Claim reserve activity included incurred claims of $1,801 million, $1,873 million and $2,106 million, of which $(1) million, $(36) million and $(46) million related to the recognition of adjustments to prior year claim reserves arising from our periodic reserve evaluation in the years ended December 31, 2020, 2019 and 2018, respectively. Paid claims were $1,728 million, $1,626 million and $1,937 million in the years ended December 31, 2020, 2019 and 2018, respectively.

Reinsurance recoveries are recorded as a reduction of insurance losses and annuity benefits in our consolidated Statement of Earnings (Loss) and amounted to $350 million, $362 million and $324 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Reinsurance recoverables, net of allowances of $1,510 million and $1,355 million, are included in non-current Other GE Capital receivables in our consolidated Statement of Financial Position, and amounted to $2,552 million and $2,416 million at December 31, 2020 and 2019, respectively. The vast majority of our remaining net reinsurance recoverables are secured by assets held in a trust for which we are the beneficiary.

2020 Premium Deficiency Testing. We completed our annual premium deficiency testing in the aggregate across our run-off insurance portfolio in the third quarter of 2020. The results of our testing indicated there was a positive margin of less than 2% of the recorded future policy benefit reserves, excluding Other adjustments, at September 30, 2020. As a result, the assumptions updated in connection with the premium deficiency recognized in 2019 remain locked-in and will remain so unless another premium deficiency occurs in the future.

We also noted our projections as of third quarter 2020 indicate the present value of projected earnings in each future year to be positive, and therefore, no further adjustments to our future policy benefit reserves were required at this time.

Considering the results of the 2020 premium deficiency test which resulted in a small margin, any future net adverse changes in our assumptions may reduce the margin or result in a premium deficiency requiring an increase to future policy benefit reserves. Any future net favorable changes to these assumptions could result in a lower projected present value of future cash flows and additional margin in our premium deficiency test and higher income over the remaining duration of the portfolio, including higher investment income.

Statutory accounting practices, not GAAP, determine the required statutory capital levels of our insurance legal entities and, therefore, may affect the amount or timing of capital contributions that may be required from GE Capital to its insurance legal entities. Statutory accounting practices are set forth by the National Association of Insurance Commissioners (NAIC) as well as state laws, regulation and general administrative rules and differ in certain respects from GAAP. The 2020 premium deficiency testing described above was performed on a GAAP basis. The adverse impact on our statutory additional actuarial reserves (AAR) arising from our revised assumptions in 2017, including the collectability of reinsurance recoverables, is expected to require GE Capital to contribute approximately $14,500 million additional capital to its run-off insurance operations in 2018-2024. For statutory accounting purposes, the Kansas Insurance Department (KID) approved our request for a permitted accounting practice to recognize the 2017 AAR increase over a seven-year period. GE Capital provided capital contributions to its insurance subsidiaries of $2,000 million, $1,900 million and $3,500 million in the first quarters of 2020, 2019 and 2018, respectively. GE Capital expects to provide further capital contributions of approximately $7,000 million through 2024 (of which approximately $2,000 million is expected to be contributed in the first quarter of 2021 pending completion of our December 31, 2020 statutory reporting process, which includes asset adequacy testing), subject to ongoing monitoring by KID. GE is a party to capital maintenance agreements with its run-off insurance subsidiaries under which GE is required to maintain their statutory capital levels at 300% of their year-end Authorized Control Level risk-based capital requirements as defined from time to time by the NAIC.