

LSEA & H&A

E

 provides the life insurance industry’s aggregate financial results for insurers filing with the NAIC on the life, accident & health annual statement blank.

- The life insurance industry reported an increase in overall profitability from year-end 2020 of 94.6% to \$33.8 billion.
- Direct written premiums and deposits increased 7.6% to \$1.1 trillion largely due to a \$35.2 billion (12.1%) increase in annuities to \$326.3 billion, and a \$28.0 billion (11.0%) increase in deposit-type contracts to \$282.7 billion.
- The industry’s total capital and surplus increased 8.6% to \$489.6 billion compared to prior year-end.
- Total net admitted assets increased 6.3% to \$8.7 trillion compared to prior year-end.

		
Filings		2
Premium		2-4
Investment Income		4-5
Operations		5-6
Assets		7-8
Liabilities		8
Capital & Surplus.....		8
Liquidity		8-9
Separate Accounts		9-10

Net Earned Premium

51

As shown in **51**, for year -end 2021, a total of 763 companies filed with the NAIC on the life, accident & health annual statement blank. There were 7 companies that reported to be party to a merger, five less than reported in 2020.

52



The life industry reported an increase of 7.6% (\$78.6 billion) in total direct written premium and deposits to \$1.1 trillion in 2021. Total net written premiums and deposits increased 4.1% (\$35.8 billion) to \$920.0 billion. **52** shows total direct written, assumed, ceded and net premium by line of business for the last two years.

Reinsurance

Total ceded premium increased 26.7% or \$82.3 billion, of which the largest increase was seen in the annuities line of business, with an increase of 66.8% or \$71.2 billion to \$134.5 billion for 2021, and a 19.6% or \$22.0 billion)

Annuities


Net premiums for annuity considerations decreased 5.7%, or \$13.4 billion, to \$221.1 billion for year-end 2021. The decrease in net premiums for 2021 was attributed to a combination of a 45.0% (\$22.5 billion) increase in assumed premiums and a 66.8% (\$71.2 billion) increase in ceded premiums, compared to year-end 2020.

(\$ in Millions)

\$	% Cg	2021	2020	% Cg	2021	2020	% Cg	2021	2020	% Cg	2021	2020	% Cg	2021	2020
Alabama	7%	\$2,856	\$2,664	22%	\$3,933	\$3,233	6%	\$2,018	\$1,902	9%	\$499	\$460	14%	\$301	\$264
Alaska	27%	\$560	\$440	14%	\$402	\$353	1%	\$291	\$288	8%	\$271	\$251	(25%)	\$28	\$37
Arizona	9%	\$3,030	\$2,776	17%	\$7,498	\$6,431	5%	\$4,727	\$4,482	9%	\$2,055	\$1,881	11%	\$505	\$454
Arkansas	21%	\$1,453	\$1,200	28%	\$2,074	\$1,621	3%	\$1,199	\$1,164	(4%)	\$277	\$289	201%	\$413	\$137
California	8%	\$21,019	\$19,483	6%	\$27,927	\$26,392	(6%)	\$14,904	\$15,910	9%	\$11,147	\$10,223	0%	\$3,303	\$3,297
Colorado	9%	\$3,171	\$2,906	14%	\$6,439	\$5,630	4%	\$4,575	\$4,381	8%	\$1,354	\$1,254	128%	\$6,121	\$2,684
Connecticut	9%	\$2,841	\$2,601	14%	\$5,482	\$4,827	1%	\$3,293	\$3,250	(47%)	\$1,683	\$3,184	(1%)	\$13,701	\$13,882
Delaware	36%	\$2,089	\$1,533	(10%)	\$2,406	\$2,681	11%	\$1,005	\$902	(54%)	\$554	\$1,206	21%	\$84,352	\$69,547
Dist. Columbia	13%	\$461	\$409	(19%)	\$623	\$772	13%	\$1,279	\$1,133	(16%)	\$433	\$514	36%	\$698	\$512
Florida	13%	\$12,143	\$10,732	17%	\$25,681	\$21,909	(1%)	\$17,895	\$18,141	(5%)	\$2,917	\$3,084	(16%)	\$1,317	\$1,574
Georgia	9%	\$5,937	\$5,450	15%	\$7,963	\$6,895	(0%)	\$9,671	\$9,696	(55%)	\$2,162	\$4,814	(11%)	\$1,684	\$1,883
Hawaii	9%	\$919	\$842	18%	\$1,609	\$1,361	4%	\$1,392	\$1,333	2%	\$347	\$339	(8%)	\$78	\$84
Idaho	17%	\$766	\$655	(2%)	\$1,319	\$1,339	3%	\$936	\$912	78%	\$444	\$250	34%	\$105	\$78
Illinois	9%	\$7,910	\$7,262	13%	\$12,713	\$11,218	3%	\$7,050	\$6,847	14%	\$4,146	\$3,623	24%	\$4,623	\$3,734
Indiana	7%	\$3,223	\$3,010	12%	\$6,699	\$5,993	4%	\$5,503	\$5,274	(10%)	\$818	\$910	(36%)	\$1,368	\$2,152
Iowa															

A5

The life industry reported an 6.3% increase in total net admitted assets at Dec. 31, 2021, to \$8.7 trillion. The increase was primarily in separate accounts, which increased 8.5% to \$3.4 trillion and accounted for 38.4% of total net admitted assets. Over the past five years, the industry has seen significant increases in several invested asset classes (excluding separate accounts) as shown in the 5-year change column in [Table 7](#). See page 9 for discussion of separate accounts. 92

year-end 2021 due to mature in five years or less compared with 33.7% at year-end 2020. Bonds with a maturity of ten years or later represented 40.4% of total bonds.  8 illustrates bond distribution by maturity.


LIABILITIES

The life industry reported a 6.2% (\$482.2 billion) increase in total liabilities to \$8.2 trillion at year-end 2021. The largest increases were in the following:

- 2.1% (\$67.0 billion) increase in reserves for life contracts to \$3.2 trillion.
- 33.6% (\$61.3 billion) increase in funds held under reinsurance treaties with unauthorized reinsurers to \$243.6 billion.
- 13.0% (\$50.2 billion) increase in liability for deposit-type contracts to \$436.7 billion.
- 23.2% (\$18.2 billion) increase in asset valuation reserve to \$96.5 billion.
- Partially offset by a 26.5% (\$21.3 billion) decrease in derivative liabilities to \$59.2 billion.

CAPITAL

The life industry's capital and surplus increased by 8.6% to \$489.6 billion compared to \$451.0 billion at Dec. 31, 2020, due primarily to the \$41.5 billion net income discussed on page 5 and \$21.0 billion capital paid in, mostly offset by dividends paid to stockholders of \$40.4 billion.

As seen in  9, the industry's return on equity (ROE) increased to 6.9% from 3.9% in 2020 due mainly to the industry's increase in net income.

CASH FLOW

The life industry reported operating cash flow of \$123.1 billion in 2021, down 32.0% (\$57.9 billion) from \$180.9 billion in the prior year. The decline was primarily from an increase in benefits and loss payments of 13.0% (\$86.0 billion) and an increase in commissions of 3.1% (\$4.3 billion). Transfers to separate accounts was \$(84.4) billion compared to \$(73.7)

billion for 2020, partially offsetting the decline.

The industry experienced a 12.0% (\$39.5 billion) increase in surrender benefits to \$367.6 billion.

Figure 10 shows the industry's operating cash flow and surrender activity over the past ten years.

The life insurance industry reported \$(218.2) billion in net cash from investment activity as total investment proceeds of \$1.1 trillion were surpassed by \$1.3 trillion in total investments acquired. The largest increase in investments acquired was \$152.5 billion in bonds to \$980.1 billion, partially offset by a decrease of \$0.4 billion in stocks to \$43.4 billion.

Net cash from financing activity increased 38.2% (\$23.8 billion) to \$86.2 billion mostly from a \$17.8 billion increase in net deposit-type contracts to \$43.4 billion and a \$4.3 billion increase in capital and paid-up--4.9 (q)-0.7 (u)-ap4d paid

