

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 an decrease in overall profitability from year-end 2023 of 9.6% to \$31.4 billion.
- Direct written premiums and deposits increased 4.4% to \$1.2 trillion largely due to a \$54.2 billion (14.0%) increase in annuities to \$440.2 billion.
- The industry’s total capital and surplus increased 4.8% to \$502.1 billion compared to prior year-end, largely due to \$6.5 billion in unrealized capital gains and an 8.0% decrease in stockholder dividends.
- Total net admitted assets increased 5.6% to \$8.8 trillion compared to prior year-end.

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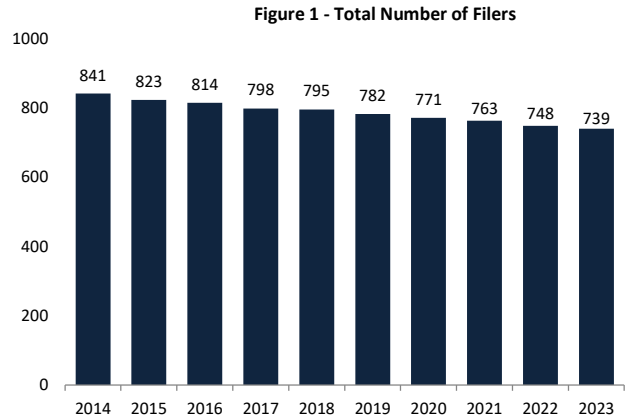
Table 1 - Financial Synopsis: December 31, 2023-2014
Life and Accident & Health Insurance Industry

(\$ In Billions)	Change	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operations											
Direct Written Premium	4.4%	\$1,224.6	\$1,172.5	\$1,112.6	\$1,034.3	\$968.3	\$909.6	\$859.0	\$836.3	\$826.6	\$788.6
Life Direct Written Premium	0.0%	\$213.9	\$213.9	\$210.1	\$192.8	\$193.3	\$185.4	\$187.0	\$179.3	\$177.7	\$170.9
A&H Direct Written Premium	6.3%	\$227.2	\$213.8	\$216.6	\$212.1	\$206.2	\$197.7	\$191.4	\$180.4	\$172.7	\$168.9
Annuities	14.0%	\$440.2	\$386.0	\$325.9	\$291.1	\$302.0	\$277.0	\$247.0	\$254.3	\$264.9	\$261.3
Other Considerations	(21.4)%	\$60.5	\$76.9	\$77.3	\$83.7	\$69.0	\$82.8	\$74.4	\$79.0	\$76.0	\$71.1
Deposits	0.3%	\$282.9	\$282.0	\$282.7	\$254.6	\$197.8	\$166.7	\$159.2	\$143.3	\$135.5	\$116.4
Assumed Premium	(11.4)%	\$177.7	\$200.5	\$198.1	\$158.6	\$171.7	\$167.5	\$127.0	\$115.6	\$147.0	\$82.0
Ceded Premium	14.2%	\$437.1	\$382.6	\$390.7	\$308.8	\$253.0	\$282.4	\$223.9	\$193.8	\$191.1	\$103.6
Net Earned Premium	(3.7)%	\$687.8	\$714.4	\$649.8	\$635.9	\$691.9	\$613.5	\$607.8	\$611.9	\$651.1	\$657.8
Net Investment Income	9.4%	\$220.7	\$201.7	\$203.7	\$187.2	\$187.4	\$186.3	\$182.7	\$176.0	\$172.8	\$174.8
Benefits	6.0%	\$346.8	\$327.1	\$345.5	\$319.8	\$308.2	\$295.2	\$285.3	\$274.9	\$266.8	\$254.0
Commissions & Gen. Expenses	11.0%	\$157.0	\$141.5	\$138.9	\$131.5	\$141.8	\$127.4	\$127.0	\$132.1	\$118.5	\$113.7
Operating Income	3.1%	\$46.8	\$45.3	\$41.3	\$28.0	\$46.5	\$34.7	\$45.4	\$46.9	\$40.9	\$35.5
Realized Gains/(Losses)	(44.5)%	(\$15.4)	(\$10.6)	(\$7.6)	(\$10.6)	(\$6.7)	(\$4.4)	(\$6.2)	(\$11.3)	(\$3.4)	(\$1.2)
Net Income/(Loss)	(9.6)%	\$31.4	\$34.7	\$33.6	\$17.4	\$39.7	\$29.6	\$38.5	\$34.9	\$36.8	\$33.7
Net Cash From Operations	(21.6)%	\$162.0	\$206.7	\$124.0	\$180.9	\$176.7	\$174.6	\$171.8	\$184.0	\$165.2	\$137.4
Number of Filers	(1.2)%	739	748	763	771	782	795	798	814	823	841
Capital and Surplus											
Unrealized Gains/(Losses)	118.9%	\$6.5	(\$34.6)	\$15.1	\$1.7	\$16.0	(\$4.6)	\$4.0	(\$2.7)	(\$10.5)	\$23.0
Capital and Surplus	4.8%	\$502.1	\$479.2	\$489.4	\$450.9	\$439.0	\$415.6	\$409.2	\$395.3	\$380.5	\$364.8
Stockholder Dividends	(8.0)%	(\$42.1)	(\$45.7)	(\$40.4)	(\$31.9)	(\$31.9)	(\$34.8)	(\$44.3)	(\$36.5)	(\$43.7)	(\$33.1)
ROE	(1.0)pts.	6.2%	7.2%	6.9%	3.9%	9.1%	7.1%	9.4%	8.8%	9.7%	9.2%
Assets											
Cash & Invested Assets	2.9%	\$5,352.1	\$5,199.7	\$5,047.4	\$4,812.7	\$4,497.8	\$4,268.7	\$4,215.2	\$4,031.9	\$3,836.6	\$3,755.5
Net Adm. Assets (excl. S. A.)	3.6%	\$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	\$3,979.2
Separate Account Assets	9.5%	\$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	\$2,447.3
Total Net Admitted Assets	5.6%	\$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	\$6,402.7
Net Investment Yield	0.3 pts.	4.2%	3.9%	4.1%	4.0%	4.3%	4.4%	4.4%	4.5%	4.6%	4.8%
ROA	0.0 pts.	0.6%	0.6%	0.6%	0.4%	0.9%	0.7%	0.9%	0.8%	0.9%	0.9%

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

FILINGS

As shown in **Figure 1**, for year-end 2023, a total of 739 companies filed with the NAIC on the life, accident & health annual statement blank. There were 10 companies that reported to be party to a merger; four more than reported in 2022.



PREMIUM

Written Premiums

The life industry reported an increase of 4.4% (\$52.1 billion) in total direct written premium and deposits to \$1.2 trillion in 2023. Total net written premiums and deposits decreased 2.5% (\$25.2 billion) to \$965.2 billion. **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 14.2% or \$54.5 billion, of which the largest increase was seen in the life insurance line of business, with an increase of 45.7% or \$54.3 billion to \$173.2 billion for 2023, and a 5.5% or \$9.8 billion increase in the annuities line of business. The majority of the change in ceded premium is reflected in 12 companies with increases or decreases of more than \$5 billion. Of the 589 companies that reported ceded premiums, 84 companies with over \$100 million in ceded premiums reported changes of over 25% from 2022.

Total assumed premium decreased 11.4%, or \$22.8 billion, primarily driven by the annuities line of business, which decreased \$16.6 billion for 2023.

Life Insurance

The life insurance line of business reported a 28.9% or \$50.6 billion decrease to \$124.6 billion on a net basis due to a combination of the \$3.7 billion increase in assumed premiums and a \$54.3 billion increase in ceded premium for 2023.

Deposit-type Contracts

Deposit-type contracts of \$278.3 billion experienced a 0.9%, or \$2.4 billion, increase over 2022, and a 106.1% increase over the \$135.0 million reported in 2014.

Annuities

Net premiums for annuity considerations increased 9.9%, or \$27.7 billion, to \$307.5 billion for 2023. The increase in net premiums for 2023 was attributed to a 14.0% (\$54.2 billion) increase in direct premiums compared to 2022.

Table 2 — Total Written Premium by LOB

(\$ in Billions)

Life Insurance	% Chg.	\$ Chg.	2023	2022
Direct Premium	0.0%	\$0.1	\$213.9	\$213.9
Assumed Premium	4.6%	\$3.7	\$83.9	\$80.2
Gross Premium	1.3%	\$3.7	\$297.8	\$294.1
Ceded Premiums	45.7%	\$54.3	\$173.2	\$118.9
Net Premium	(28.9)%	(\$50.6)	\$124.6	\$175.2
Annuity Considerations	% Chg.	\$ Chg.	2023	2022
Direct Premium	14.0%	\$54.2	\$440.2	\$386.0
Assumed Premium	(23.3)%	(\$16.6)	\$54.6	\$71.3
Gross Premium	8.2%	\$37.5	\$494.8	\$457.3
Ceded Premiums	5.5%	\$9.8	\$187.3	\$177.5
Net Premium	9.9%	\$27.7	\$307.5	\$279.7
A&H Insurance	% Chg.	\$ Chg.	2023	2022
Direct Premium	6.3%	\$13.4	\$227.2	\$213.8
Assumed Premium	(4.5)%	(\$1.5)	\$32.9	\$34.4
Gross Premium	4.8%	\$11.9	\$260.1	\$248.2
Ceded Premiums	1.7%	\$1.0	\$58.8	\$57.9
Net Premium	5.7%	\$10.9	\$201.3	\$190.3
Other	% Chg.	\$ Chg.	2023	2022
Direct Premium	(21.4)%	(\$16.4)	\$60.5	\$76.9
Assumed Premium	(63.4)%	(\$8.1)	\$4.7	\$12.9
Gross Premium	(27.4)%	(\$24.6)	\$65.2	\$89.8
Ceded Premiums	(43.4)%	(\$8.9)	\$11.6	\$20.4
Net Premium	(22.7)%	(\$15.7)	\$53.6	\$69.3
Deposit-type Contracts	% Chg.	\$ Chg.	2023	2022
Direct Premium	0.3%	\$0.9	\$282.9	\$282.0
Assumed Premium	(9.0)%	(\$0.2)	\$1.6	\$1.8
Gross Premium	0.3%	\$0.7	\$284.5	\$283.7
Ceded Premiums	(21.7)%	(\$1.7)	\$6.2	\$7.9
Net Premium	0.9%	\$2.4	\$278.3	\$275.9

Table 3 - Premiums by State

(\$ in Millions)	Life Insurance Premiums			Annuity Considerations			A&H Insurance Premiums			Other Considerations			Deposit-Type Contracts		
	% Chg	2023	2022	% Chg	2023	2022	% Chg	2023	2022	% Chg	2023	2022	% Chg	2023	2022
Alabama	0%	\$2,629	\$2,618	13%	\$5,042	\$4,458	14%	\$2,534	\$2,218	(12%)	\$434	\$494	(25%)	\$271	\$362
Alaska	(6%)	\$636	\$675	11%	\$521	\$471	1%	\$310	\$307	(34%)	\$266	\$403	4%	\$30	\$29
Arizona	4%	\$3,225	\$3,102	19%	\$11,202	\$9,391	2%	\$4,502	\$4,394	(34%)	\$1,491	\$2,256	(6%)	\$454	\$482
Arkansas	1%	\$1,313	\$1,303	10%	\$2,388	\$2,170	2%	\$1,243	\$1,213	(11%)	\$234	\$262	16%	\$121	\$104
California	(0%)	\$21,112	\$21,170	21%	\$43,231	\$35,691	2%	\$16,369	\$15,980	(24%)	\$7,959	\$10,480	(23%)	\$2,776	\$3,596
Colorado	2%	\$3,319	\$3,268	(1%)	\$6,713	\$6,783	6%	\$4,801	\$4,521	(16%)	\$1,215	\$1,454	91%	\$10,202	\$5,344
Connecticut	(3%)	\$2,686	\$2,779	25%	\$7,889	\$6,325	22%	\$4,408	\$3,627	(44%)	\$1,478	\$2,651	5%	\$10,321	\$9,785
Delaware	(17%)	\$1,756	\$2,108	47%	\$4,649	\$3,161	(7%)	\$958	\$1,032	161%	\$698	\$267	(12%)	\$66,597	\$75,651
Dist. Columbia	(10%)	\$469	\$519	17%	\$815	\$694	6%	\$1,108	\$1,043	(80%)	\$266	\$1,316	(29%)	\$818	\$1,147
Florida	1%	\$12,604	\$12,442	14%	\$35,530	\$31,298	9%	\$17,361	\$15,886	(11%)	\$2,280	\$2,552	15%	\$1,518	\$1,320
Georgia	1%	\$5,980	\$5,899	10%	\$10,125	\$9,167	11%	\$8,305	\$7,463	(46%)	\$1,449	\$2,659	13%	\$2,211	\$1,965
Hawaii	(4%)	\$954	\$993	13%	\$2,231	\$1,967	(22%)	\$813	\$1,046	(16%)	\$276	\$326	(21%)	\$66	\$84
Idaho	3%	\$794	\$773	(12%)	\$1,797	\$2,049	6%	\$714	\$674	(1%)	\$291	\$295	27%	\$100	\$79
Illinois	(6%)	\$7,802	\$8,296	15%	\$15,889	\$13,795	24%	\$9,112	\$7,352	(14%)	\$2,659	\$3,092	122%	\$8,763	\$3,945
Indiana	2%	\$3,547	\$3,481	18%	\$8,513	\$7,243	1%	\$4,585	\$4,528	(9%)	\$791	\$870	10%	\$2,939	\$2,664
Iowa	(23%)	\$2,112	\$2,758	10%	\$4,829	\$4,397	2%	\$1,609	\$1,573	(32%)	\$3,833	\$5,652	(30%)	\$6,445	\$9,146
Kansas	0%	\$1,592	\$1,589	31%	\$3,672	\$2,801	2%	\$4,096	\$3,996	(5%)	\$278	\$292	(38%)	\$1,290	\$2,065
Kentucky	(0%)	\$1,899	\$1,904	4%	\$4,497	\$4,317	3%	\$1,994	\$1,932	6%	\$579	\$546	(16%)	\$368	\$437
Louisiana	(1%)	\$2,696	\$2,711	20%	\$5,931	\$4,930	6%	\$2,707	\$2,545	12%	\$735	\$654	8%	\$280	\$259
Maine	(3%)	\$516	\$533	17%	\$1,896	\$1,623	8%	\$1,162	\$1,073	(27%)	\$160	\$220	(19%)	\$60	\$73
Maryland	2%	\$3,483	\$3,410	7%	\$7,554	\$7,036	4%	\$4,555	\$4,396	13%	\$1,190	\$1,057	(22%)	\$844	\$1,083
Massachusetts	1%	\$4,338	\$4,289	(0%)	\$10,945	\$10,990	11%	\$5,563	\$5,028	(14%)	\$4,032	\$4,662	(63%)	\$1,085	\$2,904
Michigan	21%	\$6,480	\$5,347	33%	\$18,754	\$14,052	6%	\$4,366	\$4,122	(22%)	\$1,256	\$1,615	(9%)	\$1,259	\$1,379
Minnesota	(7%)	\$5,324	\$5,722	13%	\$8,246	\$7,288	12%	\$2,577	\$2,306	(37%)	\$1,723	\$2,729	(4%)	\$924	\$960
Mississippi	(2%)	\$1,468	\$1,492	11%	\$2,440	\$2,190	6%	\$1,919	\$1,812	(15%)	\$197	\$233	8%	\$87	\$81
Missouri	(0%)	\$3,296	\$3,310	2%	\$8,517	\$8,372	4%	\$4,900	\$4,722	(24%)	\$845	\$1,114	9%	\$1,707	\$1,562
Montana	4%	\$475	\$456	35%	\$857	\$636	6%	\$513	\$484	(2%)	\$165	\$169	62%	\$63	\$39
Nebraska	(17%)	\$1,253	\$1,515	2%	\$2,471	\$2,414	7%	\$1,709	\$1,595	7%	\$454	\$424	16%	\$437	\$378
Nevada	1%	\$1,644	\$1,626	(6%)	\$3,079	\$3,281	5%	\$1,802	\$1,712	(20%)	\$388	\$489	43%	\$241	\$169
New Hampshire	1%	\$727	\$720	9%	\$2,930	\$2,699	14%	\$1,043	\$916	(20%)	\$316	\$397	(80%)	\$107	\$539
New Jersey	(5%)	\$7,647	\$8,054	23%	\$19,992	\$16,285	7%	\$10,338	\$9,650	(5%)	\$1,810	\$1,902	(13%)	\$1,172	\$1,353
New Mexico	2%	\$778	\$764	9%	\$1,476	\$1,352	8%	\$776	\$720	(4%)	\$251	\$260	9%	\$129	\$119
New York	0%	\$13,609	\$13,578	7%	\$27,806	\$25,961	7%	\$15,536	\$14,482	(16%)	\$4,527	\$5,396	7%	\$102,824	\$95,946
North Carolina	(7%)	\$5,831	\$6,248	(1%)	\$13,585	\$13,699	3%	\$7,338	\$7,110	(28%)	\$906	\$1,252	(6%)	\$701	\$744
North Dakota	(6%)	\$566	\$600	(2%)	\$1,433	\$1,460	2%	\$378	\$370	24%	\$214	\$173	(1%)	\$249	\$251
Ohio	1%	\$6,412	\$6,354	25%	\$18,916	\$15,083	0%	\$8,305	\$8,272	(17%)	\$1,311	\$1,577	(10%)	\$36,770	\$40,882
Oklahoma	(0%)	\$1,672	\$1,672	15%	\$2,841	\$2,462	(0%)	\$1,748	\$1,755	5%	\$473	\$449	20%	\$242	\$201
Oregon	2%	\$1,492	\$1,467	17%	\$3,760	\$3,207	5%	\$2,213	\$2,114	(17%)	\$1,140	\$1,378	7%	\$241	\$226
Pennsylvania	1%	\$7,487	\$7,422	21%	\$23,995	\$19,760	17%	\$10,242	\$8,778	(57%)	\$1,730	\$4,007	(15%)	\$2,145	\$2,532
Rhode Island	(1%)	\$536	\$540	27%	\$2,111	\$1,658	9%	\$556	\$512	(31%)	\$103	\$148	12%	\$119	\$107
South Carolina	4%	\$2,827	\$2,721	8%	\$7,047	\$6,510	7%	\$3,302	\$3,092	3%	\$402	\$391	25%	\$265	\$211
South Dakota	47%	\$1,942	\$1,321	17%	\$1,079	\$923	4%	\$501	\$481	(25%)	\$496	\$657	(59%)	\$154	\$377
Tennessee	5%	\$3,982	\$3,794	13%	\$8,385	\$7,446	6%	\$5,197	\$4,896	14%	\$1,399	\$1,225	(1%)	\$885	\$895
Texas	2%	\$15,448	\$15,151	11%	\$28,799	\$25,834	4%	\$20,185	\$19,486	(13%)	\$2,638	\$3,036	5%	\$3,339	\$3,177
Utah	(7%)	\$1,747	\$1,875	7%	\$3,945	\$3,692	5%	\$1,839	\$1,752	109%	\$1,111	\$531	(29%)	\$1,582	\$2,241
Vermont	(7%)	\$266	\$286	(23%)	\$1,027	\$1,327	7%	\$380	\$354	(5%)	\$152	\$160	(33%)	\$76	\$113
Virginia	1%	\$4,856	\$4,828	8%	\$9,792	\$9,029	7%	\$6,183	\$5,787	(21%)	\$943	\$1,199	(9%)	\$763	\$842
Washington	(3%)	\$3,420	\$3,512	16%	\$7,516	\$6,471	8%	\$3,692	\$3,429	(20%)	\$1,424	\$1,785	(34%)	\$444	\$675
West Virginia	1%	\$725	\$720	24%	\$2,102	\$1,695	2%	\$925	\$906	(27%)	\$136	\$188	6%	\$104	\$98
Wisconsin	(1%)	\$3,208	\$3,232	10%	\$8,370	\$7,609	(12%)	\$4,484	\$5,119	(18%)	\$941	\$1,151	520%	\$4,643	\$749
Wyoming	(0%)	\$379	\$379	(7%)	\$567	\$609	4%	\$435	\$417	2%	\$64	\$63	(1%)	\$24	\$24
American Samoa	(10%)	\$4	\$5	(58%)	\$0	\$0	64%	\$1	\$1	0%	\$0	\$0	0%	\$0	\$0
Guam	(1%)	\$58	\$58	32%	\$19	\$14	2%	\$41	\$41	(5%)	\$5	\$6	632%	\$1	\$0
Puerto Rico	4%	\$631	\$606	32%	\$1,771	\$1,342	5%	\$906	\$860	39%	\$48	\$34	7%	\$30	\$28
U.S. Virgin Islands	(2%)	\$32	\$33	(16%)	\$10	\$12	6%	\$269	\$254	(4%)	\$5	\$6	15%	\$0	\$0
Northern Mariana Islands	(8%)	\$8	\$9	(40%)	\$0	\$0	4%	\$45	\$43	0%	\$0	\$0	0%	\$0	\$0
Canada	(6%)	\$475	\$504	(36%)	\$15	\$23	(2%)	\$395	\$404	(20%)	\$30	\$38	19%	\$80	\$67
Aggregate other alien	(0%)	\$1,626	\$1,631	(34%)	\$73	\$111	10%	\$1,414	\$1,284	7%	\$142	\$133	41%	\$3,005	\$2,137

Table 3, illustrates state details for 2023 and 2022, 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 3.7% (\$26.6 billion) decrease in net earned premiums to \$687.8 billion. **Table 4** shows a breakdown of net earned premium by line of business for 2023 and 2022.

Annuiti es

Total net annuity considerations increased 3.2% (\$11.0 billion) to \$360.2 billion for 2023. The increase was primarily driven by an 71.5%, or \$30.5 billion, increase in indexed annuities, and a 15.5% (\$14.4 billion) increase in fixed annuities, partially offset by a 28.5% (\$18.1 billion) decrease in variable annuities without guarantees and a 7.6% (\$6.8 billion) decrease in variable annuities with guarantees. Variable annuities with and without guarantees accounted for 35.7% of total annuity considerations.

Life Insurance

Total net life insurance premiums decreased 16.5% to \$131.2 billion for year-end 2023. Whole life and term life accounted for 78.9% of total life insurance premiums. Term life decreased 6.0% (\$2.3 billion) and whole life decreased 0.1% (\$0.1 billion) both compared to year-end 2022.

A&H

Total net A&H premiums increased 6.8% (\$13.0 billion) for year-end 2023. The largest increases were seen in Title XVIII Medicare, which increased 20.1% (\$4.7 billion), and other health, which increased 6.6% (\$2.4 billion) both compared to 2022.

Table 4 – Net Premiums by Line of Business

(\$ in Billions)	% Chg.	\$ Chg.	2023	2022
Total Annuiti es	3.2%	\$11.0	\$360.2	\$349.1
Indexed Annuities	71.5%	\$30.5	\$73.2	\$42.7
Life Contingent Payout	-14.6%	(\$5.4)	\$31.6	\$37.0
Fixed Annuities	15.5%	\$14.4	\$106.9	\$92.5
Other Annuities	-15.1%	(\$3.5)	\$19.9	\$23.4
Variable Annuities w/out Guar	-28.5%	(\$18.1)	\$45.5	\$63.7
Variable Annuities w/ Guar	-7.6%	(\$6.8)	\$83.0	\$89.8
Total Life Insurance	-16.5%	(\$25.9)	\$131.2	\$157.1
Universal Life with Secondary Guar	-193.3%	(\$10.0)	(\$4.8)	\$5.2
Indexed Life	-64.7%	(\$11.0)	\$6.0	\$17.0
YRT Mortality Risk Only	-1.7%	(\$0.1)	\$7.0	\$7.1
Credit Life	-6.1%	(\$0.0)	\$0.6	\$0.6
Other Group Life	-2.4%	(\$0.0)	\$1.2	\$1.2
Industrial Life	136.5%	\$0.3	\$0.1	(\$0.2)
Universal Life	1.0%	\$0.0	\$1.6	\$1.6
Other Individual Life	-8.2%	(\$0.3)	\$3.1	\$3.3
Variable Universal Life	-33.3%	(\$4.3)	\$8.7	\$13.0
Variable Life	81.4%	\$1.9	\$4.3	\$2.4
Term Life	-6.0%	(\$2.3)	\$36.2	\$38.6
Whole Life	-0.1%	(\$0.1)	\$67.3	\$67.3
Total A&H	6.8%	\$13.0	\$202.9	\$189.9
Long-Term Care	4.2%	\$0.4	\$9.3	\$8.9
Federal Employees Health Ben	26.2%	\$0.4	\$2.0	\$1.6
Credit A&H	-5.7%	(\$0.0)	\$0.6	\$0.6
Vision Only	2.9%	\$0.1	\$2.0	\$1.9
Title XIX Medicaid	-1.4%	(\$0.1)	\$4.3	\$4.4
Individual Comprehensive	22.1%	\$0.8	\$4.2	\$3.5
Medicare Supplement	2.3%	\$0.5	\$22.1	\$21.6
Dental Only	3.6%	\$0.5	\$14.8	\$14.3
Disability Income	3.6%	\$1.1	\$33.0	\$31.8
Title XVIII Medicare	20.1%	\$4.7	\$28.2	\$23.5
Other Health	6.6%	\$2.4	\$39.1	\$36.7
Group Comprehensive	5.4%	\$2.2	\$43.3	\$41.1

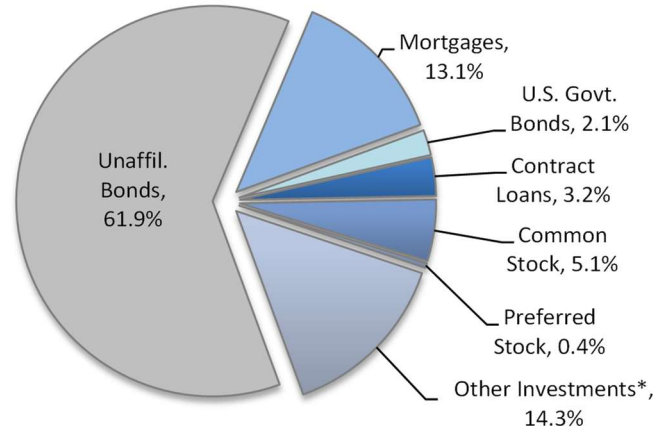
INVESTMENT INCOME

Net investment income increased 9.4% (\$19.0 billion), to \$220.7 billion in 2023 compared to \$201.7 billion in 2022. The increase was driven by the following:

- Investment income from other invested assets decreased \$0.9 billion to \$24.0 billion
- Investment income from affiliated common stock decreased \$1.6 billion to \$11.4 billion
- Investment income from unaffiliated other bonds increased \$19.2 billion to \$156.9 billion
- Investment income from mortgage loans increased \$4.4 billion to \$33.1 billion

The industry’s invested asset portfolio increased 2.9% to \$5.4 trillion at year-end 2023. **Figure 2** illustrates net investment income by asset class.

Figure 2 — Net Investment Income Allocation



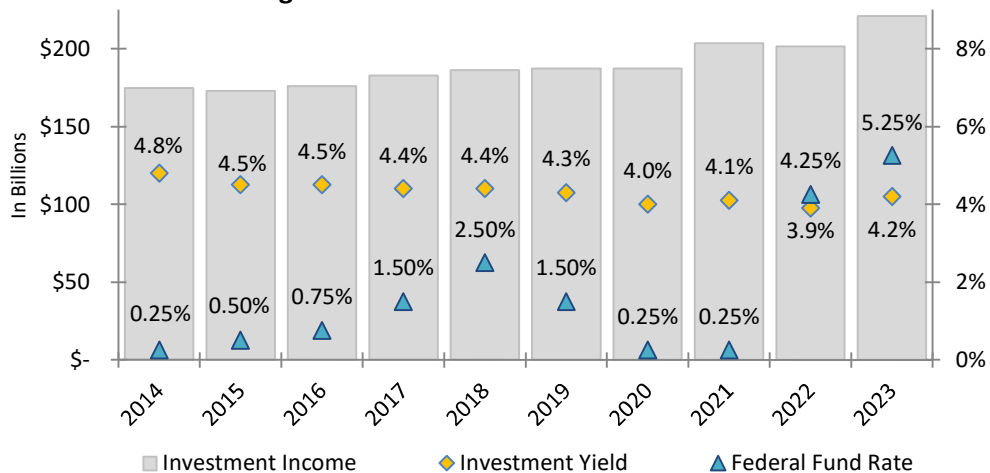
* Includes: affiliated bonds, real estate, cash, short-term investments, derivatives, BA assets, and write-ins.

The Other Investments category*, seen in **Figure 2**, decreased to 14.3% of total investment income, from 16.9% at year-end 2022, primarily from a 1.2-point decrease in BA assets to 9.5%.

The industry’s net investment yield increased 0.3 percentage point to 4.2% as seen in **Figure 3**. In 2023, the Federal Reserve increased the federal funds interest rate as follows:

- February 2—to 4.75% from 4.50%
- March 23—to 5.00% from 4.75%
- May 4—to 5.25% from 5.00%
- July 27—to 5.50% from 5.25%

Figure 3 – Net Investment Income & Yield



OPERATIONS

The industry reported profitability of \$42.9 billion in 2023 compared to \$47.7 billion for 2022, a \$4.8 billion decrease. The largest decrease was seen in premiums, which decreased \$27.0 billion to \$687.8 billion for year-end 2023. The changes are shown in **Table 5**.

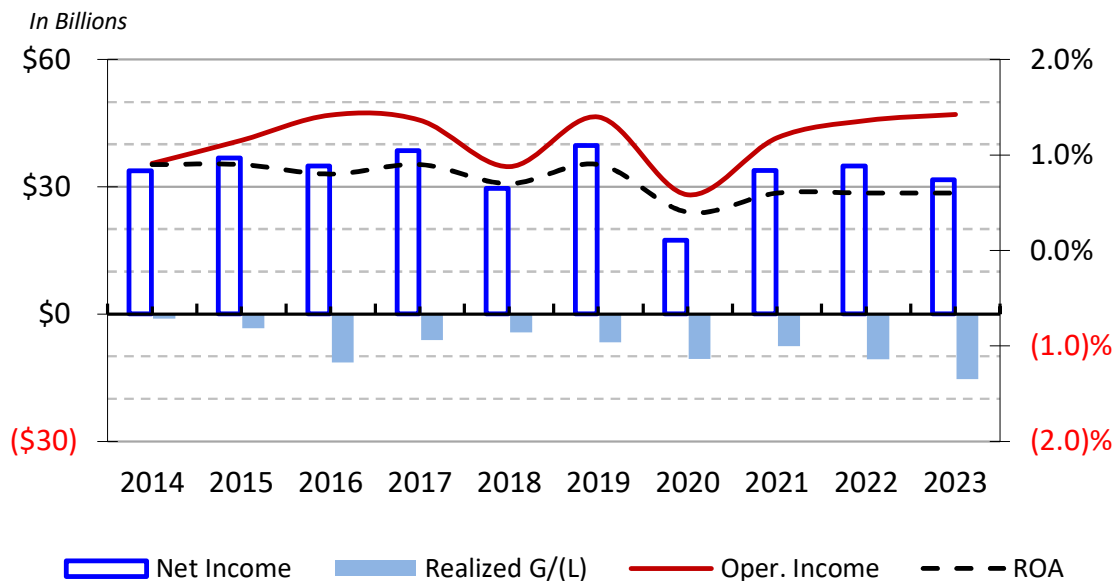
Table 5 - Changes in Net Income / (Loss)

<i>\$ In Billions</i>	% Change	\$ Change	2023	2022
Premiums	-3.8%	(\$27.0)	\$687.8	\$714.7
Net Investment Income	2.1%	\$3.9	\$193.7	\$189.7
Reserve Adjustments on Reins Ceded	-27.1%	(\$10.6)	\$28.6	\$39.2
Total Revenues	-1.5%	(\$16.0)	\$1,052.4	\$1,068.5
Surrender Benefits & Withdrawals for Life Contracts	17.9%	\$63.3	\$416.5	\$353.2
Death Benefits	-2.6%	(\$2.4)	\$90.9	\$93.3
Increase in Agg Reserves for Life and A&H Contracts	-57.0%	(\$68.7)	\$51.8	\$120.5
Commissions & Exp Allowances on Reins Assumed	35.3%	\$6.3	\$24.3	\$17.9
Net Transfers To or (From) S.A. Net of Reins	-61.9%	(\$31.6)	(\$82.8)	(\$51.1)
Total Expenses	-2.4%	(\$23.2)	\$958.0	\$981.2
Federal and Foreign Income Taxes Incurred	56.4%	\$4.7	\$13.2	\$8.4
Net Realized Capital Gains/(Losses)	-44.5%	(\$4.7)	(\$15.4)	(\$10.6)
Net Income/(Loss)	-10.0%	(\$4.8)	\$42.9	\$47.7

** unadjusted basis

Realized capital losses in derivative instruments were \$15.4 billion for 2023 compared to realized capital losses of \$10.7 billion for 2022. Concurrently, unaffiliated other bonds reported realized capital losses of \$21.3 billion compared to realized capital losses of \$16.4 million for 2022. The impact realized capital losses have had on net income over the past ten years is depicted in **Figure 4**.

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



Annuities

The annuities line of business reported net operating gain of \$34.9 billion, a 11.3% (\$4.4 billion) decrease compared to 2022. Variable annuities with guarantees was the largest line of annuity business, which reported a 179.1% improvement in operating gains to \$31.7 billion for 2023. Indexed annuities reported an operating loss of \$3.6 billion, a 120.0% deterioration over the \$18.0 billion gain for the previous year.

Life Insurance

The life insurance line of business reported a \$26.7 billion operating gain, a 43.1% (\$8.0 billion) increase compared to 2022. Whole life reported the largest operating gain of \$18.7 billion, while universal life with secondary guarantees reported the largest operating loss of \$1.6 billion, both for 2023.

Accident & Health

Total A&H reported a 5.4% increase in operating gains to \$23.7 billion for 2023. The largest operating gain for A&H was \$9.4 billion reported in other health.

Table 6 - Operating Gain/Loss by Line of Business

(\$ in Billions)	% Chg.	\$ Chg.	2023	2022
Indexed Annuities	-120.0%	(\$21.7)	(\$3.6)	\$18.0
Life Contingent Payout	100.0%	\$3.9	\$3.9	(\$0.0)
Fixed Annuities	-58.7%	(\$3.2)	\$2.3	\$5.5
Other Annuities	-35.1%	(\$1.2)	\$2.3	\$3.5
Variable Annuities w/out Guar	-278.4%	(\$2.5)	(\$1.6)	\$0.9
Variable Annuities w/ Guar	179.1%	\$20.3	\$31.7	\$11.4
Total Annuities	-11.3%	(\$4.4)	\$34.9	\$39.4
Universal Life with Secondary Guar	54.7%	\$1.9	(\$1.6)	(\$3.4)
Indexed Life	-111.6%	(\$4.4)	(\$0.5)	\$3.9
YRT Mortality Risk Only	-110.1%	(\$0.1)	(\$0.0)	\$0.1
Credit Life	273.4%	\$0.1	\$0.1	\$0.0
Other Group Life	0.3%	\$0.0	\$0.2	\$0.2
Industrial Life	-31.3%	(\$0.0)	\$0.1	\$0.1
Universal Life	5.7%	\$0.0	\$0.2	\$0.2
Other Individual Life	-5.7%	(\$0.0)	\$0.6	\$0.7
Variable Universal Life	2259.5%	\$0.9	\$0.9	(\$0.0)
Variable Life	548.8%	\$0.6	\$0.8	\$0.1
Term Life	232.2%	\$5.0	\$7.1	\$2.1
Whole Life	27.6%	\$4.0	\$18.7	\$14.7
Total Life Insurance	43.1%	\$8.0	\$26.7	\$18.6
Long-Term Care	203.1%	\$0.3	\$0.5	\$0.2
Federal Employees Health Ben	-105.5%	(\$0.2)	(\$0.0)	\$0.1
Credit A&H	-4.0%	(\$0.0)	\$0.1	\$0.1
Vision Only	-6.5%	(\$0.0)	\$0.3	\$0.3
Title XX Medicaid	-12.3%	(\$0.1)	\$0.4	\$0.5
Individual Comprehensive	107.1%	\$0.3	\$0.6	\$0.3
Medicare Supplement	-23.2%	(\$0.2)	\$0.5	\$0.7
Dental Only	-34.3%	(\$0.5)	\$0.9	\$1.4
Disability Income	50.8%	\$1.8	\$5.3	\$3.5
Title XVIII Medicare	-39.8%	(\$0.3)	\$0.5	\$0.8
Other Health	-0.9%	(\$0.1)	\$9.4	\$9.5
Group Comprehensive	0.2%	\$0.0	\$5.1	\$5.0
Total A&H	5.4%	\$1.2	\$23.7	\$22.5

ASSETS

The life industry reported a 5.6% increase in total net admitted assets at Dec. 31, 2023, to \$8.8 trillion. The increase was primarily in separate accounts, which increased 9.4% to \$3.0 trillion and accounted for 34.5% 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)	2023 % of Total	2019 % of Total	5-Yr % Chg	1-Yr % Chg	2023	2022	2019
Bonds	68.4%	71.5%	13.7%	0.6%	\$3,654.8	\$3,631.7	\$3,213.7
Common Stock	1.9%	2.0%	13.7%	5.1%	\$101.7	\$96.7	\$89.4
Preferred Stock	0.3%	0.3%	26.6%	1.4%	\$17.3	\$17.1	\$13.7
Mortgage Loans	13.7%	12.9%	26.7%	5.5%	\$733.4	\$695.2	\$578.6
Real Estate	0.4%	0.5%	(2.9)%	0.2%	\$22.6	\$22.6	\$23.3
Cash & S/T Investments	3.6%	2.7%	53.5%	31.6%	\$189.8	\$144.2	\$123.6
Derivatives	1.9%	1.8%	27.9%	6.9%	\$102.0	\$95.4	\$79.7
BA Assets	6.4%	4.7%	60.2%	6.4%	\$341.4	\$320.9	\$213.1
Other Invested Assets	3.4%	3.6%	12.4%	4.9%	\$182.7	\$174.2	\$162.6
Total Invested Assets	100.0%	100.0%	18.8%	2.8%	\$5,345.6	\$5,197.8	\$4,497.8

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—\$176.0 billion
- Other affiliated assets (Parent, Subs, and Affiliates)—\$152.7 billion
- Affiliated bonds—\$79.8 billion

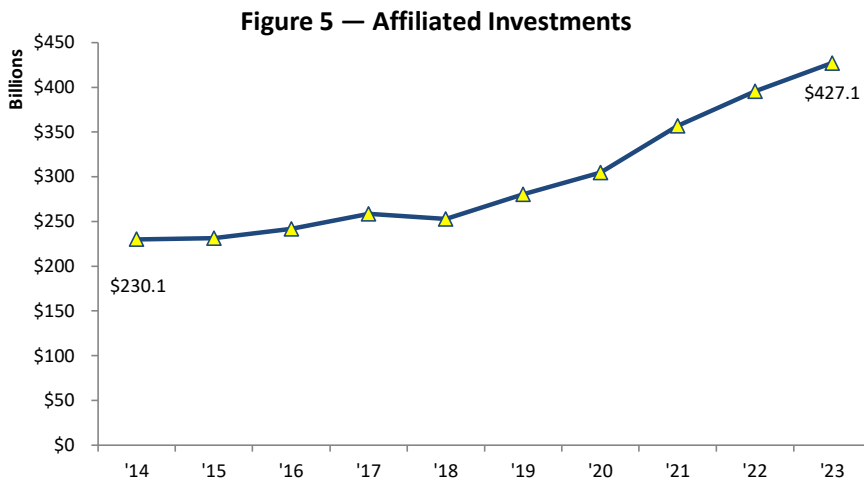
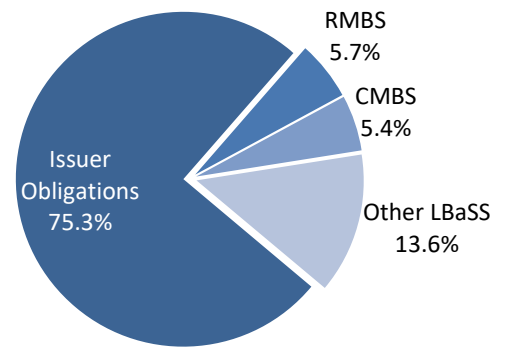


Figure 6 – Bond Allocation



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 75.3%.

The industry’s allocation of long-term bonds is shown in **Figure 7** (on the following page), with the majority (80.3%) being industrial and miscellaneous. The industry’s holdings of noninvestment-grade bonds decreased 5.8% (\$11.5 billion) and represented 5.0% of total bonds on Dec. 31, 2023. 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 35.5% of the holdings at year-end 2023 due to mature in five years or less compared with 32.4% at year-end 2022. Bonds with a maturity of ten

years or later represented 64.5% of total bonds. **Figure 8** illustrates bond distribution by maturity.

Figure 7 – Long Term Bond Allocation

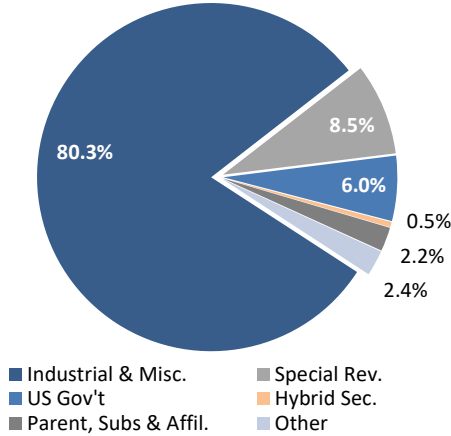
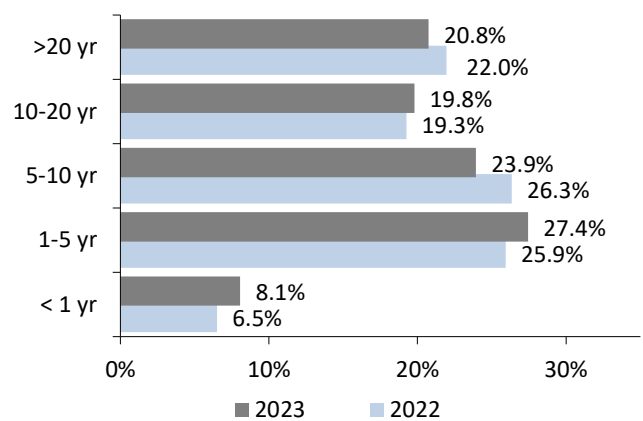


Figure 8 – % of Total Bonds Held by Maturity



LIABILITIES

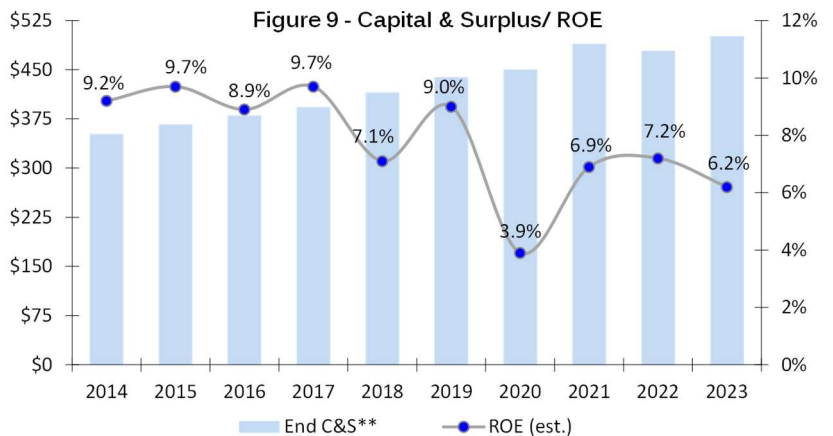
The life industry reported a 5.7% (\$448.3 billion) increase in total liabilities to \$8.3 trillion at year-end 2023. The largest changes were in the following:

- A 9.5% (\$262.9 billion) increase in separate account liabilities to \$3.0 trillion;
- A 34.2% (\$56.5 billion) increase in funds held under coinsurance to \$221.9 billion;
- A 10.6% (\$30.8 billion) increase in funds held under reinsurance treaties with unauthorized reinsurers to \$322.6 billion;
- And a 33.5% (\$7.8 billion) decrease in interest maintenance reserve to \$15.5 billion.

CAPITAL AND SURPLUS

The life industry’s capital and surplus increased by 4.8% to \$502.1 billion compared to \$479.2 billion at Dec. 31, 2022, due primarily to the \$31.4 billion net income, discussed on page 5, \$10.4 billion in capital paid-in, and unrealized capital gains of \$6.5 billion, which was mostly offset by stockholder dividends of \$42.1 billion.

As seen in **Figure 9**, the industry’s return on equity (ROE) decreased to 6.2% from 7.3% in 2022 due mainly to the industry’s increase in net income.



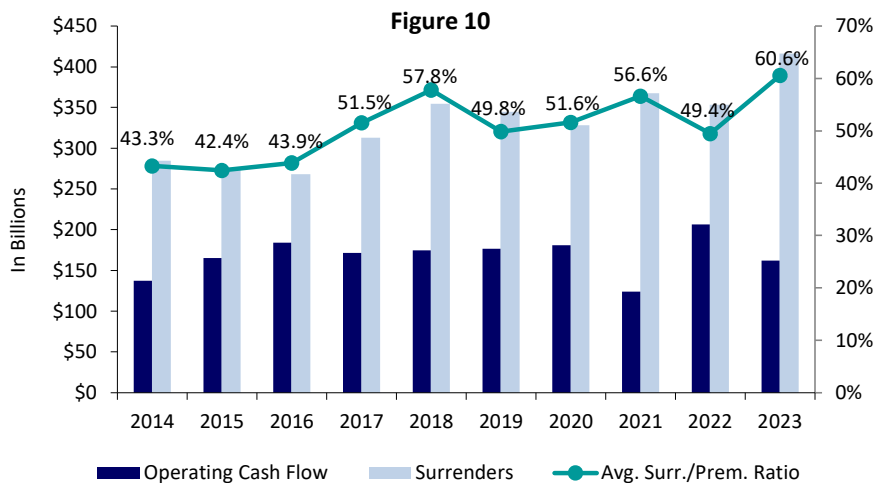
LIQUIDITY

The life industry reported operating cash flow of \$162.0 billion in 2023, down 21.6% (\$44.7 billion) from \$206.7 billion in the prior year. The decrease was primarily from an increase in benefits and loss payments of 7.5% (\$52.4 billion), an increase in commissions of 14.2% (\$22.7 billion), and a decrease in net premium of 1.8% (\$13.4 billion). Transfers to separate accounts was \$(91.9) billion compared to \$(64.8) billion for 2022, and a 9.7% (\$18.8 billion) increase in net investment income, adjusted for affiliated net investment income, partially offset the decline.

The industry experienced a 17.9% (\$63.3 billion) increase in surrender benefits to \$416.5 billion. The average surrenders to premiums ratio increased 11.2-points to 60.6% compared to 49.4% in 2022. **Figure 10** shows the industry’s operating cash flow and surrender activity over the past ten years.

The life insurance industry reported \$(165.7) billion in net cash from investment activity as total investment proceeds of \$659.4 billion were surpassed by \$818.4 billion in total investments acquired. The largest decrease in investments acquired was \$202.6 billion in bonds to \$570.4 billion, acquired stocks decreased \$10.8 billion to \$23.5 billion.

Net cash from financing activity increased 176.8% (\$32.2 billion) to \$50.4 billion mostly from a \$66.9 billion increase in other cash provided and applied to \$55.1 billion, partially offset by a \$6.8 billion decrease in capital and paid-in surplus to \$5.6 billion.



SEPARATE ACCOUNTS

Table 8 - Separate Accounts

<i>\$ In Millions</i>	% Change	2023	2022
Totals Revenue	(353.2%)	\$588,714	(\$232,494)
Net premiums	(11.2%)	\$206,054	\$231,930
Net investment income and capital gains and losses	180.4%	\$374,724	(\$466,241)
Total Benefits and Expenses	5.0%	\$292,265	\$278,263
Death benefits	(2.6%)	\$9,823	\$10,086
Annuity benefits	9.4%	\$35,596	\$32,532
Surrender benefits and withdrawals for life contracts	0.6%	\$230,155	\$228,743
Fees for charges for investment mgt, admin and guarantees	(2.2%)	\$37,924	\$38,785
Increase in aggregate reserve for life and A&H contracts	147.1%	\$236,609	(\$502,494)
Increase in liability for deposit-type contracts	151.8%	\$28,031	(\$54,108)
Net gain from operations	(173.4%)	(\$4,778)	\$6,510
Surplus	2.1%	\$6,027	\$5,906
Assets	9.5%	\$3,031,959	\$2,769,010
Liabilities	9.5%	\$3,031,961	\$2,769,011
CARVM Allowance	0.7%	(\$24,565)	(\$24,728)

The life insurance industry reported a 9.5% increase in separate account assets to \$3.0 trillion at Dec. 31, 2023. Likewise, total separate account liabilities increased 9.5% to \$3.0 trillion. Aggregate separate account reserves for life, annuity and A&H products increased 9.7% (\$239.8 billion) to \$2.7 trillion and the liability for deposit-type contracts increased 12.3% (\$26.4 billion) to \$241.9 billion.

Net investment income and capital gains and losses increased to \$374.7 billion compared to \$(466.2) billion for 2022. Net gain from operations decreased 173.4% (\$11.3 billion) to a net loss from operations of \$4.8 billion.

Separate account fees decreased 2.2% to \$37.9 billion from \$38.8 billion at Dec. 31, 2022. The ratio of separate account fees to separate account assets decreased to 1.3% from 1.4% and the industry's CARVM allowance increased 0.7% to \$(24.6) billion. The separate account surplus increased 2.1% (\$0.1 billion) to \$6.0 billion compared to year-end 2022.

**NAIC Financial Regulatory Services
Financial Analysis and Examination Department**

Contacts:

Abigail Edson, Financial Analyst II

AEdson@naic.org

Bruce Jenson, Assistant Director, Solvency Monitoring

BJenson@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/A&H Financial Analysis

RVillegas@naic.org

816.783.8411

DISCLAIMER

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