

America's Life Insurers: Helping Families and Businesses Through Pandemic

When COVID-19 first appeared, few predicted that more than one million in the United States would die from the disease.

Life insurers prepare for such calamitous events. Their mission is to deliver on promises to families, individuals, and businesses, which they have been doing throughout the pandemic.

- Life insurers remained financially strong in 2021. A common measure of industry strength – state regulators' risk-based capital (RBC) ratio – remained above 400% in 2021, indicating life insurers overall maintained more than twice the capital required.

Driven by their responsibility to policyholders and strict state laws governing solvency and capitalization, life insurers prepare for whatever the future holds. They make sure they always have sufficient funds to pay claims – and pay them without financial assistance from state or federal governments. Key to this process is the conservative investment of premiums they receive on life insurance policies, annuity contracts and other products, and setting aside assets in reserve to meet obligations whenever they arise.



America's life insurers paid out more than \$100 billion in life insurance benefits in 2021, higher than in any previous year.

- Death benefit payments increased 10.8% over 2020. Payments increased 15.4% in 2020 over 2019, the largest year-to-year increase since the Influenza of 1918.
- Life insurers paid out \$73.4 billion in 2021 for individual life insurance policies – a 9.2% increase over 2020 – and \$26.3 billion in group life insurance benefits – a 15.1% increase.

Life Insurance Benefits Hit Record High in 2021



While life insurers work to close America's significant coverage gap, they continue to provide peace of mind to families. They provided more coverage than ever before in 2021 as COVID-19 illustrates the importance of preparing for the unexpected.

- Total life insurance coverage reached \$21.1 trillion in 2021.
- 45.7 million life insurance policies were purchased in 2021, a 6.1% increase over 2020.

America is still underinsured, and too many are not prepared financially to live through retirement. Life insurers are committed to expanding access to financial protection.



Life insurers paid out a record \$97.6 billion in annuity benefits in 2021. Annuities provide guaranteed lifetime income and are especially popular with people leaving the workforce.



Life insurers continued in 2021 to support jobs, businesses, and families nationwide through their investments – \$587 million daily on average invested into the U.S. economy.