

# U.S. RETAIL INDIVIDUAL LIFE INSURANCE SALES TECHNICAL SUPPLEMENT

1<sup>st</sup> Quarter 2022

## Ashley Durham

Assistant Research Director

860-285-7761

[adurham@limra.com](mailto:adurham@limra.com)

## Patrick Lagonigro

Associate Research Analyst

860-285-7747

[plagonigro@limra.com](mailto:plagonigro@limra.com)

## Highlights

- Individual life insurance annualized premium sales jumped 17 percent in first quarter 2022 (Table 1). This marked the fifth consecutive quarter of double-digit growth in the U.S. market. Just under half the writers increased their sales and most of these increases were in the double-digits. That said, the majority of the quarter's growth stemmed from the leading writers. Nine of the top ten were up and altogether, their sales climbed 26 percent over first quarter 2021.
- Indexed universal life (IUL) grew the most in terms of absolute dollars and experienced its strongest percent growth in nearly ten years. Two in three writers were up, but again, most of the quarter's increase stems from the dominant top ten (who sold just over 80 percent of the IUL premium and increased their sales by 50 percent). Much of the continued rise in sales reflects updated or retiring products and the increased premium limits related to the IRC Section 7702 update.
- Once again, variable universal life (VUL) increased the most in terms of percent change (Table 2). This was VUL's eighteenth consecutive quarter of growth. VUL's strong results were also driven by the ten leading writers, who sold about 90 percent of the annualized premium.
- Fixed (non-indexed) UL growth remained positive in the first quarter (thanks predominately, to products with a current assumption design). However, fixed UL growth was relatively low as it was weighed by a 27 percent drop in lifetime guarantee UL sales (Table 4).
- Six in ten companies experienced a drop in term sales (including half the top ten) and term premium fell for the second quarter in a row.
- Nearly half the whole life (WL) writers increased their premium sales, including eight of the top ten. WL policy sales however, were 10 percent lower than they were in first quarter 2021. This was largely due to a drop in direct-to-consumer (D2C) sales. While WL policies are often purchased directly from the manufacturer (Figure 9), D2C WL policy sales were down 16 percent in first quarter 2022. (The follows significant double-digit growth that began in second quarter 2020 and lasted through first quarter 2021.)
- Altogether, there were 8 percent fewer policies sold in the first three months of 2022 than there were in the first three months of 2021. That said, policy sales remain higher than they were in first quarter 2020 (when COVID-19 was declared a pandemic) and many of the companies that increased their policy sales pointed to continued heightened consumer interest.

# Technical Report

## U.S. RETAIL INDIVIDUAL LIFE INSURANCE SALES

Table 1 — Individual Life Insurance Sales by Quarter

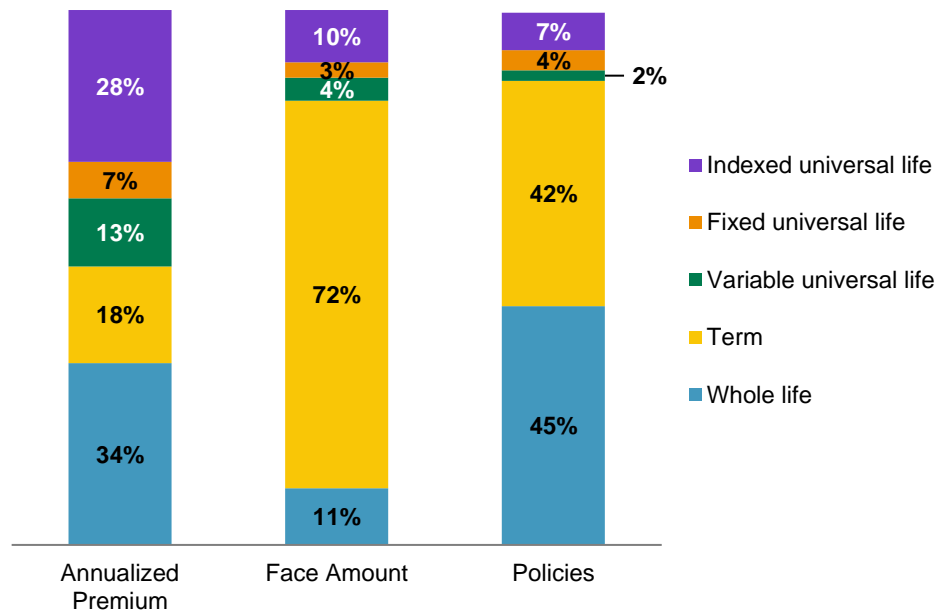
	Annualized Premium (in \$000)			Face Amount (in \$000)			Number of Policies		
Quarter	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021
First	\$2,956,462	\$3,464,591	17%	\$421,880,291	\$415,968,163	-1%	1,543,280	1,426,989	-8%
Second	\$3,180,741	—	—	\$446,841,512	—	—	1,524,193	—	—
Third	\$3,212,209	—	—	\$412,647,707	—	—	1,425,825	—	—
Fourth	\$4,013,839	—	—	\$460,381,673	—	—	1,429,672	—	—
YTD	\$2,956,462	\$3,464,591	17%	\$421,880,291	\$415,968,163	-1%	\$1,543,280	1,426,989	-8%

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

		Annualized Premium	Face Amount	Policies
Indexed universal life	First Quarter	39%	10%	8%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	39%	10%	8%
Fixed universal life	First Quarter	2%	1%	-9%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	2%	1%	-9%
Variable universal life	First Quarter	50%	16%	28%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	50%	16%	28%
Term	First Quarter	-2%	-3%	-8%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	-2%	-3%	-8%
Whole life	First Quarter	9%	-4%	-10%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	9%	-4%	-10%

## Figure 1 — Market Share by Product

First Quarter 2022 Year-to-Date



## Table 3 — Policy Characteristics by Product

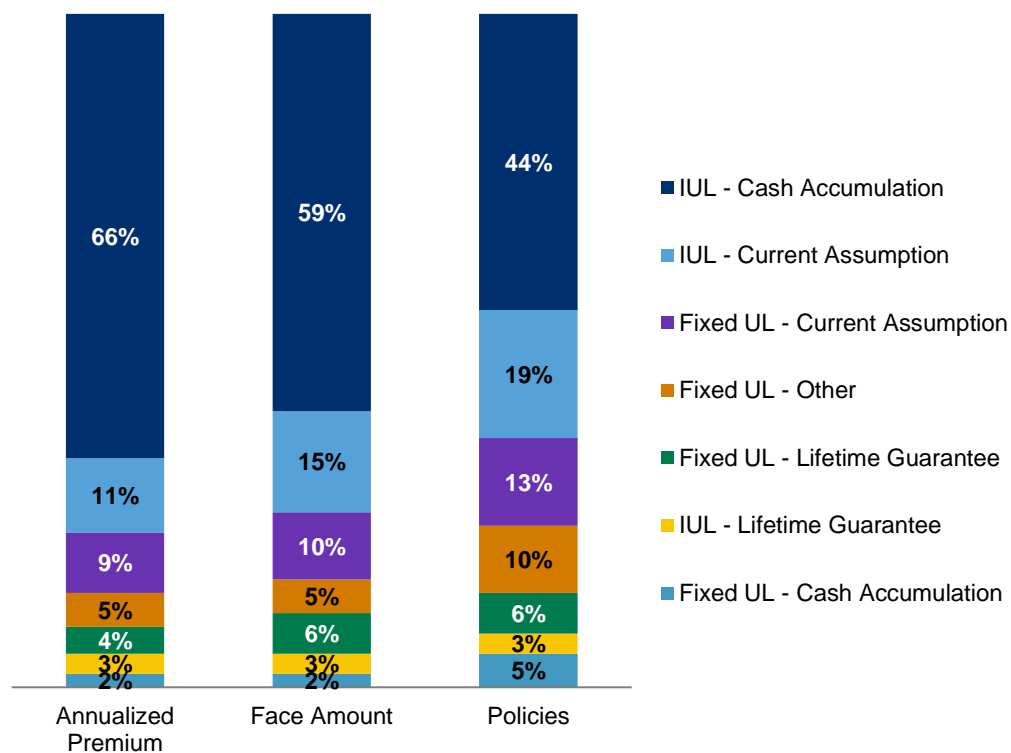
First Quarter 2022 Year-to-Date

	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	\$24.23	26%	\$377,836	2%	\$9,156	29%
Fixed universal life	\$19.51	1%	\$227,362	11%	\$4,437	12%
Variable universal life	\$24.85	29%	\$621,439	-9%	\$15,446	18%
Term	\$2.08	1%	\$502,130	5%	\$1,045	6%
Whole life	\$26.74	13%	\$69,066	7%	\$1,847	21%
Total	\$8.33	19%	\$291,501	7%	\$2,428	27%

## UNIVERSAL LIFE INSURANCE SALES

**Figure 2 — Universal Life Market Share by Product Design**

*First Quarter 2022 Year-to-Date*



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

*First Quarter 2022 Year-to-Date*

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-Date
Indexed cash accumulation	40%	—	—	—	40%
Indexed current assumption	39%	—	—	—	39%
Indexed lifetime guarantee	23%	—	—	—	23%
Fixed cash accumulation	-10%	—	—	—	-10%
Fixed current assumption	24%	—	—	—	24%
Fixed lifetime guarantee	-27%	—	—	—	-27%
Fixed other UL	5%	—	—	—	5%

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

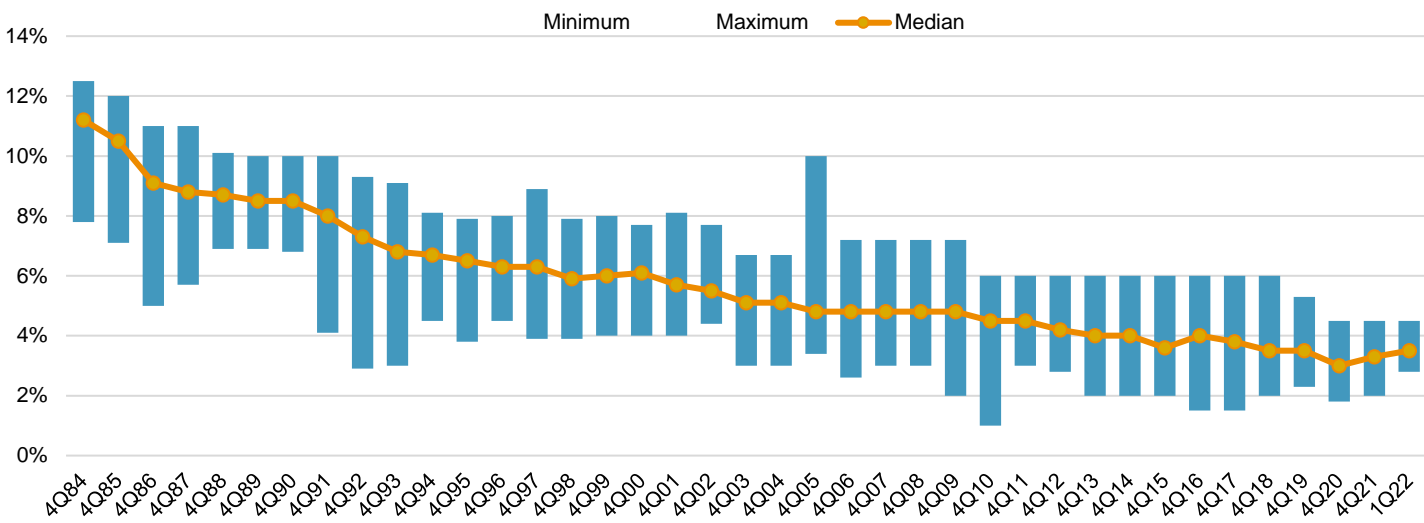
	Premium per \$1,000	Percent growth rate 2022/2021	Average size policy	Percent growth rate 2022/2021	Premium per policy	Percent growth rate 2022/2021
Indexed cash accumulation	\$25.98	32%	\$433,521	7%	\$11,261	41%
Indexed current assumption	\$17.07	5%	\$255,004	+	\$4,352	5%
Indexed lifetime guarantee	\$24.04	25%	\$343,792	-16%	\$8,264	4%
Fixed cash accumulation	\$18.54	-28%	\$150,449	16%	\$2,789	-17%
Fixed current assumption	\$20.97	18%	\$252,865	18%	\$5,302	40%
Fixed lifetime guarantee	\$15.27	-6%	\$315,748	10%	\$4,822	4%
Fixed other UL	\$21.78	-13%	\$179,883	17%	\$3,918	1%

+ Less than ½ of 1 percent

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

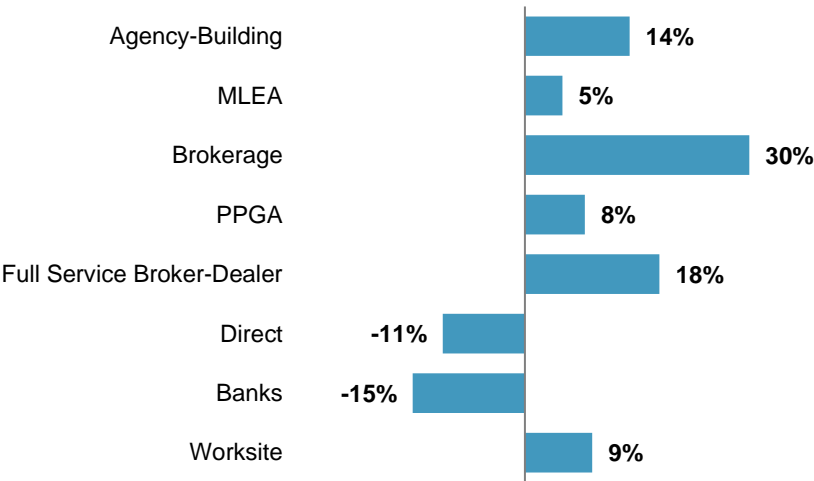
	Percent
Median	3.5%
Range	2.8% – 4.5%
Range of middle 50 percent	2.5% – 4.0%

Figure 3 — Universal Life Interest Rate Trend



RETAIL INDIVIDUAL LIFE INSURANCE SALES BY DISTRIBUTION CHANNEL

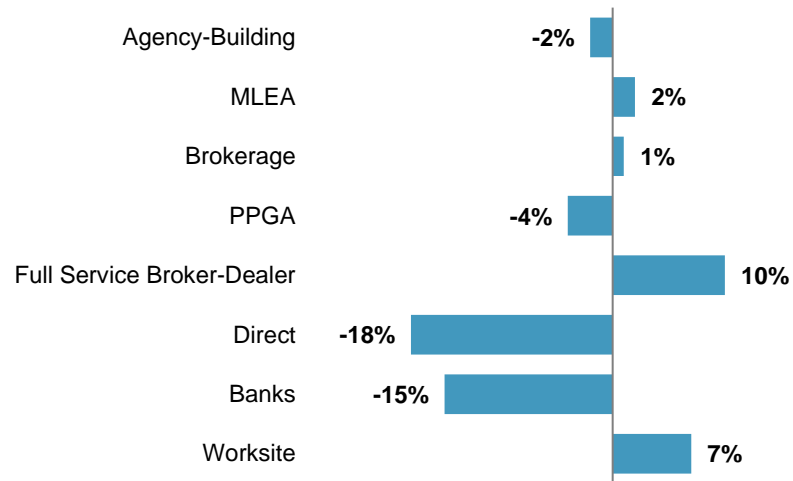
Figure 4 — Annualized Premium Growth by Distribution Channel  
First Quarter 2022 Year-to-Date



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## Figure 5 — Face Amount Growth by Distribution Channel

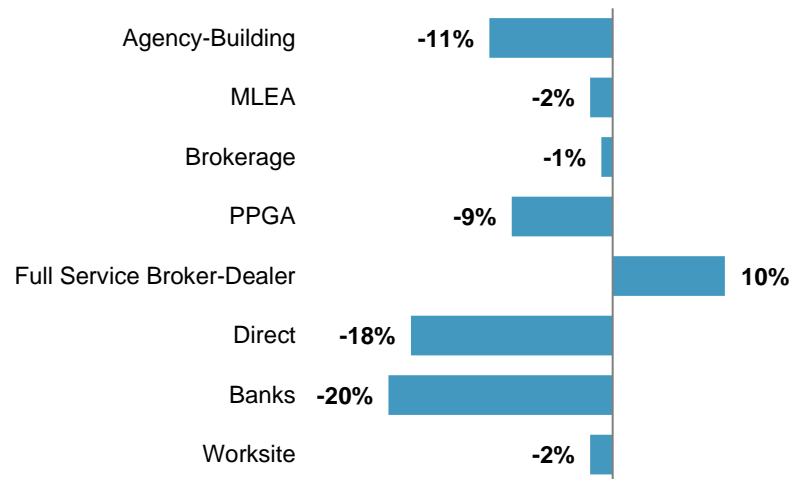
*First Quarter 2022 Year-to-Date*



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## Figure 6 — Policy Growth by Distribution Channel

*First Quarter 2022 Year-to-Date*





**Table 7 — Policy Characteristics by Distribution Channel**

First 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	\$7.93	17%	\$465,327	10%	\$3,689	28%
MLEA	\$4.89	3%	\$181,628	4%	\$889	8%
Brokerage	\$9.19	29%	\$419,833	2%	\$3,860	31%
PPGA	\$11.21	13%	\$856,223	5%	\$9,595	18%
Full Service Broker-Dealer	\$17.54	8%	\$585,289	++	\$10,266	7%
Direct	\$9.77	9%	\$70,552	++	\$689	9%
Banks	\$33.53	+	\$248,877	6%	\$8,344	6%
Worksite	\$12.27	2%	\$44,866	9%	\$550	11%
Total sales	<b>\$8.33</b>	<b>19%</b>	<b>\$291,501</b>	<b>7%</b>	<b>\$2,428</b>	<b>27%</b>

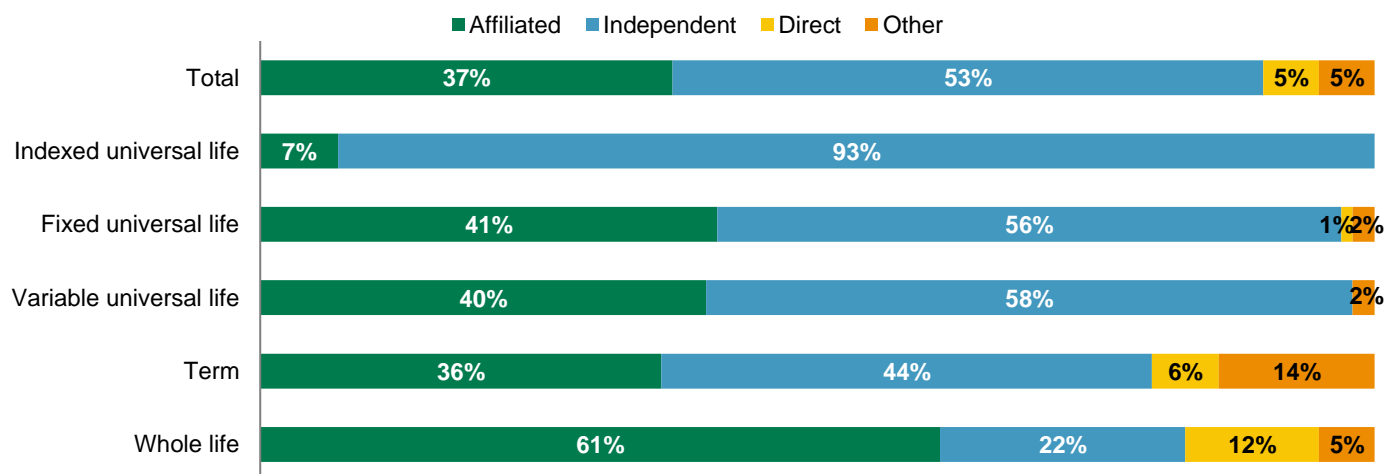
+ Less than ½ of 1 percent

++ Less than ½ of -1 percent

## RETAIL INDIVIDUAL LIFE INSURANCE SALES BY DISTRIBUTION GROUP

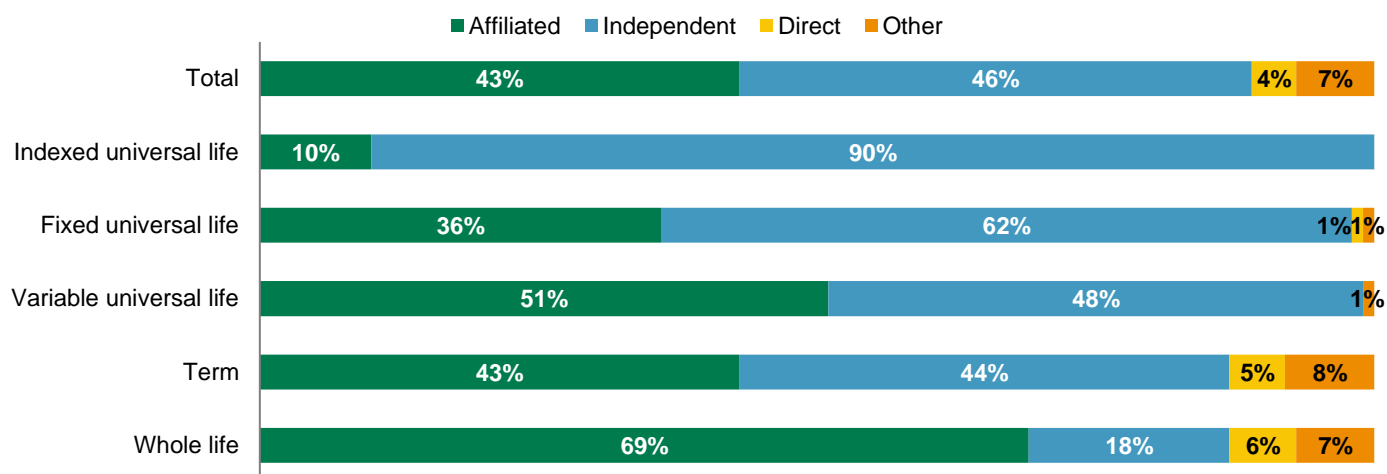
**Figure 7 — Product Annualized Premium Market Share by Distribution Group**

First Quarter 2022 Year-to-Date



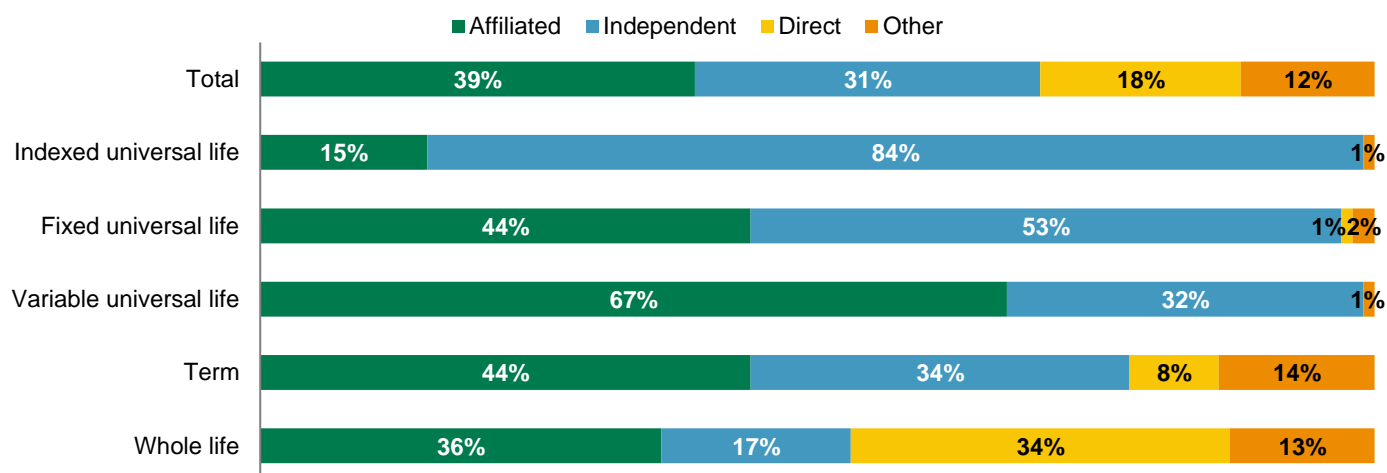
## Figure 8 — Product Face Amount Market Share by Distribution Group

First Quarter 2022 Year-to-Date



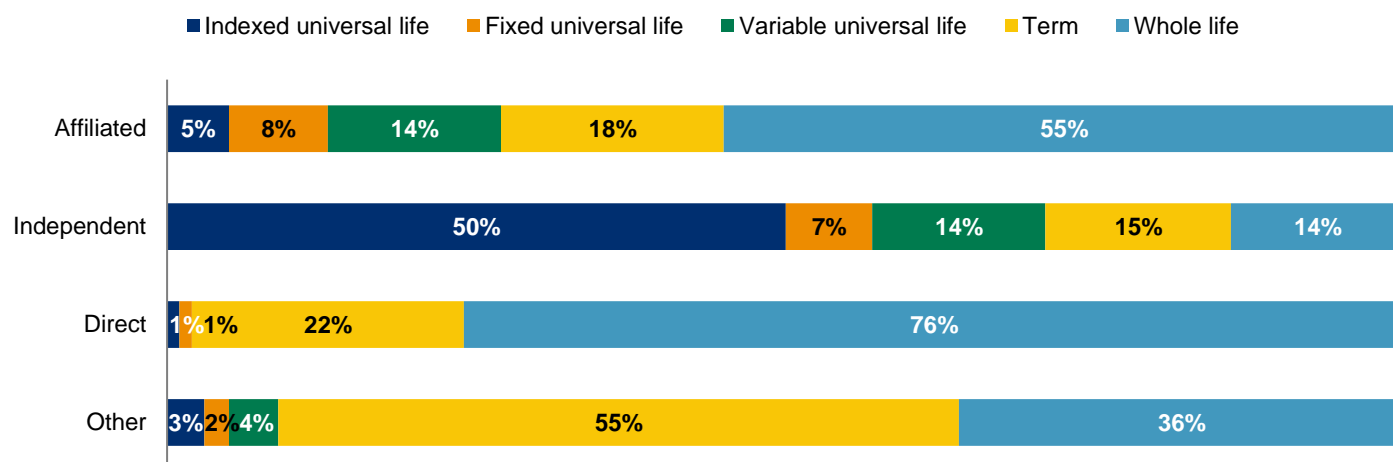
## Figure 9 — Product Policy Market Share by Distribution Group

First Quarter 2022 Year-to-Date



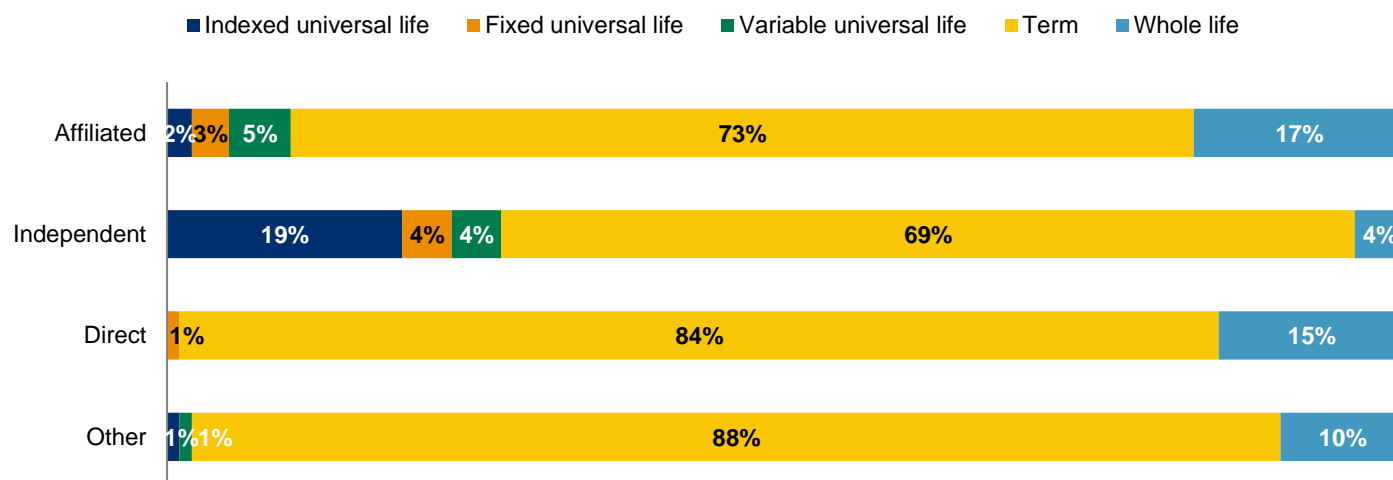
## Figure 10 — Distribution Group Annualized Premium Market Share by Product

First Quarter 2022 Year-to-Date



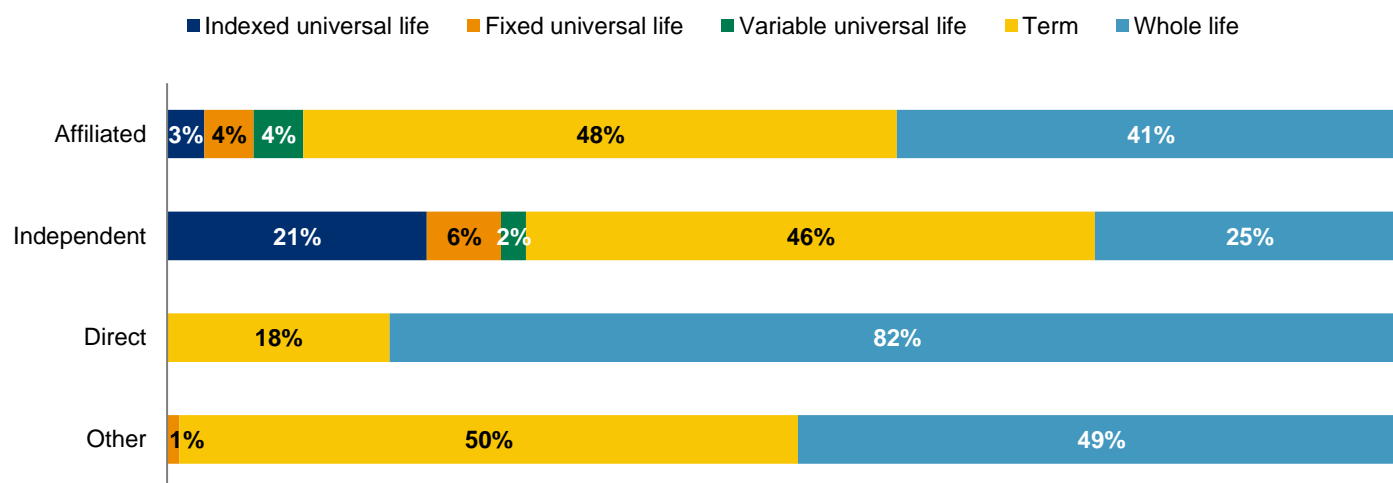
## Figure 11 — Distribution Group Face Amount Market Share by Product

First Quarter 2022 Year-to-Date



## Figure 12 — Distribution Group Policy Market Share by Product

First Quarter 2022 Year-to-Date



## U.S. SURVIVORSHIP LIFE INSURANCE SALES

Table 8 — Survivorship Life Insurance Sales by Quarter

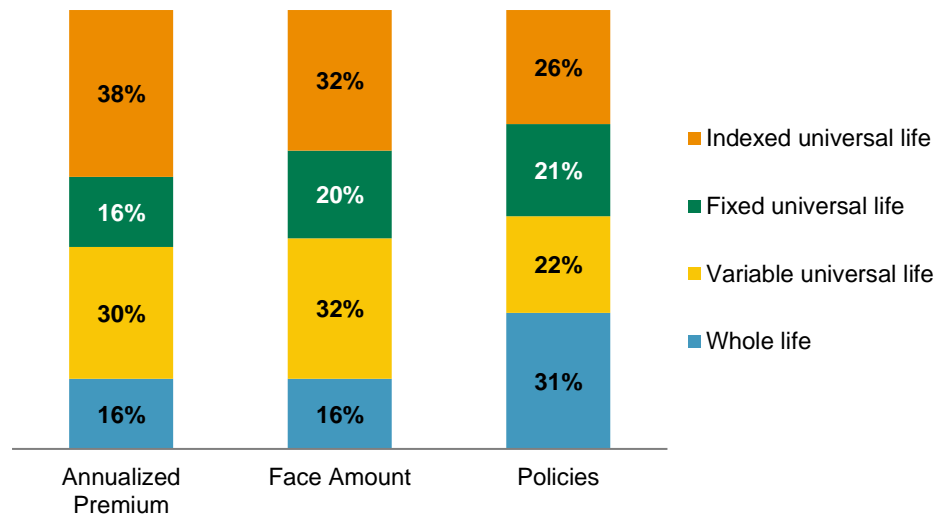
Quarter	Annualized Premium (in \$000)			Face Amount (in \$000)			Number of Policies		
	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021	2021	2022	Growth rate 2022/2021
First	\$124,400	\$175,549	41%	\$6,533,602	\$7,543,178	15%	1,745	2,015	15%
Second	\$128,369	—	—	\$6,455,550	—	—	1,724	—	—
Third	\$147,149	—	—	\$6,634,773	—	—	1,795	—	—
Fourth	\$270,238	—	—	\$12,369,663	—	—	2,692	—	—
YTD	\$124,400	\$175,549	41%	\$6,533,602	\$7,543,178	15%	\$1,745	2,015	15%

**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	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	143%	67%	43%
Fixed universal life	First Quarter	7%	-17%	-4%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	7%	-17%	-4%
Variable universal life	First Quarter	-9%	-11%	-15%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	-9%	-11%	-15%
Whole life	First Quarter	132%	105%	50%
	Second Quarter	—	—	—
	Third Quarter	—	—	—
	Fourth Quarter	—	—	—
	Year-to-Date	132%	105%	50%

**Figure 13 — Survivorship Market Share by Product**

*First Quarter 2022 Year-to-Date*



**Table 10 — Survivorship Policy Characteristics by Product**

*First 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	\$27.18	45%	\$4,693,395	17%	\$127,547	70%
Fixed universal life	\$19.21	28%	\$3,442,882	-14%	\$66,131	11%
Variable universal life	\$22.23	2%	\$5,406,751	4%	\$120,166	6%
Whole life	\$22.39	13%	\$1,965,463	37%	\$44,015	55%
<b>Total</b>	<b>\$23.27</b>	<b>22%</b>	<b>\$3,743,513</b>	<b>++</b>	<b>\$87,121</b>	<b>22%</b>

++ Less than ½ of -1 percent

## Participating Companies

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

Northwestern Mutual

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)

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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