

2024 LIFE  
INSURANCE  
& ANNUITY  
CONFERENCE

**Powering  
Growth**

# U.S. Life Insurance Sales: A Return to the New Normal





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RGA



# Limitations

The information presented is for educational purposes only and is not meant to be used as professional or legal advice.

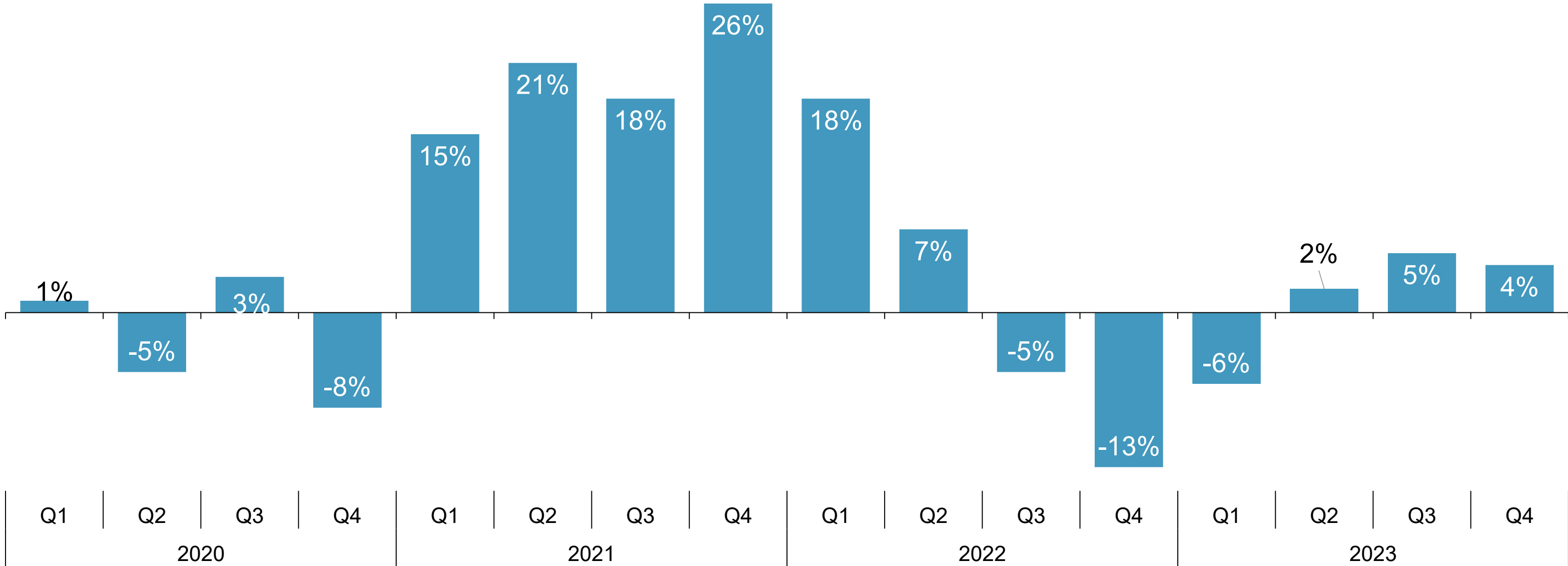
The ideas expressed are those of the presenters and do not necessarily represent the views of the presenter's employers or any entity the presenters are associated with.

The information is assumed accurate as of the date it was compiled and is subject to change.



# 2023 In Review

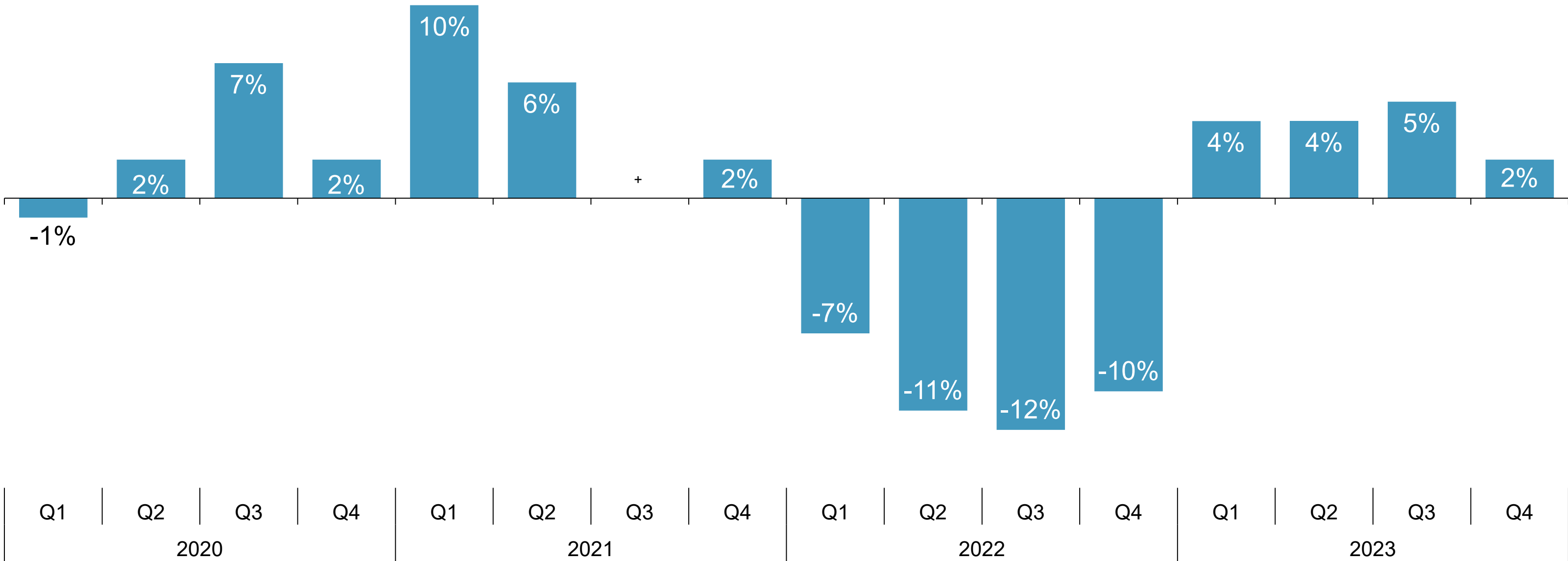
## Annualized New Premium Growth



Source: LIMRA's U.S. Individual Life Insurance Sales Survey

# 2023 In Review

## Policy Growth

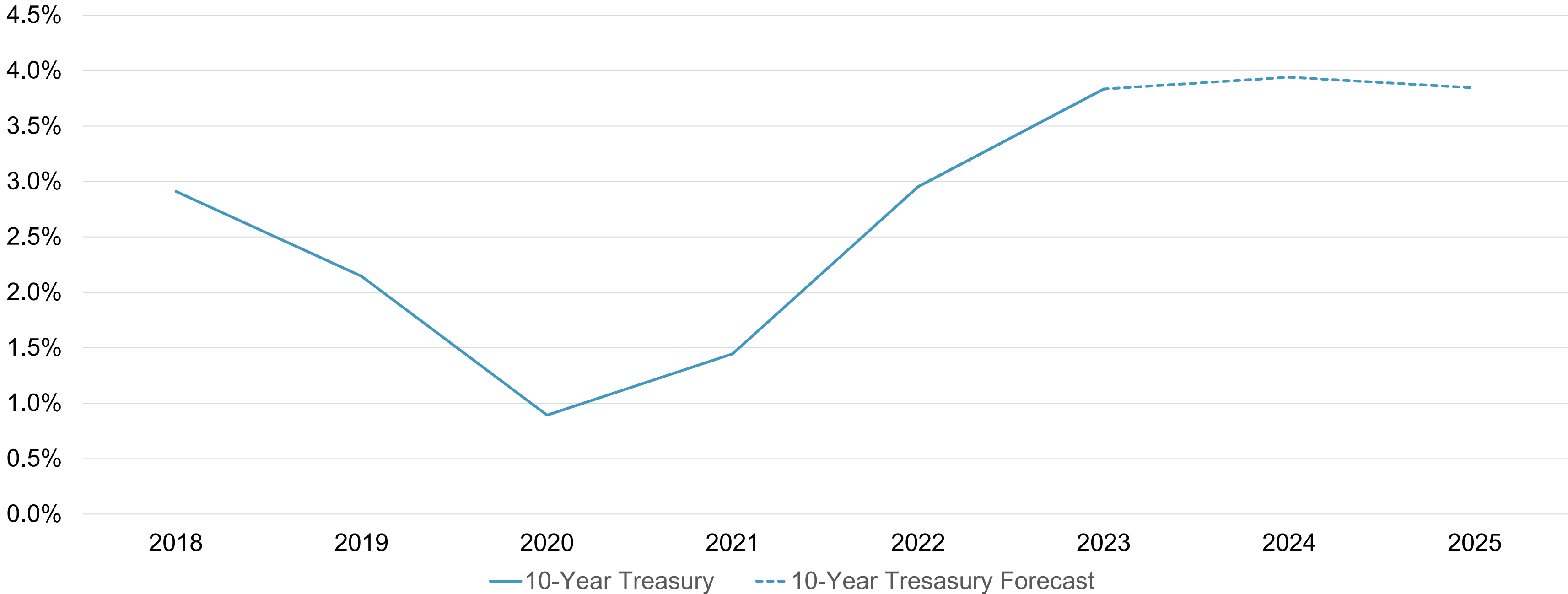


Source: LIMRA's U.S. Individual Life Insurance Sales Survey



# 2023 In Review

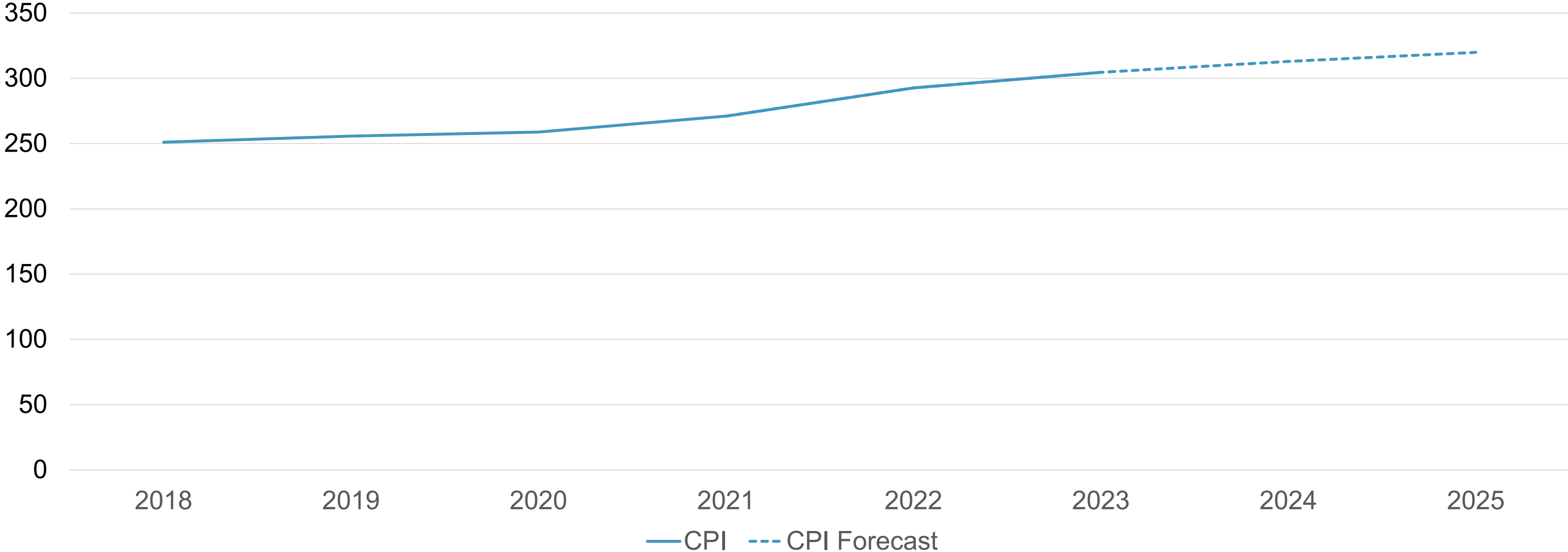
## 10-year Treasury Rates



Source: U.S. Bureau of Labor Statistics (BLS); Moody's Analytics Forecasted



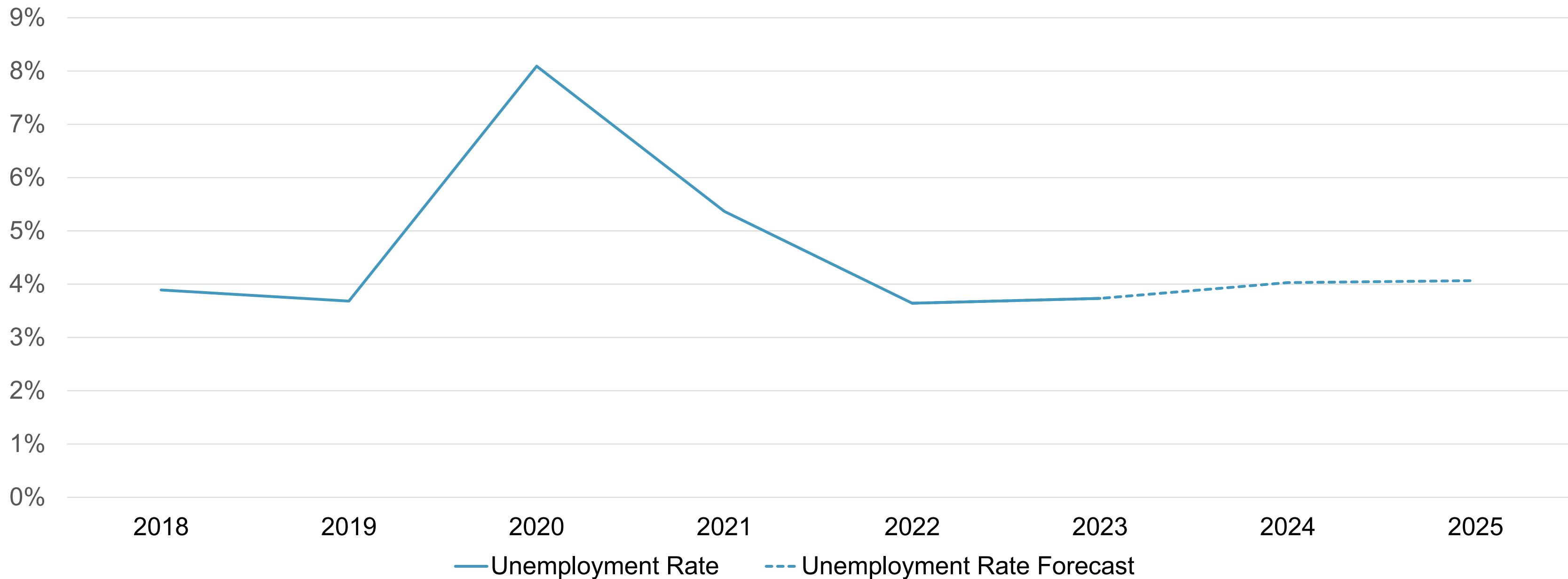
## Consumer Price Index



Source: U.S. Bureau of Labor Statistics (BLS); Moody's Analytics Forecasted



## Unemployment

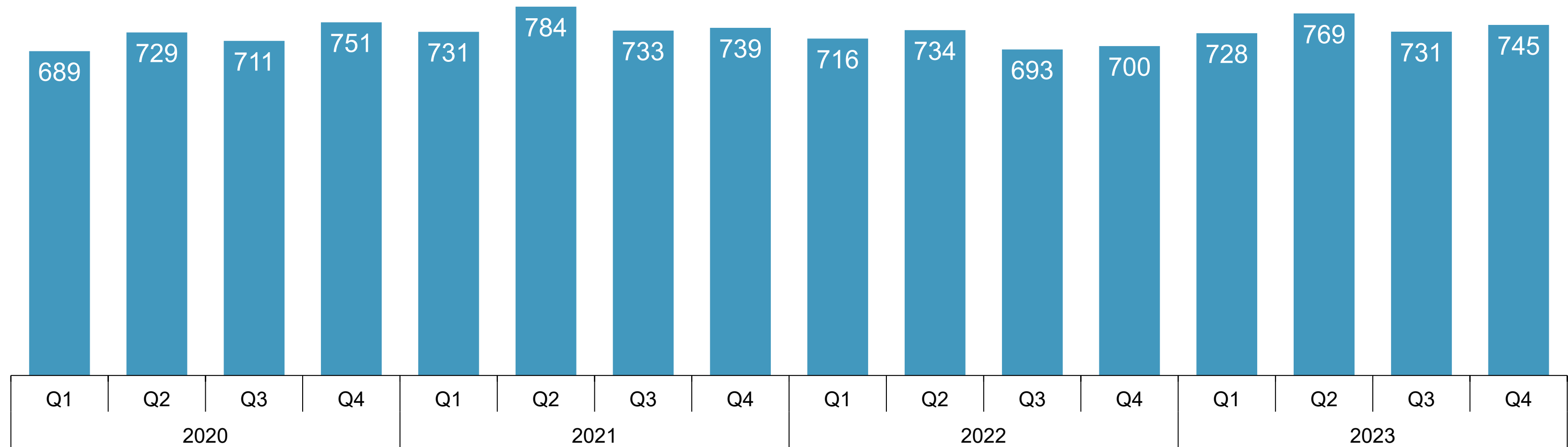


Source: U.S. Bureau of Labor Statistics (BLS); Moody's Analytics Forecasted





## Annualized Premium (\$Millions)



Source: LIMRA's U.S. Individual Life Insurance Sales Survey and LIMRA estimates



- A few companies exiting the market (or moving toward higher face policies) for profitability reasons
- Growth in online distributor sales starting to slow

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Sounds like there is very little variation

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Still focus on PLT

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Need to expand distribution for growth to occur

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Growing AUW face limits

# Where is AUW going

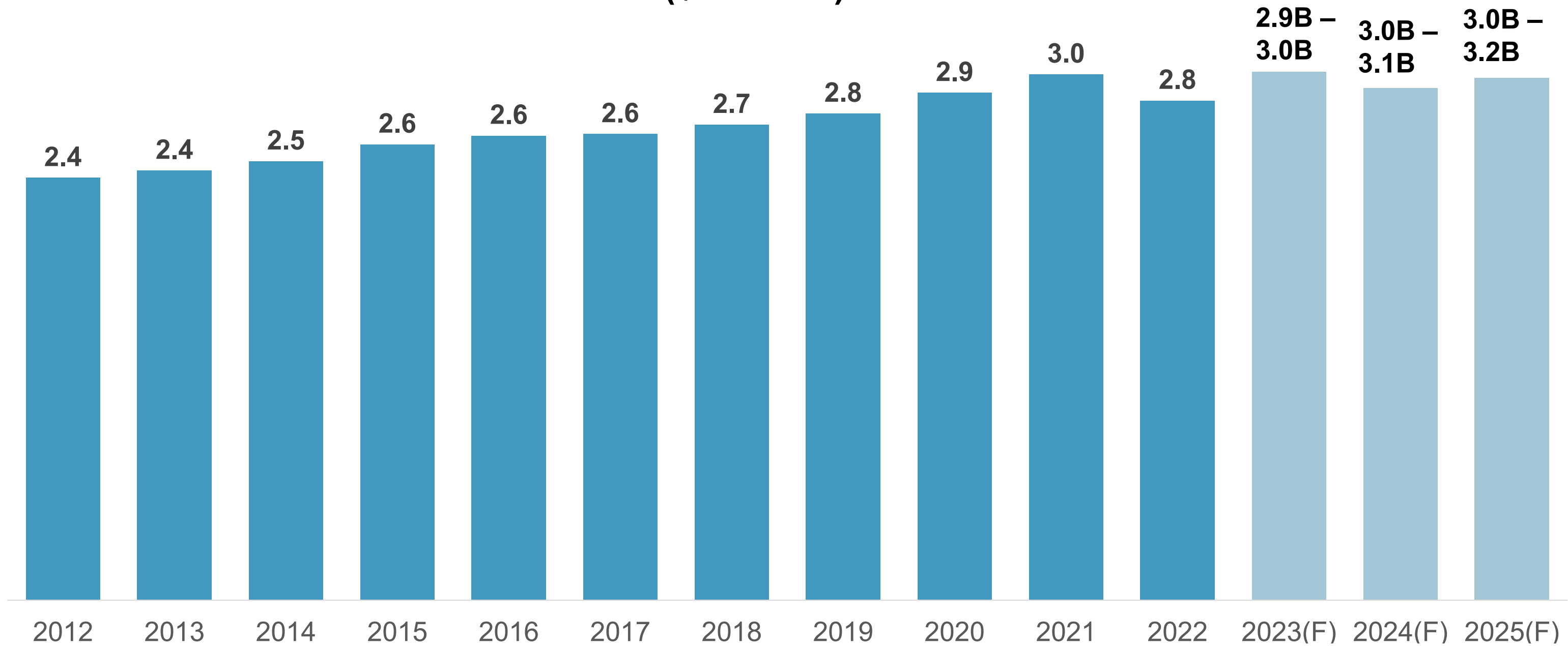
**Table 4-9**  
MINIMUM AND MAXIMUM AGE AND FACE AMOUNT LIMITS

Measure	Minimum	Maximum
<b>Age</b>		
Low	0	49
Average	16	59
High	21	85
Most common	18 (20)	60 (11)
Total Respondents	24	24
<b>Face Amount</b>		
Low	\$1,000	\$50,000
Average	\$79,391	\$2,089,583
High	\$150,000	\$7,500,000
Most common	\$100,000 (12)	\$1,000,000 (8)
Total Respondents	23	24

**Table 4-7**  
MOST PREVALENT AU PROGRAM PRODUCTS

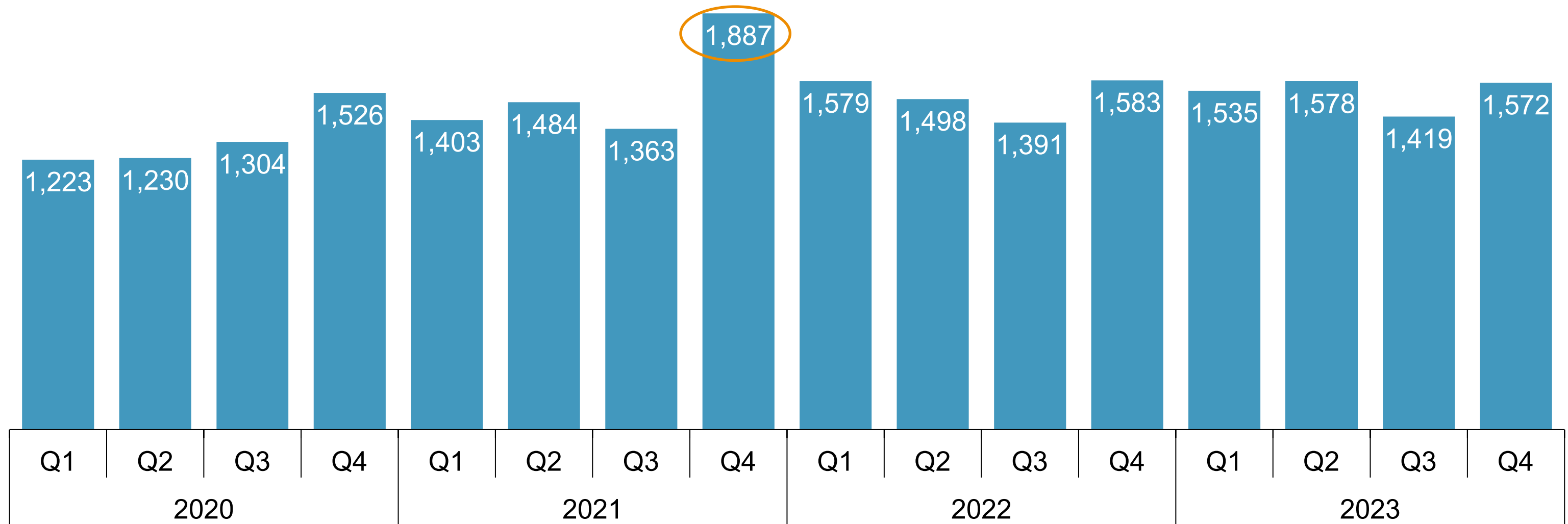
Products where most prevalent program offered	Number of Companies
Term – Level Premium	21
Universal Life – Other	15
Variable Universal Life	13
Equity Index Life / Indexed Universal Life	9
Universal Life – with Secondary Guarantees	8
Whole Life – Participating	8
Term – Other	7
Whole Life – Non-participating	5
Variable Life	0
Whole Life – Interest Sensitive	0
Total Respondents	24

## Annualized New Premium (\$Billions)



# Whole Life

## Annualized New Premium (\$Millions)

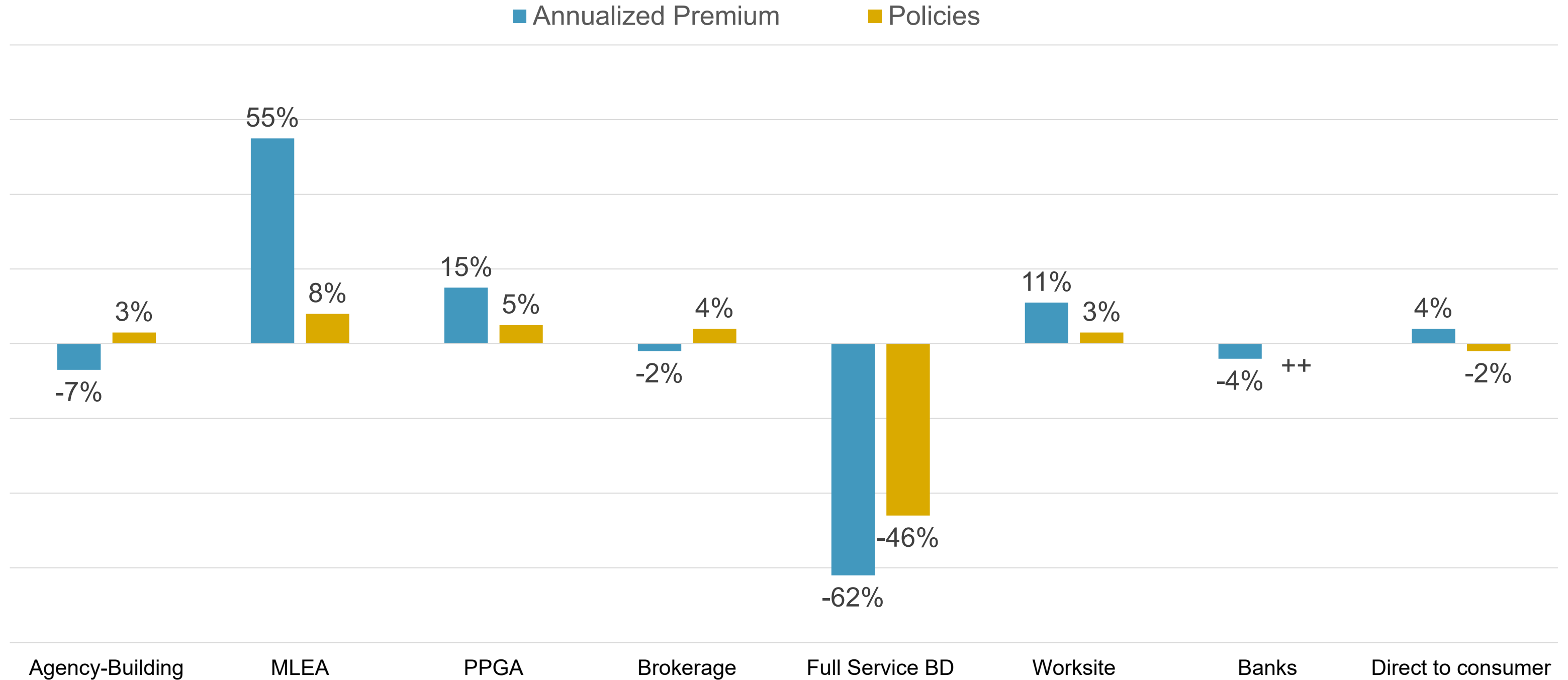


Source: LIMRA's U.S. Individual Life Insurance Sales Survey and LIMRA estimates



# Whole Life

## 2023 Sales Growth by Channel



Source: LIMRA's U.S. Individual Life Insurance Sales Survey  
++Less than one half of negative one percent

# Whole Life



Smaller Face



Final Expense Growth



Paid Up Additions



Dividends

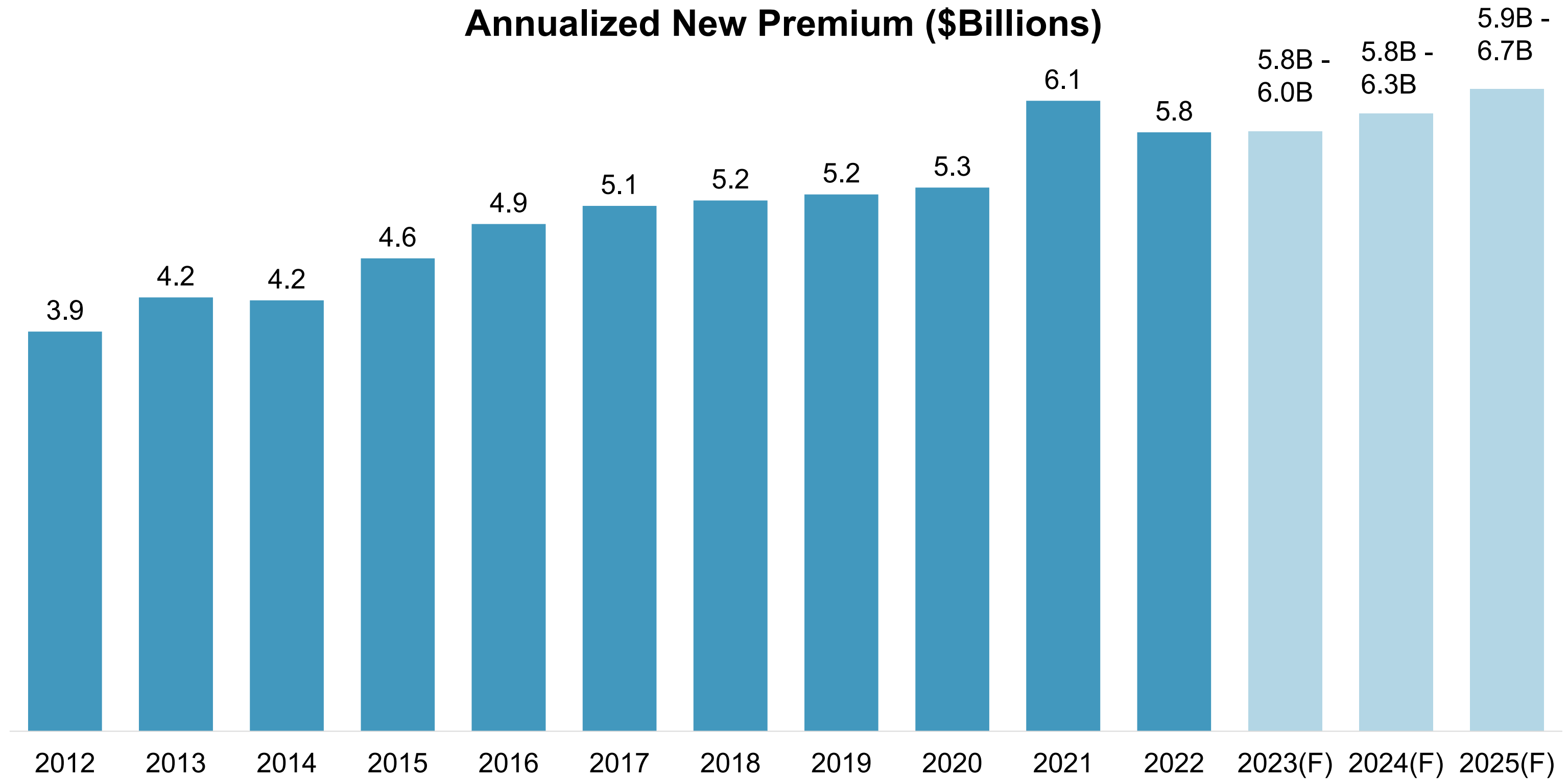


Standard Nonforfeiture Law

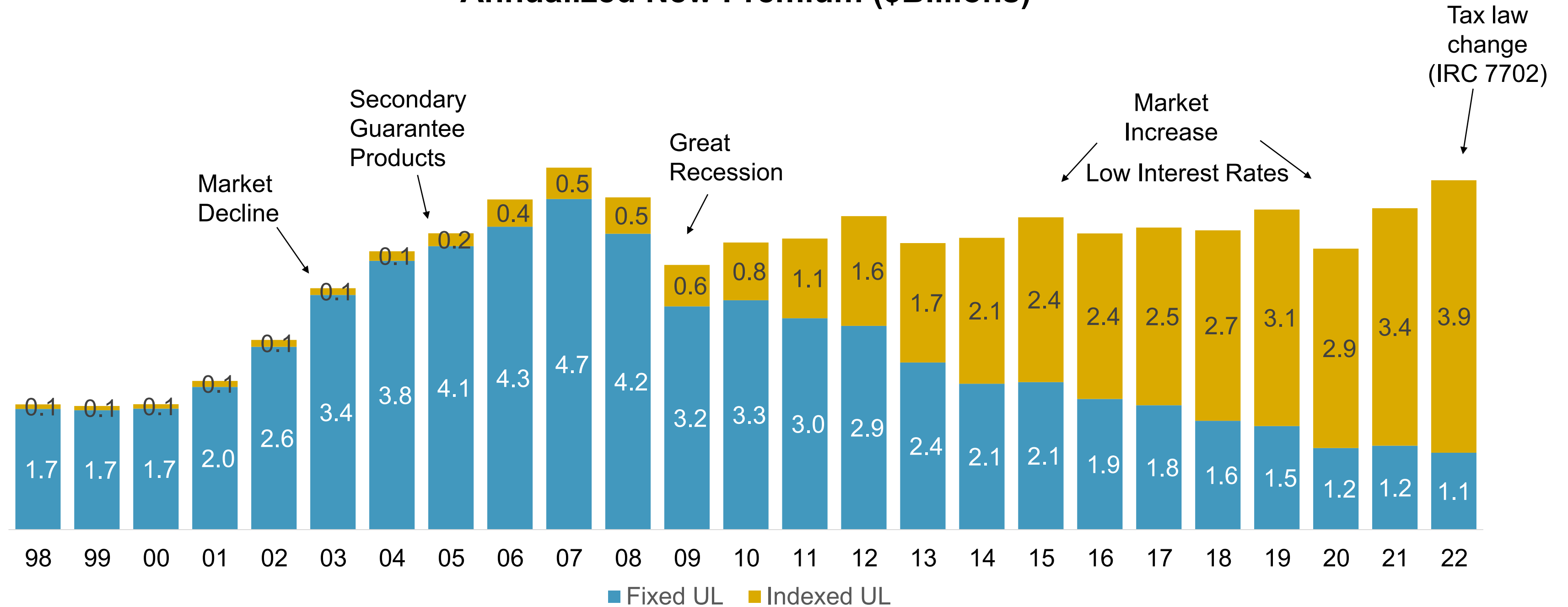


# Whole Life

## Annualized New Premium (\$Billions)



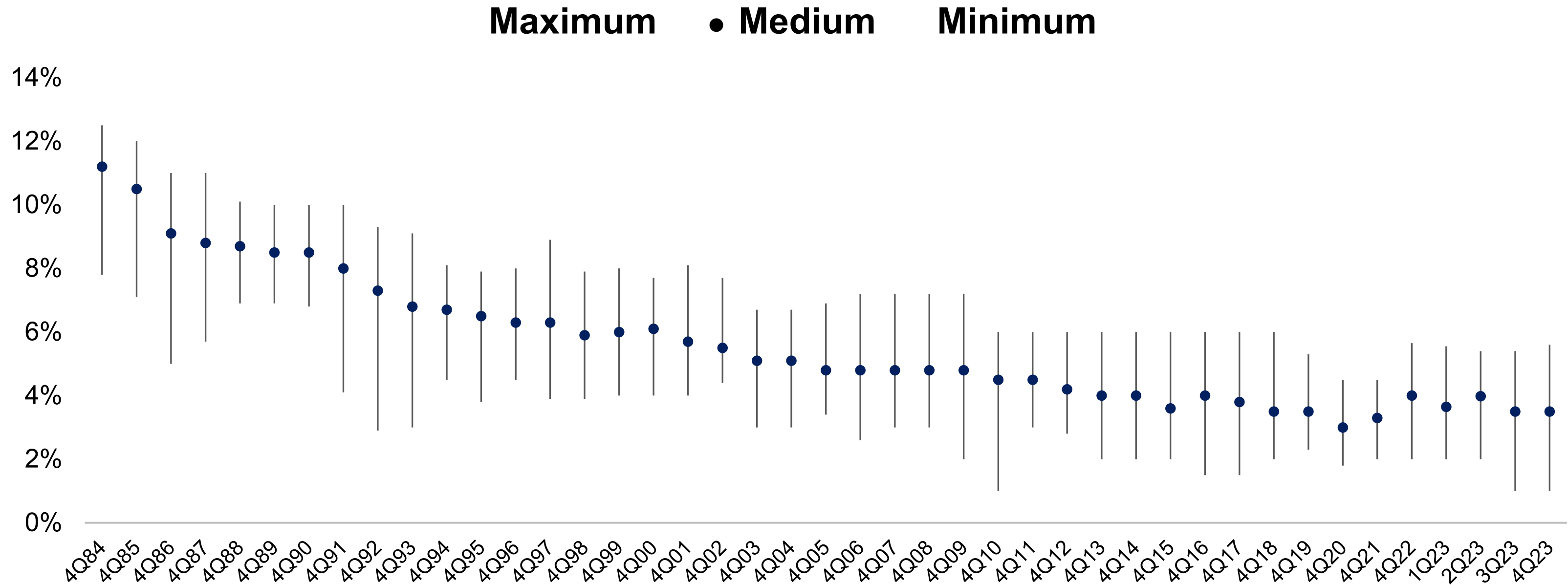
## Annualized New Premium (\$Billions)



Source: LIMRA's U.S. Individual Life Insurance Sales Survey and LIMRA estimates



# Universal Life Crediting Rates



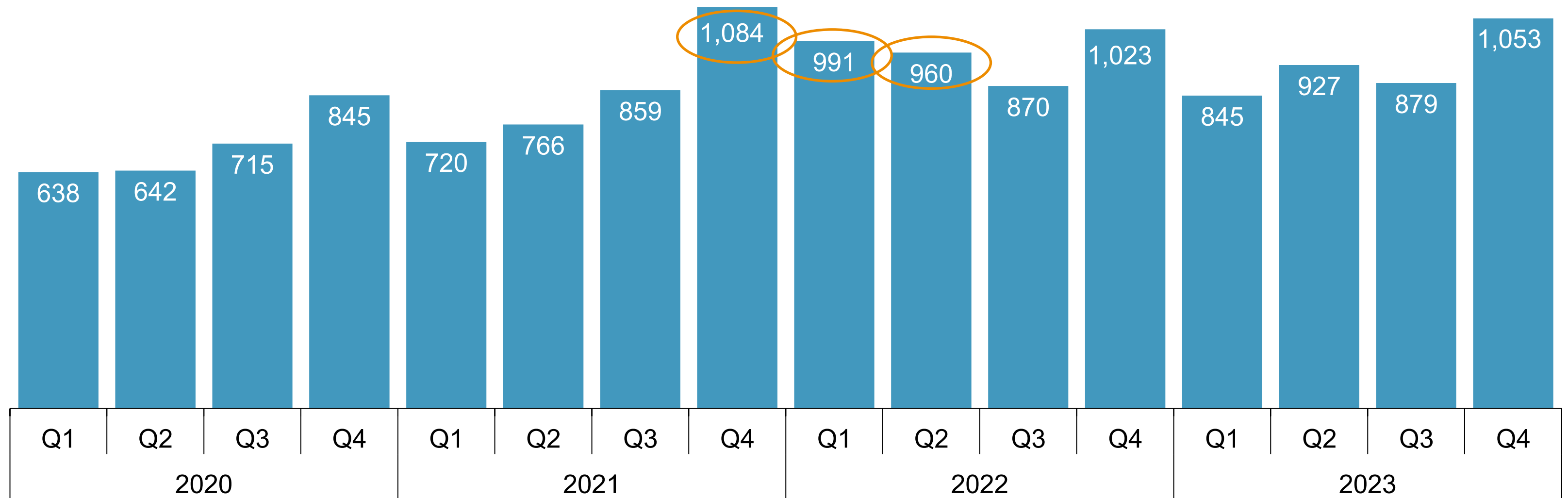
Source: LIMRA's U.S. Individual Life Insurance Sales Survey



# Indexed Universal Life

## IRC 7702 Impact

### Annualized New Premium (\$Millions)

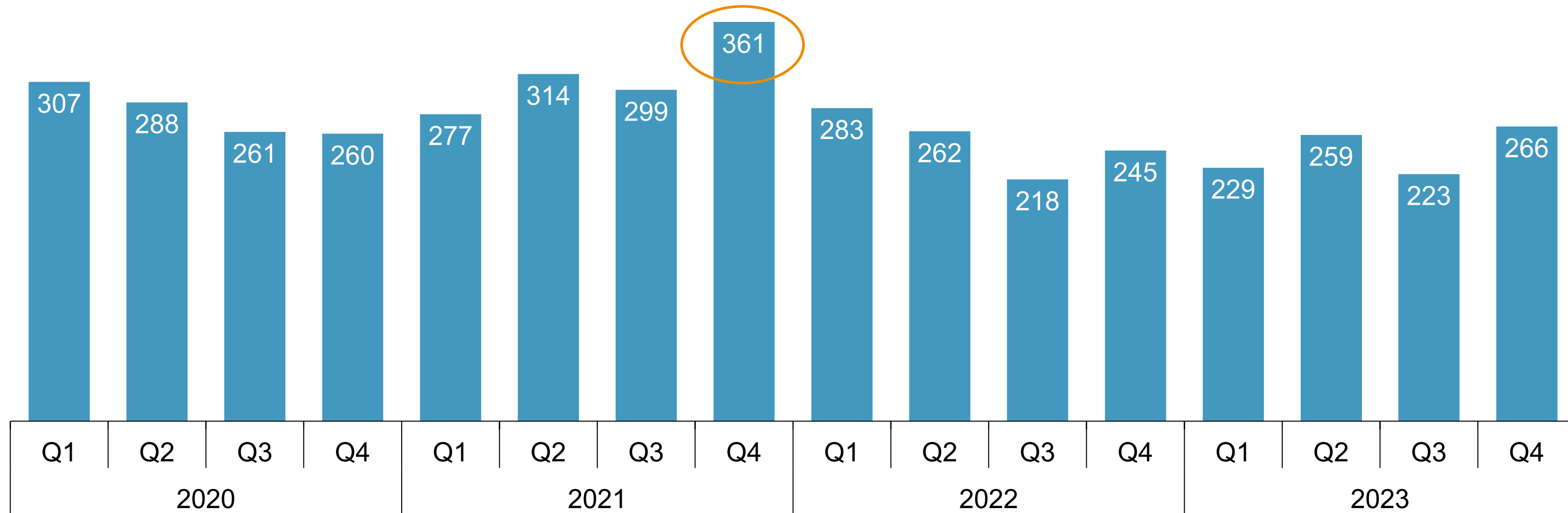


Source: LIMRA's U.S. Individual Life Insurance Sales Survey and LIMRA estimates



# Fixed Universal Life

## Washington Cares Act Impact Annualized New Premium (\$Millions)



Source: LIMRA's U.S. Individual Life Insurance Sales Survey and LIMRA estimates



## Interest rates

- New money products
- Valuation rates/SNFL/7702 changes

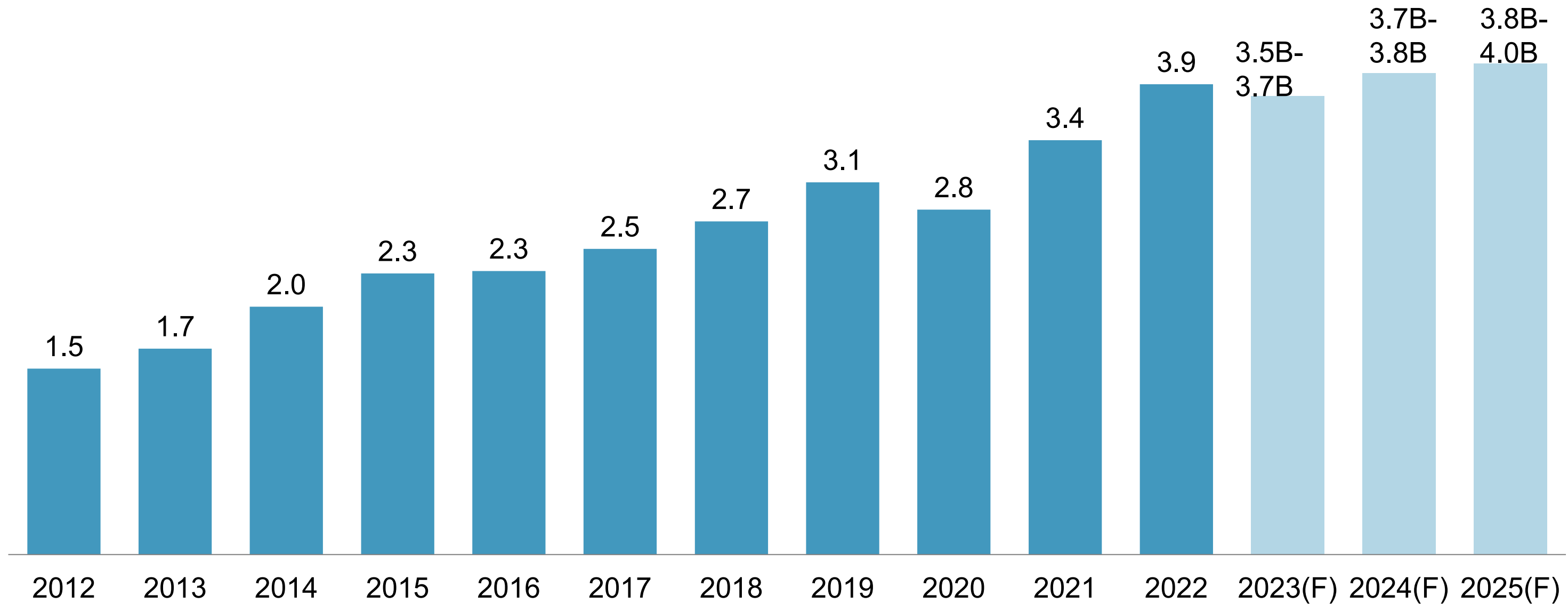
## COI litigation

## Illustrations

- Variable UL vs. registered IUL
- Registered IUL vs. IUL
- IUL vs. UL
- Accumulation vs. protection

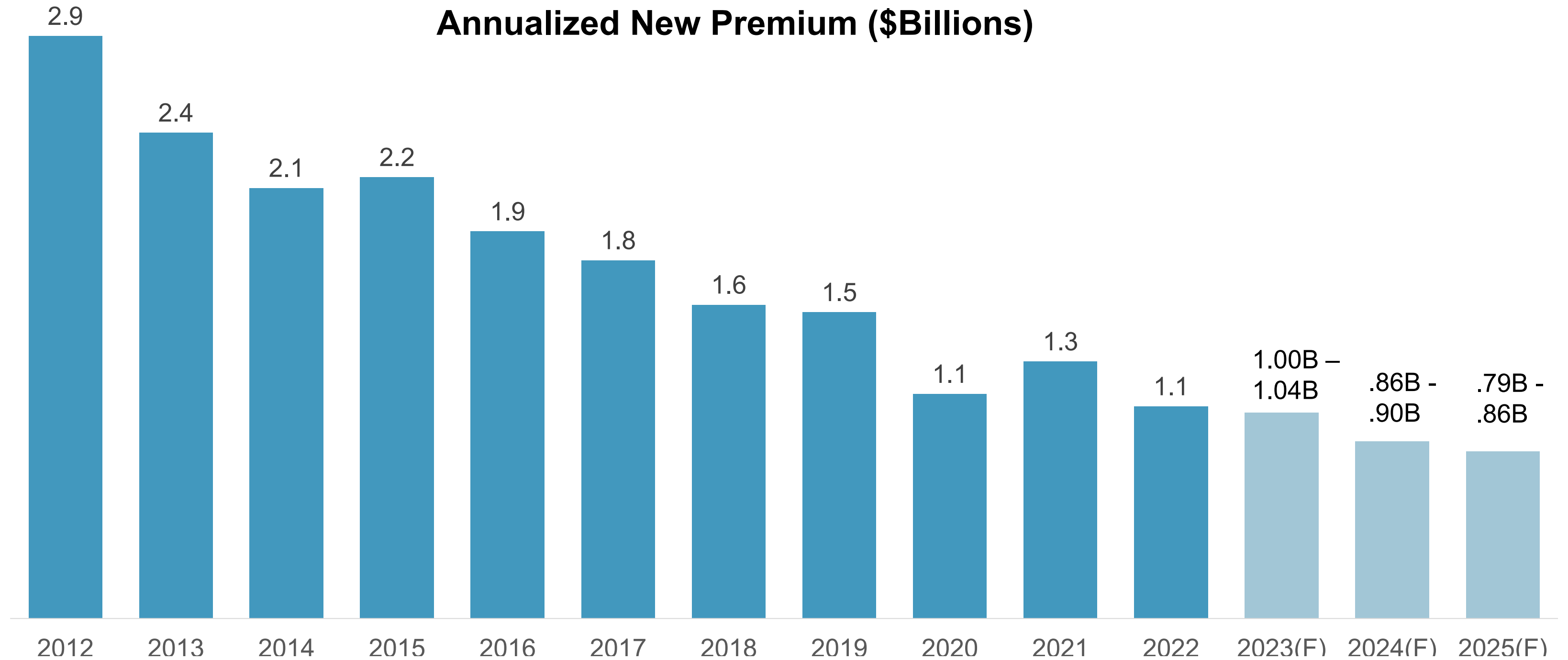
# Indexed Universal Life

## Annualized New Premium (\$Billions)



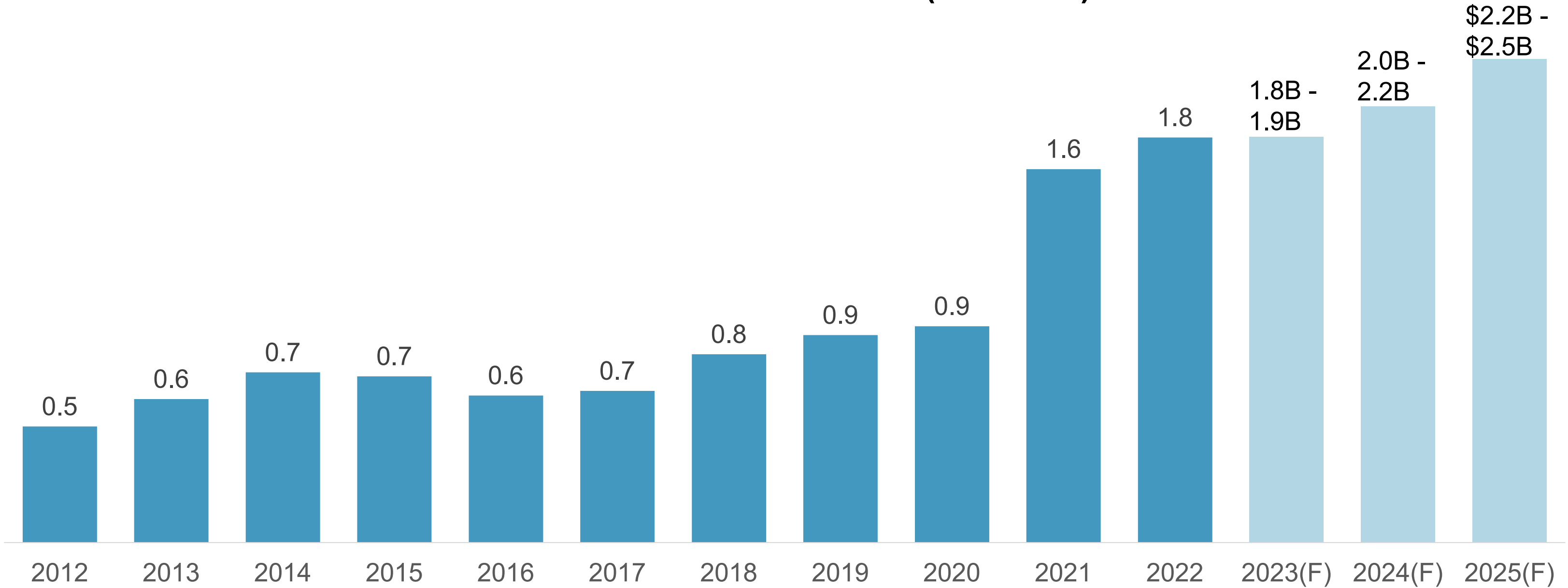


# Fixed Universal Life



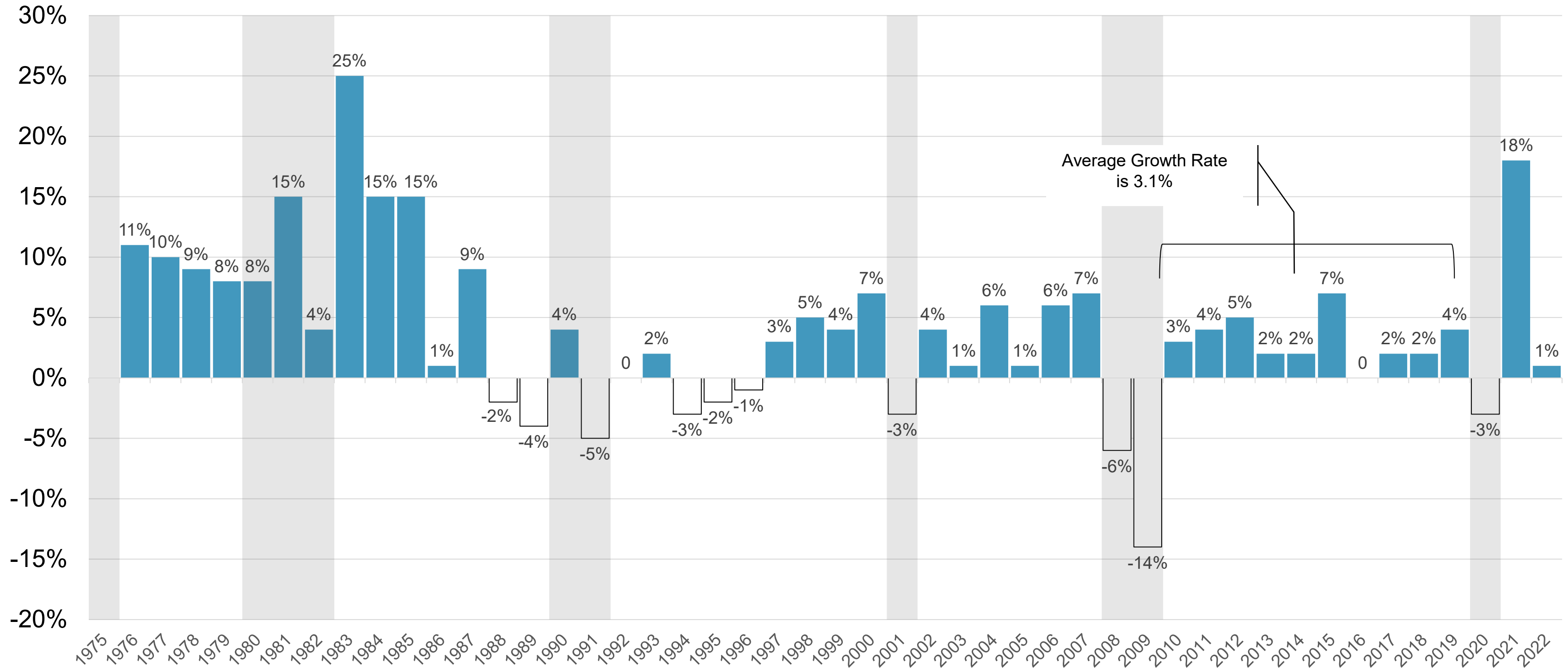
# Variable Universal Life

### Annualized New Premium (\$Billions)



Source: LIMRA, U.S. Life Insurance Sales Forecast: A Return to the New Normal

# Return to Normal Economic Impacts



■ APGrowth ■ Recession



# Overall Product Development

## Head Winds

- Falling interest rates/inflation
- Shifting regulation
  - Artificial Intelligence
  - External Consumer Data Information Source
  - Underwriting
- Mortality – COVID and it's aftermath
- Taxes
  - Billionaire's tax
  - General tax rates

## Tail Winds

- Higher than historical interest rates
  - Change in valuation rate
- Data Sources
- Worksite
- LTC
- Riders
- Automation and AI

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Flexible Valuation

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AUW

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AI

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LDTI

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COVID

# Thank You

