

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

Benefits paid out in 2020 highest in history, biggest jump since Influenza of 1918

When COVID-19 first appeared, few would have predicted that within two years nearly one million in the United States would have died from the new disease.

Life insurers were prepared. It is their mission to deliver on their promises to families, individuals and businesses.

- Life insurers remained financially strong in 2020. A common measure of industry strength – state regulators' risk-based capital (RBC) ratio – remained above 400% in 2020, indicating life insurers overall maintain more than twice the capital required. Regulators act when a company's ratio falls below 200%.

Driven by their responsibility to policyholders and strict state laws governing solvency and capitalization, life insurers prepare for the possibility of calamitous events. 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 \$90 billion in life insurance benefits in 2020, [higher than in any previous year](#).

- The increase over 2019 – a 15.4% jump – represented the largest year-to-year increase since the Influenza of 1918.
- Life insurers paid out \$67.2 billion for individual life insurance policies – a 16.9% increase over 2019 – and \$22.9 billion in group life insurance benefits – an 11.1% increase.



[While life insurers work to close America's significant coverage gap](#), they also continue to provide financial peace of mind to millions of families. [They provided more coverage than ever before in 2020](#), as Covid-19 starkly illustrated the importance of preparation for the unexpected.

- Total life insurance coverage reached \$20.4 trillion in 2020.
- Group life insurance purchases increased 16.1%, individual policies nearly 3%.
- 43.1 million life insurance policies were purchased in 2020, a 9.2%.



Life insurers in 2020 also [paid out a record \\$91.6 billion in annuity payments](#). Annuities alone in the marketplace can guarantee lifetime income and are especially popular with people leaving the workforce.

- [Secure Retirement Institute data](#) suggests that retirees who own an annuity are more confident than non-owners that their savings and investments will not run out if they live to age 90 (69% versus 44%).



Throughout the pandemic, life insurers continued to support jobs, businesses and families nationwide [through their investments](#) -- \$572 million daily on average invested into the U.S. economy.

"Even with these record-breaking numbers, America is still under insured and not well prepared for living through retirement. Life insurers are committed to doing more to financially protect Americans."