



**2019 HEALTH**  
MEETING

JUNE 24-26 | PHOENIX, AZ



## **Session 1, Disability Special Interest Group Breakfast**

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[SOA Presentation Disclaimer](#)

# Disability Special Interest Group Breakfast

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June 24, 2019



# Agenda

- Update on Special Interest Group Activities
- Current SOA Disability Research
- Group Disability Profit and Market Trends
- Group Life Profit and Market Trends

# Disability Special Interest Group Activities

- Disability and Group Life Sessions
- Upcoming meetings
- Mailing List

<https://www.soa.org/News-and-Publications/Listservs/default.aspx>

- Research Projects

# SOA Research

- Individual Disability Experience Committee
- Group Disability Experience Committee
- Group Life Experience Committee
- LTD Credibility Research
- Individual Life Disability Waiver Research

# 2018 U.S. Group Disability Market Survey

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June 24, 2019



# Contributors to 2018 U.S. Group Disability Market Survey

Anthem Inc

AXA

Cigna

Dearborn National

Guardian Life Insurance Company

The Hartford

Liberty Mutual

Lincoln Financial Group

MetLife

Mutual of Omaha

Northwestern Mutual

OneAmerica

Principal Financial Group

Prudential

Reliance Standard Life Insurance Company

The Standard

Sun Life Financial

Symetra

Trustmark Insurance

The Union Labor Life Insurance Company

UnitedHealthcare Specialty Benefits

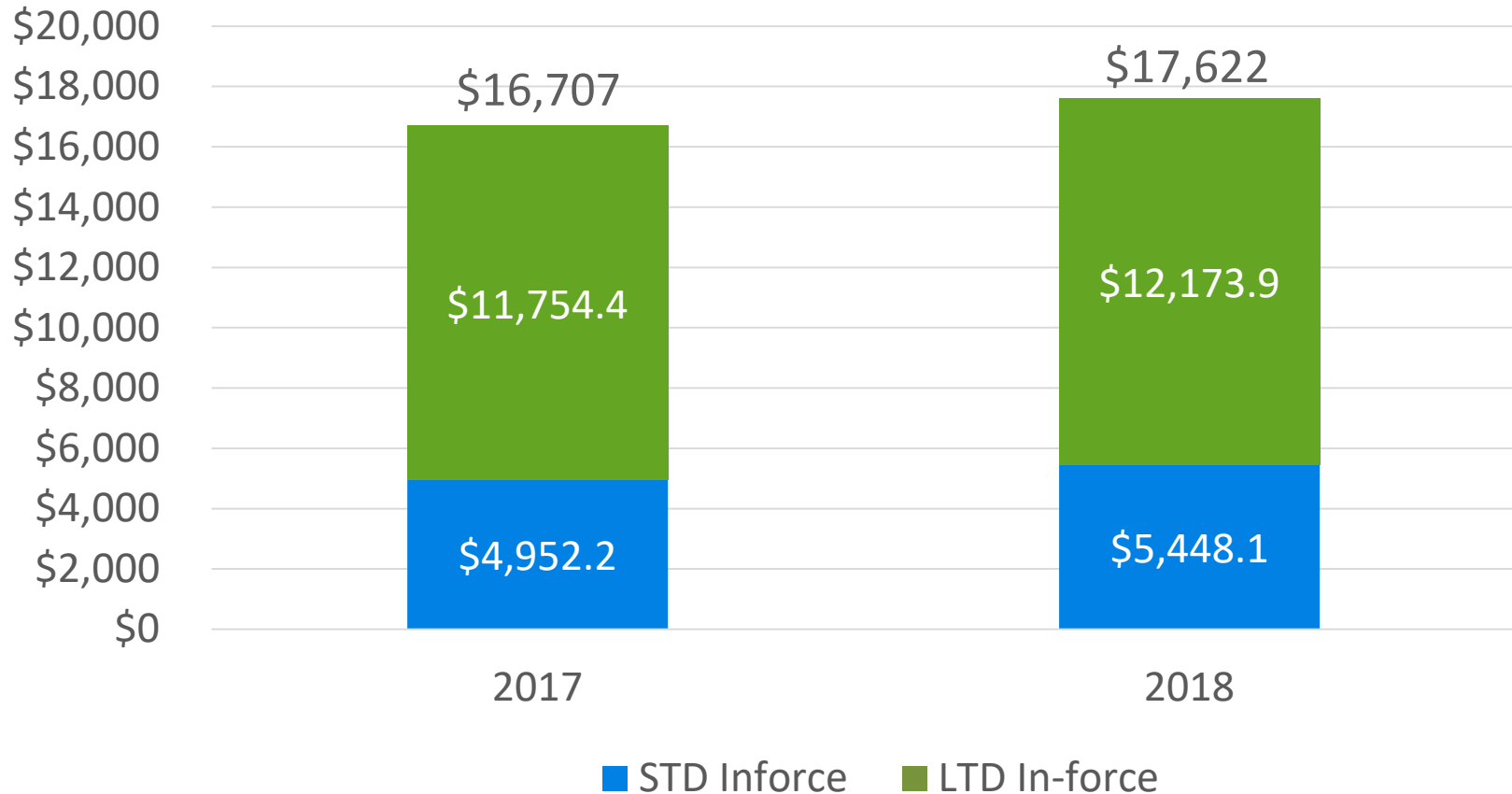
Unum

USAble Life

Voya Financial

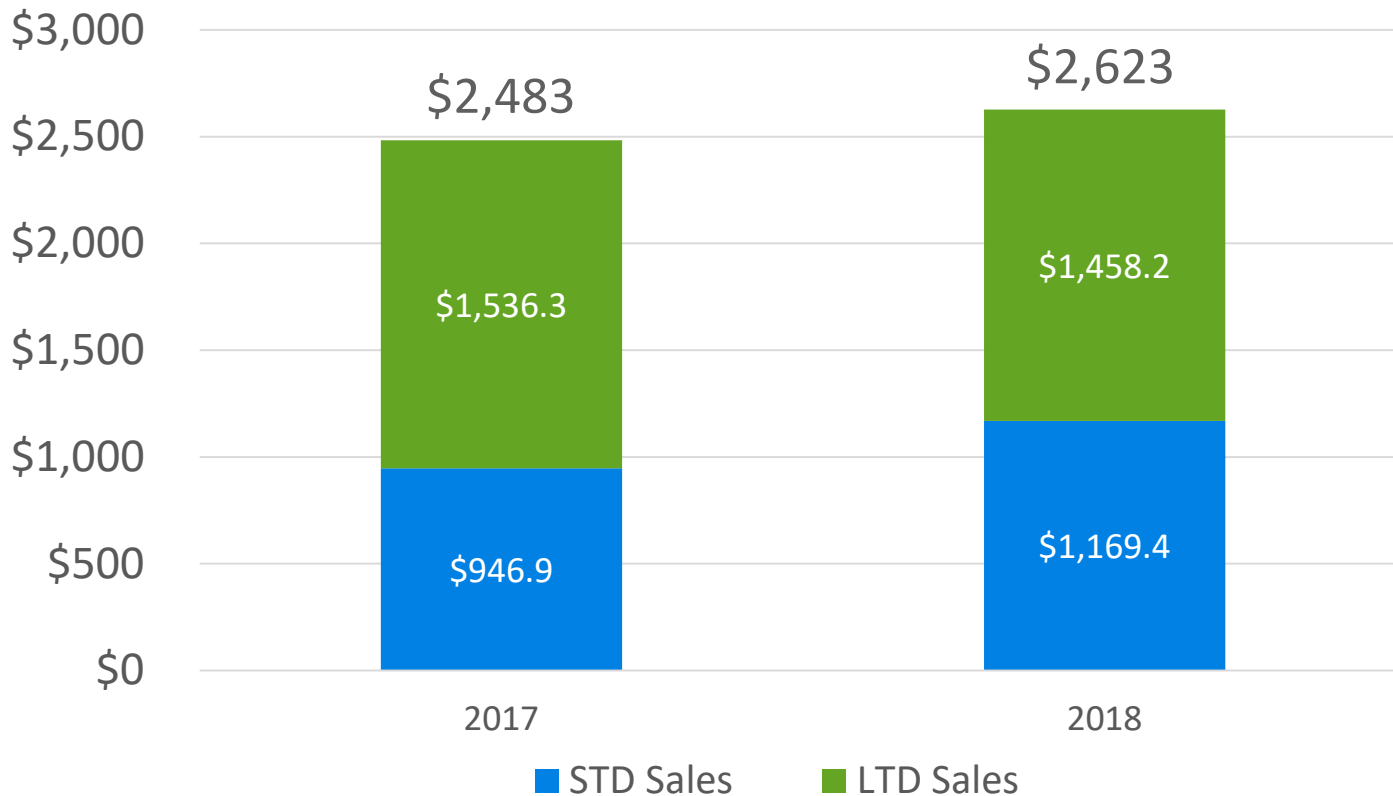
Zurich North America Life

# Total Inforce Premium Among Contributing Companies from 2017 and 2018 (in \$ Millions)





# Total New Sales Premium Among Contributing Companies from 2017 and 2018 (in \$ Millions)



# Group Disability Growth Rates

STD	New Sales	Inforce
CASES	6.7%	0.3%
PREMIUM	23.5%	10.0%
LIVES	12.9%	11.1%

LTD	New Sales	Inforce
CASES	5.0%	0.4%
PREMIUM	-5.1%	3.6%
LIVES	-10.3%	2.6%

# Recent Growth Rates in LTD and STD Premium

Segment	2016	2017	2018
STD – Inforce	6.4%	6.0%	10.0%
STD – New Sales	12.0%	8.5%	23.5%
LTD – Inforce	5.1%	3.8%	3.6%
LTD – New Sales	14.9%	6.6%	-5.1%

# 2018 Group Disability Average Premium per Life

	Inforce PPL	Inforce PPL Growth	New Sales PPL	New Sales PPL Growth
STD	\$223	-1.0%	\$214	9.3%
LTD	\$271	1.0%	\$240	5.7%

# Change in Premium in 2018

## Employee-Paid vs. Employer-Paid

Segment	EE-Paid Only	ER-Paid	Total
STD - Inforce	15%	9%	11%
STD – New Sales	8%	34%	24%
LTD - Inforce	9%	1%	3%
LTD – New Sales	-12%	-1%	-4%

# Summary

- The U.S. Group Disability Market experienced relatively strong inforce premium growth in 2018, especially in STD.
- STD also saw strong new sales growth in 2018. This may be partially due to New York Paid Family leave. Total LTD new sales premium decreased in 2018.
- Average premium per life for new sales increased for both STD and LTD in 2018, while the average premium per life for inforce business changed only slightly.
- Inforce premium increasing significantly faster for EE-paid than ER-paid.

# 2019 Health Meeting

**STEVE WOODS**

**Disability Special Interest Group Breakfast, Session 001**

June 24, 2019



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- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

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U.S. Group Term Life Market Survey

2018 Results

2018: 25 participants  
*Conducted since 2002*



U.S. Group Term Life Profit Study

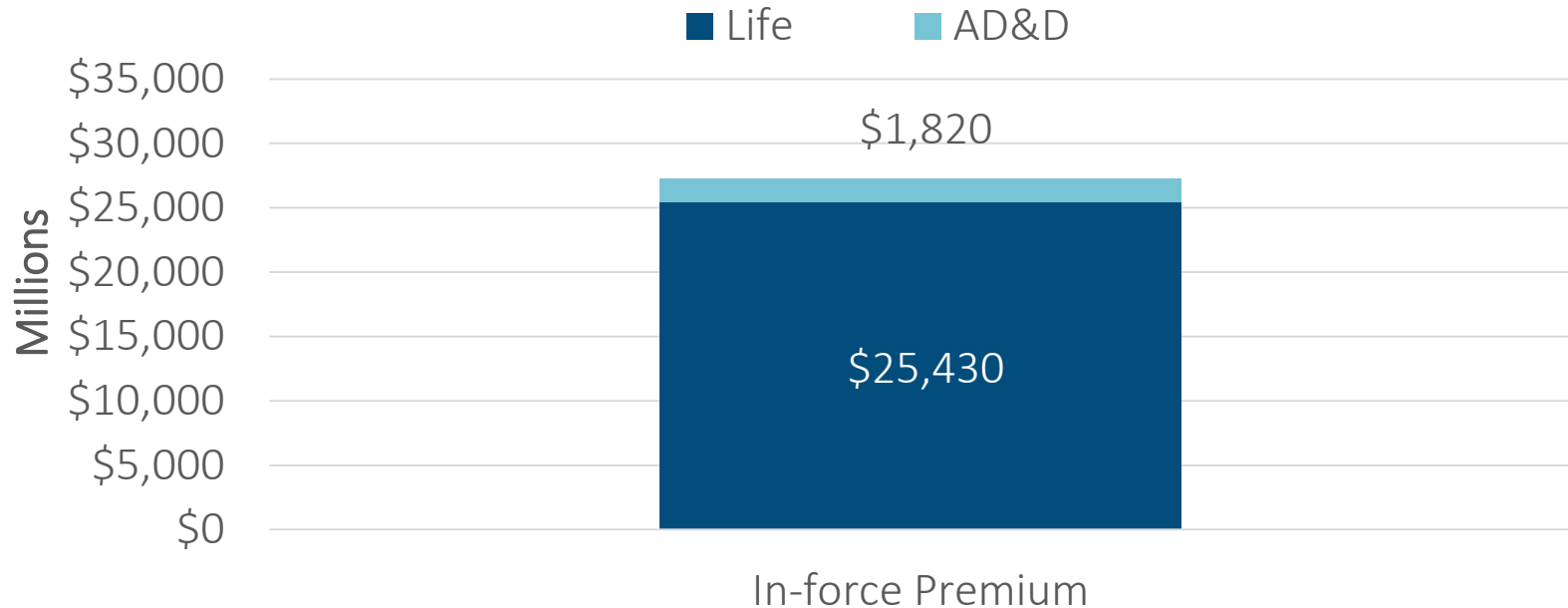
2018 Results

2018: 23 participants  
*Conducted since 2000*

# Group Term Life Market Survey

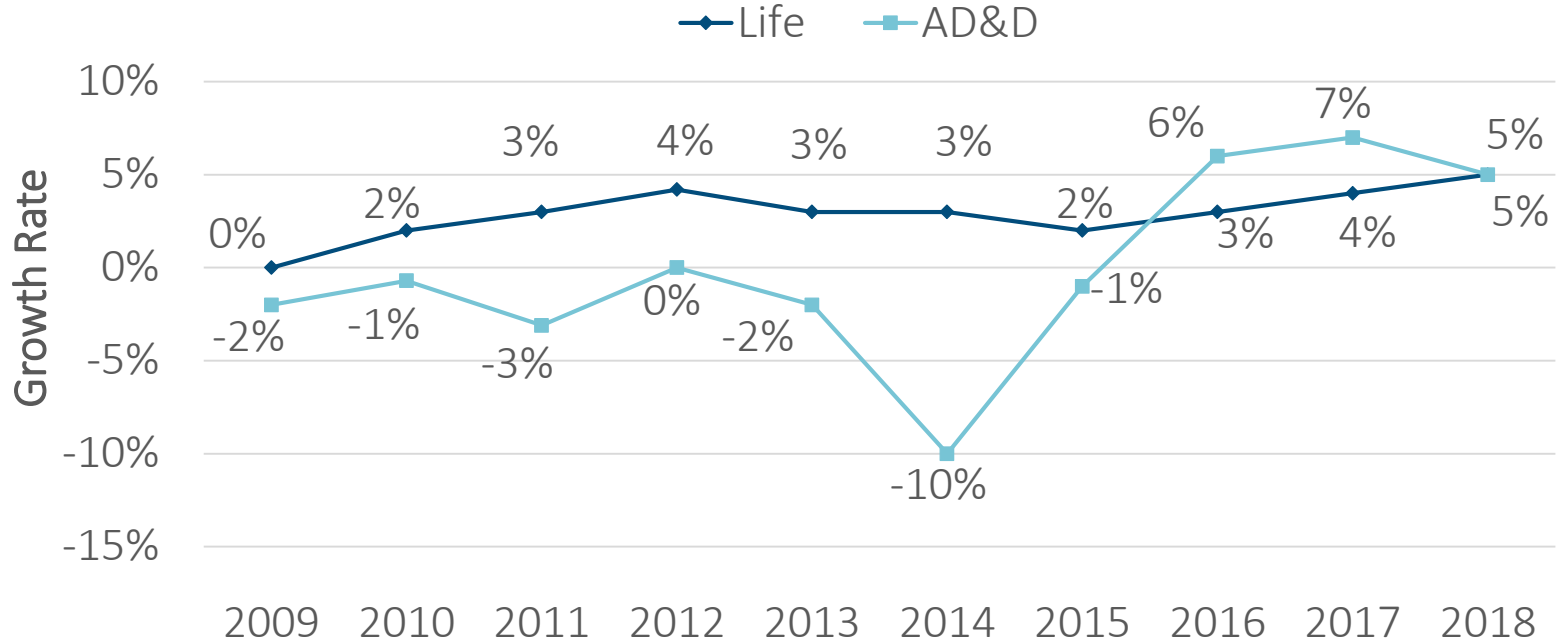


# Total 2018 Group Term Life and AD&D In-force Premium Reported by Survey Participants



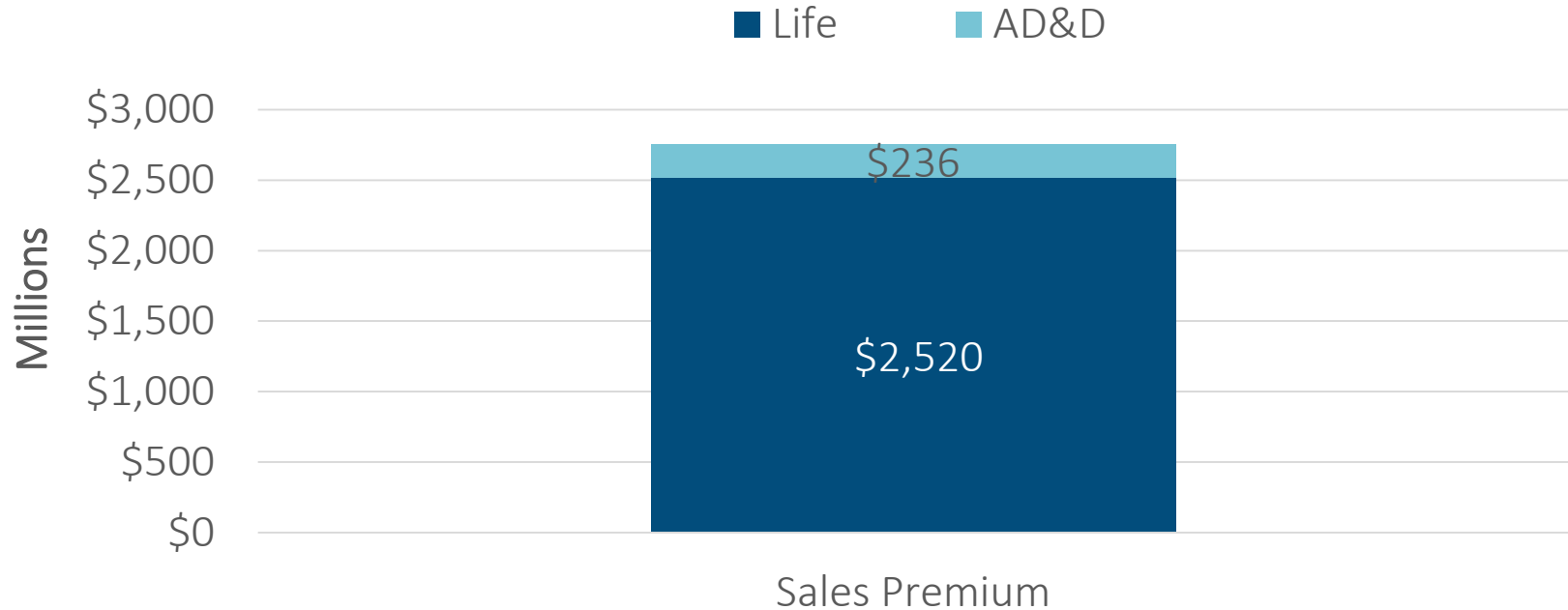
Source: Gen Re, 2018 U.S. Group Term Life Market Survey

# Group Term Life and AD&D In-force Premium Growth Rates



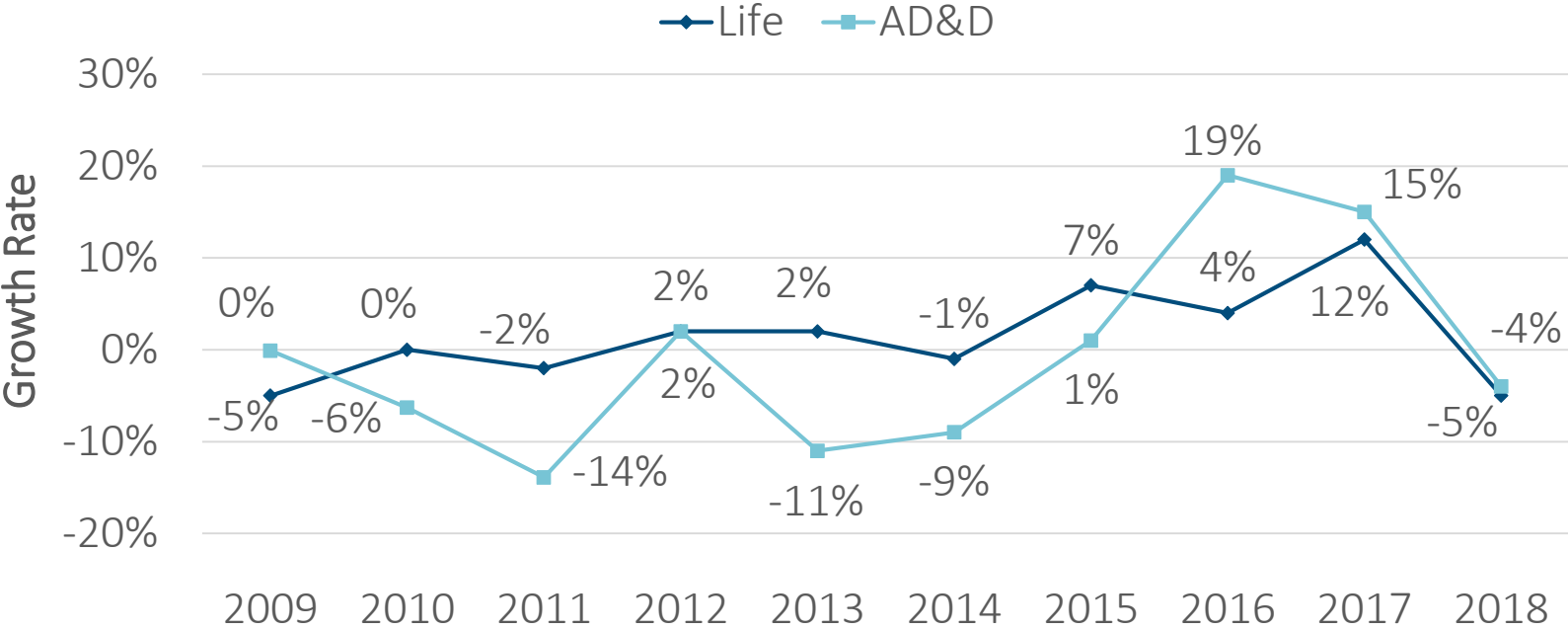
Source: Gen Re, 2018 U.S. Group Term Life Market Survey

# Total 2018 Group Term Life and AD&D Sales Premium, Reported by Survey Participants



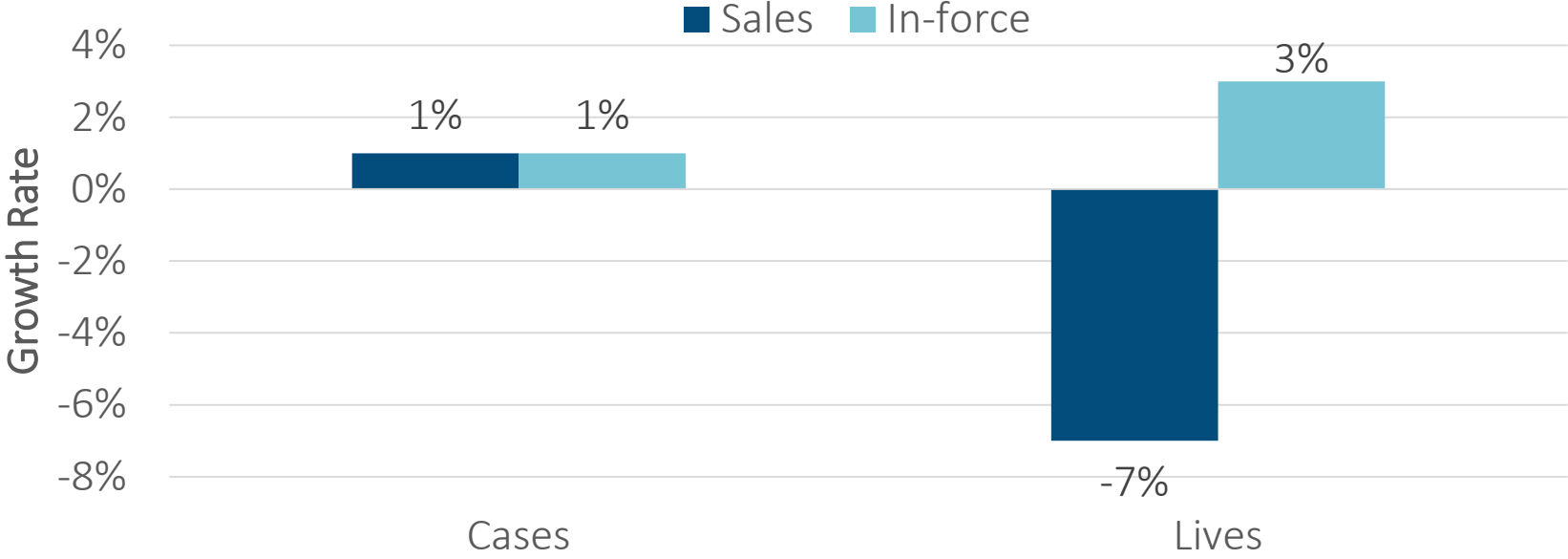
Source: Gen Re, 2018 U.S. Group Term Life Market Survey

# Group Term Life and AD&D Sales Premium Growth Rates



Source: Gen Re, 2018 U.S. Group Term Life Market Survey

# 2018 Group Term Life Growth Rates for Cases and Lives



Source: Gen Re, 2018 U.S. Group Term Life Market Survey

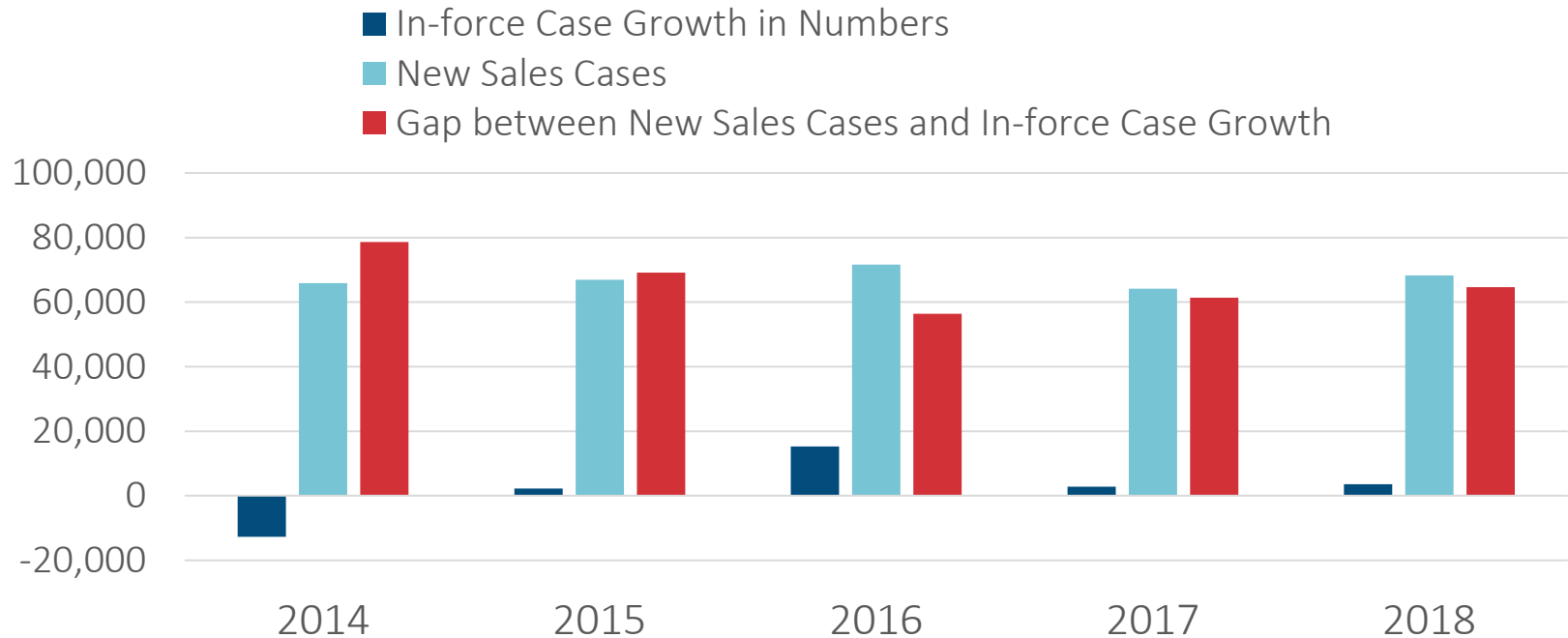


## Group Term Life Average Face Amount, Monthly Premium Rate and Premium Per Life

	Average Face Amount	Monthly Premium Rate (per 1,000)	Average Premium Per Life
In-force <i>Growth</i>	\$91,272 2%	\$0.182 -1%	\$228 2%
New Sales <i>Growth</i>	\$96,998 5%	\$0.170 1%	\$197 2%

Source: Gen Re, 2018 U.S. Group Term Life Market Survey

# Group Term Life Market “Churn”

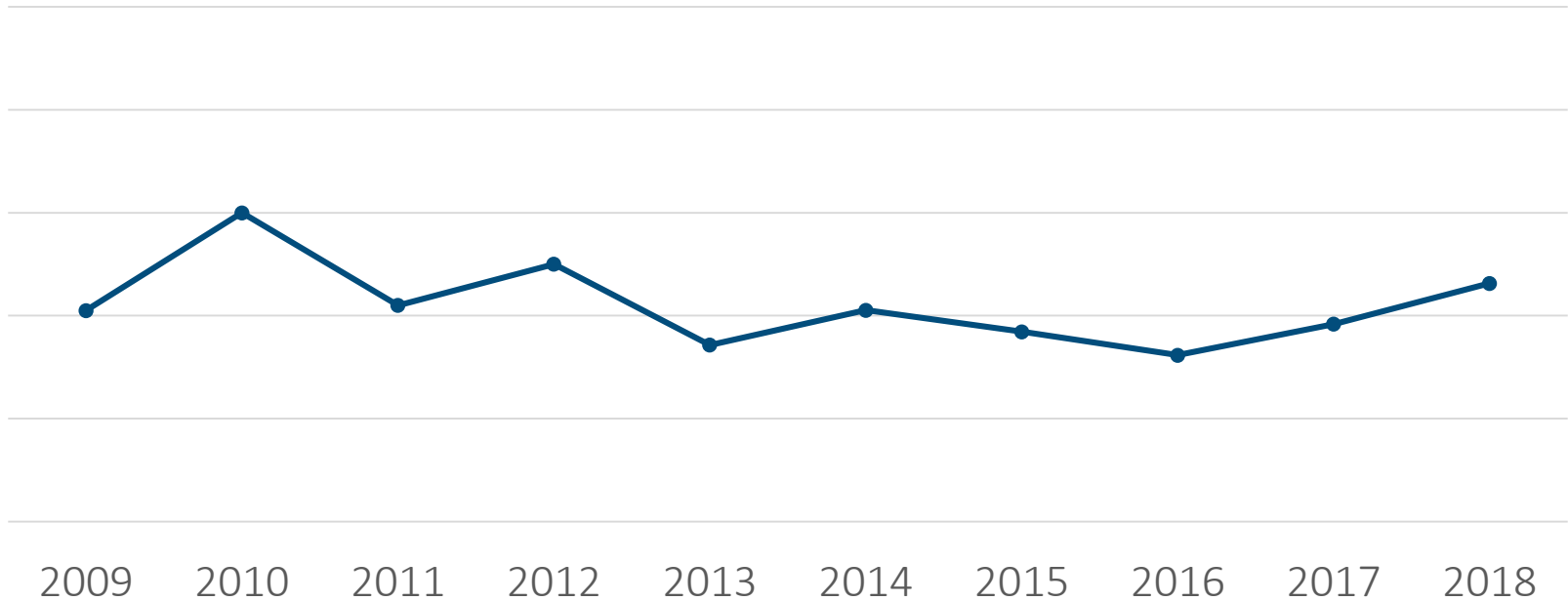


Source: Gen Re, 2018 U.S. Group Term Life Market Survey; companies included may vary year-to-year.

# Group Term Life Profit Study

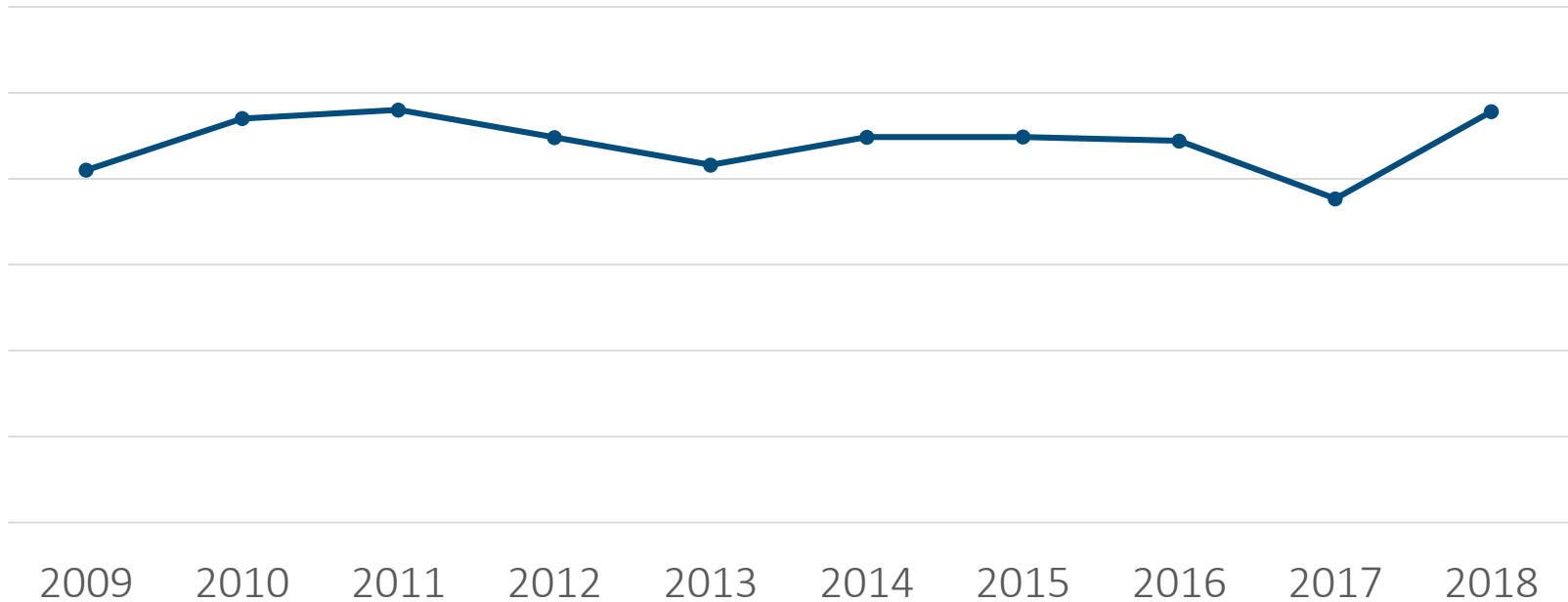


# Group Term Life After-Tax Profit Margin



Source: Gen Re, 2018 U.S. Group Term Life Profit Study

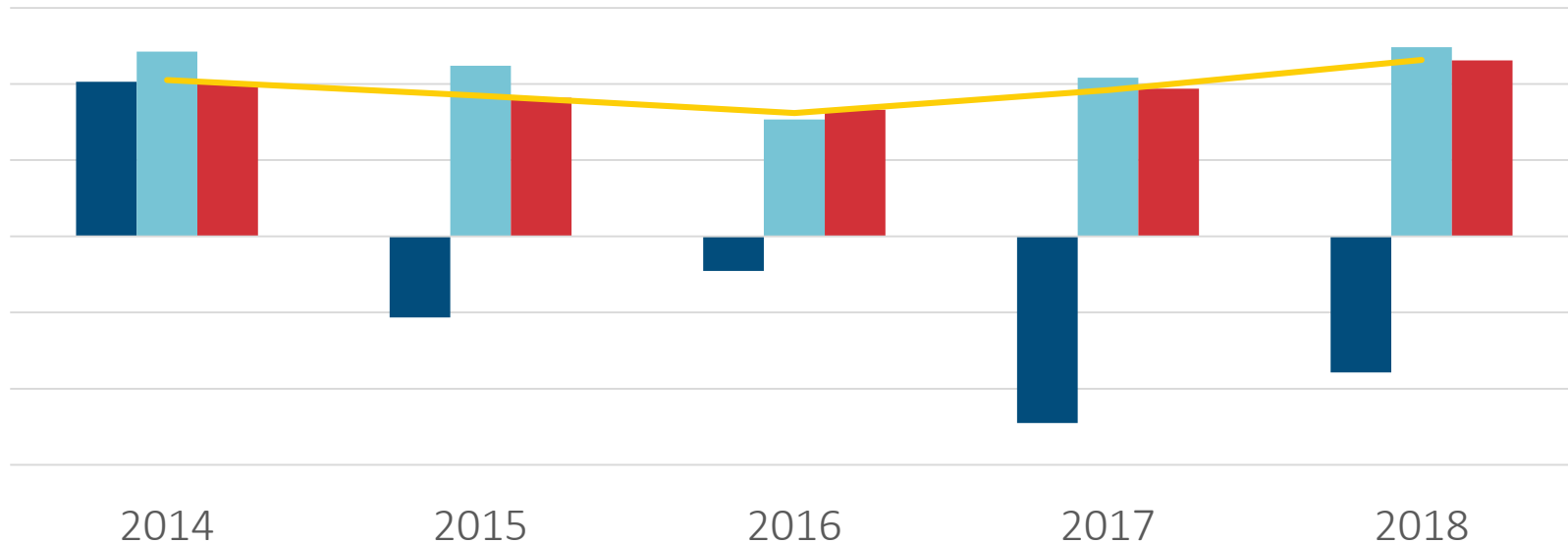
## AD&D After-Tax Profit Margin



*Source: Gen Re, 2018 U.S. Group Term Life Profit Study*

## After-Tax Profit Margin by Block Size

■ Small   ■ Mid-Size   ■ Large   — Industry Average



Source: Gen Re, 2018 U.S. Group Term Life Profit Study

# Gen Re Research





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