Among other things, the law generally benefited corporate taxpayers, including life insurers, by lowering the highest marginal corporate tax rate from 35 percent to 21 percent. However, the law also contained life insurance industry-specific provisions that will raise an additional \$24.6 billion in federal taxes from the industry over a 10 year period, according to estimates prepared by the Congressional Joint Committee on Taxation.

2019 The Securities and Exchange Commission adopted Regulation Best Interest in May 2019 to serve as a template for uniform federal-state regulation of broker-dealers and investment advisers while both protecting consumers and allowing access to a broad menu of products and advice. Regulation Best Interest elevates broker-dealer standards built above the foundation of suitability requirements, and establishes four obligations on disclosure, care, conflict of interest, and compliance.

2020/2021

Coronavirus (COVID-19)

In 2020, Life insurers paid out a record \$90.4 billion in death benefit payments in 2020, a 15.4% increase from the payments in 2019. It was the greatest year-to-year increase since 1917-18 during the influenza pandemic.

Federal Level - COVID response

As a result of the COVID-19 pandemic and economic recession, the U.S. Congress passed three separate bills aimed at assisting Americans and businesses.

- The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 aimed to incentivize coronavirus vaccine research and development. It was enacted on March 6, 2020.
- H.R. 6201, the Families First Coronavirus Response Act (“Families First Act”), provided COVID-19 mandatory paid sick and paid family medical leave for employers with fewer than 500 employees and established tax credits to fund the new leave requirements.
- H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), sought to relieve the strains on people, communities, and government resources. One way in which

the CARES act accomplished this was by seeking to boost American families' liquidity. This included: relaxing rules related to retirement plan borrowing and loan arrangements, aid for small businesses, and clarifications to paid leave provisions established in the Families First Act.

State Level - COVID response

Multiple states, in conjunction with state insurance commissioners and regulators, issued emergency orders in the spring of 2020 allowing life insurers to provide flexibility with regard to the grace periods for life and accident and health premiums, suspend all policy cancellations, extend deadlines on policy claims and waive late fees. ACLI continues to work with state regulators as they wind down the various orders to ensure consumer needs are kept in the forefront.

Economic Empowerment/Diversity and Inclusion

The events following the death of George Floyd in May 2020, and the protests against police brutality and racism, created a dialogue on economic empowerment for Black Americans and people of color. Through its Economic Empowerment and Racial Equity Initiative, ACLI and industry leaders have committed to provide financial security to all Americans, identify new policies that offer greater security to underserved communities, and build a more diverse and inclusive profession.

2022 The House passed the Securing a Strong Retirement Act (SECURE 2.0) with significant support in Senate Committees to proceed. The bill would improve retirement outcomes for Americans by broadening access to multiple employer retirement plans, increasing access for part-time workers to save for retirement and improving communications to retirement plan participants. It would also allow employers to offer emergency savings accounts to help employees build rainy day funds.

The NAIC Life Actuarial Task Force (LATF) adopted an Actuarial Guideline for Asset Adequacy Testing (AG 53), related to the modeling of complex or high-yielding assets in asset adequacy testing. The Guideline relates to attribution analysis of spreads and requires non-binding sensitivity testing on spreads.

ACLI has unveiled a historic initiative that will dramatically intensify our efforts to help close the racial wealth gap - a financial partnership network that will invest in affordable housing as part of community development around the nation. The centerpiece of the initiative is a new nonprofit affiliate being launched by ACLI and its members. The affiliate, *360 Community Capital*, will partner with community development financial institutions to identify and invest in high-quality ventures supporting affordable housing throughout the United States.

The Adjustable Interest Rate (LIBOR) Act of 2021 (H.R. 4616), was included in the Fiscal Year

2022 omnibus appropriations bill signed into law by President Biden on March 15, 2022. This legislation provides a fix for the trillions of dollars of outstanding contracts, securities, and loans that use LIBOR for their interest rates.

LIFE INSURANCE RELATED ORGANIZATIONS

American Council of Life Insurers (ACLI)

www.acli.com

101 Constitution Avenue, NW, Suite 700 Washington, DC 20001–2133
(202) 624–2000

Chair: Andrew Sullivan (Prudential Financial, Inc.)

Chair–Elect: Paul Quaranto, Jr. (Boston Mutual Life Insurance Company)

President and Chief Executive Officer: Susan K. Neely

The American Council of Life Insurers (ACLI) is a Washington D.C.-based trade association that advocates on behalf of approximately 280 member companies dedicated to providing products and services that contribute to consumers' financial and retirement security. 90 million families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. ACLI represents member companies in state, federal and international forums for public policy that supports the industry marketplace and the families that rely on life insurers' products for peace of mind. ACLI members represent 94 percent of industry assets in the United States.

America's Health Insurance Plans (AHIP)

www.ahip.org

AHIP is a trade association representing companies that finance and deliver health care and provide other health insurance products and services.

American Academy of Actuaries

www.actuary.org

The Academy is a public policy and communications organization representing actuaries in all practice specialties. It provides a liaison with federal and state governments, relations with other professions,

dissemination of public information, and development of standards of professional conduct. It also develops standards of practice through the Actuarial Standards Board, an independent body within the academy. The Academy consists largely of members of the Casualty Actuarial Society, Conference of Consulting Actuaries, Society of Actuaries, and actuaries enrolled under ERISA. Membership criteria include experience and education standards.

The American College

www.theamericancollege.edu

The College offers professional certification and graduate degree distance-education to those seeking career growth in financial services. The College offers programs of study leading to the award of Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Registered Health Underwriter (RHU), and Registered Employee Benefits Consultant (REBC) diplomas and professional designations. Grants a Master of Science in Financial Services degree through the Graduate School of Financial Sciences, and a Master of Management degree through the Richard D. Irwin Graduate School of Management. Accredited by the Middle States Association of Colleges and Schools' Commission on Higher Education.

American Fraternal Alliance (AFA)

www.fraternalalliance.org

The Fraternal Alliance is the association and voice of fraternal benefit societies, which provides education, guidance, standards, and information on best practices and governance.

American Risk and Insurance Association (ARIA)

www.aria.org

ARIA is a society of insurance educators and others interested in risk and insurance education and research.

American Society of Pension Professionals & Actuaries (ASPPA)

www.asppa.org

ASPPA educates pension actuaries, consultants, administrators, and other benefits professionals, and preserves and enhances the private pension system in developing a cohesive and coherent national retirement income policy. Offers an examination program for employee benefits professionals and represents the interests of its members before appropriate forums.

Association of Home Office Underwriters (AHOU)

www.ahou.org

The mission of the AHOU is to advance the knowledge of sound underwriting of life and disability insurance risks, toward which end it holds meetings, publishes papers and discussions, and promotes educational programs. The association also provides valuable information sharing and networking opportunities to its members.

Conference of Consulting Actuaries

www.ccactuaries.org

The Conference advances the quality of consulting practice, supports the needs of consulting actuaries, and

represents their interests. Comprises consulting actuaries in all disciplines.

Consumer Credit Industry Association (CCIA)

www.cciaonline.com

CCIA is a national trade organization for insurers that underwrite consumer credit insurance in the areas of life, accident and health, property, and involuntary unemployment insurance. Acts to preserve, promote and enhance the availability, utility, and integrity of insurance and related products and services delivered in connection with financial transactions.

Global Federation of Insurance Associations (GFIA)

<http://www.gfiainsurance.org/en/>

GFIA is a non-profit association established to represent national and regional insurance associations that serve the general interests of life, health, general insurance and reinsurance companies and to make representations to national governments, international regulators, and others on their behalf.

The Griffith Insurance Education Foundation

www.griffithfoundation.org

The Foundation was founded at a major mid-western university to develop and support an insurance and risk management program. It promotes the teaching of risk management and insurance by colleges, universities, and other institutions of higher learning, and student participation in these programs, and offers education programs for public policy-makers on managing risks through insurance mechanisms.

Health Insurance Association of America (HIAA) *See America's Health Insurance Plans (AHIP).*

Insurance and Financial Communicators Association (IFCA)

www.ifcaonline.com

IFCA is an international organization dedicated to the ongoing professional development of its members in life insurance and related financial services communications. The association operates on a volunteer basis and offers programs and activities for its members. IFCA's primary objective is to encourage and promote the exchange of experience and ideas through an extensive program of formal schools, workshops, seminars, newsletters, research studies, networking, international awards competition, and meetings.

Insurance Accounting and Systems Association (IASA)

www.iasa.org

IASA works to enhance individual, organizational, and industry effectiveness by facilitating the exchange of information and ideas among insurance-related professionals.

Insurance Information Institute (III)

www.iii.org

The mission of III is to improve public understanding of insurance. III provides definitive insurance information and statistics for government, media, educational institutions, and the public.

Insured Retirement Institute (IRI)www.irionline.org

With over 350 members, IRI represents all segments of the annuity and variable life industry. It serves as a forum for the exchange of information, and provides the public, media, and industry with information on the benefits of annuities and related products.

International Association of Insurance Supervisors (IAIS)www.iaisweb.org

The IAIS is a voluntary membership organization composed of insurance supervisors and regulators from around the world. The organization's goal is to create a consistent and effective system of global insurance regulation to promote policyholder protections and financial stability.

International Claim Association (ICA)www.claim.org

ICA is composed of life and health insurance company officers and employees who handle their companies' claims function.

Life Communicators Association *See Insurance and Financial Communicators Association (IFCA).*

Life Insurers Council (LIC)www.loma.org/lic

A council of LOMA, LIC is an association of insurance companies that serve the basic insurance needs of the general public, including the underserved market, through various distribution methods by promoting standards of business conduct which are in the best interests of policyholders; representing its members by addressing legislative, regulatory and consumer issues; and promoting the interchange of experience and ideas for the betterment of the public and the insurance industry.

LIMRA International, Inc.www.limra.com

LIMRA is a member-owned organization dedicated to meeting the marketing information needs of companies involved in marketing annuity, disability, health, life, mutual fund, and retirement savings products. LIMRA works to improve the efficiency of life insurance distribution through scientific management methods, serves as the principal source of industry sales and marketing statistics, conducts research, provides consulting and management educational services, and prepares a wide range of publications.

LOMA (Life Office Management Association)www.loma.org

An international association through which more than 1,200 insurance and financial services companies from over 80 countries engage in research and educational activities to improve company operations. Members are involved in life and health insurance, managed care, annuities, pensions, banking, securities, and other financial services areas. LOMA is committed to working as partners with members worldwide to improve management and operations through quality employee development, research, information sharing,

and related products and services.

MIB Group, Inc.

www.mib.com

Formerly the Medical Information Bureau, MIB is a nonprofit association founded by medical directors to provide a central information exchange for more than 600 member life insurance companies.

MDRT

www.mdr.org

MDRT (formerly Million Dollar Round Table) is composed of life insurance agents who consistently sell a predetermined amount of life insurance annually and maintain membership in the National Association of Insurance and Financial Advisors.

NAFA (National Association for Fixed Annuities)

<https://nafa.com>

NAFA is exclusively dedicated to promoting the awareness and understanding of fixed income and deferred annuities through the education of policymakers, journalists, consumers, and the industry about the benefits of fixed annuities.

National Association of Insurance Commissioners (NAIC)

www.naic.org

NAIC is an organization of state insurance regulators from the 50 states, the District of Columbia and the four U.S. territories. NAIC functions as a regulatory support organization and serves the public interest by promoting uniformity of legislation and regulation, facilitating the fair and equitable treatment of insurance consumers, promoting the reliability, solvency and financial solidity of insurance institutions, and supporting and improving state regulation of insurance.

National Association of Insurance and Financial Advisors (NAIFA)

www.naifa.org

NAIFA is a national nonprofit organization representing the interests of more than 200,000 insurance and financial advisors nationwide, through its federation of over 600 state and local associations. NAIFA is the nation's largest financial services membership association. Promotes high ethical standards, supports legislation in the interest of policyholders and agents, participates in community service, and provides agent education seminars and sales congresses.

National Association for Variable Annuities (NAVA) *See Insured Retirement Institute (IRI)*

National Fraternal Congress of America (NFCA) *See American Fraternal Alliance (AFA)*

National Organization of Life and Health Insurance Guaranty Associations (NOLHGA)

www.nolhga.com

NOLHGA is a voluntary association comprised of the life and health insurance guaranty associations of all 50 states, the District of Columbia, and Puerto Rico. This nonprofit organization assists its members in handling multi-state insolvencies, coordinates their resolution, and provides a forum for resolving issues and problems related to the operation of state life and health insurance guaranty associations.

Society of Actuaries (SOA)

www.soa.org

SOA is an organization of skilled professionals applying mathematical and economic probabilities to financial security programs. Educates and qualifies candidates to become members, provides continuing education and professional development programs, promotes and publishes actuarial research, and maintains and enforces a professional conduct code for its members. The Society determines membership by successful completion of a rigorous set of examinations leading to the designation of Associate or Fellow in the society.

Society of Financial Service Professionals (Society of FSP)

www.societyoffsp.org

Society of FSP is an organization of professionals who have earned designations in the fields of insurance and financial services. The Society comprises agents, company executives, insurance regulators, educators, attorneys, certified public accountants, and bank trust officers, who participate in local chapters.

S.S. Huebner Foundation for Insurance Education

www.huebnerfoundation.com

The foundation's mission is to strengthen insurance education at the university level by increasing the number of professors specializing in insurance. The foundation makes fellowship grants for doctoral study and publishes research studies in the field of insurance.



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