

U.S. Life and A&H Insurance Industry Analysis Report

LIFE INDUSTRY OVERVIEW

Table 1 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 a decrease in overall profitability from year-end 2024 of 25.3% to \$23.5 billion.
- Direct written premiums and deposits increased 16.6% to \$1.4 trillion largely due to an \$84.3 billion (19.2%) increase in annuities to \$524.5 billion.
- The industry's total capital and surplus increased 1.8% to \$511.3 billion. Unrealized capital losses were \$4.5 billion compared to prior year-end gains of \$6.5 billion, and stockholder dividends increased 1.4% to \$42.7 billion.
- Total net admitted assets increased 5.8% to \$9.3 trillion compared to prior year-end.

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Table 1 - Financial Synopsis: December 31, 2024-2015
Life and Accident & Health Insurance Industry

(\$ In Billions)	Change	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operations											
Direct Written Premium	16.6%	\$1,427.4	\$1,224.6	\$1,172.5	\$1,112.6	\$1,034.3	\$968.3	\$909.6	\$859.0	\$836.3	\$826.6
Life Direct Written Premium	4.9%	\$224.4	\$213.9	\$213.9	\$210.1	\$192.8	\$193.3	\$185.4	\$187.0	\$179.3	\$177.7
A&H Direct Written Premium	10.4%	\$250.9	\$227.2	\$213.8	\$216.6	\$212.1	\$206.2	\$197.7	\$191.4	\$180.4	\$172.7
Annuities	19.2%	\$524.5	\$440.2	\$386.0	\$325.9	\$291.1	\$302.0	\$277.0	\$247.0	\$254.3	\$264.9
Other Considerations	29.2%	\$78.1	\$60.5	\$76.9	\$77.3	\$83.7	\$69.0	\$82.8	\$74.4	\$79.0	\$76.0
Deposits	23.6%	\$349.5	\$282.9	\$282.0	\$282.7	\$254.6	\$197.8	\$166.7	\$159.2	\$143.3	\$135.5
Assumed Premium	3.5%	\$183.9	\$177.7	\$200.5	\$198.1	\$158.6	\$171.7	\$167.5	\$127.0	\$115.6	\$147.0
Ceded Premium	0.1%	\$437.5	\$437.1	\$382.6	\$390.7	\$308.8	\$253.0	\$282.4	\$223.9	\$193.8	\$191.1
Net Earned Premium	20.5%	\$828.9	\$687.8	\$714.4	\$649.8	\$635.9	\$691.9	\$613.5	\$607.8	\$611.9	\$651.1
Net Investment Income	10.0%	\$242.9	\$220.7	\$201.7	\$203.7	\$187.2	\$187.4	\$186.3	\$182.7	\$176.0	\$172.8
Benefits	7.7%	\$373.5	\$346.8	\$327.1	\$345.5	\$319.8	\$308.2	\$295.2	\$285.3	\$274.9	\$266.8
Commissions & Gen. Expenses	2.5%	\$160.9	\$157.0	\$141.5	\$138.9	\$131.5	\$141.8	\$127.4	\$127.0	\$132.1	\$118.5
Operating Income	(36.1)%	\$29.9	\$46.8	\$45.3	\$41.3	\$28.0	\$46.5	\$34.7	\$45.4	\$46.9	\$40.9
Realized Gains/(Losses)	58.2%	(\$6.4)	(\$15.4)	(\$10.6)	(\$7.6)	(\$10.6)	(\$6.7)	(\$4.4)	(\$6.2)	(\$11.3)	(\$3.4)
Net Income/(Loss)	(25.3)%	\$23.5	\$31.4	\$34.7	\$33.6	\$17.4	\$39.7	\$29.6	\$38.5	\$34.9	\$36.8
Net Cash From Operations	5.5%	\$171.2	\$162.2	\$206.7	\$124.0	\$180.9	\$176.7	\$174.6	\$171.8	\$184.0	\$165.2
Number of Filers	(0.4)%	736	739	748	763	771	782	795	798	814	823
Capital and Surplus											
Unrealized Gains/(Losses)	(169.5)%	(\$4.5)	\$6.5	(\$34.6)	\$15.1	\$1.7	\$16.0	(\$4.6)	\$4.0	(\$2.7)	(\$10.5)
Capital and Surplus	1.8%	\$511.3	\$502.1	\$479.2	\$489.4	\$450.9	\$439.0	\$415.6	\$409.2	\$395.3	\$380.5
Stockholder Dividends	1.4%	(\$42.7)	(\$42.1)	(\$45.7)	(\$40.4)	(\$31.9)	(\$31.9)	(\$34.8)	(\$44.3)	(\$36.5)	(\$43.7)
ROE	(1.6)pts.	4.6%	6.2%	7.2%	6.9%	3.9%	9.1%	7.1%	9.4%	8.8%	9.7%
Assets											
Cash & Invested Assets	5.1%	\$5,626.0	\$5,352.2	\$5,199.7	\$5,047.4	\$4,812.7	\$4,497.8	\$4,268.7	\$4,215.2	\$4,031.9	\$3,836.6
Net Adm. Assets (excl. S. A.)	6.2%	\$6,117.2	\$5,757.8	\$5,558.0	\$5,260.0	\$5,118.1	\$4,778.9	\$4,529.9	\$4,465.8	\$4,285.7	\$4,067.7
Separate Account Assets	7.3%	\$3,253.0	\$3,032.0	\$2,769.0	\$3,348.2	\$3,084.8	\$2,833.4	\$2,492.5	\$2,743.8	\$2,520.4	\$2,437.9
Total Net Admitted Assets	5.8%	\$9,309.0	\$8,797.4	\$8,327.0	\$8,720.2	\$8,203.0	\$7,612.4	\$7,022.4	\$7,209.5	\$6,806.2	\$6,505.6
Net Investment Yield	0.2 pts.	4.4%	4.2%	3.9%	4.1%	4.0%	4.3%	4.4%	4.4%	4.5%	4.6%
ROA	(0.2)pts.	0.4%	0.6%	0.6%	0.6%	0.4%	0.9%	0.7%	0.9%	0.8%	0.9%

Note: Adjustments to exclude affiliated amounts were made where appropriate.

FILINGS

As shown in **Figure 1**, for year-end 2024, a total of 736 companies filed with the NAIC on the life, accident & health annual statement blank. There were 8 companies that were reported to be a party to a merger.

PREMIUM

Written Premiums

The life industry reported an increase of 16.6% (\$202.8 billion) in total direct written premium and deposits to \$1.4 trillion in 2024. Total net written premiums and deposits increased 21.6% (\$208.6 billion) to \$1.2 trillion. **Table 2** shows total direct written, assumed, ceded and net premium by line of business for the last two years.

Reinsurance

Total ceded premium increased 0.1% or \$0.4 billion. The annuities line of business increased 15.7% (\$29.5 billion) to \$216.8 billion, and the A&H insurance line of business increased 30.7% (\$18.1 billion). Life insurance ceded premium decreased 29.1% (\$50.5 billion) to \$122.8 billion. Most of the change in ceded premium is reflected in 14 companies with increases or decreases of more than \$5 billion. Of the 577 companies that reported ceded premiums, 79 companies with over \$100 million in ceded premiums reported changes of over 25% from 2023.

Total assumed premium increased 3.5%, or \$6.2 billion, driven by an \$11.7 billion increase in the A&H insurance line of business, a \$2.3 billion increase in annuities, partially offset by a \$10.0 billion decrease in the life insurance line of business for 2024.

Life Insurance

The life insurance line of business reported a 40.9% or \$50.9 billion increase to \$175.5 billion on a net basis primarily due to a \$50.5 billion decrease in ceded premium for 2024.

Deposit-type Contracts

Deposit-type contracts of \$343.4 billion experienced a 23.4%, or \$65.1 billion, increase over 2023, and a 154.3% increase over the \$135.0 billion reported in 2015.

Annuities

Net premiums for annuity considerations increased 18.6%, or \$57.2 billion, to \$364.6 billion for 2024. The increase in net premiums for 2024 was attributed to an 19.2% (\$84.3 billion) increase in direct premiums compared to 2023.

Figure 1 - Total Number of Filers

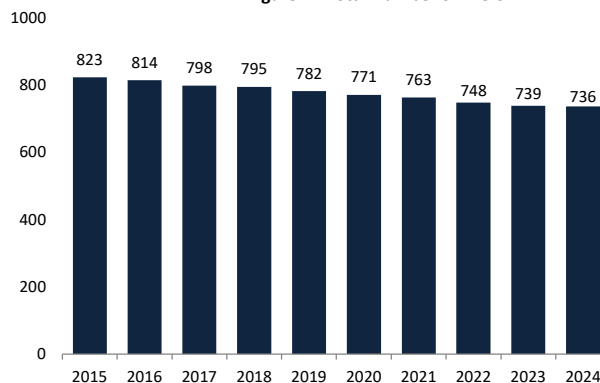


Table 2
Table 2 — Total Written Premium by LOB

(\$ in Billions)

Life Insurance	% Chg.	\$ Chg.	2024	2023
Direct Premium	4.9%	\$10.5	\$224.4	\$213.9
Assumed Premium	(12.0)%	(\$10.0)	\$73.8	\$83.9
Gross Premium	0.2%	\$0.5	\$298.3	\$297.8
Ceded Premiums	(29.1)%	(\$50.5)	\$122.8	\$173.2
Net Premium	40.9%	\$50.9	\$175.5	\$124.6
Annuity Considerations	% Chg.	\$ Chg.	2024	2023
Direct Premium	19.2%	\$84.3	\$524.5	\$440.2
Assumed Premium	4.3%	\$2.3	\$57.0	\$54.6
Gross Premium	17.5%	\$86.7	\$581.5	\$494.8
Ceded Premiums	15.7%	\$29.5	\$216.8	\$187.3
Net Premium	18.6%	\$57.2	\$364.6	\$307.5
A&H Insurance	% Chg.	\$ Chg.	2024	2023
Direct Premium	10.4%	\$23.7	\$250.9	\$227.2
Assumed Premium	35.7%	\$11.7	\$44.6	\$32.9
Gross Premium	13.6%	\$35.4	\$295.5	\$260.1
Ceded Premiums	30.7%	\$18.1	\$76.9	\$58.8
Net Premium	8.6%	\$17.3	\$218.6	\$201.3
Other	% Chg.	\$ Chg.	2024	2023
Direct Premium	29.2%	\$17.6	\$78.1	\$60.5
Assumed Premium	(16.4)%	(\$0.8)	\$3.9	\$4.7
Gross Premium	25.9%	\$16.9	\$82.0	\$65.2
Ceded Premiums	(10.5)%	(\$1.2)	\$10.3	\$11.6
Net Premium	33.7%	\$18.1	\$71.7	\$53.6
Deposit-type Contracts	% Chg.	\$ Chg.	2024	2023
Direct Premium	23.6%	\$66.7	\$349.5	\$282.9
Assumed Premium	181.6%	\$2.9	\$4.6	\$1.6
Gross Premium	24.5%	\$69.6	\$354.1	\$284.5
Ceded Premiums	72.5%	\$4.5	\$10.7	\$6.2
Net Premium	23.4%	\$65.1	\$343.4	\$278.3

Table 3 - Premiums by State												
(\$ in Millions)	Life Insurance Premiums			Annuity Considerations			A&H Insurance Premiums			Other Considerations		
State	% Chg	2024	2023	% Chg	2024	2023	% Chg	2024	2023	% Chg	2024	2023
Alabama	4%	\$2,740	\$2,629	15%	\$5,782	\$5,042	44%	\$3,638	\$2,534	15%	\$497	\$434
Alaska	56%	\$994	\$636	25%	\$650	\$521	8%	\$334	\$310	16%	\$309	\$266
Arizona	28%	\$4,137	\$3,225	25%	\$13,973	\$11,202	9%	\$4,907	\$4,502	3%	\$1,541	\$1,491
Arkansas	8%	\$1,417	\$1,313	18%	\$2,817	\$2,388	5%	\$1,305	\$1,243	26%	\$294	\$234
California	3%	\$21,753	\$21,112	15%	\$49,687	\$43,231	15%	\$18,749	\$16,369	60%	\$12,718	\$7,959
Colorado	3%	\$3,433	\$3,319	27%	\$8,558	\$6,713	18%	\$5,653	\$4,801	2%	\$1,239	\$1,215
Connecticut	6%	\$2,850	\$2,686	15%	\$9,048	\$7,889	14%	\$5,045	\$4,408	(27%)	\$1,081	\$1,478
Delaware	21%	\$2,122	\$1,756	33%	\$6,182	\$4,649	9%	\$1,047	\$958	(67%)	\$233	\$698
Dist. Columbia	11%	\$522	\$469	24%	\$1,010	\$815	7%	\$1,189	\$1,108	(30%)	\$187	\$266
Florida	5%	\$13,174	\$12,604	18%	\$42,016	\$35,530	9%	\$18,932	\$17,361	4%	\$2,365	\$2,280
Georgia	14%	\$6,826	\$5,980	19%	\$12,029	\$10,125	11%	\$9,182	\$8,305	84%	\$2,670	\$1,449
Hawaii	42%	\$1,358	\$954	18%	\$2,634	\$2,231	7%	\$872	\$813	41%	\$388	\$276
Idaho	3%	\$816	\$794	21%	\$2,182	\$1,797	8%	\$774	\$714	68%	\$488	\$291
Illinois	1%	\$7,913	\$7,802	24%	\$19,720	\$15,889	9%	\$9,916	\$9,112	21%	\$3,214	\$2,659
Indiana	3%	\$3,654	\$3,547	13%	\$9,643	\$8,513	21%	\$5,566	\$4,585	35%	\$1,065	\$791
Iowa	51%	\$3,192	\$2,112	24%	\$5,983	\$4,829	5%	\$1,697	\$1,609	57%	\$6,009	\$3,833
Kansas	7%	\$1,707	\$1,592	(0%)	\$3,658	\$3,672	10%	\$4,491	\$4,096	24%	\$344	\$278
Kentucky	1%	\$1,921	\$1,899	21%	\$5,445	\$4,497	8%	\$2,159	\$1,994	(11%)	\$518	\$579
Louisiana	1%	\$2,723	\$2,696	18%	\$7,027	\$5,931	26%	\$3,424	\$2,707	(3%)	\$712	\$735
Maine	4%	\$538	\$516	16%	\$2,199	\$1,896	3%	\$1,192	\$1,162	29%	\$207	\$160
Maryland	4%	\$3,623	\$3,483	24%	\$9,341	\$7,554	8%	\$4,932	\$4,555	(0%)	\$1,187	\$1,190
Massachusetts	5%	\$4,550	\$4,338	28%	\$13,989	\$10,945	12%	\$6,225	\$5,563	3%	\$4,152	\$4,032
Michigan	(17%)	\$5,357	\$6,480	2%	\$19,135	\$18,754	13%	\$4,926	\$4,366	(2%)	\$1,228	\$1,256
Minnesota	(3%)	\$5,154	\$5,324	32%	\$10,909	\$8,246	8%	\$2,790	\$2,577	(4%)	\$1,647	\$1,723
Mississippi	4%	\$1,523	\$1,468	15%	\$2,810	\$2,440	22%	\$2,334	\$1,919	(7%)	\$183	\$197
Missouri	6%	\$3,491	\$3,296	17%	\$9,992	\$8,517	13%	\$5,553	\$4,900	10%	\$929	\$845
Montana	11%	\$528	\$475	19%	\$1,022	\$857	9%	\$557	\$513	87%	\$309	\$165
Nebraska	2%	\$1,282	\$1,253	33%	\$3,292	\$2,471	8%	\$1,854	\$1,709	(42%)	\$262	\$454
Nevada	4%	\$1,704	\$1,644	18%	\$3,630	\$3,079	7%	\$1,920	\$1,802	106%	\$800	\$388
New Hampshire	7%	\$779	\$727	23%	\$3,604	\$2,930	(0%)	\$1,039	\$1,043	(27%)	\$230	\$316
New Jersey	2%	\$7,838	\$7,647	17%	\$23,398	\$19,992	9%	\$11,229	\$10,338	(12%)	\$1,586	\$1,810
New Mexico	5%	\$818	\$778	19%	\$1,758	\$1,476	19%	\$926	\$776	53%	\$383	\$251
New York	0%	\$13,631	\$13,609	20%	\$33,255	\$27,806	6%	\$16,542	\$15,536	30%	\$5,871	\$4,527
North Carolina	7%	\$6,265	\$5,831	28%	\$17,332	\$13,585	7%	\$7,861	\$7,338	(2%)	\$885	\$906
North Dakota	5%	\$596	\$566	21%	\$1,737	\$1,433	3%	\$390	\$378	(9%)	\$196	\$214
Ohio	1%	\$6,470	\$6,412	15%	\$21,763	\$18,916	7%	\$8,858	\$8,305	20%	\$1,570	\$1,311
Oklahoma	3%	\$1,724	\$1,672	19%	\$3,386	\$2,841	5%	\$1,834	\$1,748	0%	\$474	\$473
Oregon	(1%)	\$1,477	\$1,492	17%	\$4,393	\$3,760	16%	\$2,564	\$2,213	58%	\$1,802	\$1,140
Pennsylvania	1%	\$7,561	\$7,487	14%	\$27,339	\$23,995	10%	\$11,222	\$10,242	32%	\$2,280	\$1,730
Rhode Island	11%	\$593	\$536	13%	\$2,382	\$2,111	14%	\$633	\$556	19%	\$123	\$103
South Carolina	4%	\$2,950	\$2,827	18%	\$8,326	\$7,047	13%	\$3,744	\$3,302	(6%)	\$379	\$402
South Dakota	33%	\$2,586	\$1,942	46%	\$1,573	\$1,079	6%	\$529	\$501	20%	\$597	\$496
Tennessee	3%	\$4,116	\$3,982	17%	\$9,815	\$8,385	13%	\$5,878	\$5,197	14%	\$1,601	\$1,399
Texas	5%	\$16,166	\$15,448	26%	\$36,260	\$28,799	5%	\$21,156	\$20,185	71%	\$4,509	\$2,638
Utah	0%	\$1,753	\$1,747	24%	\$4,890	\$3,945	11%	\$2,036	\$1,839	227%	\$3,633	\$1,111
Vermont	7%	\$286	\$266	41%	\$1,450	\$1,027	8%	\$409	\$380	(8%)	\$140	\$152
Virginia	4%	\$5,072	\$4,856	21%	\$11,820	\$9,792	7%	\$6,641	\$6,183	(2%)	\$929	\$943
Washington	4%	\$3,550	\$3,420	25%	\$9,379	\$7,516	20%	\$4,415	\$3,692	70%	\$2,416	\$1,424
West Virginia	1%	\$735	\$725	12%	\$2,351	\$2,102	6%	\$984	\$925	22%	\$165	\$136
Wisconsin	8%	\$3,466	\$3,208	22%	\$10,248	\$8,370	14%	\$5,104	\$4,484	23%	\$1,153	\$941
Wyoming	15%	\$436	\$379	27%	\$722	\$567	6%	\$463	\$435	43%	\$91	\$64
American Samoa	(2%)	\$4	\$4	(83%)	\$0	\$0	9%	\$1	\$1	0%	\$0	\$0
Guam	1%	\$58	\$58	118%	\$41	\$19	2%	\$42	\$41	150%	\$13	\$5
Puerto Rico	5%	\$660	\$631	12%	\$1,990	\$1,771	3%	\$935	\$906	(25%)	\$36	\$48
U.S. Virgin Islands	2%	\$33	\$32	96%	\$20	\$10	1%	\$273	\$269	158%	\$14	\$5
Northern Mariana Islands	10%	\$9	\$8	39%	\$0	\$0	(13%)	\$39	\$45	0%	\$0	\$0
Canada	1%	\$478	\$475	48%	\$22	\$15	1%	\$401	\$395	152%	\$76	\$30
Aggregate other alien	3%	\$1,682	\$1,626	18%	\$86	\$73	9%	\$1,545	\$1,414	(61%)	\$56	\$142
										108%	\$6,256	\$3,005

Table 3, illustrates state details for 2024 and 2023, by premium type, with the three largest states for each premium type highlighted. As you can see in the table, California has the largest percentage of premiums in life insurance, annuity considerations, and other considerations. Texas has the largest percentage of premiums in A&H insurance and New York has the largest percentage of deposit-type contract funds.

Earned Premiums

On a net earned basis, the industry reported a 20.5% (\$141.1 billion) increase in net earned premiums to \$828.9 billion. **Table 4** shows a breakdown of net earned premium, by line of business, for 2024 and 2023.

Annuities

Total net annuity considerations increased 20.6% (\$74.1 billion) to \$434.3 billion for 2024. The increase was primarily driven by a 28.4%, or \$23.6 billion, increase in variable annuities with guarantees, a 68.3% (\$21.6 billion) increase in life contingent payout, a 45.2% (\$20.6 billion) increase in variable annuities without guarantees. Variable annuities with and without guarantees accounted for 39.8% of total annuity considerations.

Life Insurance

Total net life insurance premiums increased 29.9% to \$170.4 billion for year-end 2024. Whole life and term life accounted for 63% of total life insurance premiums. Term life increased 13.1% (\$4.8 billion) and whole life decreased 1.4% (\$1.0 billion) both compared to year-end 2023.

Table 4 – Net Premiums by Line of Business

(\$ in Billions)	% Chg.	\$ Chg.	2024	2023
Fixed Annuities	2.1%	\$2.2	\$109.1	\$106.9
Indexed Annuities	(0.6)%	(\$0.4)	\$72.8	\$73.2
Life Contingent Payout	68.3%	\$21.6	\$53.2	\$31.6
Other Annuities	32.8%	\$6.5	\$26.4	\$19.9
Variable Annuities w/ Guar	28.4%	\$23.6	\$106.6	\$83.0
Variable Annuities w/out Guar	45.2%	\$20.6	\$66.1	\$45.5
Total Annuities	20.6%	\$74.1	\$434.3	\$360.2
Credit Life	(6.4)%	(\$0.1)	\$0.5	\$0.6
Indexed Life	210.0%	\$12.6	\$18.6	\$6.0
Industrial Life	(4.3)%	(\$0.0)	\$0.1	\$0.1
Other Group Life	(2.4)%	(\$0.0)	\$1.2	\$1.2
Other Individual Life	(52.4)%	(\$1.6)	\$1.5	\$3.1
Term Life	13.1%	\$4.8	\$41.0	\$36.2
Universal Life	9.8%	\$0.1	\$1.7	\$1.6
Universal Life with Secondary Guar	270.5%	\$13.0	\$8.2	(\$4.8)
Variable Life	59.8%	\$2.6	\$6.9	\$4.3
Variable Universal Life	102.5%	\$8.9	\$17.6	\$8.7
Whole Life	(1.4)%	(\$1.0)	\$66.3	\$67.3
YRT Mortality Risk Only	(1.3)%	(\$0.1)	\$6.9	\$7.0
Total Life Insurance	29.9%	\$39.2	\$170.4	\$131.2
Credit A&H	(7.4)%	(\$0.0)	\$0.6	\$0.6
Dental Only	4.0%	\$0.6	\$15.4	\$14.8
Disability Income	(10.8)%	(\$3.6)	\$29.4	\$33.0
Federal Employees Health Ben	1.6%	\$0.0	\$2.0	\$2.0
Group Comprehensive	4.4%	\$1.9	\$45.2	\$43.3
Individual Comprehensive	52.0%	\$2.2	\$6.4	\$4.2
Long-Term Care	24.4%	\$2.2	\$11.5	\$9.3
Medicare Supplement	2.4%	\$0.5	\$22.6	\$22.1
Other Health	12.5%	\$4.9	\$44.0	\$39.1
Title XIX Medicaid	21.5%	\$1.0	\$5.3	\$4.3
Title XVIII Medicare	20.5%	\$5.8	\$34.0	\$28.2
Vision Only	4.7%	\$0.0	\$2.0	\$2.0
Total A&H	7.7%	\$15.6	\$218.5	\$202.9

A&H

Total net A&H premiums increased 7.7% (\$15.6 billion) for year-end 2024. The largest increases were seen in Title XVIII Medicare, which increased 20.5% (\$5.8 billion), and other health, which increased 12.5% (\$4.9 billion) both compared to 2023.

INVESTMENT INCOME

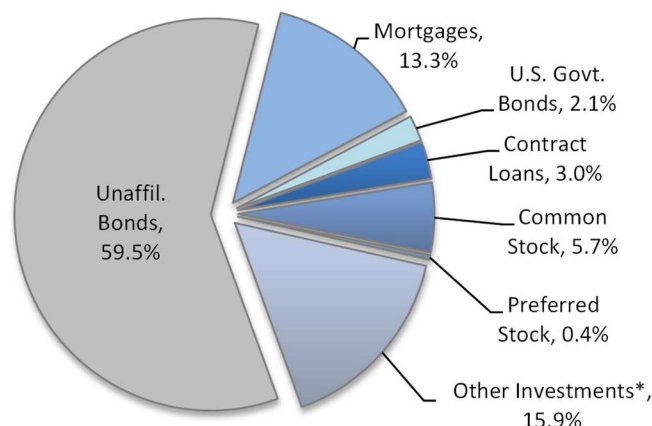
Net investment income increased 10% (\$22.2 billion), to \$242.9 billion in 2024 compared to \$220.7 billion in 2023.

The increase was driven by the following:

- Investment income from unaffiliated other bonds increased \$10.4 billion to \$167.4 billion
- Investment income from mortgage loans increased \$4.4 billion to \$37.6 billion
- Investment income from affiliated common stock increased \$3.2 billion to \$14.6 billion
- Investment income from cash and short-term investments increased \$2.4 billion to \$10.5 billion
- Investment losses from derivatives investments improved \$3 billion to losses of \$3.1 billion

The industry's invested asset portfolio increased 5.1% to \$5.6 trillion at year-end 2024. **Figure 2** illustrates net investment income by asset class.

Figure 2 — Net Investment Income Allocation



* Includes: affiliated bonds, real estate, cash, short-term investments, derivatives, BA assets, and write-ins.

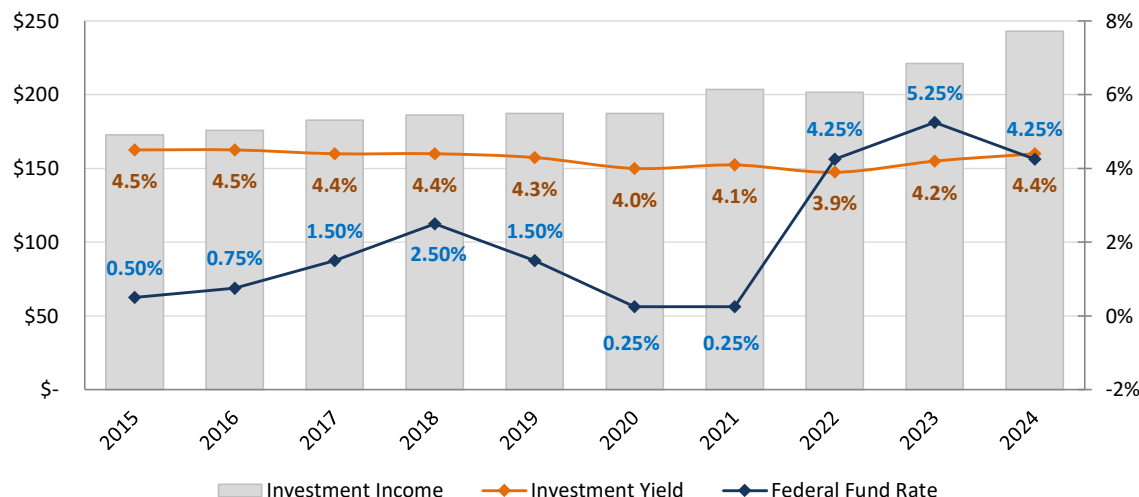
The Other Investments category*, seen in **Figure 2**, increased to 15.9% of total investment income, from 14.3% at year-end 2023. This growth was mainly attributed to a 1.3-point improvement in derivatives investment income, which increased to (1.1)% compared to (2.4)% at year-end 2023.

The industry's net investment yield increased 0.2 percentage point to 4.4% as seen in **Figure 3**. Following the significant increases in 2022 and 2023, in 2024, the Federal Reserve decreased the federal funds interest rate as follows:

- September 19—to 5.00% from 5.50%
- November 19—to 4.75% from 5.00%
- December 19—to 4.50% from 4.75%
- As of May 2025, there were no changes to the federal fund interest rate in 2025.

in Billions

Figure 3 — Net Investment Income & Yield



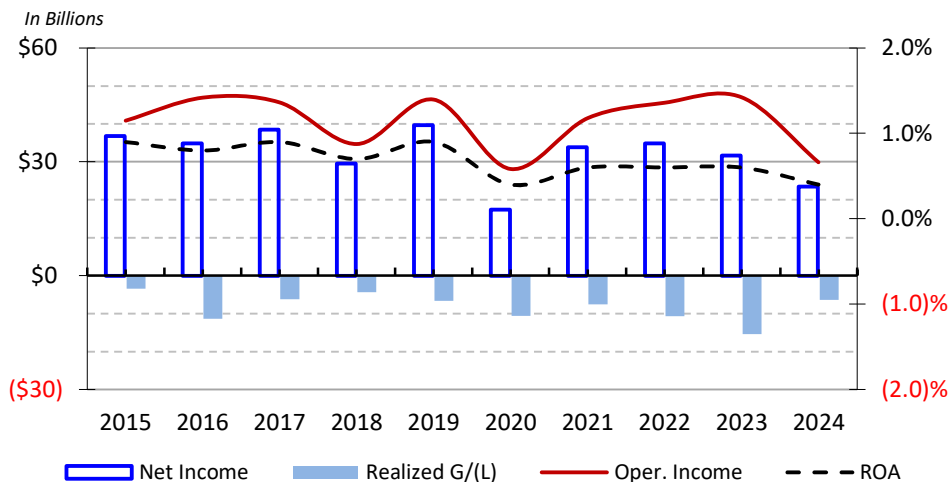
OPERATIONS

The industry reported profitability of \$38.2 billion in 2024 compared to \$43.2 billion for 2023, a \$5.0 billion decrease (unadjusted for affiliated amounts). The largest decrease was seen in reserve adjustments on ceded reinsurance, which decreased \$36.8 billion to \$(7.9) billion for year-end 2024. Additionally, surrender benefits and withdrawals increased 16.3% (\$68 billion) and the industry reported \$90.4 billion increases in aggregate reserves for life and A&H contracts. These changes are shown in **Table 5**.

Table 5 - Changes in Net Income / (Loss)

<i>\$ In Billions</i>	<i>% Change</i>	<i>\$ Change</i>	2024	2023
Premiums	20.6%	\$141.3	\$828.9	\$687.6
Net Investment Income	11.0%	\$25.5	\$257.6	\$232.1
Reserve Adjustments on Reins Ceded	-127.5%	(\$36.8)	(\$7.9)	\$28.8
Total Revenues	12.4%	\$130.9	\$1,183.1	\$1,052.1
Surrender Benefits & Withdrawals for Life Contracts	16.3%	\$68.0	\$484.4	\$416.4
Disability and A&H Benefits	13.9%	\$21.5	\$175.7	\$154.2
Increase in Agg Reserves for Life and A&H Contracts	76.9%	\$39.5	\$90.9	\$51.4
Commissions & Exp Allowances on Reins Assumed	-20.6%	(\$5.0)	\$19.2	\$24.3
Net Transfers To or (From) S.A. Net of Reins	-6.6%	(\$5.4)	(\$87.8)	(\$82.4)
Total Expenses	15.5%	\$148.0	\$1,105.4	\$957.5
Federal and Foreign Income Taxes Incurred	-35.6%	(\$4.7)	\$8.5	\$13.2
Net Realized Capital Gains/(Losses)	58.2%	\$9.0	(\$6.4)	(\$15.4)
Net Income/(Loss)	-11.6%	(\$5.0)	\$38.2	\$43.2

** unadjusted basis

Figure 4 — Net Income, Realized G/(L), Op. Income & ROA


The impact realized capital losses had on net income over the past ten years is depicted in **Figure 4**. Realized capital losses in derivative instruments were \$5.0 billion for 2024 compared to realized capital losses of \$14.8 billion for 2023. Concurrently, unaffiliated other bonds reported realized capital losses of \$14.7 billion compared to realized capital losses of \$21.3 million for 2023. Realized capital losses in mortgage loans were \$3.8 billion compared to realized capital losses of \$1.7 billion for 2023.

Annuities

The annuities line of business reported a net operating gain of \$27.6 billion, a 21.0% (\$7.3 billion) decrease compared to 2023. Variable annuities with guarantees was the largest line of annuity business, which reported a 15.1% decline in operating gains to \$26.9 billion for 2024. Indexed annuities reported an operating loss of \$8.7 billion, a 140.7% deterioration over the \$3.6 billion loss for the previous year.

Life Insurance

The life insurance line of business reported a \$20.9 billion operating gain, a 21.8% (\$5.8 billion) decrease compared to 2023. Whole life reported the largest operating gain of \$19.8 billion, while universal life with secondary guarantees reported the largest operating loss of \$7.7 billion, both for 2024.

Accident & Health

Total A&H reported a 3.2% decrease in operating gains to \$22.9 billion for 2024. The largest operating gain for A&H was \$7.3 billion reported in other health.

Table 6 - Operating Gain/Loss by Line of Business

(\$ in Billions)	% Chg.	\$ Chg.	2024	2023
Fixed Annuities	7.1%	\$0.2	\$2.4	\$2.3
Indexed Annuities	(140.7)%	(\$5.1)	(\$8.7)	(\$3.6)
Life Contingent Payout	(52.0)%	(\$2.0)	\$1.9	\$3.9
Other Annuities	91.5%	\$2.1	\$4.4	\$2.3
Variable Annuities w/ Guar	(15.1)%	(\$4.8)	\$26.9	\$31.7
Variable Annuities w/out Guar	142.6%	\$2.3	\$0.7	(\$1.6)
Total Annuities	(21.0)%	(\$7.3)	\$27.6	\$34.9
Credit Life	(15.4)%	(\$0.0)	\$0.1	\$0.1
Indexed Life	(533.4)%	(\$2.4)	(\$2.9)	(\$0.5)
Industrial Life	(16.4)%	(\$0.0)	\$0.0	\$0.1
Other Group Life	46.6%	\$0.1	\$0.2	\$0.2
Other Individual Life	55.8%	\$0.4	\$1.0	\$0.6
Term Life	7.5%	\$0.5	\$7.6	\$7.1
Universal Life	64.7%	\$0.2	\$0.4	\$0.2
Universal Life with Secondary Guar	(397.3)%	(\$6.2)	(\$7.7)	(\$1.6)
Variable Life	17.4%	\$0.1	\$0.9	\$0.8
Variable Universal Life	97.9%	\$0.9	\$1.8	\$0.9
Whole Life	5.4%	\$1.0	\$19.8	\$18.7
YRT Mortality Risk Only	(5,202.8)%	(\$0.3)	(\$0.3)	(\$0.0)
Total Life Insurance	(21.8)%	(\$5.8)	\$20.9	\$26.7
Credit A&H	5.5%	\$0.0	\$0.1	\$0.1
Dental Only	35.8%	\$0.3	\$1.2	\$0.9
Disability Income	4.5%	\$0.2	\$5.6	\$5.3
Federal Employees Health Ben	98.6%	\$0.0	(\$0.0)	(\$0.0)
Group Comprehensive	17.0%	\$0.9	\$5.9	\$5.1
Individual Comprehensive	127.4%	\$0.8	\$1.5	\$0.6
Long-Term Care	274.4%	\$1.4	\$1.9	\$0.5
Medicare Supplement	127.4%	\$0.7	\$1.2	\$0.5
Other Health	(22.4)%	(\$2.1)	\$7.3	\$9.4
Title XIX Medicaid	(32.1)%	(\$0.1)	\$0.3	\$0.4
Title XVIII Medicare	(611.5)%	(\$2.8)	(\$2.4)	\$0.5
Vision Only	5.6%	\$0.0	\$0.3	\$0.3
Total A&H	(3.2)%	(\$0.7)	\$22.9	\$23.7

ASSETS

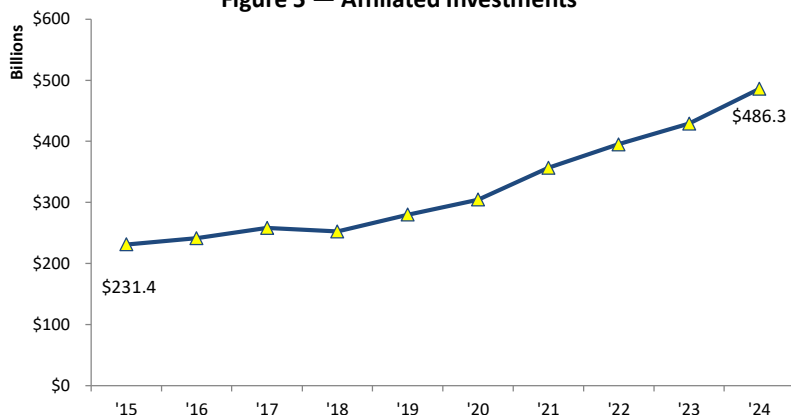
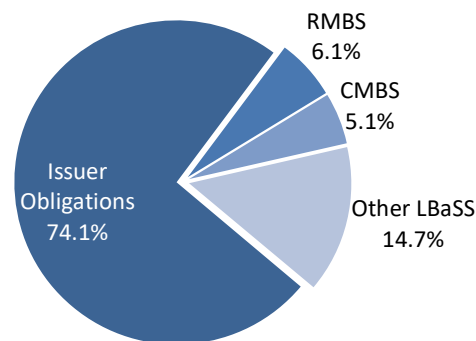
The life industry reported a 5.8% increase in total net admitted assets at Dec. 31, 2024, to \$9.3 trillion. The increase was attributed to general account assets, which increased 6.2% to \$6.1 trillion, and separate accounts, which increased 7.4% to \$3.3 trillion and accounted for 34.7% of total net 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** (on the following page). See page 10 for discussion of separate accounts.

Table 7 - Invested Assets

(\$ In Billions)	2024 % of Total	2020 % of Total	5-Yr % Chg	1-Yr % Chg	2024	2023	2020
Bonds	67.6%	70.6%	11.9%	3.9%	\$3,803.1	\$3,659.4	\$3,399.1
Common Stock	1.9%	1.9%	13.6%	4.3%	\$106.1	\$101.8	\$93.4
Preferred Stock	0.3%	0.3%	19.7%	5.0%	\$18.5	\$17.6	\$15.5
Mortgage Loans	14.0%	12.5%	31.0%	7.2%	\$787.0	\$733.9	\$600.8
Real Estate	0.4%	0.5%	(4.3)%	(2.7)%	\$22.0	\$22.6	\$23.0
Cash & S/T Investments	3.5%	3.3%	25.5%	4.1%	\$198.2	\$190.4	\$157.9
Derivatives	2.2%	2.5%	(0.1)%	19.3%	\$121.6	\$102.0	\$121.7
BA Assets	6.6%	4.9%	56.8%	8.3%	\$370.0	\$341.5	\$235.9
Other Invested Assets	3.5%	3.4%	20.5%	9.0%	\$199.5	\$183.0	\$165.5
Total Invested Assets	100.0%	100.0%	16.9%	5.1%	\$5,626.0	\$5,352.2	\$4,812.7

As seen in **Figure 5**, the industry has seen an increase in affiliated investments over the past ten years. The largest components of affiliated investments were:

- Affiliated common stock—\$181.8 billion
- Other affiliated assets (Parent, Subs, and Affiliates)—\$170.6 billion
- Affiliated bonds—\$106.5 billion

Figure 5 — Affiliated Investments

Figure 6 – Bond Allocation


As seen in **Figure 6**, the majority of the industry's total bond portfolio (long-term and short-term) is comprised of issuer obligations, at 74.1%.

The industry's allocation of long-term bonds is shown in **Figure 7** (on the following page), with the majority (80.4%) being industrial and miscellaneous. The industry's holdings of noninvestment-grade bonds decreased 0.5% (\$1.0 billion) and represented 4.8% of total bonds on Dec. 31, 2024. The distribution of bonds between class NAIC 1 through class NAIC 6 has been essentially flat for the last five years.

The life insurance industry maintains a relatively unchanged portfolio of bond maturities with 36.0% of the holdings at year-end 2024 due to mature in five years or less compared with 35.5% at year-end 2023. Bonds with a maturity of ten

years or later represented 41.0% of total bonds. **Figure 8** illustrates bond distribution by maturity.

Figure 7 – Long Term Bond Allocation

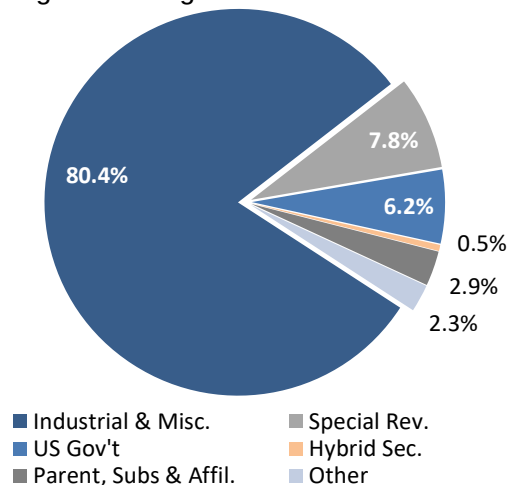
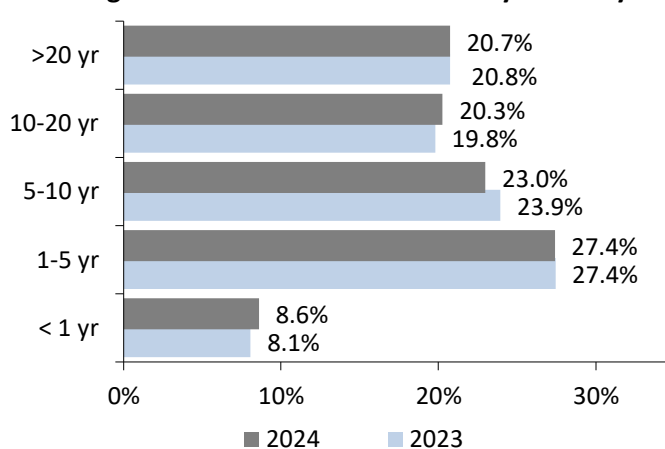


Figure 8 – % of Total Bonds Held by Maturity



LIABILITIES

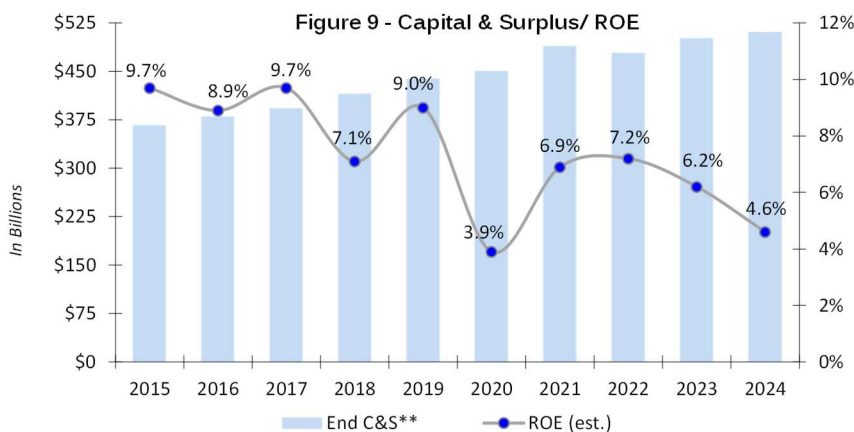
The life industry reported a 6.2% (\$509.7 billion) increase in total liabilities to \$8.8 trillion at year-end 2024. The largest changes were in the following:

- A 7.4% (\$225.0 billion) increase in separate account liabilities to \$3.3 trillion
- A 35.7% (\$79.1 billion) increase in funds held under coinsurance to \$301.0 billion
- A 10.0% (\$32.2 billion) increase in funds held under reinsurance treaties with unauthorized reinsurers to \$354.0 billion
- And a 29.2% (\$4.5 billion) decrease in interest maintenance reserve to \$10.9 billion

CAPITAL AND SURPLUS

The life industry's capital and surplus increased by 1.8% to \$511.3 billion compared to \$502.1 billion at Dec. 31, 2023, due primarily to the \$23.5 billion net income, discussed on page 5, \$13.1 billion in capital paid-in, which was mostly offset by stockholder dividends of \$42.7 billion and unrealized capital losses of \$4.5 billion.

As seen in **Figure 9**, the industry's return on equity (ROE) decreased to 4.6% from 6.2% in 2024 due mainly to the industry's net income.



LIQUIDITY

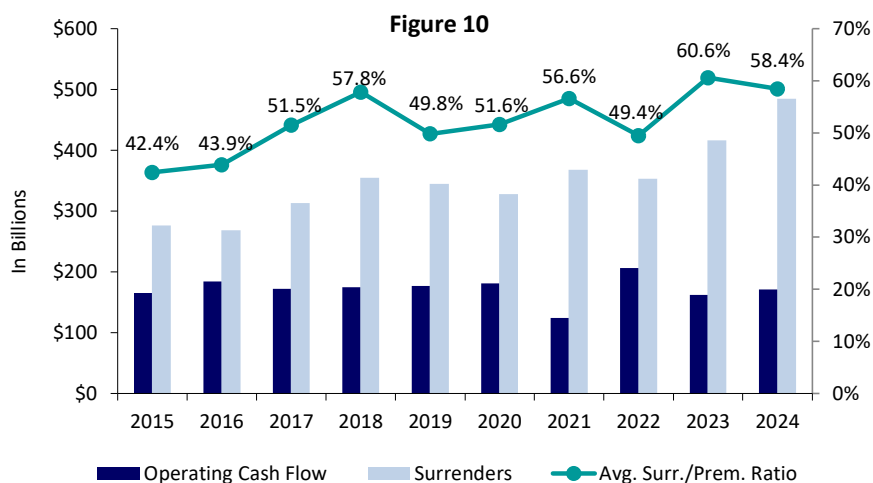
The life industry reported operating cash flow of \$171.2 billion in 2024, up 5.5% (\$9.0 billion) from \$162.2 billion in the prior year. The increase was primarily from an increase in net premium of 12.3% (\$89.6 billion), an 8.7% (\$18.6 billion) increase in net investment income. Transfers to separate accounts was \$(119.6) billion compared to \$(91.9) billion for 2023, and an increase in benefits and loss payments of 14.3% (\$107.4 billion), an increase in commissions of 9.7% (\$17.9

billion), partially offset the improvement in operating cash flow.

The industry experienced a 16.3% (\$67.9 billion) increase in surrender benefits to \$484.4 billion. The average surrenders to premiums ratio decreased 2.2-points to 58.4% compared to 60.6% in 2023. **Figure 10** shows the industry's operating cash flow and surrender activity over the past ten years.

The life insurance industry reported \$(277.7) billion in net cash from investment activity as total investment proceeds of \$888.4 billion were surpassed by \$1,157.2 billion in total investments acquired. The largest increase in investments acquired was \$283.0 billion in bonds to \$854.4 billion, and acquired stocks increased \$11.7 billion to \$35.2 billion.

Net cash from financing activity increased 178.1% (\$63.5 billion) to \$114.2 billion mostly from a \$30.3 billion increase in other cash provided and applied to \$86.0 billion, and a \$2.2 billion increase in capital and paid-in surplus to \$7.8 billion.



SEPARATE ACCOUNTS

Table 8 - Separate Accounts

<i>\$ In Millions</i>	<i>% Change</i>	2024	2023
Totals Revenue	5.7%	\$621,778	\$588,450
Net premiums	31.1%	\$270,189	\$206,046
Net investment income and capital gains and losses	(7.6%)	\$346,020	\$374,479
Total Benefits and Expenses	23.7%	\$361,151	\$291,909
Death benefits	8.0%	\$10,610	\$9,822
Annuity benefits	16.9%	\$41,546	\$35,528
Surrender benefits and withdrawals for life contracts	26.4%	\$290,611	\$229,869
Fees for charges for investment mgt, admin and guarantees	3.2%	\$39,068	\$37,865
Increase in aggregate reserve for life and A&H contracts	(17.0%)	\$196,601	\$236,813
Increase in liability for deposit-type contracts	12.3%	\$31,471	\$28,031
Net gain from operations	(1.1%)	(\$4,887)	(\$4,832)
Surplus	(19.3%)	\$4,863	\$6,027
Assets	7.3%	\$3,252,996	\$3,031,959
Liabilities	7.4%	\$3,252,989	\$3,029,146
CARVM Allowance	(2.5%)	(\$25,180)	(\$24,565)

The life insurance industry reported a 7.3% increase in separate account assets to \$3.3 trillion at Dec. 31, 2024. Likewise, total separate account liabilities increased 7.4% to \$3.3 trillion. Aggregate separate account reserves for life, annuity and

A&H products increased 7.3% (\$197.6 billion) to \$2.9 trillion and the liability for deposit-type contracts increased 12.0% (\$28.9 billion) to \$270.8 billion.

Net investment income and capital gains and losses decreased to \$346.0 billion compared to \$374.5 billion for 2023. Net gains from operations decreased 1.1% (\$55.2 million) to a net loss from operations of \$4.8 billion.

Separate account fees increased 3.2% to \$39.1 billion from \$37.9 billion at Dec. 31, 2023. The ratio of separate account fees to separate account assets decreased to 1.1% from 1.3% and the industry's CARVM allowance decreased 2.5% to \$(25.2) billion. The separate account surplus decreased 19.3% (\$1.2 billion) to \$4.9 billion compared to year-end 2023.

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DISCLAIMER

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