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Press Release

Recent sales of indexed universal life and variable universal life insurance outpaced those of universal life insurance according to annual Milliman survey

SEATTLE – JULY 8, 2021 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its 14th annual Milliman study of universal life (UL), indexed universal life (IUL), and variable universal life (VUL) issues. The study is based on a survey of 28 UL/IUL/VUL companies and focuses on current topics relative to a range of these products. The scope of the survey was expanded in this edition to include VUL products for the first time.

Key findings of the study include:

- Changes to the distribution of sales (reported by survey participants) between 2018 and 2020 as of year-to-date (YTD) 9/30/20, such as:

<table>
<thead>
<tr>
<th>Product</th>
<th>2018</th>
<th>YTD 9/30/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total individual UL</td>
<td>37%</td>
<td>28%</td>
</tr>
<tr>
<td>Total individual IUL</td>
<td>54%</td>
<td>61%</td>
</tr>
<tr>
<td>Total individual VUL</td>
<td>9%</td>
<td>11%</td>
</tr>
</tbody>
</table>

- Sales of combination riders on UL/IUL products continue to be strong. During YTD 9/30/20, sales of chronic illness riders as a percent of total sales were 7.7% for UL products and 46.3% for IUL products. During the same period, sales of policies with long-term care riders as a percent of total sales were 66.1% for UL products and 10.3% for IUL products.

- Of the 28 respondents, full underwriting of UL/IUL/VUL products is used by 27 participants, accelerated underwriting by 22 participants, and simplified issue underwriting by six participants. Ten participants reported the use of fluid-less underwriting, but with substitute information, as needed. Under this approach, when cases fail to meet the accelerated underwriting requirements, the underwriters seek substitute information to avoid paramedical visits with lab tests. Of the six survey participants that do not currently have an accelerated underwriting program, five indicated they plan to implement one.

- The use of accelerated underwriting on UL products increased due to COVID-19 for nine participants. One additional participant indicated that it does not officially offer accelerated underwriting on UL products, but due to COVID-19, it made some limited temporary exceptions. With IUL products, the use of accelerated underwriting due to COVID-19 increased for 12 participants. The use of accelerated underwriting on VUL products increased due to COVID-19 for six participants.
Changes in illustrated rates for IUL products under Actuarial Guideline (AG) 49-A relative to AG 49 were reported by 17 of the 22 participants that write IUL business. The change in rates ranged from -120 bps to +32 bps, with a mean of -38 bps and a median of -23 bps.


About Milliman
Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit [www.milliman.com](http://www.milliman.com).

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