

2026 GRET Recommendation

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Methodology



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Steps to determine the GRET Factors

Primary Distribution Channel	<ul style="list-style-type: none">- Survey sent by SOA Research Institute to gather distribution channel.- For non-respondents, used distribution channel previously gathered.
Calculate Company Actual to Expected	<ul style="list-style-type: none">- Actual expense from company annual statements.- Seed applied factors to company data to calculate expected expenses.
Remove Outliers	<ul style="list-style-type: none">- Calculate medians by distribution channel.- Remove companies above 350% or 10% of the median.
Determine Final Factors	<ul style="list-style-type: none">- For each distribution channel, determine the average A/E.- Multiply the average A/E over the past two years times the Seed value to determine the final factor. (A rounded change cap of $\pm 10\%$ is applied.)

Seed Factors

- Based on averages from 2006–2010 SOA studies of term and permanent products
- Blended, non-differentiated seeds used across all channels since 2015.

	Acquisition per Policy	Acquisition per Unit	Acquisition per Premium	Maintenance per Policy
Term				
• Weighted Average	\$149	\$0.62	38%	\$58
• Unweighted Average	\$237	\$0.80	57%	\$76
• Median	\$196	\$0.59	38%	\$64
Permanent				
• Weighted Average	\$237	\$0.80	57%	\$76
• Unweighted Average	\$196	\$0.59	38%	\$64
• Median	\$237	\$0.80	57%	\$76
Current Seed Factors	\$200	\$1.10	50%	\$60

Information on Companies in Study



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Companies Considered in Calculation

Year	Starting Companies	Reinsurers (Removed)	De minimis Expenses (Removed)	Companies Considered
2023	745	(56)	(134)	555
2024	712	(56)	(133)	523

- Start with data from the NAIC for all companies Blue Book values.
- Remove:
 - Reinsurers.
 - Companies with no reported expenses.

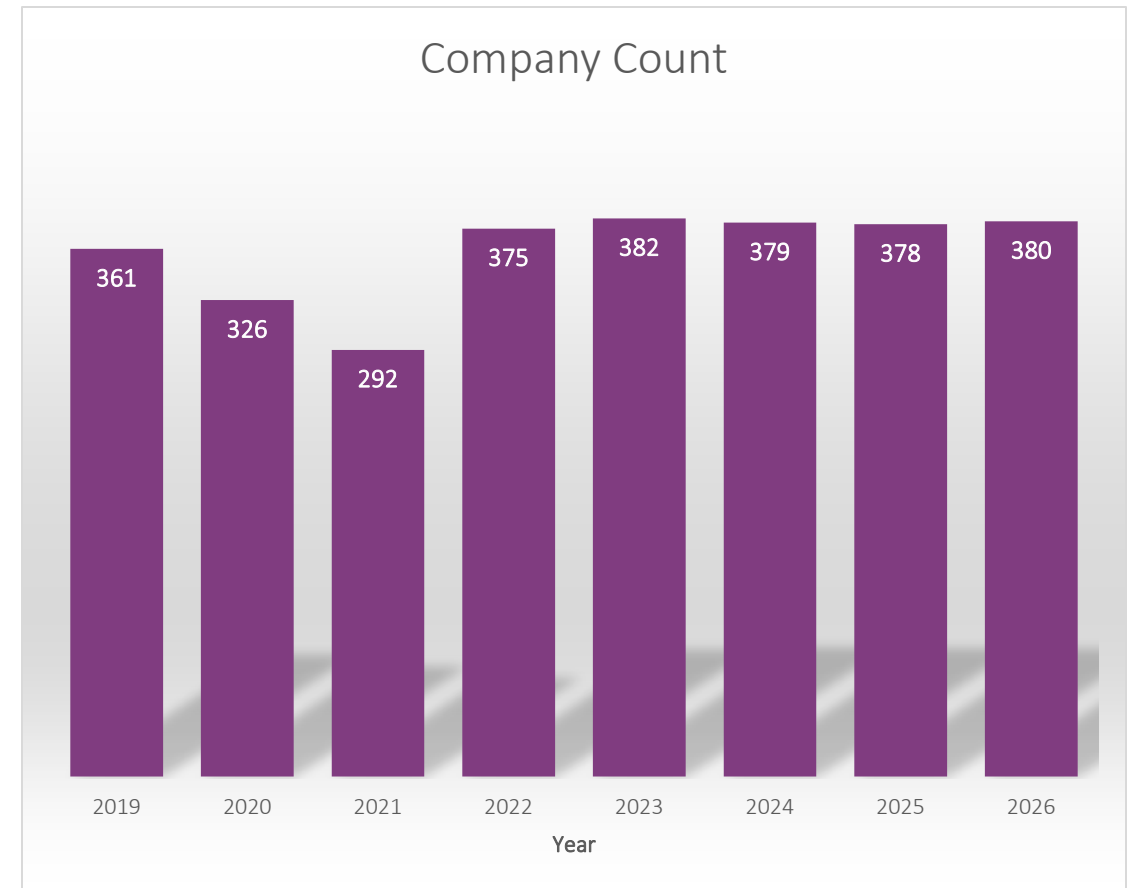
Final Used Companies in 2026 Factor Calculation

Year	Companies Considered	Outlier Exclusion	Removed for Large Premium per Policy	Not Kept in Other Calculation Year	Final Companies
2023	555	(118)	(8)	(49)	380
2024	523	(113)	(8)	(22)	380

- Start with considered companies.
- Remove companies:
 - That fail exclusion tests.
 - With large premium per policy (Greater than \$40K).
 - That are not in or kept in the other calculation year.

Final Companies in Study

- The final companies used in the 2026 GRET calculation was 380
- This is an increase by two companies from the 278 in 2025.
- Over the past five years, the company count has been very steady, between 375 and 380.



Company Survey Results



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Survey Results

Percentage of Companies that use GRET Factors	
Survey Year	Percentage
2024	34%
2023	44%
2022	35%
2021	31%
2020	29%
2019	26%
2018	28%
2017	30%

Annual industry survey on GRET Factor usage for individual life sales illustrations.

The results show that usage remains in the one third range that has been observed in most of the previous eight years.

Recommendation



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Recommendation for 2026 GRET Factors

PROPOSED 2026 GRET FACTORS, BASED ON AVERAGE OF 2023/2024 DATA					
Description	Acquisition per Policy	Acquisition per Unit	Acquisition per Premium	Maintenance per Policy	Company Count
Independent	\$217	\$1.20	54%	\$65	150
Career	238	1.30	60%	72	95
Direct Marketing	263	1.40	65%	79	24
Niche Marketing	126	0.70	32%	38	25
Other*	175	1.00	44%	53	86
* Includes companies that did not respond to this or prior year surveys. ** All values reflect capped final factors (±10% annual change limit).					380

Current 2025 GRET Factors

CURRENT 2025 GRET FACTORS, BASED ON AVERAGE OF 2022/2023 DATA					
Description	Acquisition per Policy	Acquisition per Unit	Acquisition per Premium	Maintenance per Policy	Company Count
Independent	\$204	\$1.10	51%	\$61	147
Career	227	1.20	57%	68	86
Direct Marketing	239	1.30	59%	72	24
Niche Marketing	131	0.70	33%	39	27
Other*	159	0.90	40%	48	94
* Includes companies that did not respond to this or prior year surveys. ** All values reflect capped final factors ($\pm 10\%$ annual change limit).					378

Comparison to Prior Years



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Acquisition per Policy Factor Comparison

COMPARISON TO PRIOR YEARS					
Description	2024	Percentage Change	2025	Percentage Change	2026
Independent	\$198	3%	\$204	6%	\$217
Career	206	10%	227	5%	238
Direct Marketing	217	10%	239	10%	263
Niche Marketing	132	-1%	131	-4%	126
Other*	162	-2%	159	10%	175
* Includes companies that did not respond to this or prior year surveys.					
** All values reflect capped final factors ($\pm 10\%$ annual change limit).					

Acquisition per Unit Factor Comparison

COMPARISON TO PRIOR YEARS					
Description	2024	Percentage Change	2025	Percentage Change	2026
Independent	\$1.10	0%	\$1.10	9%	\$1.20
Career	1.10	9%	1.20	8%	1.30
Direct Marketing	1.20	8%	1.30	8%	1.40
Niche Marketing	0.70	0%	0.70	0%	0.70
Other*	0.90	0%	0.90	11%**	1.00
* Includes companies that did not respond to this or prior year surveys. ** Capped at 10% increase, but 11% due to factor rounding.					

Acquisition per Premium Factor Comparison

COMPARISON TO PRIOR YEARS					
Description	2024	Percentage Change	2025	Percentage Change	2026
Independent	50%	2%	51%	6%	54%
Career	52%	10%	57%	5%	60%
Direct Marketing	54%	9%	59%	10%	65%
Niche Marketing	33%	0%	33%	-3%	32%
Other*	41%	-2%	40%	10%	44%
* Includes companies that did not respond to this or prior year surveys.					
** All values reflect capped final factors ($\pm 10\%$ annual change limit).					

Maintenance per Policy Factor Comparison

COMPARISON TO PRIOR YEARS					
Description	2024	Percentage Change	2025	Percentage Change	2026
Independent	\$59	3%	\$61	7%	\$65
Career	62	10%	68	6%	72
Direct Marketing	65	11%***	72	10%	79
Niche Marketing	40	-3%	39	-3%	38
Other*	49	-2%	48	10%	53
<p>* Includes companies that did not respond to this or prior year surveys.</p> <p>** All values reflect capped final factors ($\pm 10\%$ annual change limit).</p> <p>*** Capped at 10% increase, but 11% due to factor rounding.</p>					

Questions?



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