

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 30.7% increase in overall profitability from year-end 2024 to \$30.6 billion in 2025.
- Direct written premiums and deposits increased 6.0% to \$1.5 trillion, driven largely by a \$21.9 billion (4.2%) increase in annuities to \$546.4 billion.
- The industry’s total capital and surplus increased 5.7% to \$540.7 billion. Unrealized capital gains were \$14.3 billion, compared with losses of \$4.6 billion at year-end 2024, while stockholder dividends decreased 16.1% to \$35.8 billion.
- Total net admitted assets increased 6.9% to \$10.0 trillion from year-end 2024.

Inside the Report

Page No.

Filings.....	2
Premium.....	2-4
Investment Income	5
Operations.....	6-7
Assets	7-9
Liabilities.....	9
Capital & Surplus	9
Liquidity.....	9-10
Separate Accounts.....	10-11

Table 1 - Financial Synopsis: December 31, 2025-2016
Life and Accident & Health Insurance Industry

(\$ In Billions)	Change	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operations											
Direct Written Premium	6.0%	\$1,513.7	\$1,427.5	\$1,224.6	\$1,172.5	\$1,112.6	\$1,034.3	\$968.3	\$909.6	\$859.0	\$836.3
Life Direct Written Premium	4.0%	\$233.5	\$224.5	\$213.9	\$213.9	\$210.1	\$192.8	\$193.3	\$185.4	\$187.0	\$179.3
A&H Direct Written Premium	(5.7)%	\$236.5	\$250.9	\$227.2	\$213.8	\$216.6	\$212.1	\$206.2	\$197.7	\$191.4	\$180.4
Annuities	4.2%	\$546.4	\$524.5	\$440.2	\$386.0	\$325.9	\$291.1	\$302.0	\$277.0	\$247.0	\$254.3
Other Considerations	(6.0)%	\$73.4	\$78.1	\$60.5	\$76.9	\$77.3	\$83.7	\$69.0	\$82.8	\$74.4	\$79.0
Deposits	21.3%	\$423.8	\$349.5	\$282.9	\$282.0	\$282.7	\$254.6	\$197.8	\$166.7	\$159.2	\$143.3
Assumed Premium	48.1%	\$272.5	\$184.0	\$177.7	\$200.5	\$198.1	\$158.6	\$171.7	\$167.5	\$127.0	\$115.6
Ceded Premium	32.8%	\$580.5	\$437.1	\$437.1	\$382.6	\$390.7	\$308.8	\$253.0	\$282.4	\$223.9	\$193.8
Net Earned Premium	(3.8)%	\$798.1	\$829.2	\$687.8	\$714.4	\$649.8	\$635.9	\$691.9	\$613.5	\$607.8	\$611.9
Net Investment Income	6.7%	\$259.1	\$243.0	\$220.7	\$201.7	\$203.7	\$187.2	\$187.4	\$186.3	\$182.7	\$176.0
Benefits	(2.6)%	\$364.0	\$373.7	\$346.8	\$327.1	\$345.5	\$319.8	\$308.2	\$295.2	\$285.3	\$274.9
Commissions & Gen. Expenses	4.7%	\$168.6	\$161.0	\$157.1	\$141.5	\$138.9	\$131.5	\$141.8	\$127.4	\$127.0	\$132.1
Operating Income	23.6%	\$36.8	\$29.8	\$46.8	\$45.3	\$41.3	\$28.0	\$46.5	\$34.7	\$45.4	\$46.9
Realized Gains/(Losses)	2.1%	(\$6.3)	(\$6.4)	(\$15.4)	(\$10.6)	(\$7.6)	(\$10.6)	(\$6.7)	(\$4.4)	(\$6.2)	(\$11.3)
Net Income/(Loss)	30.7%	\$30.6	\$23.4	\$31.4	\$34.7	\$33.6	\$17.4	\$39.7	\$29.6	\$38.5	\$34.9
Net Cash From Operations	28.4%	\$219.2	\$170.6	\$162.2	\$206.7	\$124.0	\$180.9	\$176.7	\$174.6	\$171.8	\$184.0
Number of Filers	(2.2)%	727	743	750	756	766	774	787	795	798	814
Capital and Surplus											
Unrealized Gains/(Losses)	413.4%	\$14.3	(\$4.6)	\$6.5	(\$34.6)	\$15.1	\$1.7	\$16.0	(\$4.6)	\$4.0	(\$2.7)
Capital and Surplus	5.7%	\$540.7	\$511.5	\$502.1	\$479.2	\$489.4	\$450.9	\$439.0	\$415.6	\$409.2	\$395.3
Stockholder Dividends	(16.1)%	(\$35.8)	(\$42.7)	(\$42.1)	(\$45.7)	(\$40.4)	(\$31.9)	(\$31.9)	(\$34.8)	(\$44.3)	(\$36.5)
ROE	1.1 pts.	5.7%	4.6%	6.2%	7.2%	6.9%	3.9%	9.1%	7.1%	9.4%	8.8%
Assets											
Cash & Invested Assets	6.1%	\$5,971.6	\$5,628.0	\$5,352.2	\$5,199.7	\$5,047.4	\$4,812.7	\$4,497.8	\$4,268.7	\$4,215.2	\$4,031.9
Net Adm. Assets (excl. S. A.)	6.2%	\$6,435.6	\$6,058.0	\$5,765.5	\$5,558.0	\$5,372.1	\$5,118.1	\$4,778.9	\$4,529.9	\$4,465.8	\$4,285.7
Separate Account Assets	8.2%	\$3,519.5	\$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
Total Net Admitted Assets	6.9%	\$9,955.2	\$9,311.0	\$8,797.4	\$8,327.0	\$8,720.2	\$8,203.0	\$7,612.4	\$7,022.4	\$7,209.5	\$6,806.2
Net Investment Yield	0.1 pts.	4.5%	4.4%	4.2%	3.9%	4.1%	4.0%	4.3%	4.4%	4.4%	4.5%
ROA	0.1 pts.	0.5%	0.4%	0.6%	0.6%	0.6%	0.4%	0.9%	0.7%	0.9%	0.8%

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

FILINGS

Figure 1 shows that 727 companies filed with the NAIC on the life, accident & health annual financial statement at year-end 2025. Of those companies, 12 reported being party to a merger.

PREMIUM

Written Premiums

The life industry reported a 6.0% (\$86.2 billion) increase in total direct written premiums and deposits to \$1.5 trillion in 2025. Total net written premiums and deposits increased 2.7% (\$31.3 billion) to \$1.2 trillion. **Table 2** shows total direct written, assumed, ceded and net premiums by line of business 2025 and 2024.

Reinsurance

Total ceded premium increased 32.8% (\$143.4 billion). The annuities line of business increased 28.3% (\$61.4 billion) to \$278.1 billion, and the A&H insurance line of business increased 42.1% (\$32.4 billion) to \$109 billion. Life insurance ceded premium increased 32.2% (\$39.5 billion) to \$162.3 billion. Most of the change in ceded premium was concentrated in 13 companies with increases or decreases of more than \$5 billion. Of the 719 companies that reported ceded premiums, 88 companies with more than \$100 million in ceded premiums reported changes of more than 25% from 2024.

Total assumed premium increased 48.1% (\$88.5 billion), driven by a \$37.4 billion increase in the annuities line of business, a \$31.3 billion increase in the life insurance line of business, a \$21.4 billion increase in the A&H insurance line of business, partially offset by a \$2.1 billion decrease in deposits for 2025.

Life Insurance

The life insurance line of business reported a 0.5% (\$0.9 billion) increase to \$176.5 billion on a net basis, reflecting a \$31.3 billion increase in assumed premium and a \$39.5 billion increase in ceded premium in 2025.

Deposit-type Contracts

Deposit-type contracts totaled \$405.4 billion, an increase of 17.9% (\$61.7 billion) over 2024 and a 281.4% increase over the \$144.1 billion reported in 2016.

Figure 1 - Total Number of Filers

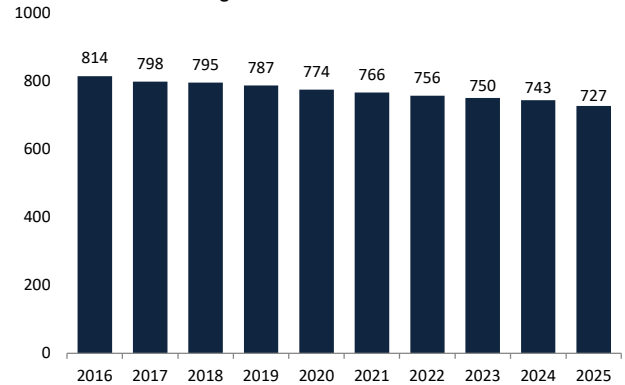


Table 2 — Total Written Premium by LOB

(\$ in Billions)

Life Insurance	% Chg.	\$ Chg.	2025	2024
Direct Premium	4.0%	\$9.1	\$233.5	\$224.5
Assumed Premium	42.4%	\$31.3	\$105.3	\$73.9
Gross Premium	13.5%	\$40.4	\$338.8	\$298.4
Ceded Premiums	32.2%	\$39.5	\$162.3	\$122.8
Net Premium	0.5%	\$0.9	\$176.5	\$175.6
Annuity Considerations				
Direct Premium	4.2%	\$21.9	\$546.4	\$524.5
Assumed Premium	65.6%	\$37.4	\$94.4	\$57.0
Gross Premium	10.2%	\$59.3	\$640.8	\$581.5
Ceded Premiums	28.3%	\$61.4	\$278.1	\$216.7
Net Premium	(0.6)%	(\$2.1)	\$362.7	\$364.8
A&H Insurance				
Direct Premium	(5.7)%	(\$14.4)	\$236.5	\$250.9
Assumed Premium	48.0%	\$21.4	\$66.0	\$44.6
Gross Premium	2.4%	\$7.0	\$302.5	\$295.5
Ceded Premiums	42.1%	\$32.4	\$109.3	\$76.9
Net Premium	(11.6)%	(\$25.4)	\$193.2	\$218.6
Other				
Direct Premium	(6.0)%	(\$4.7)	\$73.4	\$78.1
Assumed Premium	12.0%	\$0.5	\$4.4	\$3.9
Gross Premium	(5.2)%	(\$4.2)	\$77.8	\$82.0
Ceded Premiums	(4.5)%	(\$0.5)	\$9.9	\$10.3
Net Premium	(5.2)%	(\$3.8)	\$67.9	\$71.7
Deposit-type Contracts				
Direct Premium	21.3%	\$74.3	\$423.8	\$349.5
Assumed Premium	(46.5)%	(\$2.1)	\$2.4	\$4.6
Gross Premium	20.4%	\$72.2	\$426.3	\$354.1
Ceded Premiums	101.2%	\$10.5	\$20.9	\$10.4
Net Premium	17.9%	\$61.7	\$405.4	\$343.7

Annuities

Net premiums for annuity considerations decreased 0.6% (\$2.1 billion) to \$362.7 billion for 2025. The decrease reflected a 65.6% (\$37.4 billion) increase in assumed premiums and a 28.3% (\$61.4 billion) increase in ceded premiums compared with 2024.

(\$ in Millions)	Life Insurance Premiums			Annuity Considerations			A&H Insurance Premiums			Other Considerations			Deposit-Type Contracts		
State	% Chg	2025	2024	% Chg	2025	2024	% Chg	2025	2024	% Chg	2025	2024	% Chg	2025	2024
Alabama	11%	\$3,032	\$2,740	4%	\$6,014	\$5,782	(10%)	\$3,270	\$3,641	(19%)	\$404	\$497	108%	\$586	\$282
Alaska	(1%)	\$988	\$994	3%	\$667	\$650	3%	\$343	\$334	0%	\$309	\$309	108%	\$80	\$38
Arizona	(16%)	\$3,496	\$4,137	(4%)	\$13,379	\$13,973	(9%)	\$4,478	\$4,908	(10%)	\$1,393	\$1,541	16%	\$628	\$542
Arkansas	0%	\$1,422	\$1,417	7%	\$3,022	\$2,817	(7%)	\$1,209	\$1,305	(10%)	\$265	\$294	(2%)	\$136	\$139
California	2%	\$22,106	\$21,753	8%	\$53,498	\$49,687	(9%)	\$17,127	\$18,752	(21%)	\$10,002	\$12,718	34%	\$4,452	\$3,322
Colorado	0%	\$3,447	\$3,433	6%	\$9,063	\$8,558	(21%)	\$4,475	\$5,654	33%	\$1,647	\$1,239	0%	\$7,214	\$7,204
Connecticut	3%	\$2,942	\$2,850	10%	\$9,921	\$9,048	(13%)	\$4,378	\$5,045	7%	\$1,155	\$1,081	(61%)	\$1,236	\$3,206
Delaware	104%	\$4,331	\$2,123	2%	\$6,280	\$6,182	(10%)	\$939	\$1,047	22%	\$284	\$233	27%	\$138,138	\$108,662
Dist. Columbia	10%	\$575	\$522	23%	\$1,239	\$1,010	0%	\$1,191	\$1,189	27%	\$238	\$187	16%	\$948	\$818
Florida	5%	\$13,856	\$13,175	8%	\$45,553	\$42,016	(7%)	\$17,642	\$18,932	16%	\$2,745	\$2,365	(8%)	\$1,953	\$2,120
Georgia	(1%)	\$6,788	\$6,827	12%	\$13,471	\$12,029	(12%)	\$8,051	\$9,183	3%	\$2,763	\$2,670	31%	\$3,934	\$2,998
Hawaii	(24%)	\$1,032	\$1,358	4%	\$2,742	\$2,634	(0%)	\$868	\$872	2%	\$397	\$388	235%	\$283	\$85
Idaho	7%	\$874	\$816	1%	\$2,213	\$2,182	(3%)	\$751	\$774	(20%)	\$389	\$488	40%	\$202	\$144
Illinois	5%	\$8,346	\$7,913	8%	\$21,209	\$19,720	6%	\$10,504	\$9,916	(21%)	\$2,532	\$3,214	35%	\$14,823	\$11,013
Indiana	0%	\$3,661	\$3,654	2%	\$9,794	\$9,643	16%	\$6,450	\$5,567	5%	\$1,122	\$1,065	73%	\$5,022	\$2,905
Iowa	(15%)	\$2,724	\$3,192	7%	\$6,412	\$5,983	4%	\$1,762	\$1,697	(9%)	\$5,453	\$6,009	(17%)	\$11,477	\$13,777
Kansas	0%	\$1,711	\$1,707	(1%)	\$3,617	\$3,658	4%	\$4,681	\$4,491	(24%)	\$262	\$344	(31%)	\$2,460	\$3,551
Kentucky	6%	\$2,038	\$1,921	(2%)	\$5,363	\$5,445	4%	\$2,251	\$2,160	20%	\$620	\$518	106%	\$530	\$258
Louisiana	1%	\$2,748	\$2,724	(5%)	\$6,707	\$7,027	2%	\$3,478	\$3,424	20%	\$857	\$712	(16%)	\$349	\$418
Maine	10%	\$592	\$538	5%	\$2,298	\$2,199	(15%)	\$1,017	\$1,192	3%	\$212	\$207	26%	\$131	\$103
Maryland	1%	\$3,657	\$3,624	4%	\$9,728	\$9,341	(7%)	\$4,607	\$4,932	7%	\$1,272	\$1,187	65%	\$1,580	\$959
Massachusetts	11%	\$5,071	\$4,550	7%	\$14,945	\$13,989	(2%)	\$6,080	\$6,225	(4%)	\$4,001	\$4,152	142%	\$4,617	\$1,909
Michigan	2%	\$5,471	\$5,358	2%	\$19,493	\$19,135	3%	\$5,096	\$4,926	24%	\$1,525	\$1,228	9%	\$1,779	\$1,627
Minnesota	10%	\$5,669	\$5,154	(8%)	\$9,995	\$10,909	(1%)	\$2,775	\$2,790	27%	\$2,086	\$1,647	6%	\$1,064	\$1,000
Mississippi	3%	\$1,563	\$1,523	14%	\$3,212	\$2,810	(10%)	\$2,106	\$2,334	(21%)	\$144	\$183	(34%)	\$75	\$113
Missouri	3%	\$3,602	\$3,491	14%	\$11,369	\$9,992	(8%)	\$5,117	\$5,553	13%	\$1,048	\$929	(25%)	\$2,024	\$2,685
Montana	(2%)	\$517	\$528	23%	\$1,261	\$1,022	3%	\$575	\$557	(20%)	\$247	\$309	16%	\$117	\$101
Nebraska	12%	\$1,438	\$1,282	5%	\$3,447	\$3,292	(2%)	\$1,815	\$1,854	(8%)	\$240	\$262	116%	\$1,971	\$912
Nevada	5%	\$1,782	\$1,704	12%	\$4,080	\$3,630	(7%)	\$1,783	\$1,920	211%	\$2,490	\$800	(44%)	\$396	\$704
New Hampshire	14%	\$886	\$779	10%	\$3,972	\$3,604	(12%)	\$919	\$1,039	(9%)	\$209	\$230	223%	\$323	\$100
New Jersey	(1%)	\$7,799	\$7,839	8%	\$25,254	\$23,398	(8%)	\$10,380	\$11,229	17%	\$1,858	\$1,586	(40%)	\$1,674	\$2,812
New Mexico	2%	\$834	\$818	14%	\$2,001	\$1,758	51%	\$1,402	\$927	(19%)	\$311	\$383	79%	\$224	\$125
New York	1%	\$13,791	\$13,662	3%	\$34,120	\$33,255	(8%)	\$15,155	\$16,542	(31%)	\$4,072	\$5,871	20%	\$134,066	\$111,355
North Carolina	2%	\$6,370	\$6,266	(4%)	\$16,688	\$17,332	(5%)	\$7,500	\$7,861	11%	\$982	\$885	(4%)	\$661	\$690
North Dakota	(2%)	\$586	\$596	15%	\$2,003	\$1,737	6%	\$415	\$390	(16%)	\$164	\$196	(33%)	\$250	\$371
Ohio	(3%)	\$6,259	\$6,470	(1%)	\$21,573	\$21,763	3%	\$9,149	\$8,861	2%	\$1,599	\$1,570	23%	\$40,721	\$33,014
Oklahoma	4%	\$1,797	\$1,724	8%	\$3,668	\$3,386	(2%)	\$1,792	\$1,835	3%	\$490	\$474	(8%)	\$238	\$259
Oregon	3%	\$1,516	\$1,477	2%	\$4,478	\$4,393	(2%)	\$2,519	\$2,564	(21%)	\$1,423	\$1,802	9%	\$444	\$408
Pennsylvania	0%	\$7,584	\$7,563	1%	\$27,604	\$27,339	(3%)	\$10,901	\$11,222	9%	\$2,491	\$2,280	13%	\$2,991	\$2,638
Rhode Island	8%	\$643	\$593	5%	\$2,502	\$2,382	4%	\$661	\$633	(11%)	\$109	\$123	39%	\$159	\$115
South Carolina	6%	\$3,119	\$2,950	7%	\$8,890	\$8,326	(1%)	\$3,706	\$3,745	26%	\$478	\$379	30%	\$459	\$353
South Dakota	(10%)	\$2,322	\$2,586	(8%)	\$1,443	\$1,573	4%	\$551	\$529	23%	\$736	\$597	20%	\$165	\$138
Tennessee	2%	\$4,215	\$4,116	4%	\$10,224	\$9,815	(23%)	\$4,529	\$5,878	(19%)	\$1,298	\$1,601	(10%)	\$1,265	\$1,403
Texas	4%	\$16,767	\$16,173	0%	\$36,425	\$36,285	(11%)	\$18,728	\$21,158	(10%)	\$4,072	\$4,509	83%	\$6,017	\$3,292
Utah	11%	\$1,950	\$1,753	3%	\$5,024	\$4,890	(9%)	\$1,847	\$2,037	(38%)	\$2,238	\$3,633	17%	\$2,546	\$2,182
Vermont	(2%)	\$282	\$286	(23%)	\$1,119	\$1,450	(16%)	\$342	\$409	4%	\$145	\$140	47%	\$89	\$61
Virginia	4%	\$5,295	\$5,072	8%	\$12,770	\$11,820	(14%)	\$5,680	\$6,641	15%	\$1,067	\$929	55%	\$1,712	\$1,105
Washington	3%	\$3,639	\$3,550	4%	\$9,747	\$9,379	(6%)	\$4,140	\$4,415	(27%)	\$1,766	\$2,416	80%	\$751	\$417
West Virginia	5%	\$771	\$735	5%	\$2,480	\$2,351	(1%)	\$977	\$984	0%	\$166	\$165	29%	\$255	\$198
Wisconsin	35%	\$4,682	\$3,466	0%	\$10,270	\$10,248	1%	\$5,161	\$5,104	(9%)	\$1,047	\$1,153	1%	\$10,038	\$9,950
Wyoming	51%	\$660	\$436	1%	\$732	\$722	(3%)	\$448	\$463	(17%)	\$75	\$91	8%	\$37	\$35
American Samoa	(2%)	\$4	\$4	171%	\$0	\$0	3%	\$1	\$1	0%	\$0	\$0	0%	\$0	\$0
Guam	3%	\$60	\$58	(16%)	\$35	\$41	(4%)	\$40	\$42	(47%)	\$7	\$13	82%	\$0	\$0
Puerto Rico	1%	\$668	\$660	13%	\$2,249	\$1,990	10%	\$1,025	\$935	6%	\$38	\$36	(24%)	\$27	\$36
U.S. Virgin Islands	6%	\$34	\$33	32%	\$27	\$20	(71%)	\$79	\$273	(48%)	\$7	\$14	(96%)	\$0	\$0
Northern Mariana Islands	1%	\$9	\$9	62%	\$0	\$0	(1%)	\$39	\$39	0%	\$0	\$0	0%	\$0	\$0
Canada	(0%)	\$477	\$478	68%	\$37	\$22	(3%)	\$390	\$401	(45%)	\$41	\$76	(14%)	\$47	\$55
Aggregate other alien	9%	\$1,833	\$1,682	61%	\$139	\$86	(27%)	\$1,132	\$1,545	431%	\$298	\$56	43%	\$8,959	\$6,256

Table 3, on the previous page, presents state details for 2025 and 2024 by premium type, with the three largest states for each premium type highlighted. California had the largest share of premiums in life insurance, annuity considerations, and other considerations. Texas had the largest share of premiums in A&H insurance, and Delaware had the largest share of deposit-type contract funds.

Earned Premiums

On a net earned basis, the industry reported a 3.7% (\$30.5 billion) decrease in net earned premiums to \$792.9 billion. **Table 4** shows a breakdown of net earned premiums by line of business for 2025 and 2024.

Annuities

Total net annuity considerations increased 2.0% (\$8.5 billion) to \$442.9 billion for 2025. The increase was primarily driven by a 23.4% (\$17.1 billion), increase in indexed annuities, a 4.8% (\$5.3 billion), increase in fixed annuities, partially offset by a 31.3% (\$16.7 billion), decrease in life contingent payout. Variable annuities with and without guarantees accounted for 39.1% of total annuity considerations.

Life Insurance

Total net life insurance premiums decreased 7.2% to \$158.2 billion for year-end 2025. Whole life and term life accounted for 69.7% of total life insurance premiums. Term life decreased 1.3% (\$0.5 billion) and whole life increased 5.0% (\$3.3 billion), both compared to year-end 2024.

A&H

Total net A&H premiums decreased 12.2% (\$26.7 billion) for year-end 2025. The largest decreases were seen in group comprehensive, which decreased 48.1% (\$21.7 billion), and long-term care, which decreased 36.5% (\$4.2 billion), while the largest increase was seen in Title XVIII Medicare, which increased 11.9% (\$4.1 billion), all compared to 2024.

Table 4 – Net Premiums by Line of Business

(\$ in Billions)	% Chg.	\$ Chg.	2025	2024
Other Annuities	9.8%	\$2.6	\$29.0	\$26.4
Life Contingent Payout	(31.3)%	(\$16.7)	\$36.6	\$53.2
Variable Annuities w/out Guar	(4.5)%	(\$2.9)	\$63.2	\$66.1
Indexed Annuities	23.4%	\$17.1	\$89.9	\$72.8
Variable Annuities w/ Guar	3.0%	\$3.2	\$109.8	\$106.6
Fixed Annuities	4.8%	\$5.3	\$114.5	\$109.2
Total Annuities	2.0%	\$8.5	\$442.9	\$434.4
Universal Life with Secondary Guar	(115.2)%	(\$9.4)	(\$1.2)	\$8.2
Other Individual Life	(183.2)%	(\$2.7)	(\$1.2)	\$1.5
Industrial Life	8.1%	\$0.0	\$0.1	\$0.1
Credit Life	1.7%	\$0.0	\$0.5	\$0.5
Other Group Life	47.8%	\$0.6	\$1.7	\$1.2
Universal Life	(1.0)%	(\$0.0)	\$1.7	\$1.7
Variable Life	(11.1)%	(\$0.8)	\$6.1	\$6.9
YRT Mortality Risk Only	(1.3)%	(\$0.1)	\$6.8	\$6.9
Variable Universal Life	(24.2)%	(\$4.3)	\$13.3	\$17.6
Indexed Life	8.3%	\$1.5	\$20.2	\$18.6
Term Life	(1.3)%	(\$0.5)	\$40.4	\$41.0
Whole Life	5.0%	\$3.3	\$69.8	\$66.4
Total Life Insurance	(7.2)%	(\$12.3)	\$158.2	\$170.5
Credit A&H	4.3%	\$0.0	\$0.6	\$0.6
Vision Only	(0.2)%	(\$0.0)	\$2.0	\$2.0
Federal Employees Health Ben	6.3%	\$0.1	\$2.2	\$2.0
Individual Comprehensive	(40.2)%	(\$2.6)	\$3.8	\$6.4
Title XIX Medicaid	17.0%	\$0.9	\$6.2	\$5.3
Long-Term Care	(36.5)%	(\$4.2)	\$7.3	\$11.5
Dental Only	(15.1)%	(\$2.3)	\$13.1	\$15.4
Group Comprehensive	(48.1)%	(\$21.7)	\$23.5	\$45.2
Medicare Supplement	5.2%	\$1.2	\$23.8	\$22.6
Disability Income	5.4%	\$1.6	\$31.0	\$29.4
Title XVIII Medicare	11.9%	\$4.1	\$38.1	\$34.0
Other Health	(8.6)%	(\$3.8)	\$40.3	\$44.1
Total A&H	(12.2)%	(\$26.7)	\$191.7	\$218.5

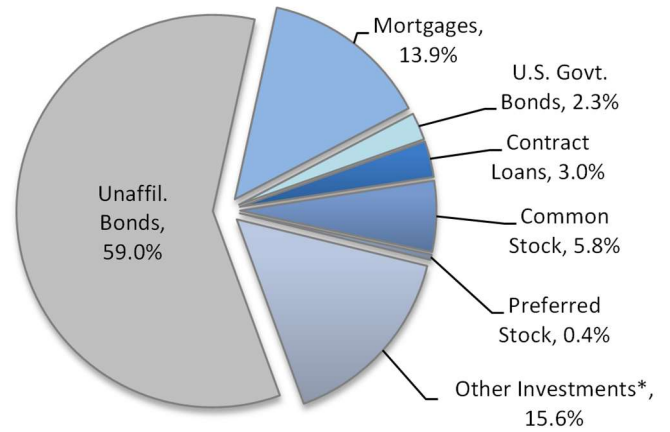
INVESTMENT INCOME

Net investment income increased 6.7% (\$16.2 billion) to \$259.1 billion in 2025, compared with \$243.0 billion in 2024.

The increase was driven by the following:

- Investment income from unaffiliated other bonds increased \$9.0 billion to \$176.4 billion
- Investment income from mortgage loans increased \$4.0 billion to \$41.6 billion
- Investment income from affiliated common stock increased \$1.2 billion to \$15.8 billion
- Investment income from cash and short-term investments decreased \$1.3 billion to \$9.3 billion
- Investment losses from derivatives investments improved \$1.3 billion to losses of \$1.7 billion

Figure 2 — Net Investment Income Allocation



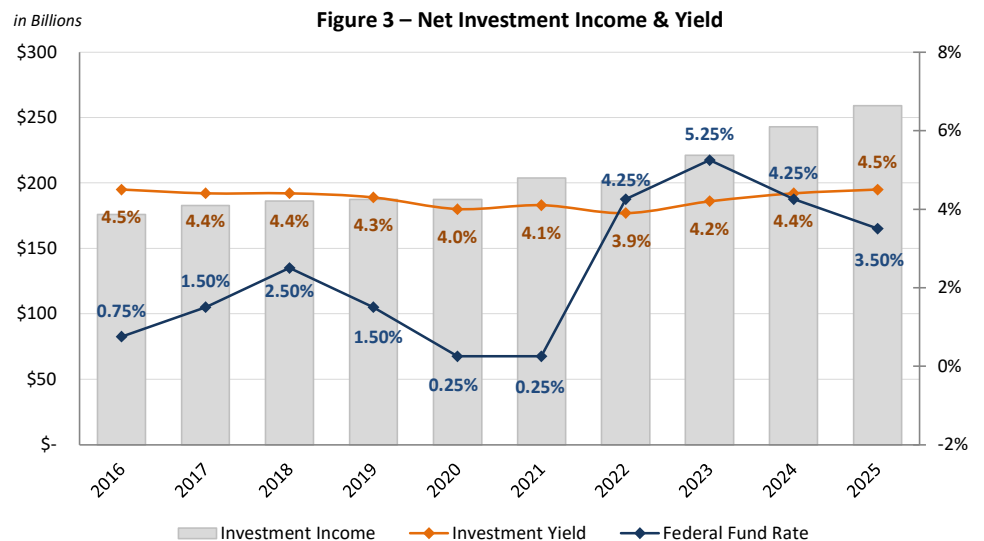
* Includes: affiliated bonds, real estate, cash, short-term investments, derivatives, BA assets, and write-ins.

The industry’s invested asset portfolio increased 6.1% to \$6.0 trillion at year-end 2025. **Figure 2** shows net investment income by asset class.

The Other Investments category*, shown in **Figure 2**, represented 15.6% of total net investment income at year-end 2025, down slightly from 15.9% in 2024. The decrease was primarily driven by a lower contribution from cash and short-term investments, partially offset by an improvement in derivative investment results. While derivative investment income remained negative, its contribution improved from (1.1)% of total net investment income in 2024 to (0.6)% in 2025.

The industry’s net investment yield increased 0.1 percentage point to 4.5%, as shown in **Figure 3**. In 2025, the Federal Reserve decreased the federal funds rate as follows:

- September 18—to 4.25% from 4.50%
- October 30—to 4.00% from 4.25%
- December 11—to 3.75% from 4.00%
- As of May 2026, there were no changes to the federal fund interest rate in 2026.



OPERATIONS

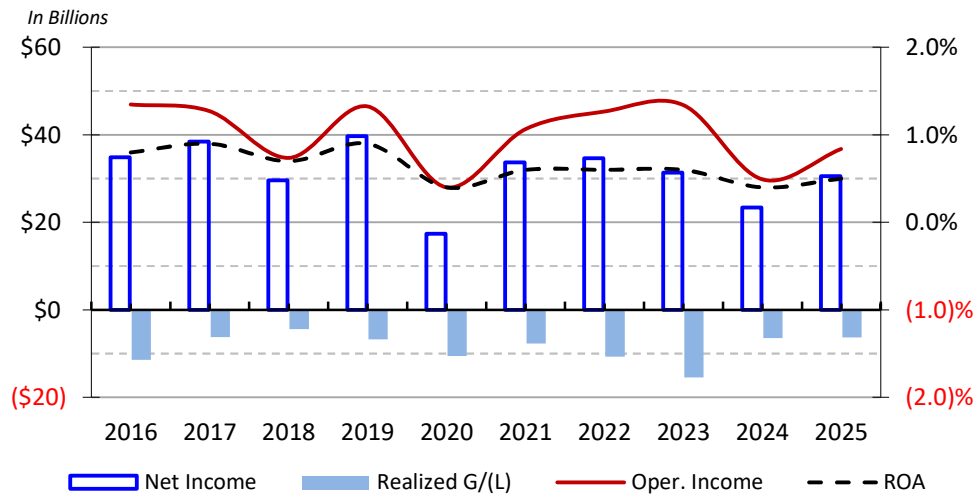
The industry reported profitability of \$46.4 billion in 2025, compared with \$35.5 billion in 2024, an increase of \$10.9 billion (unadjusted for affiliated amounts). The largest increase was in reserve adjustments on ceded reinsurance, which increased \$100.6 billion to \$92.6 billion for year-end 2025. In addition, net investment income increased 7.4% (\$18.9 billion), and the industry reported a 54.9% (\$17.5 billion) increase in commissions and expense allowances on reinsurance ceded to \$49.4 billion. These changes are shown in **Table 5**.

Table 5 - Changes in Net Income / (Loss)

<i>\$ In Billions</i>	<i>% Change</i>	<i>\$ Change</i>	2025	2024
Premiums	-0.4%	(\$3.3)	\$798.1	\$801.3
Net Investment Income	7.4%	\$18.9	\$275.0	\$256.0
Commissions & Exp Allowances on Reins Ceded	54.9%	\$17.5	\$49.4	\$31.9
Reserve Adjustments on Reins Ceded	1261.0%	\$100.6	\$92.6	(\$8.0)
Total Revenues	11.8%	\$135.6	\$1,288.8	\$1,153.3
Surrender Benefits & Withdrawals for Life Contracts	0.6%	\$3.1	\$487.6	\$484.5
Disability and A&H Benefits	4.7%	\$7.1	\$158.5	\$151.4
Increase in Agg Reserves for Life and A&H Contracts	20.4%	\$18.3	\$107.7	\$89.5
Commissions & Exp Allowances on Reins Assumed	12.7%	\$2.4	\$21.7	\$19.2
Net Transfers To or (From) S.A. Net of Reins	-8.5%	(\$7.5)	(\$96.1)	(\$88.6)
Total Expenses	11.5%	\$124.0	\$1,203.3	\$1,079.3
Federal and Foreign Income Taxes Incurred	-16.5%	(\$1.3)	\$6.7	\$8.0
Net Realized Capital Gains/(Losses)	-7.6%	(\$0.4)	(\$6.3)	(\$5.8)
Net Income/(Loss)	30.6%	\$10.9	\$46.4	\$35.5

** unadjusted basis

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



The impact of realized capital losses on net income over the past ten years is shown in **Figure 4**. Realized capital losses on derivative instruments were \$1.4 billion in 2025, compared with \$5.0 billion in 2024. Unaffiliated other bonds reported realized capital losses of \$12.2 billion, compared with \$14.7 billion in 2024. Realized capital losses on mortgage loans were \$1.9 billion, compared with \$3.7 billion in 2024.

Annuities

The annuities line of business reported a net operating gain of \$25.9 billion, a 6.0% (\$1.7 billion) decrease from 2024. Variable annuities with guarantees were the largest annuity line and reported a 15.7% (\$4.2 billion) decline in operating gains to \$22.7 billion in 2025. Indexed annuities reported an operating loss of \$6.3 billion, a 28.0% (\$2.4 billion) improvement from the \$8.7 billion loss reported in the prior year.

Life Insurance

The life insurance line of business reported an operating gain of \$36.8 billion, a 76.8% (\$16.0 billion) increase from 2024. Whole life reported the largest operating gain at \$23.4 billion, while universal life with secondary guarantees reported the largest operating loss at \$1.8 billion, both in 2025.

Accident & Health

Total A&H reported a 34.4% (\$7.9 billion) decrease in operating gains to \$15.0 billion in 2025. The largest operating gain in A&H was \$5.8 billion in other health, while disability income reported an operating gain of \$5.6 billion, both in 2025.

Table 6 - Operating Gain/Loss by Line of Business

(\$ in Billions)	% Chg.	\$ Chg.	2025	2024
Indexed Annuities	28.0%	\$2.4	(\$6.3)	(\$8.7)
Variable Annuities w/out Guar	(478.3)%	(\$3.3)	(\$2.6)	\$0.7
Fixed Annuities	46.9%	\$1.2	\$3.6	\$2.5
Other Annuities	(15.0)%	(\$0.7)	\$3.7	\$4.4
Life Contingent Payout	162.3%	\$2.9	\$4.8	\$1.8
Variable Annuities w/ Guar	(15.7)%	(\$4.2)	\$22.7	\$26.9
Total Annuities	(6.0)%	(\$1.7)	\$25.9	\$27.6
Universal Life with Secondary Guar	76.6%	\$5.9	(\$1.8)	(\$7.7)
Indexed Life	60.7%	\$1.7	(\$1.1)	(\$2.9)
YRT Mortality Risk Only	18.5%	\$0.1	(\$0.3)	(\$0.3)
Industrial Life	(283.3)%	(\$0.1)	(\$0.1)	\$0.0
Credit Life	(4.4)%	(\$0.0)	\$0.1	\$0.1
Other Group Life	(26.7)%	(\$0.1)	\$0.2	\$0.2
Universal Life	(18.8)%	(\$0.1)	\$0.3	\$0.4
Variable Life	10.3%	\$0.1	\$1.0	\$0.9
Variable Universal Life	(5.4)%	(\$0.1)	\$1.7	\$1.8
Other Individual Life	225.7%	\$2.2	\$3.2	\$1.0
Term Life	34.2%	\$2.6	\$10.2	\$7.6
Whole Life	18.6%	\$3.7	\$23.4	\$19.7
Total Life Insurance	76.8%	\$16.0	\$36.8	\$20.8
Medicare Supplement	(133.5)%	(\$1.6)	(\$0.4)	\$1.2
Title XVIII Medicare	99.4%	\$2.3	(\$0.0)	(\$2.4)
Credit A&H	(67.2)%	(\$0.1)	\$0.0	\$0.1
Individual Comprehensive	(93.3)%	(\$1.4)	\$0.1	\$1.5
Title XIX Medicaid	(47.7)%	(\$0.1)	\$0.1	\$0.3
Federal Employees Health Ben	163,821.5%	\$0.18	\$0.18	(\$0.0)
Vision Only	(20.3)%	(\$0.1)	\$0.3	\$0.3
Long-Term Care	(83.5)%	(\$1.6)	\$0.3	\$1.9
Dental Only	(70.9)%	(\$0.9)	\$0.4	\$1.2
Group Comprehensive	(55.1)%	(\$3.3)	\$2.7	\$5.9
Disability Income	0.4%	\$0.0	\$5.6	\$5.6
Other Health	(20.5)%	(\$1.5)	\$5.8	\$7.3
Total A&H	(34.4)%	(\$7.9)	\$15.0	\$22.9

ASSETS

The life industry reported a 6.9% (\$644.2 billion) increase in total net admitted assets at Dec. 31, 2025, to \$10.0 trillion. The increase was attributed to general account assets, which increased 6.2% to \$6.4 trillion, and separate accounts, which increased 8.2% to \$3.5 trillion and accounted for 35.4% of total net admitted assets. Over the past five years, the industry has reported significant increases in several invested asset classes (excluding separate accounts), as shown in the five-year change column in **Table 7** (on the following page). See page 10 for discussion of separate accounts.

Table 7 - Invested Assets

(\$ In Billions)	2025 % of Total	2021 % of Total	5-Yr % Chg	1-Yr % Chg	2025	2024	2021
Bonds	67.0%	70.3%	12.8%	5.1%	\$3,999.7	\$3,804.3	\$3,545.9
Common Stock	2.0%	2.2%	10.1%	12.8%	\$119.7	\$106.1	\$108.7
Preferred Stock	0.4%	0.4%	10.4%	22.5%	\$22.7	\$18.5	\$20.6
Mortgage Loans	13.9%	12.7%	30.0%	5.7%	\$832.8	\$787.6	\$640.4
Real Estate	0.4%	0.5%	(4.9)%	(1.1)%	\$21.7	\$22.0	\$22.8
Cash & S/T Investments	3.6%	3.0%	45.1%	9.0%	\$216.0	\$198.3	\$148.9
Derivatives	2.1%	1.9%	29.6%	3.2%	\$125.5	\$121.6	\$96.8
BA Assets	6.9%	5.8%	40.4%	12.7%	\$411.2	\$364.7	\$292.9
Other Invested Assets	3.7%	3.4%	30.5%	8.5%	\$222.2	\$204.9	\$170.3
Total Invested Assets	100.0%	100.0%	18.3%	6.1%	\$5,971.6	\$5,628.0	\$5,047.4

Figure 5 shows that the industry has reported an increase in affiliated investments over the past ten years. The largest components of affiliated investments were:

- Affiliated common stock—\$195.4 billion
- Other affiliated assets (Parent, Subs, and Affiliates)—\$184.0 billion
- Affiliated bonds—\$121.8 billion

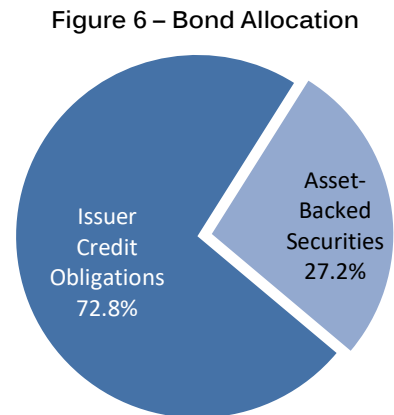
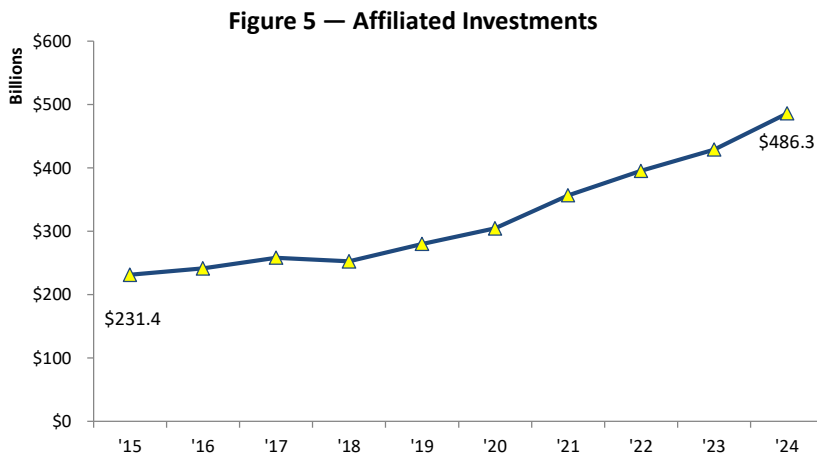


Figure 6 shows that the majority of the industry’s total bond portfolio (long-term and short-term) was comprised of issuer credit obligations, at 72.8%.

The industry’s allocation of long-term bonds is shown in Figure 7 (on the following page), with corporate bonds representing the largest share at 55.0%. The industry’s holdings of noninvestment-grade bonds increased 0.2% (\$1.3 billion) and represented 4.6% of total bonds at Dec. 31, 2025. The distribution of bonds between NAIC class 1 and NAIC class 6 has remained essentially flat over the past five years.

The life insurance industry maintains a relatively unchanged portfolio of bond maturities with 36.4% of the holdings at year-end 2025 due to mature in five years or less compared with 36.0% at year-end 2024. Bonds with a maturity of ten years or later represented 40.0% of total bonds. Figure 8 illustrates bond distribution by maturity.

Figure 7 – Long Term Bond Allocation

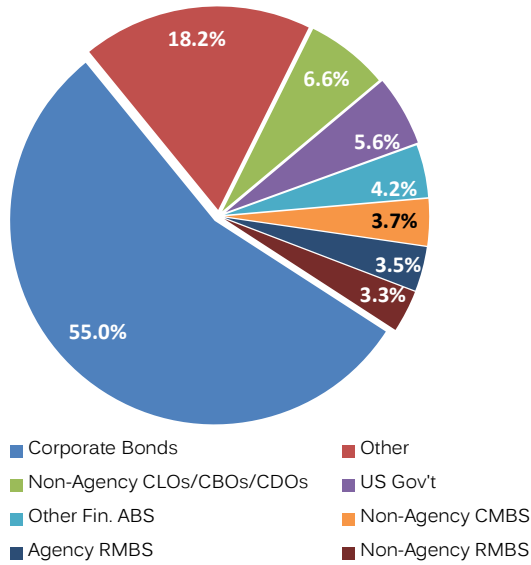
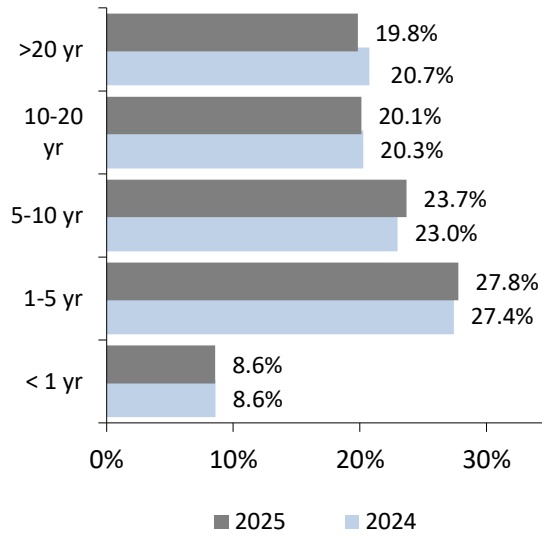


Figure 8 – % of Total Bonds Held by Maturity



LIABILITIES

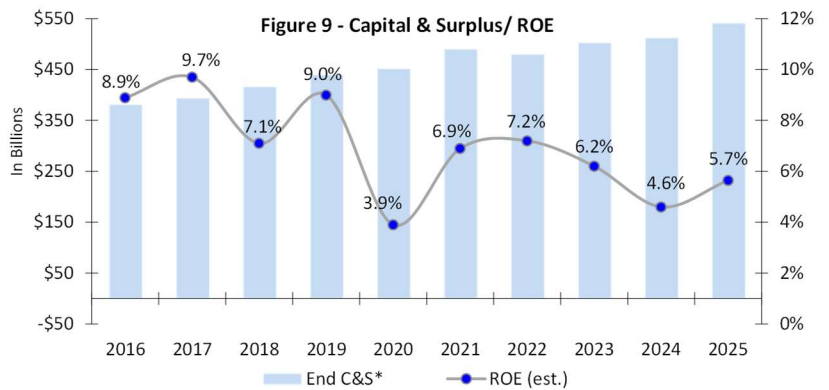
The life industry reported a 7.1% (\$622.1 billion) increase in total liabilities to \$9.4 trillion at year-end 2025. The largest changes were in the following:

- An 8.2% (\$266.9 billion) increase in separate account liabilities to \$3.5 trillion
- A 3.1% (\$105.8 billion) increase in reserves for life contracts to \$3.5 trillion
- An 18.6% (\$104.0 billion) increase in liability for deposit-type contracts to \$663.1 billion
- A 22.3% (\$67.1 billion) increase in funds held under coinsurance to \$368.1 billion
- A 7.0% (\$24.7 billion) increase in funds held under reinsurance treaties with unauthorized reinsurers to \$378.9 billion

CAPITAL AND SURPLUS

The life industry’s capital and surplus increased 5.7% to \$540.7 billion, compared with \$511.5 billion at Dec. 31, 2024. The increase was driven primarily by \$46.4 billion in net income, discussed on page 5, \$13.6 billion in paid-in capital, and \$14.3 billion in unrealized capital gains, partially offset by \$35.8 billion in stockholder dividends.

As shown in **Figure 9**, the industry’s return on equity (ROE) increased to 5.7% in 2025 from 4.6% in 2024, driven mainly by higher net income.



* Adjusted to exclude direct and indirect affiliated life amounts

LIQUIDITY

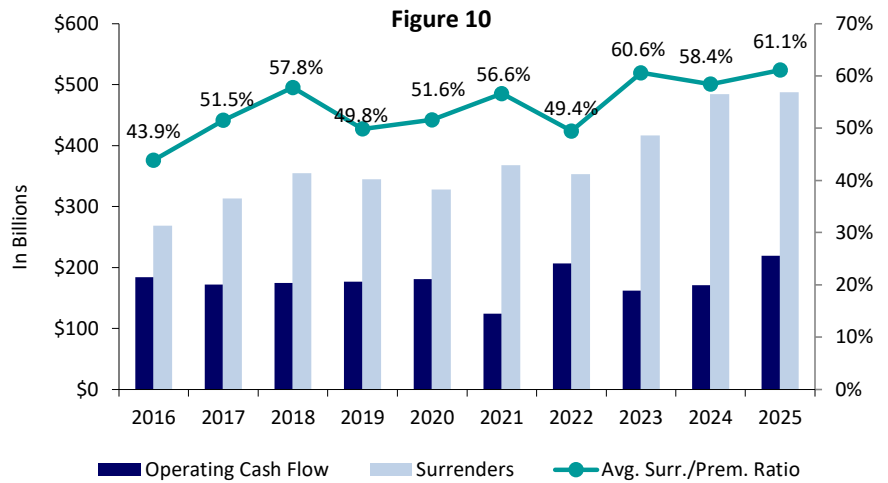
The life industry reported operating cash flow of \$219.2 billion in 2025, up 28.4% (\$48.5 billion) from \$170.6 billion in the prior year. The increase was driven primarily by a 3.6% (\$29.4 billion) increase in net premium and a 7.8% (\$17.9 billion)

increase in net investment income. Transfers to separate accounts were \$(123.1) billion, compared with \$(119.6) billion in 2024, while increases in benefits and loss payments of 0.9% (\$7.7 billion) and commissions of 4.5% (\$9.2 billion) partially offset the improvement in operating cash flow.

The industry experienced a 0.7% (\$3.1 billion) increase in surrender benefits to \$487.6 billion. The average surrenders-to-premiums ratio increased 2.7 points to 61.1%, compared with 58.4% in 2024. **Figure 10** shows the industry’s operating cash flow and surrender activity over the past ten years.

The life insurance industry reported \$(340.6) billion in net cash from investment activity, as total investment proceeds of \$1,080.1 billion were exceeded by \$1,414.5 billion in total investments acquired. The largest increase in investments acquired was in bonds, which increased \$206.8 billion to \$1,061.2 billion, while acquired stocks increased \$4.7 billion to \$39.9 billion.

Net cash from financing activity increased 125.5% (\$26.1 billion) to \$140.4 billion, driven mostly by a \$48.2 billion increase in net deposits on deposit-type contracts and a \$24.8 billion decrease in other cash provided and applied to \$61.5 billion.



SEPARATE ACCOUNTS

Table 8 - Separate Accounts

<i>\$ In Millions</i>	% Change	2025	2024
Totals Revenue	9.3%	\$679,172	\$621,417
Net premiums	3.5%	\$279,769	\$270,194
Net investment income and capital gains and losses	10.9%	\$383,647	\$345,883
Total Benefits and Expenses	6.6%	\$384,735	\$361,071
Death benefits	13.9%	\$12,086	\$10,608
Annuity benefits	10.2%	\$45,758	\$41,524
Surrender benefits and withdrawals for life contracts	4.8%	\$304,649	\$290,568
Fees for charges for investment mgt, admin and guarantees	(0.1%)	\$39,011	\$39,068
Increase in aggregate reserve for life and A&H contracts	8.4%	\$213,206	\$196,665
Increase in liability for deposit-type contracts	30.2%	\$40,554	\$31,143
Net gain from operations	52.2%	(\$2,342)	(\$4,902)
Surplus	(6.8%)	\$4,532	\$4,863
Assets	8.2%	\$3,519,527	\$3,252,996
Liabilities	8.2%	\$3,519,538	\$3,252,547
CARVM Allowance	(5.7%)	(\$26,522)	(\$25,098)

The life insurance industry reported a 8.2% increase in separate account assets to \$3.5 trillion at Dec. 31, 2025. Likewise, total separate account liabilities increased 8.2% to \$3.5 trillion. Aggregate separate account reserves for life, annuity and A&H products increased 7.4% (\$213.2 billion) to \$3.1 trillion, and the liability for deposit-type contracts increased 15.0% (\$40.6 billion) to \$311.4 billion.

Net investment income and capital gains and losses increased to \$383.6 billion, compared with \$345.9 billion in 2024. Net gains from operations improved 52.2% (\$2.6 billion), resulting in a net loss from operations of \$2.3 billion.

Separate account fees slightly decreased 0.1% to \$39.0 billion at Dec. 31, 2025. The ratio of separate account fees to separate account assets decreased to 1.1% from 1.2%, and the industry's CARVM allowance decreased 5.7% to \$(26.5) billion. Separate account surplus decreased 6.8% (\$0.3 billion) to \$4.5 billion, compared with year-end 2024.

NAIC Financial Regulatory Services Financial Analysis and Examination Department

Contacts:

Abigail Edson, Senior Analyst, Life & Health Financial Analysis
AEdson@naic.org

Bruce Jensen, Director, Solvency Monitoring and Accreditation
BJensen@naic.org
816.783.8348

Jane Koenigsman, Senior Manager II, Life & Health Financial Analysis
JKoenigsman@naic.org
816.783.8145

Ralph Villegas, Manager II, Life & Health Financial Analysis
RVillegas@naic.org
816.783.8411

DISCLAIMER

The NAIC year-end 2024 U.S. Life and A&H Insurance Industry Analysis Report is a limited scope analysis based on the aggregated information filed to the NAIC's Financial Data Repository as of Dec. 31, 2024, and written by the Financial Regulatory Services Department staff. This report does not constitute the official opinion or views of the NAIC membership or any particular state insurance department.