



The life industry reported a 15% (\$90 billion) increase in direct written premiums and deposits to \$700 billion for the first six months of 2024. Net written premiums and deposits increased 11% (\$60 billion) to \$592 billion. Detailed below illustrates total direct, assumed, ceded, and net written premiums by line of business for year-over-year comparison.

Gross premiums for life insurance decreased 1% (\$1 billion) to \$138 billion. Both assumed and ceded premiums decreased by 8% (\$3 billion) and 5% (\$3 billion), respectively. Direct premiums increased 2% (\$2 billion) to \$108 billion, compared to first six months of 2023. Net life insurance premiums increased 2% (\$2 billion) to \$87 billion. The industry ratio of direct to life insurance premiums increased 2 percentage point to 63%.

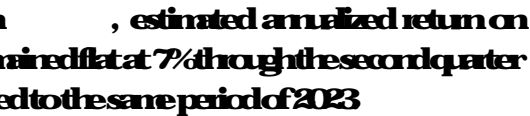


Net investment income increased 11% (\$12 billion) to \$121 billion through the first half of 2024. Concurrently, the industry's annualized net investment yield increased 0.4 percentage points to 4.6% as seen in the chart below.

The Federal Reserve raised the federal funds interest rate four times in 2023 and seven times in 2022. Prior to this year, the Federal Reserve had not adjusted the federal funds interest rate since March 2020. The most recent rate change in 2024 was in September, where the rate decreased to 4.75% from 5.0%.



The life industry's capital and surplus increased 1.2% (\$6 billion) to \$507 billion at June 30, 2024, from \$501 billion at December 31, 2023, due primarily to an industry net income of \$17 billion, unrealized gains of \$6 billion, paid in surplus and capital of \$3 billion, partially offset by stockholders' dividends of \$21 billion.

As illustrated in , estimated annualized return on equity (ROE) remained flat at 7% through the second quarter of 2024 compared to the same period of 2023.

The industry's separate account assets increased 5% to approximately \$3 trillion at June 30, 2024, compared to year-end 2023. Looking on a year-end basis, separate account assets have slightly increased over the past five years from \$2.5 billion at year-end 2020. Separate account fee income decreased 6% (\$1 billion) to \$18 billion in the first six months of 2024, compared to the prior year period. The ratio of separate account fee income to separate account assets decreased slightly to 1.1%.

The life industry's CARM allowance increased 1% to negative \$5 billion at second quarter 2024 compared to June 30, 2023.



**Abigail Edson, Senior Life/Health Financial Analyst I**

[AEdson@naic.org](mailto:AEdson@naic.org)

**Bruce Jensen, Assistant Director, Solvency Monitoring**

[BJensen@naic.org](mailto:BJensen@naic.org)

**816-783-8318**

**Jane Kerigman, Senior Manager II, Life/Health Financial Analysis**

[JKerigman@naic.org](mailto:JKerigman@naic.org) 48