

U.S. RETAIL INDIVIDUAL LIFE INSURANCE SALES TECHNICAL SUPPLEMENT

2nd Quarter 2022

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Highlights

- Annualized premium growth continued in the second quarter of 2022, but softened to 6 percent (Table 1). Four in ten writers were up, including just over half of the top ten and top twenty carriers. In terms of policy sales, three-quarters of the writers were down (including nine of the top ten). Overall, there were 11 percent fewer policies issued than there were in second quarter 2021 (a time when policy sales were rising after the pandemic increased demand).
- Whole life (WL) experienced the largest drop in policy sales, with eight in ten manufacturers experiencing declines. Those purchased directly from the manufacturer fell the furthest, although most channels sold fewer WL policies (than in second quarter 2021) including the dominant agency-building channel.
- While six in ten writers sold less WL premium and (overall) WL premium fell 3 percent (Table 2), this is compared with second quarter 2021 when sales had surged 25 percent. This quarter's drop mainly reflects non-participating WL sales (which fell by about 10 percent). Participating WL sales (which represented a majority of the quarter's WL premium) were almost even with second quarter 2021.
- Term experienced the largest drop in premium sales this quarter. Six in ten companies sold less premium (than they had in second quarter 2021) and three-quarters of them issued fewer policies. But despite the large drops this quarter, nearly nine in ten of the individual life insurance policies sold so far in 2022 are term or WL policies (Figure 1).
- Fixed (non-indexed) universal life (UL) experienced double-digit drops in terms of policies and premium. Fixed UL sales were particularly weighed by products designed to provide a lifetime guarantee, whose sales were slashed by nearly third (Table 4).
- Indexed UL (IUL) annualized premium sales continued to climb, with nearly two in three writers up (including eight of the top ten who sold about 80 percent of the premium). IUL products designed primarily for cash value accumulation and accessibility continued to lead the market (Figure 2) and represented about 80 percent of the IUL premium and a quarter of the individual life market overall.
- Variable UL (VUL) sales growth also continued (climbing for the nineteenth consecutive quarter). While protection-focused sales edged up 5 percent, the majority of the growth stemmed from accumulation focused products (which experienced a near 50 percent increase over second quarter 2021).
- Brokerage professionals experienced the strongest growth so far this year (Figure 4), thanks mainly to strong double-digit IUL and VUL growth. IUL and VUL premium growth likely remain stimulated by the increased premium limits related to the IRC Section 7702 update.

Technical Report

U.S. RETAIL INDIVIDUAL LIFE INSURANCE SALES

Table 1 — Individual Life Insurance Sales by Quarter

	Annualized Premium (in \$000)			Face Amount (in \$000)			Number of Policies		
Quarter	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021
First	\$2,955,142	\$3,454,798	17%	\$421,622,318	\$415,029,765	-2%	1,544,683	1,429,710	-7%
Second	\$3,179,129	\$3,375,148	6%	\$446,506,284	\$427,867,968	-4%	1,526,655	1,355,987	-11%
Third	\$3,209,778	—	—	\$412,222,231	—	—	1,428,102	—	—
Fourth	\$3,989,083	—	—	\$459,052,520	—	—	1,432,688	—	—
YTD	\$6,134,271	\$6,829,945	11%	\$868,128,603	\$842,897,733	-3%	\$3,071,337	2,785,697	-9%

Table 2 — Growth Rates by Product*Percent Change 2021 - 2022*

		Annualized Premium	Face Amount	Policies
Indexed universal life	First Quarter	39%	11%	8%
	Second Quarter	27%	10%	7%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	33%	10%	7%
Fixed universal life	First Quarter	2%	2%	-5%
	Second Quarter	-14%	-10%	-19%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	-6%	-5%	-13%
Variable universal life	First Quarter	49%	14%	27%
	Second Quarter	29%	10%	6%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	38%	12%	16%
Term	First Quarter	-2%	-3%	-8%
	Second Quarter	-6%	-5%	-11%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	-4%	-4%	-9%
Whole life	First Quarter	8%	-5%	-10%
	Second Quarter	-3%	-15%	-15%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	3%	-10%	-12%

Figure 1 — Market Share by Product

Second Quarter 2022 Year-to-Date

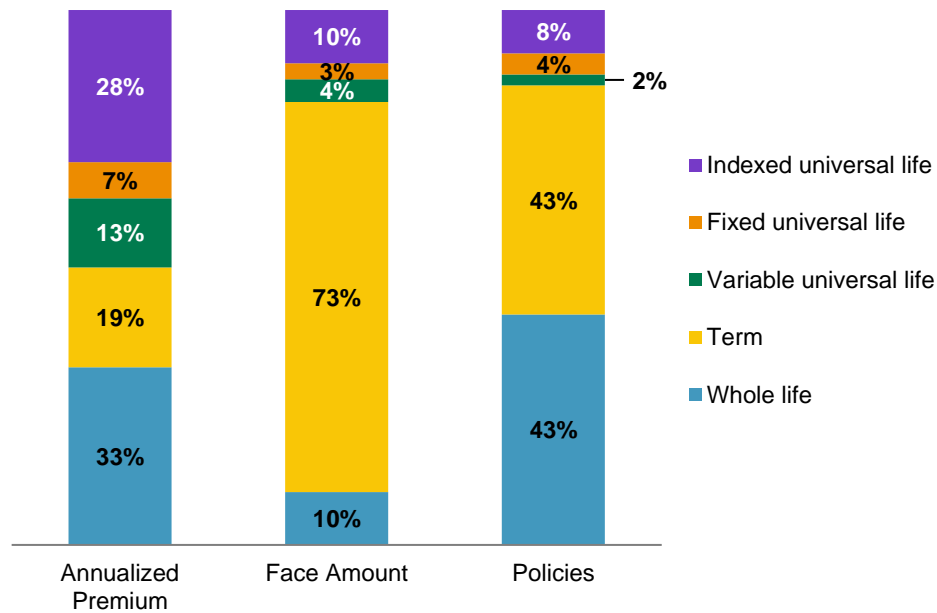


Table 3 — Policy Characteristics by Product

Second Quarter 2022 Year-to-Date

	Premium per \$1,000	Percent growth rate 2022/2021	Average size policy	Percent growth rate 2022/2021	Premium per policy	Percent growth rate 2022/2021
Indexed universal life	\$23.18	21%	\$371,357	3%	\$8,609	24%
Fixed universal life	\$18.22	-2%	\$229,820	9%	\$4,188	7%
Variable universal life	\$24.60	23%	\$626,468	-3%	\$15,412	19%
Term	\$2.07	++	\$515,457	6%	\$1,068	6%
Whole life	\$27.31	14%	\$69,252	2%	\$1,891	17%
Total	\$8.10	15%	\$302,581	7%	\$2,452	23%

+ Less than ½ of negative 1 percent

UNIVERSAL LIFE INSURANCE SALES

Figure 2 — Universal Life Market Share by Product Design

Second Quarter 2022 Year-to-Date

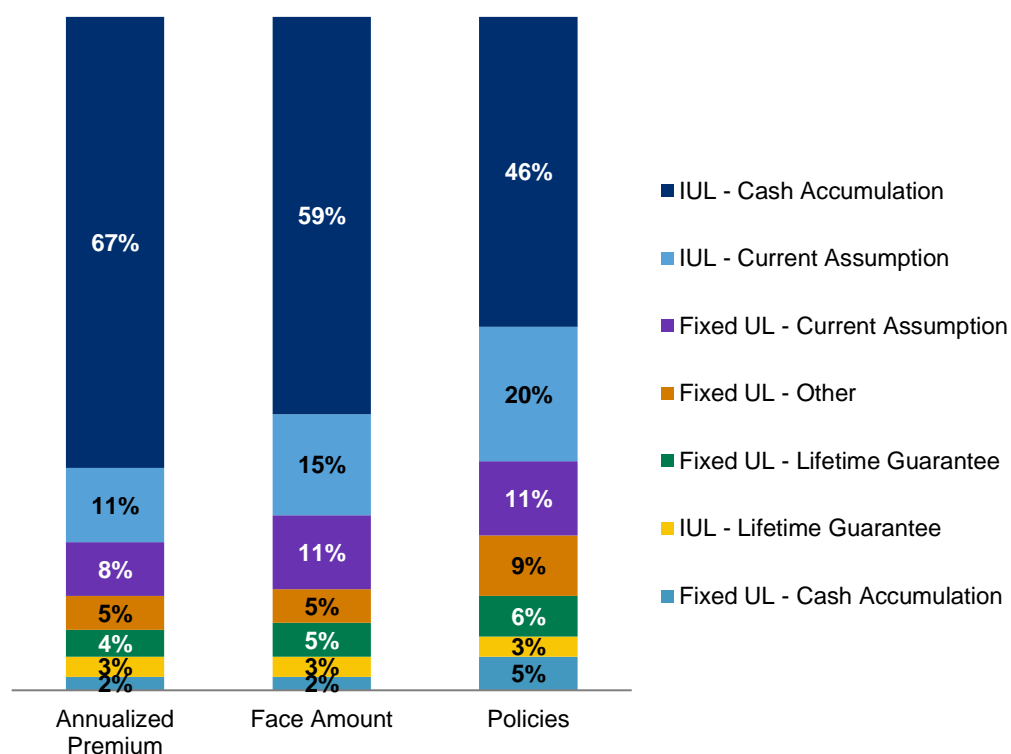


Table 4 — Universal Life Annualized Premium Growth Rates by Product Design

Percent Change 2021 - 2022

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-Date
Indexed cash accumulation	40%	32%	—	—	36%
Indexed current assumption	39%	20%	—	—	29%
Indexed lifetime guarantee	23%	-20%	—	—	-1%
Fixed cash accumulation	-15%	-11%	—	—	-13%
Fixed current assumption	24%	-12%	—	—	4%
Fixed lifetime guarantee	-27%	-32%	—	—	-29%
Fixed other UL	5%	1%	—	—	3%

Table 5 — Universal Life Policy Characteristics by Product Design*Second Quarter 2022 Year-to-Date*

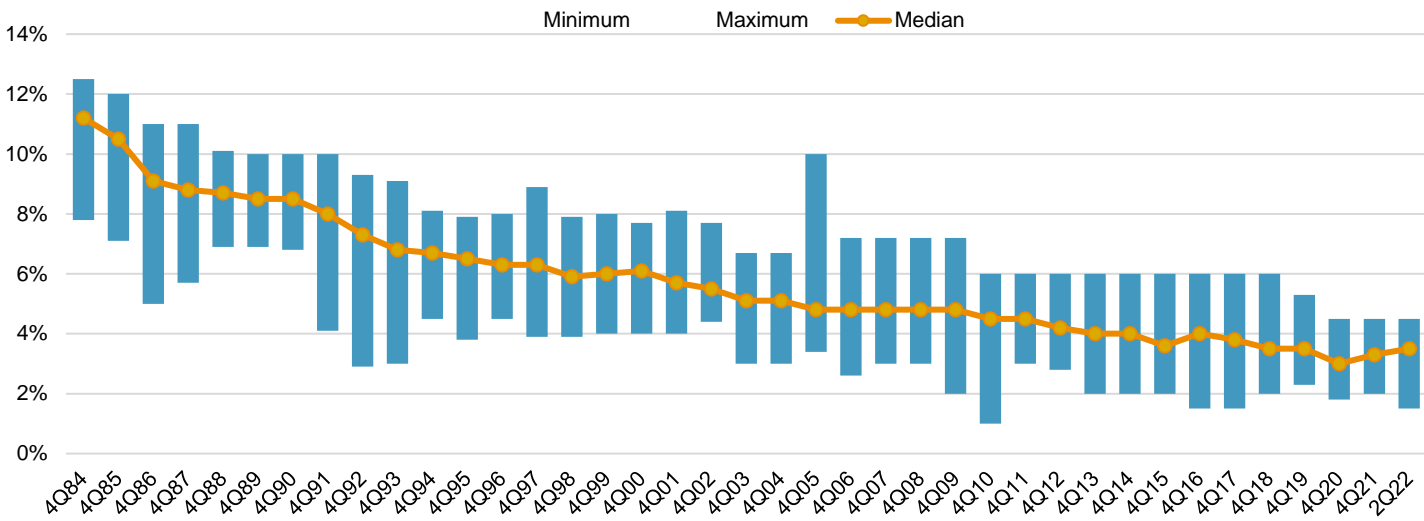
	Premium per \$1,000	Percent growth rate 2022/2021	Average size policy	Percent growth rate 2022/2021	Premium per policy	Percent growth rate 2022/2021
Indexed cash accumulation	\$24.89	27%	\$428,602	8%	\$10,669	36%
Indexed current assumption	\$16.23	-1%	\$243,117	-1%	\$3,946	-2%
Indexed lifetime guarantee	\$22.28	12%	\$363,525	-12%	\$8,099	-2%
Fixed cash accumulation	\$17.35	-13%	\$143,827	9%	\$2,495	-5%
Fixed current assumption	\$17.91	+	\$304,618	23%	\$5,455	23%
Fixed lifetime guarantee	\$15.63	+	\$315,953	2%	\$4,939	2%
Fixed other UL	\$21.87	-10%	\$183,817	21%	\$4,020	9%

+ Less than ½ of 1 percent

Table 6 — Universal Life Interest Rates*Second Quarter 2022*

	Percent
Median	3.5%
Range	1.5% – 4.5%
Range of middle 50 percent	2.4% – 4.0%

Figure 3 — Universal Life Interest Rate Trend



RETAIL INDIVIDUAL LIFE INSURANCE SALES BY DISTRIBUTION CHANNEL

Figure 4 — Annualized Premium Growth by Distribution Channel
Second Quarter 2022 Year-to-Date

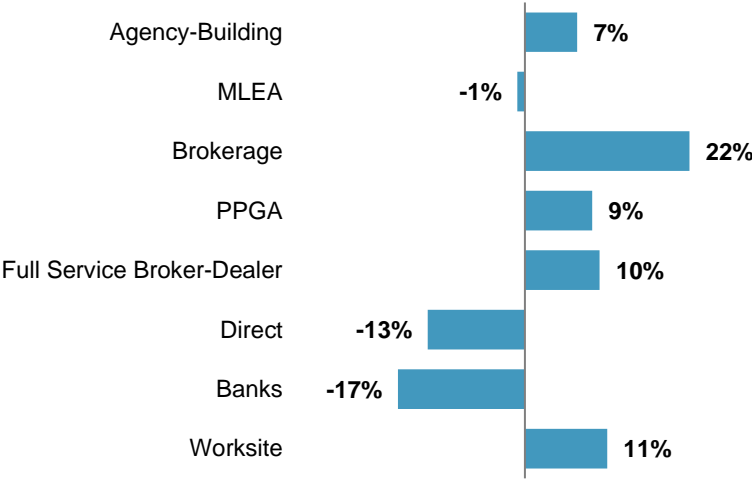


Figure 5 — Face Amount Growth by Distribution Channel

Second Quarter 2022 Year-to-Date

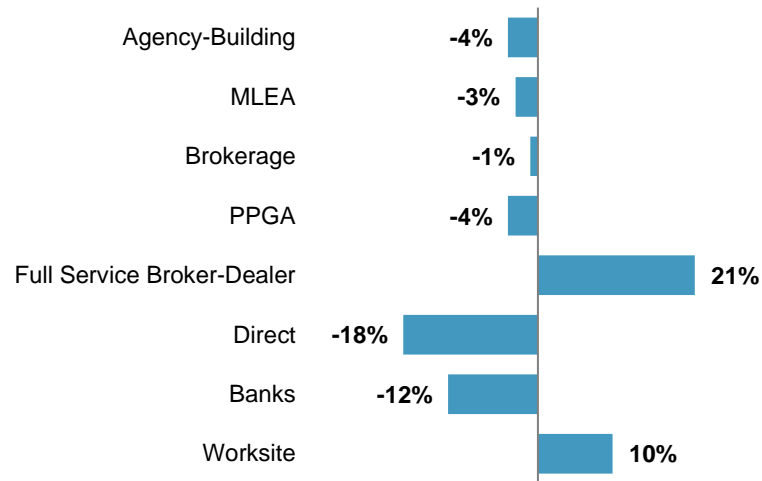


Figure 6 — Policy Growth by Distribution Channel

Second Quarter 2022 Year-to-Date

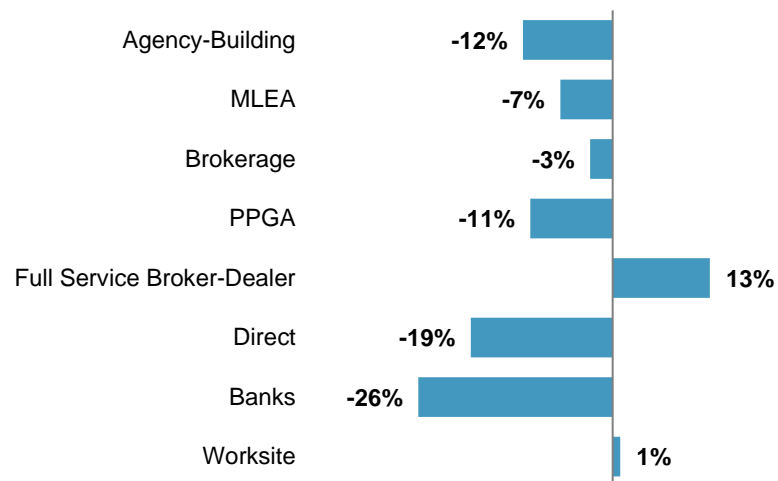


Table 7 — Policy Characteristics by Distribution Channel

Second Quarter 2022 Year-to-Date

	Premium per \$1,000	Percent growth rate 2022/2021	Average size policy	Percent growth rate 2022/2021	Premium per policy	Percent growth rate 2022/2021
Agency-Building	\$7.83	12%	\$464,047	9%	\$3,634	21%
MLEA	\$4.79	2%	\$190,985	5%	\$915	7%
Brokerage	\$8.79	23%	\$420,596	3%	\$3,696	27%
PPGA	\$11.46	14%	\$858,294	8%	\$9,833	23%
Full Service Broker-Dealer	\$16.19	-9%	\$613,939	6%	\$9,939	-3%
Direct	\$9.60	6%	\$72,599	1%	\$697	8%
Banks	\$31.37	-6%	\$256,981	19%	\$8,062	13%
Worksite	\$12.07	1%	\$47,635	9%	\$575	10%
Total sales	\$8.10	15%	\$302,581	7%	\$2,452	23%

RETAIL INDIVIDUAL LIFE INSURANCE SALES BY DISTRIBUTION GROUP

Figure 7 — Product Annualized Premium Market Share by Distribution Group

Second Quarter 2022 Year-to-Date

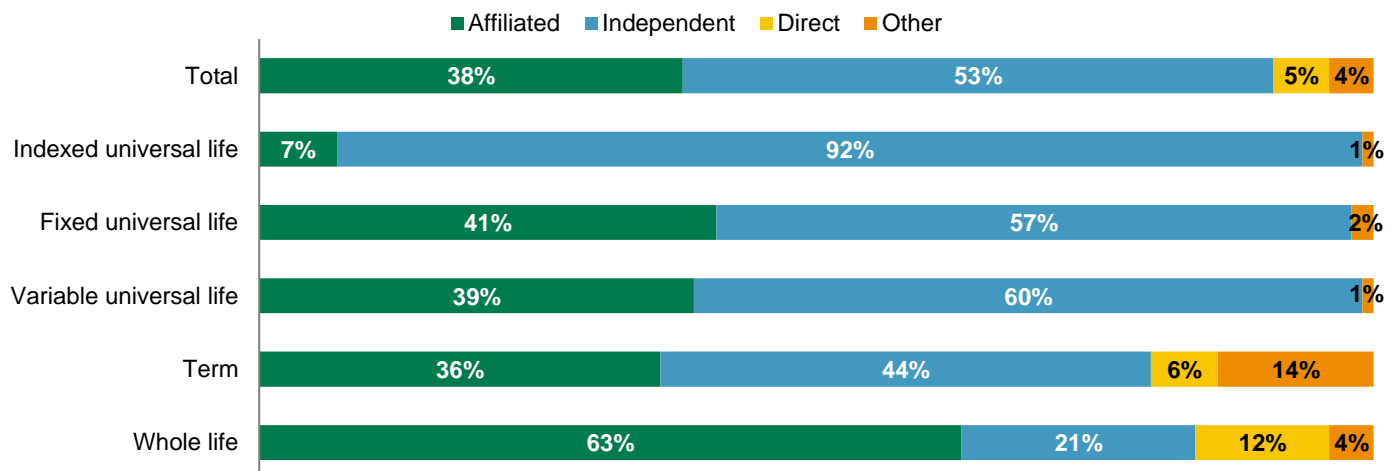


Figure 8 — Product Face Amount Market Share by Distribution Group

Second Quarter 2022 Year-to-Date

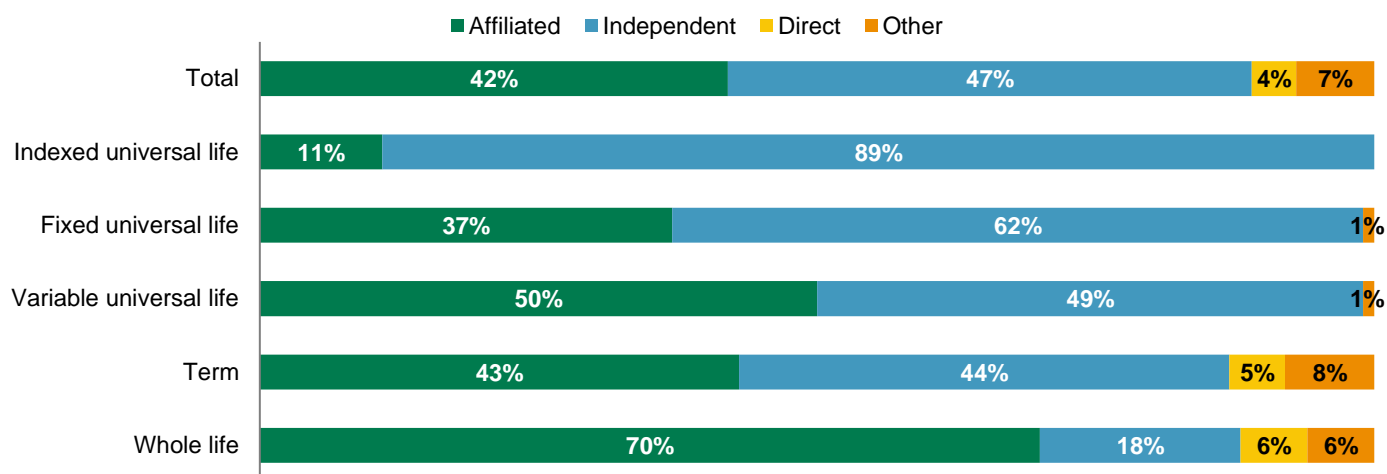


Figure 9 — Product Policy Market Share by Distribution Group

Second Quarter 2022 Year-to-Date

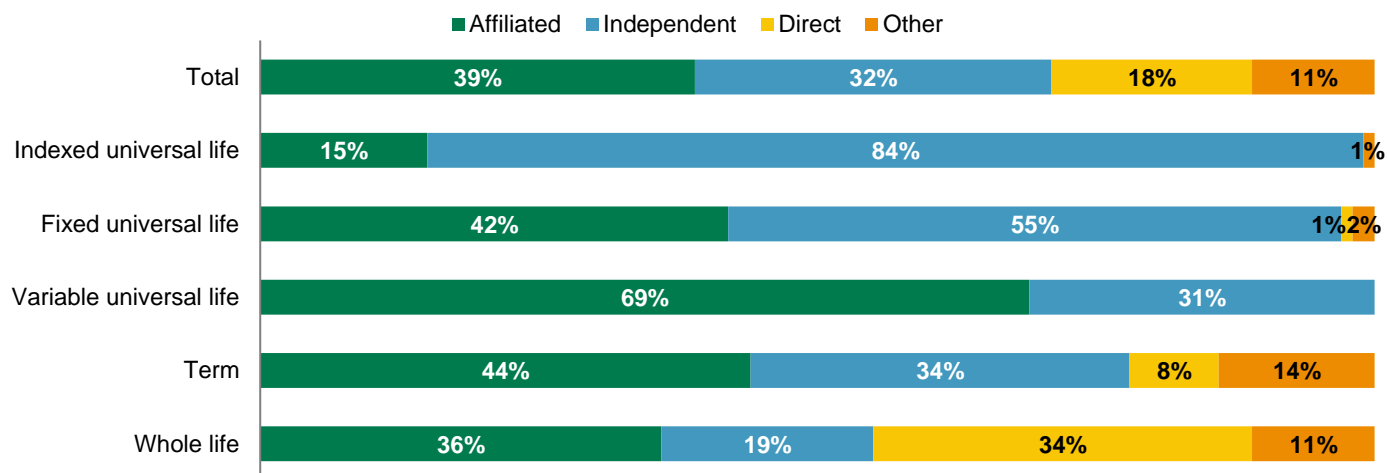


Figure 10 — Distribution Group Annualized Premium Market Share by Product

Second Quarter 2022 Year-to-Date

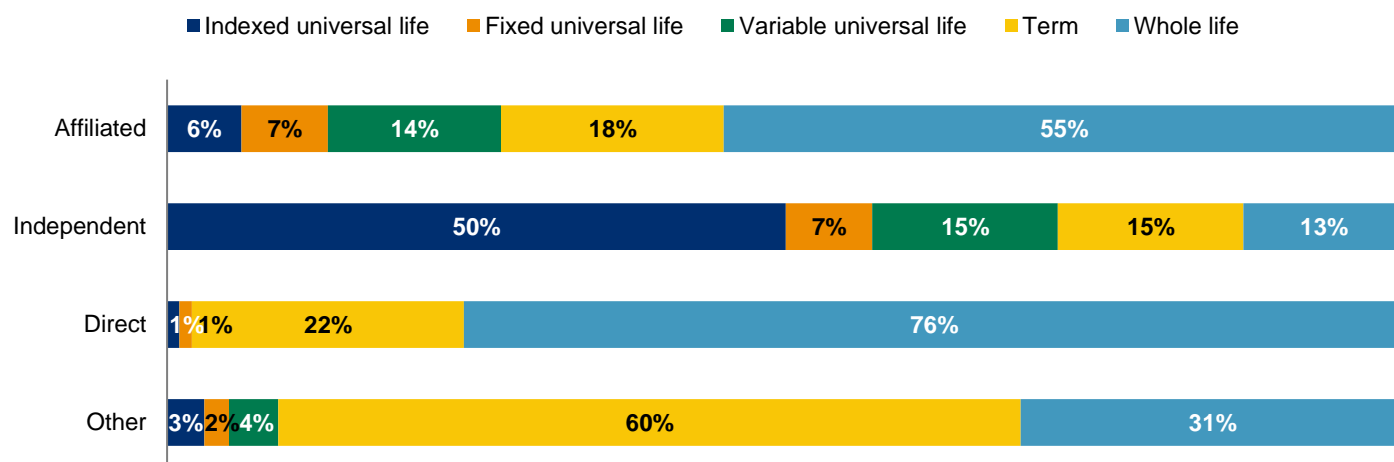


Figure 11 — Distribution Group Face Amount Market Share by Product

Second Quarter 2022 Year-to-Date

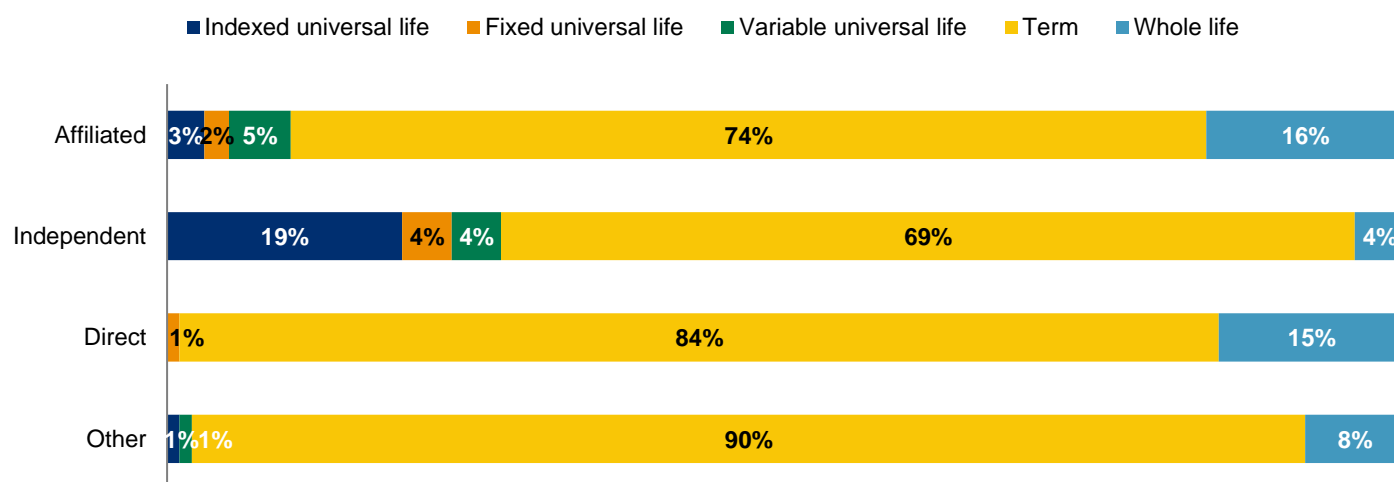
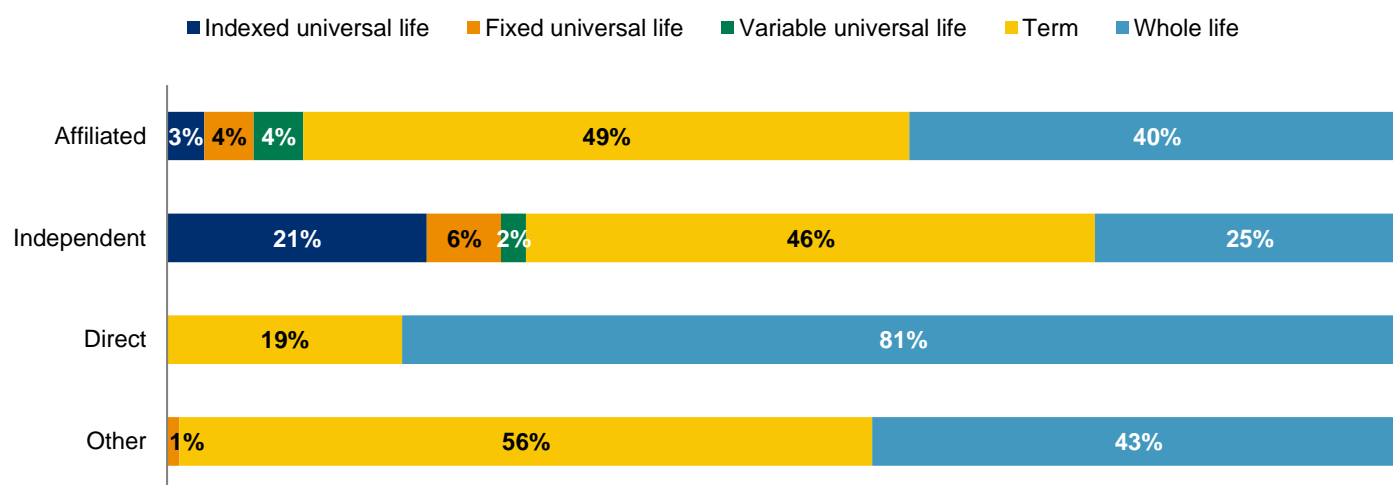


Figure 12 — Distribution Group Policy Market Share by Product

Second Quarter 2022 Year-to-Date



U.S. SURVIVORSHIP LIFE INSURANCE SALES

Table 8 — Survivorship Life Insurance Sales by Quarter

Quarter	Annualized Premium (in \$000)			Face Amount (in \$000)			Number of Policies		
	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021
First	\$124,177	\$172,517	39%	\$6,518,581	\$7,308,326	12%	1,730	1,853	7%
Second	\$128,119	\$135,933	6%	\$6,423,830	\$5,976,909	-7%	1,697	1,610	-5%
Third	\$146,551	—	—	\$6,571,547	—	—	1,768	—	—
Fourth	\$269,078	—	—	\$12,286,116	—	—	2,629	—	—
YTD	\$252,296	\$308,450	22%	\$12,942,411	\$13,285,234	3%	\$3,427	3,463	1%

Table 9 — Survivorship Growth Rates by Product*Percent Change 2021 - 2022*

		Annualized Premium	Face Amount	Policies
Indexed universal life	First Quarter	143%	67%	43%
	Second Quarter	15%	2%	39%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	65%	33%	41%
Fixed universal life	First Quarter	7%	-17%	-4%
	Second Quarter	-28%	-39%	-29%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	-13%	-30%	-18%
Variable universal life	First Quarter	-9%	-11%	-15%
	Second Quarter	20%	33%	21%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	1%	4%	-1%
Whole life	First Quarter	111%	70%	15%
	Second Quarter	41%	14%	-24%
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	71%	40%	-6%

Figure 13 — Survivorship Market Share by Product

Second Quarter 2022 Year-to-Date

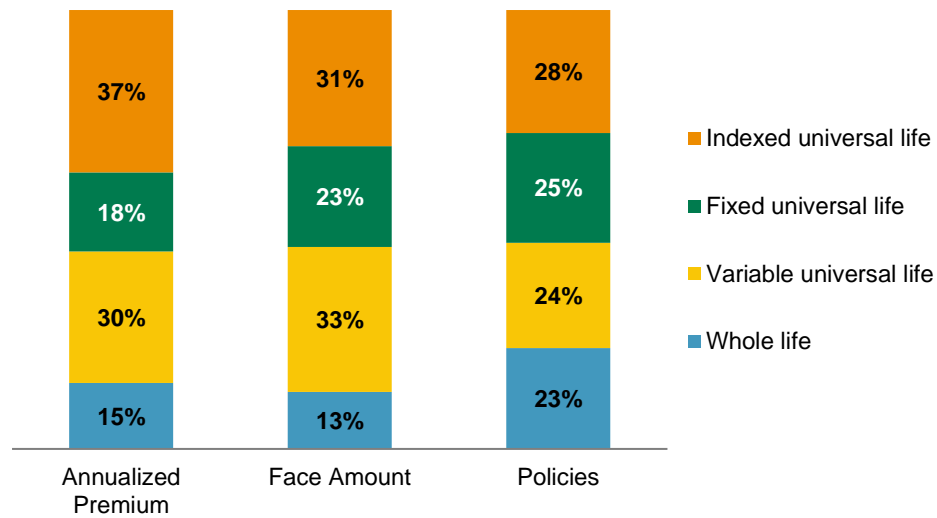


Table 10 — Survivorship Policy Characteristics by Product

Second Quarter 2022 Year-to-Date

	Premium per \$1,000	Percent growth rate 2022/2021	Average size policy	Percent growth rate 2022/2021	Premium per policy	Percent growth rate 2022/2021
Indexed universal life	\$28.35	24%	\$4,187,771	-5%	\$118,726	17%
Fixed universal life	\$17.63	24%	\$3,678,520	-15%	\$64,849	6%
Variable universal life	\$21.62	-3%	\$5,148,593	5%	\$111,328	2%
Whole life	\$25.89	23%	\$2,201,289	48%	\$56,991	82%
Total	\$23.22	19%	\$3,836,337	2%	\$89,070	21%

Participating Companies

AAA Life	Foresters Financial
Allianz Life of NA	Gerber Life Insurance Company
American Family Life Insurance Company	Global Atlantic Financial Group
American General Life Companies (American General Life Insurance Company, and The United States Life Insurance Company in the City of New York)	Guardian Life Insurance Company of America (includes Guardian Insurance & Annuity Company and Berkshire Life Insurance Company of America)
American National Insurance Company	Horace Mann Life
Americo Companies (includes Americo Financial Life & Annuity, Great Southern Life, and the Ohio State Life Insurance Company)	Illinois Mutual Life Insurance Company
Ameritas (Ameritas Life and Ameritas Life of New York)	John Hancock Life Insurance Company (includes John Hancock Variable Life Insurance Company, John Hancock Life Insurance Company (U.S.A.), and John Hancock Life Insurance Company of New York)
Amica Life	Kansas City Life
Assurity Life Insurance Company	Knights of Columbus
Bankers Life & Casualty [Illinois]	Lafayette Life
Brighthouse Financial	Legal & General America (Banner Life and William Penn Life)
Colonial Life	Lincoln National Life Insurance Company (includes Jefferson Pilot Financial Life and Lincoln National Life Insurance Company)
Colonial Penn	Lombard International Life Assurance Company
Columbus Life	MassMutual Life Insurance Company (includes CM Life and MML Baystate Life)
COUNTRY Insurance & Financial Services (includes Country Investors Life)	Modern Woodmen of America
CUNA Mutual	Mutual of Omaha Companies (includes United of Omaha and Companion Life)
Equitable Financial (includes Equitable Financial Life Insurance Company and Equitable Financial Life Insurance Company of America)	Mutual Trust Life
EquiTrust Life	National Integrity Life
Erie Family Life Insurance Company	National Life Group
Farm Bureau Financial Services	National Western Life Insurance Company
Farm Bureau Life (MI)	Nationwide
Farmers New World Life	New York Life (includes New York Life & Annuity and NYLife of Arizona)
Federated Life	Northwestern Mutual
Fidelity & Guaranty Life Insurance Company (Fidelity & Guaranty Life and Fidelity & Guaranty Life of New York)	
Fidelity Investments Life Insurance Company	

Ohio National Life Companies (includes Ohio National Life Insurance and Ohio National Life Assurance)

Old American Insurance Company

OneAmerica Financial (includes American United Life, Pioneer Mutual and State Life)

Pacific Life (includes Pacific Life & Annuity)

Pan-American Life

Penn Mutual

Primerica Life Insurance

Principal (includes Principal Life Insurance Company and Principal National Life Insurance Company)

Protective Life Corporation (includes Protective Life Insurance Company, Protective Life & Annuity, West Coast Life, Empire General, and Liberty Life of Boston)

Prudential Financial (includes Pruco Life [AZ] and Pruco Life of New Jersey)

RiverSource Life Insurance Company (includes RiverSource Life Insurance Co. of New York)

Sammons Financial Group (includes Midland National Life and NACOLAH Life)

Savings Bank Life of Massachusetts

Securian Financial

Security Mutual Life of New York

State Farm Life (includes State Farm Life & Accident)

Symetra Financial

Thrivent Financial for Lutherans

Transamerica (Transamerica Life Insurance Company, Transamerica Financial Life Insurance Company, Transamerica Premier Life Insurance Company)

Unum

USAA Life (includes USAA Life of New York)

Washington National Insurance Company

Western-Southern Life Insurance (includes Western-Southern Life Assurance)

Zurich North America (Zurich American Life Insurance Company and Zurich American Life Insurance Company of New York)

Definitions

This survey represents approximately 85 percent of industrywide annualized premium, 90 percent of face amount, and 60 percent of new policies. A report showing sales by company is available to participants.

Premium

Annualized — Recurring premium plus 10 percent of single premium.

Recurring — The premium policyholders expect to pay each year.

Single — A lump-sum payment intended to cover the entire cost of the policy.

Product

Universal life (UL) — A flexible-premium permanent contract that credits cash values with current interest rates and deducts mortality and expense charges from the cash values.

Cash accumulation UL — UL developed for the accumulation market where cash accumulation and efficient distribution are the primary concerns of the buyer. Includes products that allow for high early cash value accumulation, typically through the election of an accelerated cash value rider.

Current assumption UL — UL that offers the lowest cost death benefit coverage without lifetime guarantees.

Lifetime guarantee UL — UL developed specifically for the lifetime death benefit guarantee market that features lifetime (to age 120) no-lapse guarantees either through a rider or as part of the base policy.

Other UL — UL that does not fit the above categories. Includes term UL.

Indexed UL — UL products that are linked to market indices (such as the S&P). Cash values increase with indices, while receiving a minimum guarantee when the market is down.

Universal life interest rates — The annualized rate of interest credited to new cash value deposits.

Variable universal life — A Securities and Exchange Commission-registered flexible-premium permanent contract that houses cash values (which fluctuate depending on investment performance) in a separate account.

Term — Life insurance issued for a specific number of years or to a specific age with no (or little) cash value.

Whole Life — Traditional cash-value life insurance such as whole life continuous pay, limited pay, modified life, and current-assumption whole life.

Survivorship life — Second- or last-to-die life insurance which insures two or more lives, with the proceeds payable when the second or last insured dies.

Distribution

Affiliated

Affiliated agents (i.e., direct sales force) are agents under contract with one company who sell primarily that company's products. They usually: devote at least 75 percent of their time selling one company's products; are provided with training, financing, and supervision; qualify for pensions, conventions, and awards; do not receive any overriding commissions on personal production; and need to meet certain minimum production requirements to maintain a full-time contract. Includes agency-building, MLEA, and home service:

- **Agency-building** — An affiliated agent who sells and services products such as life, health, annuities, group insurance, and equity products.

- **Multiple-line exclusive-agent (MLEA)** — An affiliated agent who is licensed to sell and service individual life, health and annuity products as well as property-casualty products. The MLEA represents one company and their primary business is property-casualty.
- **Home service** — An affiliated agent who sells ordinary, industrial, or property-casualty products in an assigned territory known as a debit. The home service agent may be responsible for home collection of premiums

Independent

Producers who do not have an exclusive contract with one company and are not obligated to sell the products of one company. Includes insurance brokers, personal-producing general-agents, broker-dealers, and registered investment advisers/planning firms:

- **Brokerage** — Includes insurance brokers, independent broker-dealers, and registered investment advisers/planning firms.
- **Insurance Broker** — An independent producer who does not have an exclusive contract with one company or obligations to represent one company exclusively. A brokerage contract provides no overriding commissions on personally produced business and minimal or no production is required to retain a contract. Brokers pay the bulk of their own expenses; companies may pay commissions only or commissions plus expense allowances, but will rarely pay expenses direct. Includes sales stemming from aggregator websites (such as selectquote.com) and sales that flowed through BGAs, IMOs, or other independent intermediaries.
- **Personal-Producing General-Agent (PPGA)** — An independent producer who receives overriding commissions on personally produced business and on business produced by subproducers (full-time agents or brokers working under the PPGA). While the PPGA may have a primary affiliation with one company, they typically have contractual relationships with several companies. The main focus is on personal production. PPGAs may be appointed by regional directors or managing general agents. Includes business of either full-time or brokerage subproducers of PPGAs.
- **Broker-dealer (BD)** — Firms in the business of buying and selling securities for itself and others. Broker-dealers provide a wide array of financial services and products to both retail and institutional clients. Broker-dealers must register with the SEC. When acting as a broker, a broker-dealer executes orders on behalf of his/her client. When acting as a dealer, a broker-dealer executes trades for his/her firm's own account. Securities bought for the firm's own account may be sold to clients or other firms, or become a part of the firm's holdings.
- **Independent BD** — Registered reps/advisors of IBDs are not employees of the broker-dealer. Examples include LPL Financial and Commonwealth. Excludes business through full service broker-dealers, sales through a manufacturer's own broker-dealer, and sales that occurred at a bank or other savings institution that flow through the bank's BD or an independent BD. Includes registered representative IBD sales that flow through intermediaries (such as BGAs and IMOs).

- **Full Service BD** — Full Service BDs have an extensive national (and international) branch network system. Registered reps/advisors are employees of the company. Examples include Merrill Lynch, Morgan Stanley, UBS Financial Services Inc., Wells Fargo Advisors, and Edward Jones. Includes FSBD sales that flow through independent intermediaries (such as BGAs and IMOs), as well as non-face-to-face approaches channeled through the FSBD.
- **Registered Investment Adviser/Planner Firm** — A registered investment adviser, investment adviser representative, or financial planner primarily earns compensation by charging fees for services to their client. Their primary practice is advice and planning for a fee. Commissions are not a significant portion of their income.
- **Worksite** — Individual insurance products sold at the worksite. The employee pays the total cost of premiums that are collected by payroll deduction. Commissioned agents/brokers are used to line up the sponsoring employer and/or to solicit individual employee enrollment.
- **Banks and Savings Institutions** — Products sold through banks, savings and loans, credit unions, thrifts, etc. This includes non face-to-face approaches channeled through savings institutions, business sold by savings institution staff, and sales by advisors within the savings institution (if arranged by the home office). Includes bank and savings institution sales that flow through intermediaries (such as BGAs, IMOs, and BDs).
- **Other** — Includes channels other than those defined above.

Direct

Direct reflects any non-face-to-face distribution program directed by the manufacturer such that no third-party distributor has a financial incentive for the program's success. Includes direct to consumer and internet direct:

- **Direct to Consumer** — Buyer-initiated purchases made in response to direct home office (i.e., manufacturer) offerings through mail, media advertising, or purchases resulting from home office telemarketing efforts. The customer may speak with a home office or third party representative who may assist with the sale, but does not offer products manufactured by other companies.
- **Internet Direct** — Internet sales in which the consumer submits an online application to the manufacturer's website. This does not include sales initialized by internet leads, sales initiated by a producer or producer website and submitted via e-mail, or sales stemming from aggregator or other third-party/intermediary websites or other non-face-to-face methods.

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