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FOR IMMEDIATE RELEASE

Press Release

Milliman survey reveals 28 out of 34 companies use or plan to use accelerated underwriting in term life insurance

SEATTLE – JANUARY 4, 2022 – Milliman, Inc., a premier global consulting and actuarial firm, just released the results of its biennial broad-based survey on term life insurance. The study surveys 34 term life insurance companies and focuses on current topics relevant to a range of these products.

Key findings of the study include:

- Currently, 26 of the 34 survey participants use accelerated underwriting programs for term life insurance, with an additional two participants planning to implement such programs. The distribution of 2020 sales by underwriting approach, based on policy count, was 18.3% simplified issue, 36.3% accelerated underwriting, 44.9% fully underwritten, and 0.5% other underwriting approaches.
- Term sales increased year-over-year during the survey period (calendar years 2018 to 2020), with the distribution of sales by level premium term period as follows:

Level premium term period	2018	2019	2020
20 year	40.8%	40.2%	41.4%
10 year	23.8%	23.3%	21.4%
30 year	13.8%	14.9%	15.7%
15 year	12.2%	12.0%	10.5%
5 year	4.7%	4.7%	4.9%
Other	3.0%	3.5%	4.5%

- The predominant profit measure relative to the pricing of new term products is an after-tax, after-capital statutory return on investment/internal rate of return (ROI/IRR). The average ROI/IRR target for term products reported by survey participants was 8.9%.
- In both 2019 and 2020, the percentage of new term business that participants ceded to reinsurers ranged from 1% to 90%, with an average of 47%. The median was 50%.

The 205 page, “Term life insurance issues – 2021 Detailed Report” is available for purchase by visiting the Milliman website at <https://www.milliman.com/en/insight/2021-term-life-insurance-issues> or by calling Gina Ritchie at (312) 499-5605. Participating companies receive a complimentary copy of the detailed report, as well as individual company responses reported on an anonymous basis.



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.

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