



PREMIUM REPORT

A MILLIMAN SUPPLEMENTAL & SPECIALTY RESEARCH SURVEY

Worksite Life Insurance 2022 Premium Research Report Outline

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About the Premium Report

The primary source of information for this report comes from the Milliman 2022 Worksite Life product survey which focuses on the worksite life insurance market only. Survey responses were collected from 22 carriers through July 2022. We have also provided information from the Milliman 2022 State of the Market Survey within this report.

Aggregate and detailed data were collected, and, in some instances, carriers were unable to provide results at a granular level. As a result, sometimes the detailed distribution of data represents a subset of the surveyed companies and does not reconcile to the aggregate survey results. To maintain confidentiality, respondents may not have provided certain information for some questions. In these situations, we did not populate certain figures in the report. We have aggregated some of the data in this report at the total market level.

Please note that unless otherwise indicated, survey results are shown using a simple average of responses for each survey question, not weighted by respondent sales or inforce premium. Therefore, unless noted, each carrier response is weighted equally to create the averages presented in this report.

The product scope of this survey is life insurance products sold at the worksite that are entirely paid for by the employee. These products have both group and individual characteristics. The intention is to exclude products that have any portion of the policy paid for by the employer, such as policies that are "pure" group insurance (e.g., annually renewable term insurance). The products in this survey are more individual in nature (though some are filed as group) and tend to be fully portable.

New to the Premium Report this year is commentary from brokers and carriers on important topics collected from several focus groups. The icons shown on the right will notate places in the Premium Report where carrier or broker commentary is included. We go beyond reporting participant responses, providing valuable market insights based on our research and experience.



CARRIER COMMENTARY



BROKER COMMENTARY

Please note that the contents of the Premium Report described in this outline are subject to change.

Outline

EXECUTIVE SUMMARY

MARKET OVERVIEW

- Anonymous Ranking of Carriers by 2021 Inforce and Sales

SALES AND INFORCE

- Sales
 - By Year 2019-2021
 - Washington Cares Act
 - By Distribution Channel
 - By Enrollment Method by Year 2020-2021
 - By Offering Type by Year 2020-2021
 - By Employer Group Size
 - Simple Average by Year 2020-2021
 - Average Weighted by Sales by Year 2020-2021
- Average Annual Premium and Face Amounts
 - Average Annual Premium per Policy By Product by Year 2020-2022
 - Average Face Amount per Policy By Product by Year 2020-2022
 - Maximum Face Amount Allowed By Product by Year 2020-2022
- Inforce
 - By Year 2019-2021

RIDERS

- Combination Riders
 - Number/Percentage of Carriers Offering Each Rider
 - AOB Chronic Illness vs. LTC vs. CI by Product
 - AOB Explicit Charges vs. No Explicit Charges by Product
 - Combination Rider Contributions to Sales by Product

SAMPLE PREMIUM AMOUNTS

- Average Sample Premiums by Product by Age (35- and 45-years old)
 - Base Product Only
 - Base Product + AOB

UNDERWRITING

- Applications
 - Worksite Applications by Issue Type
 - Worksite Applications by Year 2019-2021
- Underwriting Methods
 - Underwriting Methods by Year 2019-2021
 - Underwriting Methods (Employees, Spouses, Children/Grandchildren)
 - GI distribution (Employees, Spouses, Children/Grandchildren)
- GI Face Amount Limits
 - GI Face Amount Limits by Employer Group Size
 - GI Face Amount Limits by Employer Group Size by Year 2020-2022
- Re-Enrollment Guaranteed Issue Offerings
 - GI at Re-enrollment and Evergreen GI Offering

PARTICIPATION

- Target Participation
 - By Year 2019-2021
 - Target Participation by Employer Group Size by Year 2020-2021
- Target vs. Actual Participation
 - Target vs. Actual Participation by Year 2019-2021
 - Target vs. Actual Participation by Employer Group Size
- Tracking Participation
 - By Year 2020-2022

THIRD-PARTY DATA

- Third-Party Data and Vendors
 - Percentage of Carriers Using Third-Party Data
 - How Third-Party Data is Used

ACTUARIAL

- Product Rated: Issue Age or Attained Age
 - Issue Age or Attained Age by Year 2020-2021
- Reinsurance Relationships

LAPSE RATES

- Lapse Rate Assumptions
 - Durational Lapse Rates by Year 2019-2021
 - Durational Lapse Rates by Product Line

COMMISSIONS

- Commission Structures
 - Commission Structure
 - Standard Commission for Heaped Structures by Product
 - Overall Standard Commission for Heaped Structures by Year 2020-2022

INTEREST RATES

- Interest Rates
 - Current Earned, Credited, and Guaranteed by Year 2019-2022

PROFITS

- Primary Profit Metric and Measurement
 - Profit Metrics
 - Profit Measure: Pre/Post-Tax
 - Profit Measure: Pre/Post-Capital
- Target vs. Actual Profitability
 - Average Pricing Target by Product
 - Target vs. Actual Profitability by Year

PERCEIVED RISKS AND COMPETITORS

- Risks
 - Perceived Risks by Year 2019-2022
- Overall Competitors
 - Top Tier
 - Other Players

MARKET TOPICS

- Hot Topics
- Market Comments
 - InsurTech Preparedness
 - InsurTech Concerns
 - Top Complaints from Sales Team/Brokers
 - Supporting Caregivers Through Products
 - COVID-19 Pandemic Claim Costs Impact

PARTICIPATING CARRIERS

We would like to thank the following carriers for their participation in this survey.

5STAR LIFE INSURANCE COMPANY

AFLAC

ALLSTATE BENEFITS

AMALGAMATED LIFE INSURANCE COMPANY

AMERICAN FIDELITY

AMERICAN PUBLIC LIFE INSURANCE COMPANY

ASSURITY LIFE

ATLANTIC AMERICAN

COMBINED INSURANCE COMPANY / CHUBB

ILLINOIS MUTUAL LIFE INSURANCE COMPANY

LIFE INSURANCE COMPANY OF ALABAMA

MASSMUTUAL

METLIFE

NEW YORK LIFE INSURANCE CO.

STANDARD LIFE AND ACCIDENT INSURANCE CO.

SUN LIFE

TEXAS LIFE INSURANCE COMPANY

TRANSAMERICA LIFE INSURANCE COMPANY

TRUSTMARK INSURANCE COMPANY

UNUM

VOYA FINANCIAL

WASHINGTON NATIONAL LIFE INSURANCE COMPANY

Milliman Supplemental & Specialty Research conducts research projects to provide insight into the state of the supplemental insurance market. Each market report explores both sales and actuarial components of their respective markets, presenting data on sales & inforce, buyer profile, product features, underwriting, pricing & profitability, risks, and administrative systems & technology. We examine this data, where appropriate, via segmentations. Additionally, we synthesize this data to provide a high-level analysis of key market trends coupled with commentary from experienced Milliman consultants.

If you are interested in learning more detailed information about the supplemental product market, please contact us about our flexible engagement options.

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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The authors would like to acknowledge the exceptional work of Elizabeth D'Amico, Research Analyst, in the creation of this report.

The data in this report has been summarized for distribution. Some of the data presented in this report has been aggregated at the total market level. In addition, not all data points collected from the surveys may be shown in this summary report. It is possible that different reviewers of the data could produce different conclusions, particularly for certain market segments, than those that may be drawn from this summary report. As such, readers of this report should be cautious when interpreting the data and making decisions regarding specific market segments.

In preparing this report, we relied upon data and other information provided by survey participants in the marketplace. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our report may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of this report.

The authors of this report are Consultants for Milliman and include members of the American Academy of Actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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