

# 4

## INCOME

The gross income of life insurance companies comes from two main sources: premiums paid by policyholders and earnings on investments. In 2022, total income of all U.S. life insurers increased 7.1 percent to \$1.2 trillion (Table 4.1). Insurance premiums and annuity considerations contributed 61 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 9.8 percent to \$711 billion in 2022 (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 2022, life policies accounted for nearly a quarter of premium receipts (24%), while annuity considerations contributed almost a half (49%) (Figure 4.1).

Premiums for life insurance policies totaled \$170 billion in 2022, a 3.4 percent increase from the previous year (Table 4.2). Individual policy premiums accounted for the largest share at \$139 billion, or 81 percent. Most were renewals, representing \$98 billion, or 71 percent, of individual premiums (Table 4.3). Group insurance was the second-largest contributor to life insurance premiums at \$31 billion, or 18 percent of the total (Table 4.2). Again, renewals constituted the largest portion at \$23 billion, or 76 percent, of all group premiums (Table 4.3). Credit life provided \$591 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 2022 (Table 4.5).

Annuity considerations increased 20.7 percent in 2022 to \$351 billion (Table 4.2). Individual annuities provided \$167 billion in premium receipts, increasing 9.9 percent from 2021. Of individual annuity considerations, single annuity considerations constitute the largest share of this category at \$96 billion, or 57 percent, while group considerations counted renewals as the largest contributor with \$101 billion, or 55 percent (Table 4.4). Direct individual annuity considerations amounted to 1.55 percent of disposable personal income in 2022 (Table 4.5).

Premiums for accident and health insurance decreased 1.1 percent to \$190 billion in 2022 (Table 4.2). Over the last ten years accident and health insurance premiums had an average annual increase of 1%.

## **INVESTMENT INCOME AND RATE OF RETURN**

Net investment income of life insurance companies amounted to \$342 billion in 2022 (Table 4.7). The largest source of investment income was from bonds at \$159 billion, followed by common stock (\$122 billion) and mortgage loans (\$31 billion). Gross investment income increased 7 percent in 2022 to \$362 billion. Investment expenses, taxes, and deductions totaled \$21 billion, increasing 32.7 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 2022, life insurers' net rate of return on total assets was 4.52 percent, up from 4.28 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 4.22 percent in 2022, down from 4.40 percent in 2021.

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 4.03 percent in 2022, up from 3.94 percent in 2021.

## **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 8.8 percent in 2022 to \$59 billion (Table 4.9). Net gains can be calculated separately for each major line of business. Net gains from annuities decreased to \$31 billion while net gain from life insurance increased to \$2 billion.

Table 4.1

**Income of Life Insurers**

|  | Millions       |                  |                  | Average annual percent change |            |
|--|----------------|------------------|------------------|-------------------------------|------------|
|  | 2012           | 2021             | 2022             | 2012/2022                     | 2021/2022  |
| <b>Net Premiums and considerations</b> |                |                  |                  |                               |            |
| Life insurance premiums                | \$135,392      | \$164,604        | \$170,192        | 2.3                           | 3.4        |
| Annuity considerations                 | 348,095        | 290,632          | 350,808          | 0.1                           | 20.7       |
| Health insurance premiums              | 172,300        | 192,035          | 189,882          | 1.0                           | -1.1       |
| Total                                  | 655,788        | 647,271          | 710,882          | 0.8                           | 9.8        |
| <b>Investment income</b>               | 228,084        | 338,312          | 362,150          | 4.7                           | 7.0        |
| <b>Other income<sup>1</sup></b>        | 68,483         | 100,902          | 90,715           | 2.9                           | -10.1      |
| <b>Aggregate total</b>                 | <b>952,355</b> | <b>1,086,485</b> | <b>1,163,747</b> | <b>2.0</b>                    | <b>7.1</b> |

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.

<sup>1</sup> 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 |           |
|----------------------------------|-----------|-----------|-----------|-------------------------------|-----------|
|                                  | 2012      | 2021      | 2022      | 2012/2022                     | 2021/2022 |
| <b>NET BUSINESS</b>              |           |           |           |                               |           |
| <b>Life insurance premiums</b>   |           |           |           |                               |           |
| Individual                       | \$106,352 | \$136,651 | \$138,607 | 2.7                           | 1.4       |
| Group                            | 28,207    | 27,360    | 30,994    | 0.9                           | 13.3      |
| Credit                           | 834       | 593       | 591       | -3.4                          | -0.4      |
| Total                            | 135,392   | 164,604   | 170,192   | 2.3                           | 3.4       |
| <b>Annuity considerations</b>    |           |           |           |                               |           |
| Individual                       | 189,258   | 152,071   | 167,099   | -1.2                          | 9.9       |
| Group                            | 158,837   | 138,561   | 183,709   | 1.5                           | 32.6      |
| Total                            | 348,095   | 290,632   | 350,808   | 0.1                           | 20.7      |
| <b>Health insurance premiums</b> |           |           |           |                               |           |
| Total                            | 172,300   | 192,035   | 189,882   | 1.0                           | -1.1      |
| Aggregate total                  | 655,788   | 647,271   | 710,882   | 0.8                           | 9.8       |
| <b>DIRECT BUSINESS</b>           |           |           |           |                               |           |
| <b>Life insurance premiums</b>   |           |           |           |                               |           |
| Individual                       | \$137,053 | \$168,900 | \$168,873 | 2.1                           | 0.0       |
| Group                            | 34,456    | 41,986    | 44,915    | 2.7                           | 7.0       |
| Credit                           | 1,129     | 744       | 738       | -4.2                          | -0.8      |
| Total                            | 172,638   | 211,630   | 214,527   | 2.2                           | 1.4       |
| <b>Annuity considerations</b>    |           |           |           |                               |           |
| Individual                       | 200,549   | 245,141   | 287,886   | 3.7                           | 17.4      |
| Group                            | 164,070   | 160,212   | 176,707   | 0.7                           | 10.3      |
| Total                            | 364,619   | 405,353   | 464,593   | 2.5                           | 14.6      |
| <b>Health insurance premiums</b> |           |           |           |                               |           |
| Individual                       | 82,685    | 71,910    | 71,852    | -1.4                          | -0.1      |
| Group                            | 96,848    | 144,355   | 140,870   | 3.8                           | -2.4      |
| Credit                           | 955       | 761       | 746       | -2.4                          | -2.0      |
| Total                            | 180,487   | 217,027   | 213,468   | 1.7                           | -1.6      |
| Aggregate total                  | 717,744   | 834,009   | 892,589   | 2.2                           | 7.0       |

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

Table 4.3

| <b>Individual and Group Life Insurance Net Premium Receipts, 2022 (millions)</b> |                   |                             |              |                             |              |                             |
|--|-------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
|  | <b>Individual</b> | <b>Percent distribution</b> | <b>Group</b> | <b>Percent distribution</b> | <b>Total</b> | <b>Percent distribution</b> |
| <b>First-year</b>  | \$19,190          | 13.8                        | \$6,038      | 19.5                        | \$25,228     | 14.9                        |
| <b>Single<sup>1</sup></b>  | 21,677            | 15.6                        | 1,462        | 4.7                         | 23,140       | 13.6                        |
| <b>Renewal</b>   | 97,741            | 70.5                        | 23,493       | 75.8                        | 121,234      | 71.5                        |
| <b>Aggregate total</b>   | 138,607           | 100.0                       | 30,994       | 100.0                       | 169,601      | 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.

<sup>1</sup> 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

| <b>Individual and Group Annuity Considerations, 2022 (millions)</b> |                   |                             |                          |                             |              |                             |
|---|-------------------|-----------------------------|--------------------------|-----------------------------|--------------|-----------------------------|
|   | <b>Individual</b> | <b>Percent distribution</b> | <b>Group<sup>1</sup></b> | <b>Percent distribution</b> | <b>Total</b> | <b>Percent distribution</b> |
| <b>First-year</b>   | \$58,996          | 35.3                        | \$36,228                 | 19.7                        | \$95,224     | 27.1                        |
| <b>Single<sup>2</sup></b>   | 95,961            | 57.4                        | 46,402                   | 25.3                        | 142,363      | 40.6                        |
| <b>Renewal</b>  | 12,142            | 7.3                         | 101,079                  | 55.0                        | 113,221      | 32.3                        |
| <b>Total</b>  | 167,099           | 100.0                       | 183,709                  | 100.0                       | 350,808      | 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.

<sup>1</sup> 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.

<sup>2</sup> Includes 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     |             |             |
|-------------------------------------|-------------|-------------|-------------|
|                                     | 2012        | 2021        | 2022        |
| <b>Individual</b>                   |             |             |             |
| Life premiums                       | 1.10        | 0.91        | 0.91        |
| Annuity considerations <sup>1</sup> | 1.60        | 1.32        | 1.55        |
| <b>Total</b>                        | <b>2.70</b> | <b>2.24</b> | <b>2.46</b> |

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.

<sup>1</sup> 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, by Line of Business**

|                   | 2022              |                      |
|-------------------|-------------------|----------------------|
|                   | Amount (millions) | Percent distribution |
| Comprehensive     | \$46,154          | 24.3                 |
| Medicare/Medicaid | 48,723            | 25.7                 |
| Dental only       | 14,333            | 7.5                  |
| Vision only       | 1,907             | 1.0                  |
| Disability income | 31,698            | 16.7                 |
| Long term care    | 9,005             | 4.7                  |
| Credit            | 642               | 0.3                  |
| Other             | 37,419            | 19.7                 |
| <b>Total</b>      | <b>189,882</b>    | <b>100.0</b>         |

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

| <b>Net Investment Income</b>           |                 |                |                |                                      |                  |
|--|-----------------|----------------|----------------|--------------------------------------|------------------|
|  | <b>Millions</b> |                |                | <b>Average annual percent change</b> |                  |
|  | <b>2012</b>     | <b>2021</b>    | <b>2022</b>    | <b>2012/2022</b>                     | <b>2021/2022</b> |
| <b>Gross investment income</b>         |                 |                |                |                                      |                  |
| Bonds                                  | \$143,995       | \$152,149      | \$158,781      | 1.0                                  | 4.4              |
| Preferred stock                        | 501             | 924            | 1,029          | 7.5                                  | 11.3             |
| Common stock                           | 38,426          | 103,358        | 121,831        | 12.2                                 | 17.9             |
| Mortgage loans                         | 20,703          | 28,982         | 30,936         | 4.1                                  | 6.7              |
| Real estate                            | 3,925           | 4,282          | 4,242          | 0.8                                  | -0.9             |
| Contract loans                         | 7,916           | 8,087          | 7,938          | 0.0                                  | -1.8             |
| Cash/Short-term investments            | 487             | 768            | 3,449          | 21.6                                 | NC               |
| Other invested assets                  | 10,224          | 31,534         | 27,806         | 10.5                                 | -11.8            |
| Derivative instruments                 | 1,583           | 7,572          | 5,191          | 12.6                                 | -31.4            |
| Other write-ins                        | 325             | 655            | 948            | 11.3                                 | 44.6             |
| <b>Total</b>                           | <b>228,084</b>  | <b>338,312</b> | <b>362,150</b> | <b>4.7</b>                           | <b>7.0</b>       |
| <b>Expenses, taxes, and deductions</b> | <b>11,247</b>   | <b>15,547</b>  | <b>20,627</b>  | <b>6.3</b>                           | <b>32.7</b>      |
| <b>Net investment income</b>           | <b>216,837</b>  | <b>322,765</b> | <b>341,524</b> | <b>4.6</b>                           | <b>5.8</b>       |

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.

NC: Not calculated.

Table 4.8

| <b>Rates of Return on Invested Assets of Life Insurers</b> |                |             |             |
|--|----------------|-------------|-------------|
|  | <b>Percent</b> |             |             |
|  | <b>2012</b>    | <b>2021</b> | <b>2022</b> |
| <b>Net rate</b>  |                |             |             |
| Total assets   | 4.25           | 4.28        | 4.52        |
| General account only                                       | 5.07           | 4.40        | 4.22        |
| <b>Gross rate</b>  |                |             |             |
| Total fixed-income assets                                  | 5.30           | 3.94        | 4.03        |

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      |               |               |
|------------------------------|---------------|---------------|---------------|
|                              | 2012          | 2021          | 2022          |
| <b>Life insurance</b>        |               |               |               |
| Individual                   | \$7,748       | -\$5,563      | \$2,459       |
| Group                        | 1,829         | -2,504        | -568          |
| Credit                       | 134           | -53           | 10            |
| Total                        | 9,711         | -8,120        | 1,902         |
| <b>Annuities<sup>1</sup></b> |               |               |               |
| Individual                   | 20,104        | 33,749        | 23,884        |
| Group                        | 8,170         | 5,256         | 7,520         |
| Total                        | 28,274        | 39,005        | 31,404        |
| <b>Accident and health</b>   |               |               |               |
| Total                        | 8,507         | 16,700        | 17,967        |
| <b>Other<sup>2</sup></b>     | 7,185         | 6,551         | 7,604         |
| <b>Aggregate total</b>       | <b>53,677</b> | <b>54,137</b> | <b>58,876</b> |

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.

<sup>1</sup>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.

<sup>2</sup>Includes 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 <sup>1</sup> | Other income <sup>2</sup> | 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 <sup>^</sup>   | 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 <sup>1</sup> | Other income <sup>2</sup> | 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    |
| 2022 | 170,192                 | 350,808                | 189,882                   | 710,882                | 362,150                        | 90,715                    | 1,163,747    |

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.

<sup>^</sup>Beginning in 2001, excludes certain deposit-type funds from income due to codification.

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

<sup>2</sup>Beginning 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)**

| <b>Year</b> | <b>First-year</b> | <b>Single<sup>1</sup></b> | <b>Renewal</b> | <b>Total</b> |
|-------------|-------------------|---------------------------|----------------|--------------|
| 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**

| <b>Year</b> | <b>First-year</b> | <b>Single<sup>1</sup></b> | <b>Renewal</b> | <b>Total</b> |
|-------------|-------------------|---------------------------|----------------|--------------|
| 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      |
| 2022        | 19,190            | 21,677                    | 97,741         | 138,607      |

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

<sup>1</sup> 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 <sup>1</sup> | 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**

| <b>Year</b> | <b>First-year</b> | <b>Single</b> | <b>Renewal</b> | <b>Deposit-type funds<sup>1</sup></b> | <b>Total</b> |
|-------------|-------------------|---------------|----------------|---------------------------------------|--------------|
| 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      |
| 2022        | 58,996            | 95,961        | 12,142         | NA                                    | 167,099      |

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.

<sup>\*</sup>Certain deposit-type funds are excluded from income under codification, making data after 2000 incomparable.

<sup>1</sup>First 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                      |
| 2022 | 4.52         | 4.22                 | 4.03                      |

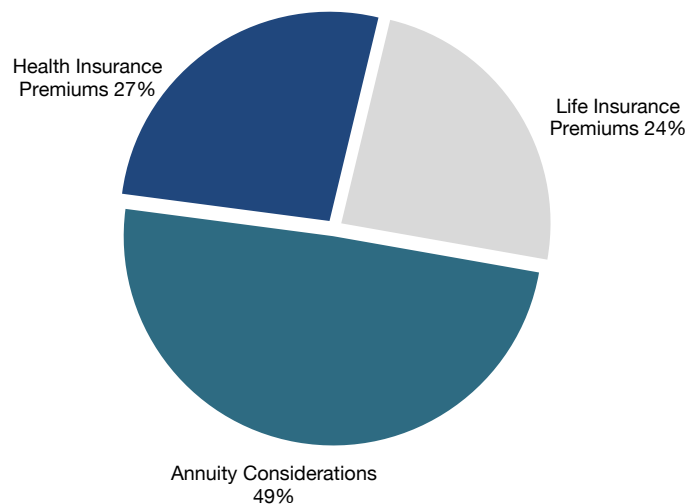
Source: ACLI tabulations of National Association of Insurance Commissioners (NAIC) data, used by permission.

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, 2022**



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.