

GROUP TERM LIFE



# U.S. Group Term Life Market Survey

*Summary of 2020 Results*

## CONTENTS

Participating Companies	3
Background	4
Summary of Results	5–8
Group Term Life and AD&D In-force Results	5
Group Term Life and AD&D Sales Results	6
Group Term Life Growth – Cases and Lives	7
Group Term Life Pricing and Volume Levels	8

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## PARTICIPATING COMPANIES

- Aflac (formerly Zurich)
- Anthem, Inc.
- Cigna
- Dearborn Group
- Equitable
- Guardian Life
- The Hartford
- Lincoln Financial Group
- MetLife
- Mutual of America
- Mutual of Omaha
- New York Life
- OneAmerica
- Principal Financial Group
- Prudential
- Reliance Standard
- Renaissance Life & Health
- Securian Financial Group
- The Standard
- Standard Life & Accident
- Sun Life Financial
- Symetra
- Transamerica
- Union Labor Life
- UnitedHealthcare Specialty Benefits
- Unum
- USAbLe Life
- US Alliance Life & Security Company
- Voya Employee Benefits

## BACKGROUND

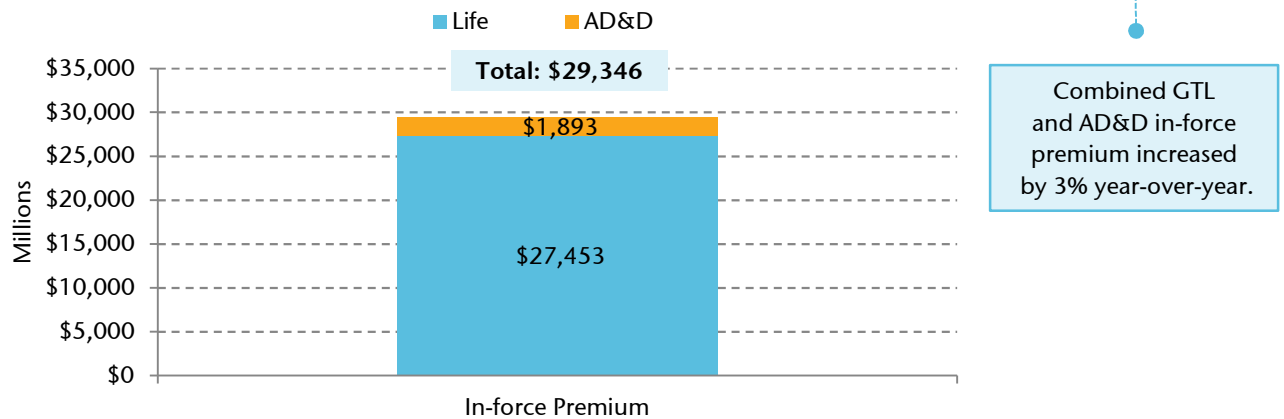
Gen Re is pleased to present the summary report of the *2020 U.S. Group Term Life Market Survey*. This annual survey covers the Group Term Life (GTL) and AD&D industry, tracking sales and in-force results as well as lapse rate and employee-paid data. The full Market Survey is available only to participating companies, providing a valuable opportunity for participants to benchmark their results against those of their peers, as well as the industry as a whole. Eighteen of the 29 companies participating in the 2020 survey have provided Group Term Life data over the past 10 survey years.

## EXECUTIVE SUMMARY

### Group Term Life and AD&D In-force Results

Twenty-nine companies provided Group Term Life (GTL) and AD&D results for 2020. On a combined basis, total GTL and AD&D in-force premium reached \$29.3 billion, with GTL representing the majority (94%) of the total. (Exhibit A)

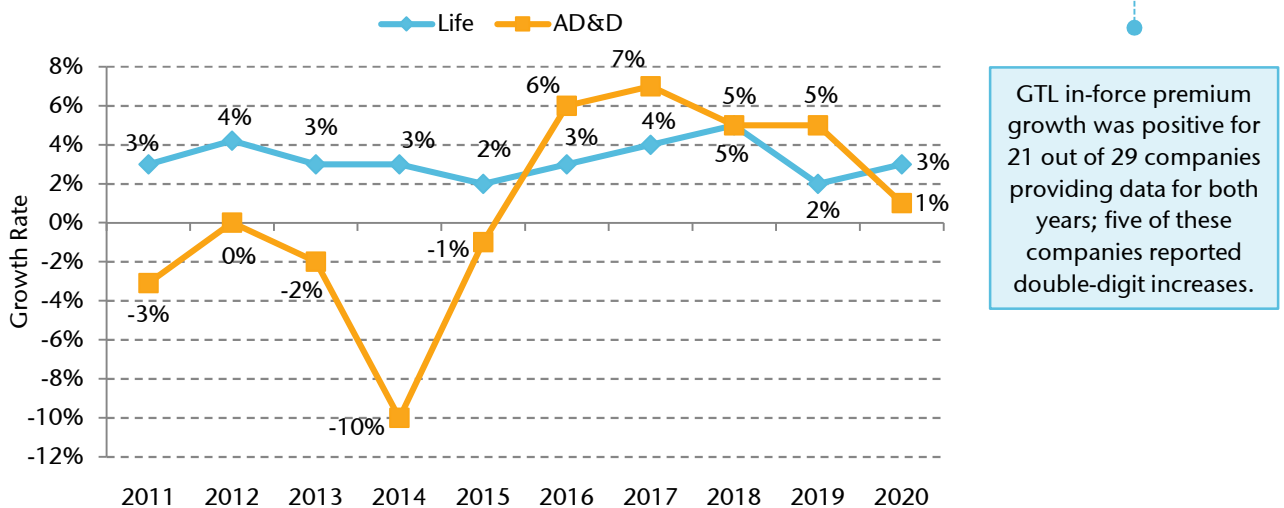
Exhibit A. Total 2020 Group Term Life and AD&D In-force Premium Reported by Survey Participants



For GTL in-force premium, reported industry growth has ranged between 2% and 5% over the past 10 years. In 2020, in-force premium grew by 3% compared to 2019.

After posting increases of 5% or more over the past several years, AD&D in-force premium rose by a slight 1% in 2020. (Exhibit B)

Exhibit B. Reported Group Term Life and AD&D In-force Premium Growth Rates for the Industry Over Time

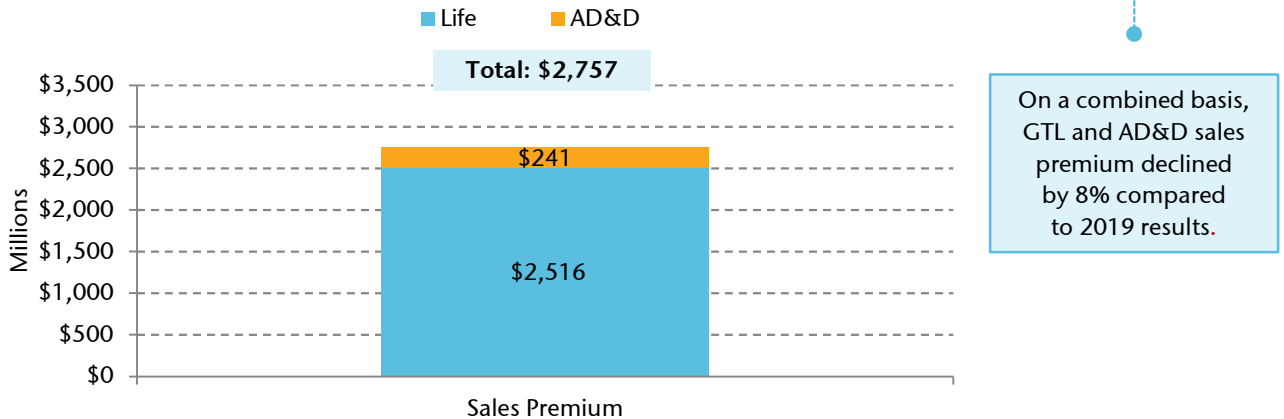


## SURVEY RESULTS

### Group Term Life and AD&D Sales Results

Participating companies reported just under \$2.8 billion in combined GTL and AD&D sales premium in 2020, with GTL accounting for 91% of the total. (Exhibit C)

Exhibit C. Total 2020 Group Term Life and AD&D Sales Premium, Reported by Survey Participants

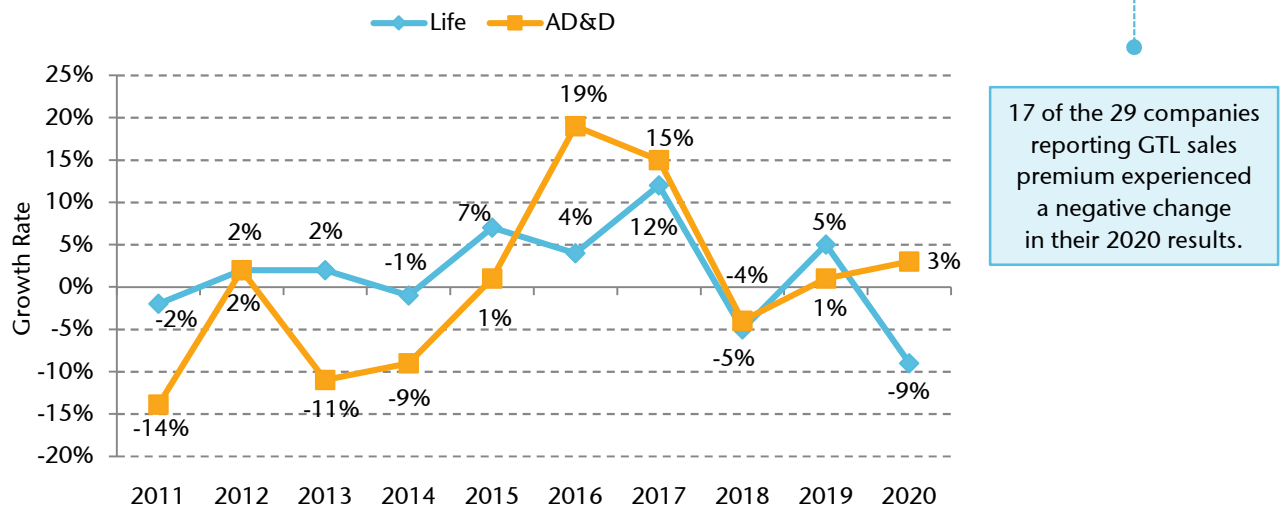


Following a modest increase in 2019, GTL new sales premium decreased by 9% in 2020. This represents the largest drop in sales premium reported on the survey looking back as far as 2009, when premium fell by 5% for the industry. For 12 of the 17 companies reporting a negative outcome, premium declined by 10% or more.

The top ten companies held 81% of the market share for new sales premium in 2020, down slightly from 82% reported last year. As reported in the past, a small number of companies can strongly influence industry growth. Removing just two of the top ten companies that experienced significant declines in GTL new sales premium from the calculations would result in a 0% growth rate versus a 9% decline.

AD&D sales premium, which has tended to be volatile over the years, increased by 3% year-over-year. (Exhibit D)

Exhibit D. Reported Group Term Life and AD&D Sales Premium Growth Rates For the Industry Over Time



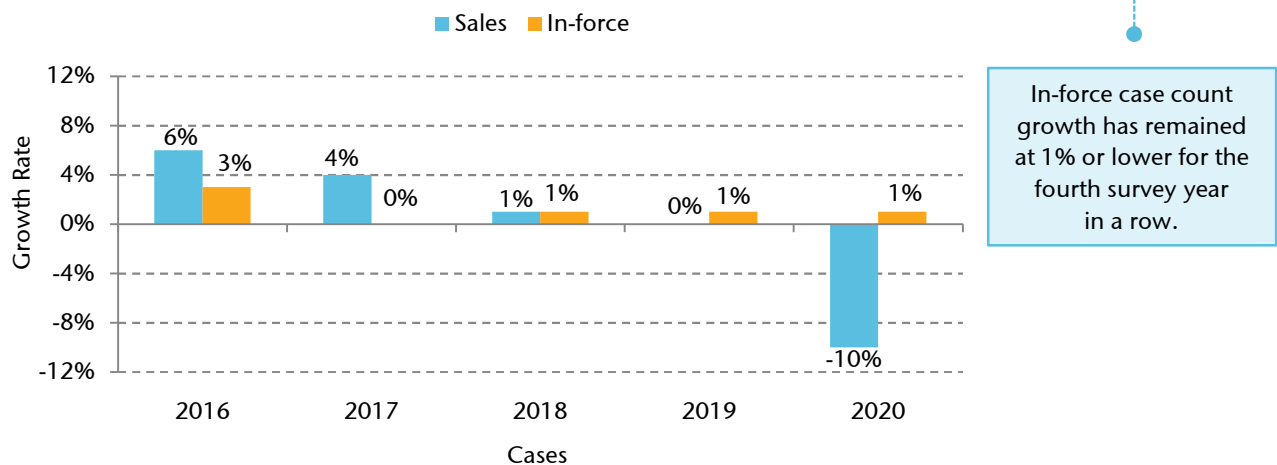
## EXECUTIVE SUMMARY

### Group Term Life Growth – Cases and Lives

GTL new sales case counts fell by 10% in 2020, ending a five-year period of flat to positive growth for the industry. Sixty-eight percent of companies reporting this data (19 out of 28) experienced a negative result, with six showing a decrease greater than 20%. In-force results remained relatively unchanged, up by a slight 1% for the third straight year. (Exhibit E)

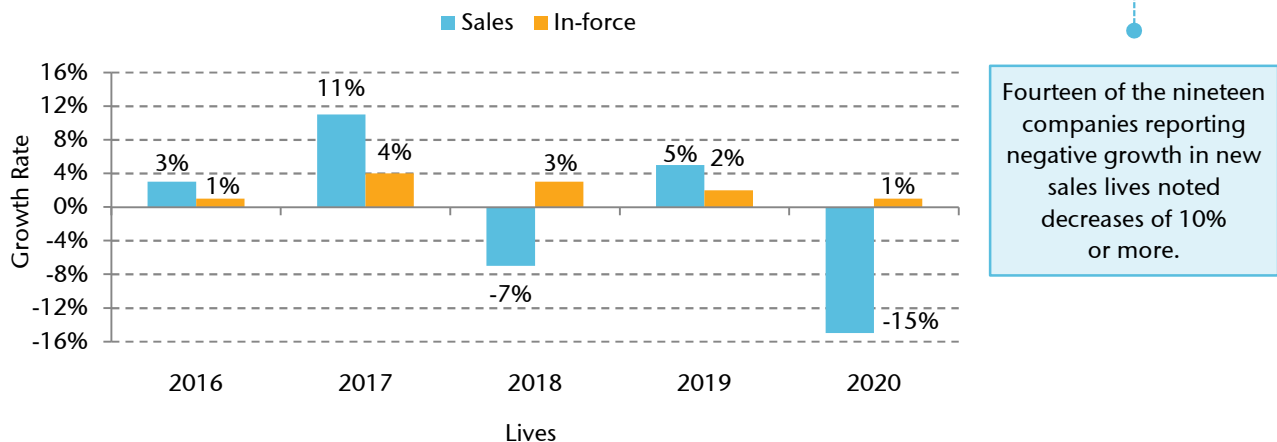
For companies providing sales case size breakdown information for the two-year period, the 10–99 category accounted for the highest percentage of cases in 2020 (53%), followed by the 1–9 grouping (29%). Results were similar for in-force (53% and 28%, respectively). Less than 1% fell in the 5,000+ range for both sales and in-force.

Exhibit E. Reported Group Term Life Growth Rates for Cases



New sales lives fell by 15% in 2020, the largest decline reported in over 10 years. In-force lives grew by 1% year-over-year. (Exhibit F)

Exhibit F. Reported Group Term Life Growth Rates for Lives



## EXECUTIVE SUMMARY

### Group Term Life Pricing and Volume Levels

Average face amounts were up year-over-year for both sales and in-force in 2020. The significant increase in new sales face amounts was impacted by results for a small number of companies with large gains year-over-year.

Monthly premium rates were flat for in-force and down by 15% for new sales. Of the 12 companies reporting a decrease in their new sales monthly premium rate, seven reported a decline of 10% or more. (Exhibit G)

#### Exhibit G. Group Term Life Average Face Amount and Monthly Premium Rate

	Average Face Amount	Monthly Premium Rate (per 1,000)
In-force Growth	\$102,707 2%	\$0.188 0%
New Sales Growth	\$104,769 24%	\$0.168 -15%

Both new sales and in-force face amounts averaged over \$100,000 for the first time in the history of the survey.

Average premium per life grew for both new sales and in-force business. (Exhibit H)

#### Exhibit H. Group Term Life Average Premium Per Life

		Percentage of Companies		
	Average Premium Per Life	Less than \$150	\$150 to \$250	\$250 or more
In-force Growth	\$222 2%	38%	41%	21%
New Sales Growth	\$208 7%	50%	29%	21%

Premium per life averaged above \$200 across both sales and in-force; half of the companies reported an average sales premium per life of less than \$150.



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