

# Summary of key results from Milliman's 2020 U.S. Group Disability Market Survey

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## Background

The 2020 U.S. Group Disability Market Survey provides a comprehensive analysis of new sales and in-force business for short-term disability (STD) and long-term disability (LTD) insurance products in 2018 and 2019. This summary report includes several key results from our survey.

The following insurance companies participated in Milliman's 2020 U.S. Group Disability Market Survey:

- Cigna
- Continental American Insurance Company (caic)
- elipsLife
- Equitable
- Guardian Life Insurance Company
- The Hartford
- Lincoln Financial Group
- MetLife
- Mutual of Omaha
- Nationwide
- Northwestern Mutual
- OneAmerica
- Principal Financial Group
- Prudential
- Reliance Standard Life Insurance Company
- ShelterPoint Life Insurance Company
- The Standard
- Sun Life Financial
- Symetra
- Trustmark Insurance
- The Union Labor Life Insurance Company (ULLICO)
- UnitedHealthcare Specialty Benefits
- Unum
- USABLE Life
- Voya Financial
- Zurich North America Life

## In-force business

The 26 participating companies reported \$18.3 billion in combined STD and LTD in-force premium in 2019, an increase from \$17.4 billion reported by the same companies in 2018. STD in-force premium increased by 7.8% from \$5.4 billion in 2018 to \$5.8 billion in 2019, and LTD in-force premium increased by 3.9% from \$12.0 billion in 2018 to \$12.5 billion in 2019, as shown in Figure 1. The STD premium includes in-force premium for statutory benefits such as New York Disability Benefits Law, New Jersey Temporary Disability Insurance, and Hawaii Temporary Disability Insurance.

**FIGURE 1: TOTAL IN-FORCE PREMIUM AMONG PARTICIPATING COMPANIES FROM 2018 AND 2019 (IN \$ BILLIONS)**

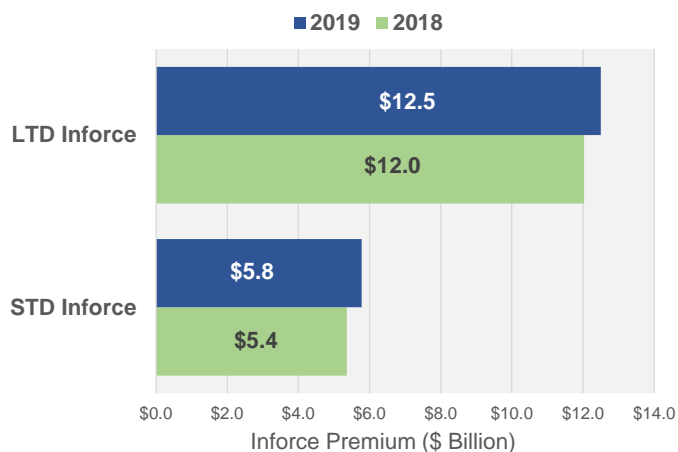


Figure 2 shows average in-force premium per life (PPL) metrics for LTD and STD in 2019. The average LTD in-force PPL increased by 2.5% from 2018 to 2019. The average STD in-force PPL decreased by 5.6%, in part because the growth rate for covered lives was much greater than the growth rate for in-force premium (see Figure 3 below). The STD PPL metrics shown in Figure 2 exclude premium for statutory benefits.

**FIGURE 2: 2019 AVERAGE IN-FORCE PREMIUM PER LIFE**

| PRODUCT | AVERAGE PPL | PPL GROWTH RATE |
|---------|-------------|-----------------|
| STD     | \$247       | -5.6%           |
| LTD     | \$278       | 2.5%            |

Figure 3 shows in-force growth rates for case counts, premium, and covered lives from 2018 to 2019, for STD and LTD.

**FIGURE 3: GROUP DISABILITY IN-FORCE GROWTH RATES**

|         | STD   | LTD  |
|---------|-------|------|
| Cases   | 1.0%  | 1.3% |
| Premium | 4.5%  | 3.9% |
| Lives   | 10.8% | 1.4% |

## New sales

The combined STD and LTD new sales premium increased slightly from \$2.68 billion in 2018 to \$2.69 billion in 2019. STD new sales premium decreased by 8.3% from \$1.2 billion in 2018 to \$1.1 billion in 2019. New sales premium for LTD products increased by 7.1% from \$1.5 billion in 2018 to \$1.6 billion in 2019, as shown in Figure 4. STD new sales premium includes premium for statutory benefits.

**FIGURE 4: TOTAL NEW SALES PREMIUM AMONG PARTICIPATING COMPANIES FROM 2018 AND 2019 (IN \$ BILLIONS)**

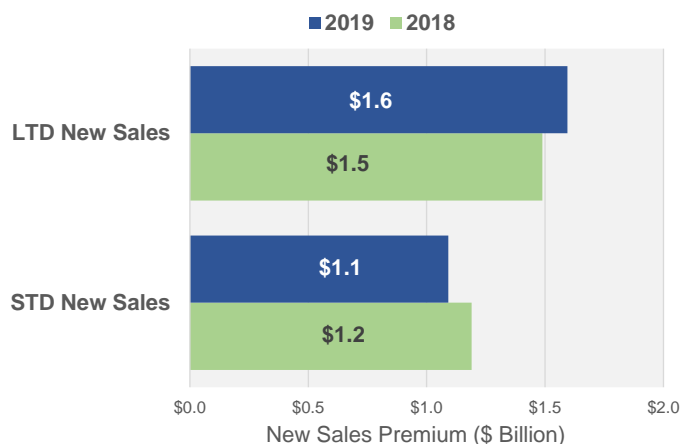


Figure 5 shows the average PPL metrics for new sales in 2019. The average PPL decreased on new sales from 2018 to 2019 for both STD and LTD. Again, the average STD new sales PPL excludes premium for statutory benefits.

**FIGURE 5: 2019 AVERAGE NEW SALES PREMIUM PER LIFE**

| PRODUCT | AVERAGE PPL | PPL GROWTH RATE |
|---------|-------------|-----------------|
| STD     | \$215       | -4.0%           |
| LTD     | \$244       | -3.3%           |

Figure 6 shows new sales growth rates for case counts, premium, and covered lives from 2018 to 2019, for STD and LTD.

**FIGURE 6: GROUP DISABILITY NEW SALES GROWTH RATES**

|         | STD   | LTD   |
|---------|-------|-------|
| Cases   | 0.4%  | -0.9% |
| Premium | -5.4% | 7.1%  |
| Lives   | -1.4% | 10.7% |

## Statutory benefits

Figure 7 shows in-force premiums reported by survey participants for statutory benefits in 2018 and 2019. Some companies were unable to carve out statutory benefits from the STD data, and the list of companies in Figures 7 and 8 represents only those companies that could split the data. The premiums shown in Figure 7 are included in the STD in-force premiums reported in Figure 1 above.

**FIGURE 7: 2018 AND 2019 IN-FORCE PREMIUM FOR STATUTORY BENEFITS (IN \$ MILLIONS)**

| COMPANY           | 2018 PREMIUM   | 2019 PREMIUM   |
|-------------------|----------------|----------------|
| Equitable         | \$2.9          | \$2.5          |
| Guardian          | \$56.2         | \$57.9         |
| The Hartford      | \$144.2        | \$183.2        |
| Lincoln           | NA             | \$65.3         |
| MetLife           | \$44.6         | \$46.3         |
| Mutual of omaha   | \$5.3          | \$6.4          |
| Principal         | \$0.4          | \$0.3          |
| Prudential        | \$47.7         | \$58.1         |
| Reliance Standard | NA             | \$23.1         |
| ShelterPoint      | \$88.5         | \$90.1         |
| The Standard      | \$37.2         | \$41.0         |
| SunLife           | \$7.6          | \$8.7          |
| Symetra           | \$4.2          | \$4.0          |
| Unum              | \$46.3         | \$50.9         |
| USAble Life       | \$14.4         | \$10.1         |
| Voya              | \$0.0          | \$0.6          |
| Zurich            | \$0.4          | \$0.6          |
| <b>Total</b>      | <b>\$499.8</b> | <b>\$649.2</b> |

Figure 8 shows new sales premiums reported by survey participants for statutory benefits in 2018 and 2019. The companies listed in Figure 8 are different from those in Figure 7. Also, the premiums shown below are included in the STD new sales premiums in Figure 4 above.

**FIGURE 8: 2018 AND 2019 NEW SALES PREMIUM FOR STATUTORY BENEFITS (IN \$ MILLIONS)**

| COMPANY           | 2018 PREMIUM   | 2019 PREMIUM  |
|-------------------|----------------|---------------|
| Equitable         | \$2.9          | \$0.1         |
| Guardian          | \$40.5         | \$9.0         |
| The Hartford      | \$74.3         | \$42.5        |
| MetLife           | \$7.0          | \$2.3         |
| Mutual of omaha   | \$1.4          | \$1.2         |
| Principal         | \$0.0          | \$0.0         |
| Prudential        | \$7.0          | \$5.3         |
| Reliance Standard | NA             | \$1.8         |
| ShelterPoint      | \$13.1         | \$7.7         |
| The Standard      | \$13.9         | \$11.2        |
| SunLife           | \$1.1          | \$1.1         |
| Symetra           | \$0.8          | \$0.2         |
| USAble Life       | \$0.5          | \$1.0         |
| Voya              | \$0.0          | \$0.0         |
| Zurich            | \$0.4          | \$0.2         |
| <b>Total</b>      | <b>\$162.8</b> | <b>\$83.9</b> |

## Other key results

Figures 9 through 12 on the following pages provide additional detail of the 2018 and 2019 in-force and new sales premium reported by survey participants.

- Figure 9: STD new sales premium by company
- Figure 10: STD in-force premium by company
- Figure 11: LTD new sales premium by company
- Figure 12: LTD in-force premium by company

The company rankings in these tables are based on reported premium in 2019.

**FIGURE 9: STD NEW SALES PREMIUM IN 2018 AND 2019 (\$ MILLIONS)**

| RANK         | COMPANY             | 2018             | 2019             | % CHANGE     |
|--------------|---------------------|------------------|------------------|--------------|
| 1            | Unum                | \$138.8          | \$159.1          | 14.7%        |
| 2            | MetLife             | \$145.0          | \$130.2          | -10.2%       |
| 3            | Lincoln             | \$103.3          | \$119.8          | 15.9%        |
| 4            | The Hartford        | \$194.2          | \$118.3          | -39.1%       |
| 5            | Cigna               | \$100.9          | \$110.0          | 8.9%         |
| 6            | Mutual of Omaha     | \$73.2           | \$78.3           | 7.0%         |
| 7            | Guardian            | \$98.2           | \$72.4           | -26.3%       |
| 8            | The Standard        | \$65.5           | \$66.5           | 1.5%         |
| 9            | Sun Life            | \$53.7           | \$39.0           | -27.3%       |
| 10           | Principal           | \$35.3           | \$36.6           | 3.9%         |
| 11           | Prudential          | \$60.2           | \$34.7           | -42.3%       |
| 12           | Reliance Standard   | \$36.1           | \$24.7           | -31.6%       |
| 13           | OneAmerica          | \$22.0           | \$22.2           | 0.8%         |
| 14           | UnitedHealthcare    | \$12.0           | \$19.7           | 64.1%        |
| 15           | Voya                | \$6.1            | \$15.1           | 146.3%       |
| 16           | Symetra             | \$13.1           | \$9.6            | -26.7%       |
| 17           | elipsLife           | \$0.0            | \$9.5            | n/a          |
| 18           | ShelterPoint        | \$13.2           | \$7.7            | -41.3%       |
| 19           | Equitable           | \$8.1            | \$4.4            | -45.2%       |
| 20           | USAble Life         | \$4.6            | \$4.3            | -7.8%        |
| 21           | caic                | \$0.0            | \$4.0            | n/a          |
| 22           | Northwestern Mutual | \$2.1            | \$2.2            | 3.2%         |
| 23           | Zurich              | \$0.8            | \$1.9            | 155.7%       |
| 24           | Trustmark           | \$0.6            | \$0.6            | -4.2%        |
| 25           | Nationwide          | \$0.5            | \$0.6            | 4.8%         |
| 26           | ULLICO              | \$2.5            | \$0.1            | -96.9%       |
| <b>Total</b> |                     | <b>\$1,190.0</b> | <b>\$1,091.5</b> | <b>-8.3%</b> |

FIGURE 10: STD IN-FORCE PREMIUM FROM 2018 AND 2019 (\$ MILLIONS)

| RANK         | COMPANY             | 2018             | 2019             | % CHANGE    |
|--------------|---------------------|------------------|------------------|-------------|
| 1            | The Hartford        | \$825.0          | \$834.5          | 1.2%        |
| 2            | Lincoln             | \$693.7          | \$771.3          | 11.2%       |
| 3            | Unum                | \$695.3          | \$758.8          | 9.1%        |
| 4            | Cigna               | \$535.0          | \$571.9          | 6.9%        |
| 5            | MetLife             | \$391.5          | \$454.6          | 16.1%       |
| 6            | Guardian            | \$328.7          | \$365.6          | 11.2%       |
| 7            | The Standard        | \$334.7          | \$332.1          | -0.8%       |
| 8            | Mutual of Omaha     | \$283.4          | \$330.7          | 16.7%       |
| 9            | Prudential          | \$239.8          | \$265.3          | 10.6%       |
| 10           | Sun Life            | \$262.1          | \$251.7          | -4.0%       |
| 11           | Reliance Standard   | \$201.7          | \$211.8          | 5.0%        |
| 12           | Principal           | \$201.9          | \$209.5          | 3.8%        |
| 13           | ShelterPoint        | \$88.6           | \$90.2           | 1.9%        |
| 14           | OneAmerica          | \$59.7           | \$70.5           | 18.0%       |
| 15           | Voya                | \$38.0           | \$49.0           | 29.0%       |
| 16           | USAble Life         | \$50.7           | \$47.1           | -7.1%       |
| 17           | UnitedHealthcare    | \$34.0           | \$46.4           | 36.6%       |
| 18           | Symetra             | \$44.1           | \$42.9           | -2.8%       |
| 19           | Northwestern Mutual | \$17.1           | \$18.2           | 6.5%        |
| 20           | Equitable           | \$15.1           | \$16.8           | 11.3%       |
| 21           | elipsLife           | \$0.0            | \$9.5            | n/a         |
| 22           | caic                | \$0.0            | \$7.8            | n/a         |
| 23           | Nationwide          | \$6.3            | \$6.5            | 2.1%        |
| 24           | ULLICO              | \$7.7            | \$6.2            | -19.4%      |
| 25           | Trustmark           | \$5.4            | \$4.7            | -13.7%      |
| 26           | Zurich              | \$1.9            | \$3.9            | 105.7%      |
| <b>Total</b> |                     | <b>\$5,361.5</b> | <b>\$5,777.4</b> | <b>7.8%</b> |

FIGURE 11: LTD NEW SALES PREMIUM FROM 2018 AND 2019 (\$ MILLIONS)

| RANK         | COMPANY             | 2018             | 2019             | % CHANGE    |
|--------------|---------------------|------------------|------------------|-------------|
| 1            | Unum                | \$234.8          | \$221.6          | -5.6%       |
| 2            | The Hartford        | \$186.1          | \$204.6          | 10.0%       |
| 3            | MetLife             | \$164.6          | \$179.7          | 9.1%        |
| 4            | Cigna               | \$179.0          | \$177.4          | -0.9%       |
| 5            | Lincoln             | \$136.4          | \$171.1          | 25.5%       |
| 6            | Prudential          | \$103.2          | \$115.4          | 11.8%       |
| 7            | The Standard        | \$86.8           | \$95.9           | 10.5%       |
| 8            | Guardian            | \$67.2           | \$75.1           | 11.9%       |
| 9            | Mutual of Omaha     | \$71.8           | \$75.1           | 4.6%        |
| 10           | Sun Life            | \$76.8           | \$60.7           | -20.9%      |
| 11           | Principal           | \$47.0           | \$43.2           | -8.1%       |
| 12           | Reliance Standard   | \$38.8           | \$42.5           | 9.4%        |
| 13           | Zurich              | \$11.1           | \$30.1           | 171.9%      |
| 14           | OneAmerica          | \$19.6           | \$26.9           | 37.1%       |
| 15           | Voya                | \$14.1           | \$20.6           | 45.9%       |
| 16           | UnitedHealthcare    | \$13.5           | \$18.7           | 39.1%       |
| 17           | Symetra             | \$17.4           | \$13.3           | -23.4%      |
| 18           | Northwestern Mutual | \$7.3            | \$6.1            | -15.8%      |
| 19           | Equitable           | \$10.1           | \$5.9            | -41.2%      |
| 20           | elipsLife           | \$0.0            | \$4.4            | n/a         |
| 21           | USAble Life         | \$2.7            | \$3.3            | 22.3%       |
| 22           | caic                | \$0.0            | \$1.7            | n/a         |
| 23           | Nationwide          | \$0.5            | \$0.6            | 11.5%       |
| 24           | Trustmark           | \$0.2            | \$0.2            | 17.2%       |
| 25           | ShelterPoint        | \$0.0            | \$0.0            | n/a         |
| 26           | ULLICO              | \$0.0            | \$0.0            | n/a         |
| <b>Total</b> |                     | <b>\$1,488.9</b> | <b>\$1,594.1</b> | <b>7.1%</b> |

**FIGURE 12: LTD IN-FORCE PREMIUM FROM 2018 AND 2019 (\$ MILLIONS)**

| RANK         | COMPANY             | 2018              | 2019              | % CHANGE    |
|--------------|---------------------|-------------------|-------------------|-------------|
| 1            | Unum                | \$1,781.2         | \$1,844.2         | 3.5%        |
| 2            | The Hartford        | \$1,736.7         | \$1,804.9         | 3.9%        |
| 3            | Lincoln             | \$1,533.6         | \$1,552.5         | 1.2%        |
| 4            | Cigna               | \$1,494.9         | \$1,537.6         | 2.9%        |
| 5            | MetLife             | \$1,370.9         | \$1,426.9         | 4.1%        |
| 6            | The Standard        | \$882.2           | \$867.0           | -1.7%       |
| 7            | Prudential          | \$754.7           | \$823.5           | 9.1%        |
| 8            | Sun Life            | \$529.6           | \$520.0           | -1.8%       |
| 9            | Guardian            | \$451.6           | \$484.1           | 7.2%        |
| 10           | Reliance Standard   | \$404.4           | \$419.6           | 3.8%        |
| 11           | Mutual of Omaha     | \$315.6           | \$363.1           | 15.1%       |
| 12           | Principal           | \$321.1           | \$323.4           | 0.7%        |
| 13           | Northwestern Mutual | \$103.5           | \$102.1           | -1.4%       |
| 14           | Voya                | \$82.3            | \$97.4            | 18.4%       |
| 15           | OneAmerica          | \$67.2            | \$79.0            | 17.6%       |
| 16           | Symetra             | \$67.6            | \$68.8            | 1.8%        |
| 17           | UnitedHealthcare    | \$44.0            | \$54.1            | 23.0%       |
| 18           | Zurich              | \$22.9            | \$53.7            | 134.6%      |
| 19           | USABLE Life         | \$36.7            | \$37.3            | 1.8%        |
| 20           | Equitable           | \$19.0            | \$22.3            | 17.0%       |
| 21           | Nationwide          | \$7.5             | \$7.7             | 1.9%        |
| 22           | elipsLife           | \$0.0             | \$4.4             | n/a         |
| 23           | caic                | \$0.0             | \$4.0             | n/a         |
| 24           | Trustmark           | \$1.9             | \$1.9             | 1.4%        |
| 25           | ULLICO              | \$0.2             | \$0.3             | 16.4%       |
| 26           | ShelterPoint        | \$0.2             | \$0.2             | -7.8%       |
| <b>Total</b> |                     | <b>\$12,029.5</b> | <b>\$12,500.1</b> | <b>3.9%</b> |

**SURVEY PARTICIPATION**

Companies that participate in Milliman's U.S. Group Disability Market Survey receive a comprehensive report of metrics at no charge. Please contact the author if your company would like to participate in Milliman's Group Disability Market Survey in the future.

**RELIANCE AND LIMITATIONS**

In performing the 2020 U.S. Group Disability Market Survey and preparing this report, Milliman relied upon the information provided by the participating companies. To the extent that this data is incomplete or inaccurate, the results may be materially affected.

**QUALIFICATIONS**

I, Paul Correia, am a consulting actuary with Milliman. This report provides an opinion regarding trends in the group disability insurance market. I am a member of the American Academy of Actuaries and meet its qualification standards for rendering this opinion.



Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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