

INDIVIDUAL DISABILITY



## U.S. Individual Disability Market Survey

*Summary Report – 2021 Results*

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## PARTICIPATING COMPANIES

- Ameritas Life
- Assurity Life
- Federated Life
- Guardian Life
- Illinois Mutual
- Knights of Columbus
- MassMutual
- MetLife
- Mutual of Omaha
- Northwestern Mutual
- Ohio National Life
- Principal Financial Group
- RiverSource Life
- The Standard
- State Farm
- Thrivent Financial
- Unum

## BACKGROUND

Gen Re is pleased to present the *2021 U.S. Individual Disability Market Survey* results. This annual benchmarking survey covers Non-Cancelable (Non-Can), Guaranteed Renewable (GR), Buy-Sell, and Guaranteed Standard Issue (GSI) product lines for 2020 and 2021. Seventeen carriers participated in the survey representing \$5.1 billion in in-force premium. Of those companies, 15 reported Non-Can results, 15 provided GR results and seven reported on their Buy-Sell product. Eight companies reported Non-Can GSI results, and five companies reported GR GSI results.

Growth calculations for 2020 to 2021 are based upon comparable data for both years for those companies providing the data and include any adjustments made to the 2020 reported data.

## SURVEY HIGHLIGHTS

**17 companies** participated in the 2021 survey

**\$5.1 billion** in total (Non-Can, GR and Buy-Sell) in-force premium reported for 2021

Total in-force premium increased by **2%** over 2020 results

Non-Can accounts for **\$4.3 billion (85%)** of the total premium in-force

Total GSI (Non-Can and GR) in-force premium grew by **5%** over 2020 results

Employee-paid accounts for **59%** of the total GSI premium in-force

Total sales premium was level at **\$399 million** in 2021

Total GSI sales premium increased by **20%** for participating companies

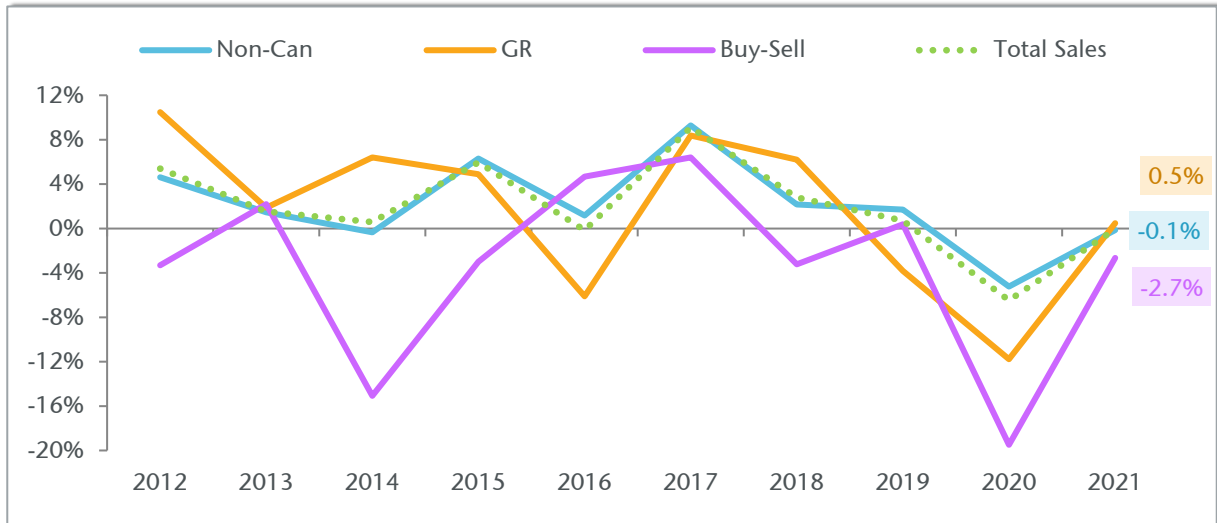
Employer-paid and employee-paid GSI sales increased by **22%** and **18%**, respectively

# EXECUTIVE SUMMARY

## Market Growth – New Business (Non-Can, GR and Buy-Sell)

Total new sales premium from Non-Can, GR and Buy-Sell combined remained level at \$399 million for 2021. Both Non-Can and GR sales premium were flat, changing by -0.1% and 0.5%, respectively, while Buy-Sell sales declined 3% compared to 2020.

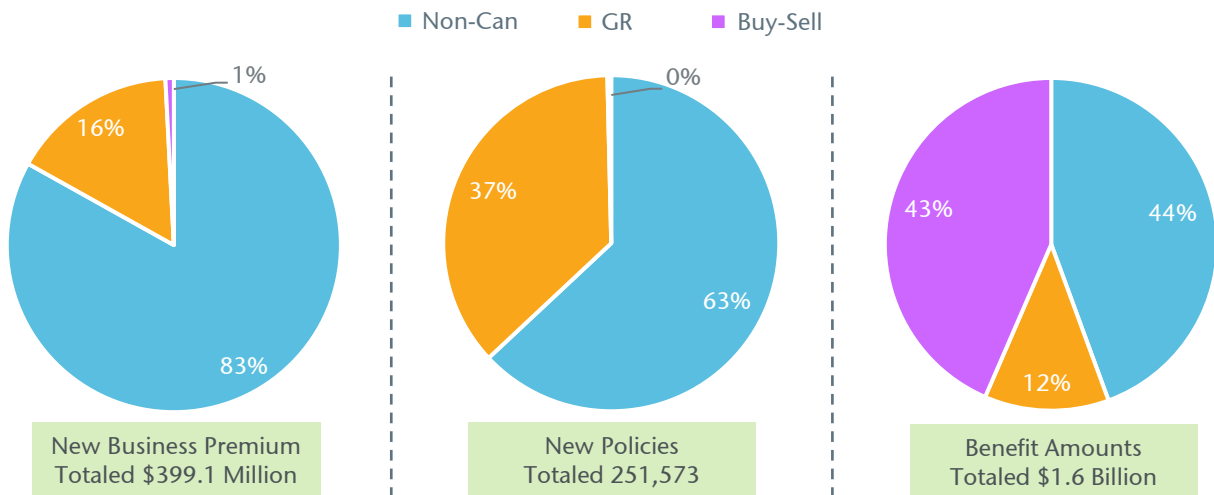
### Sales Premium Growth Rate Trends



Of the \$399.1 million in total new sales premium, Non-Can products represent 83% or \$331.6 million, and GR represents 16% or \$64.2 million. Buy-Sell accounts for less than 1% of new sales premium and policies, yet represents almost 44% of the total new benefit amounts for 2021.

The number of new policies issued grew by 2% to over 251,000 and total benefit amounts increased by 3% to more than \$1.6 billion.

### 2021 New Business by Product



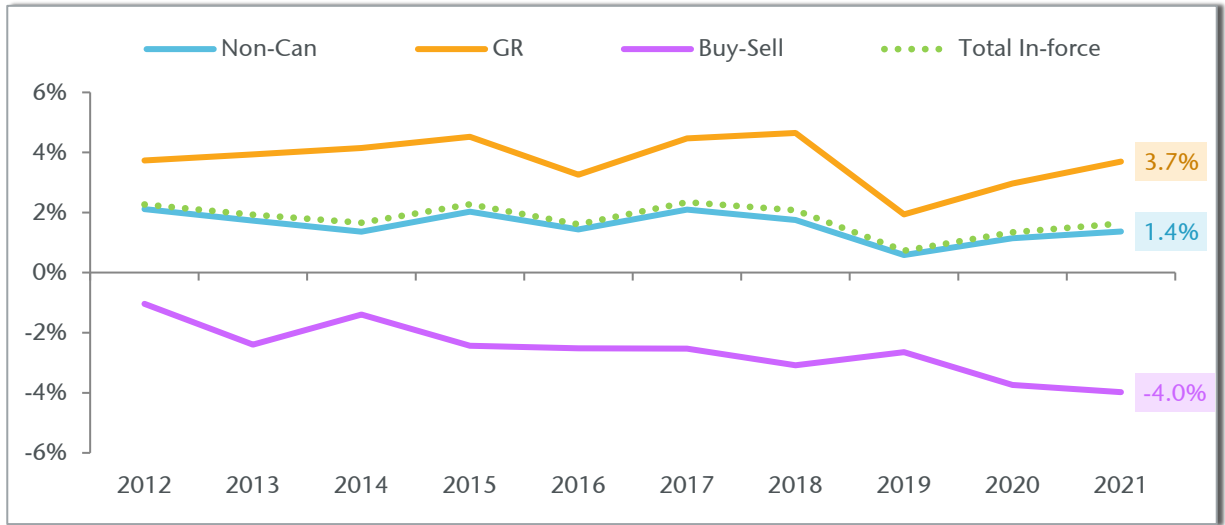
Note: Exhibits may not total 100% due to rounding.

# EXECUTIVE SUMMARY

## Market Growth – In-force Business (Non-Can, GR and Buy-Sell)

Total in-force premium from Non-Can, GR and Buy-Sell combined was up almost 2% to \$5.1 billion in 2021. Non-Can and GR increased 1% and 4%, respectively, while Buy-Sell declined for the 13th consecutive year.

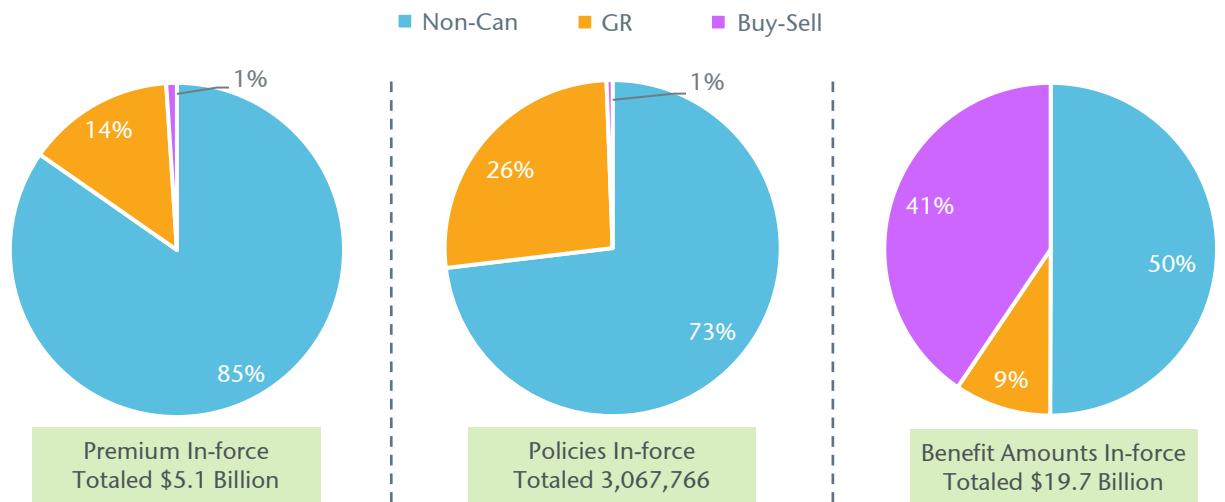
### In-force Premium Growth Rate Trends



Of the \$5.1 billion in total in-force premium, Non-Can products represent 85% or \$4.3 billion, and GR represents 14% or \$730.7 million. Buy-Sell accounts for the remainder.

The number of in-force policies remained level at 3.1 million, while total benefit amounts increased by less than 1% to reach \$19.7 billion.

### 2021 In-force Business by Product



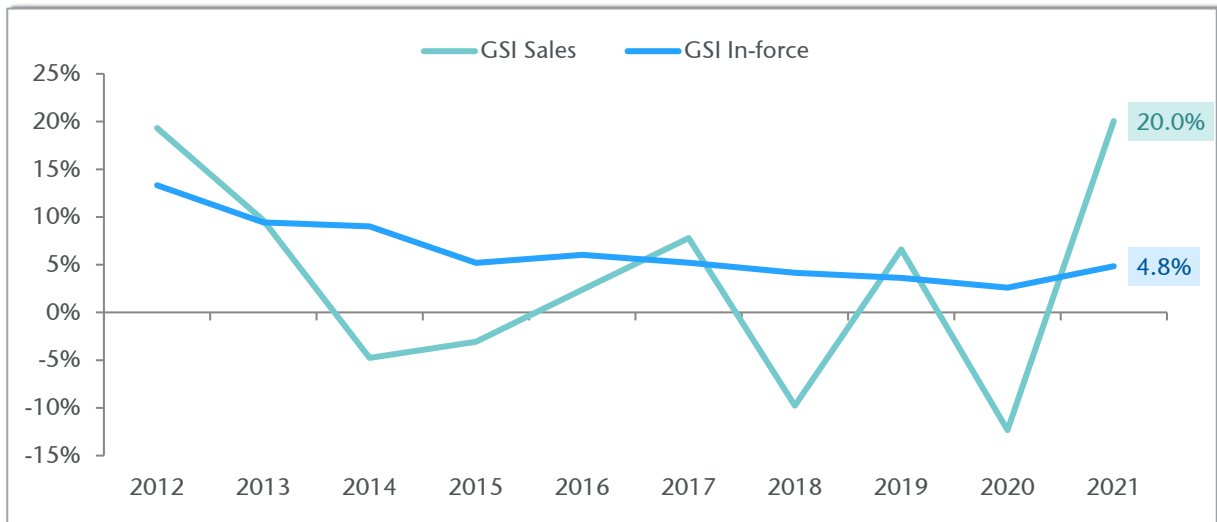
Note: Exhibits may not total 100% due to rounding.

# EXECUTIVE SUMMARY

## Market Growth – GSI Business (Non-Can and GR)

Total GSI new sales premium (Non-Can and GR combined) rose 20% to \$57.5 million in 2021, making up for the 12% decline reported in 2020. Total GSI in-force premium increased by 5% to \$422.4 million, with Non-Can representing \$413 million or 98% of the total.

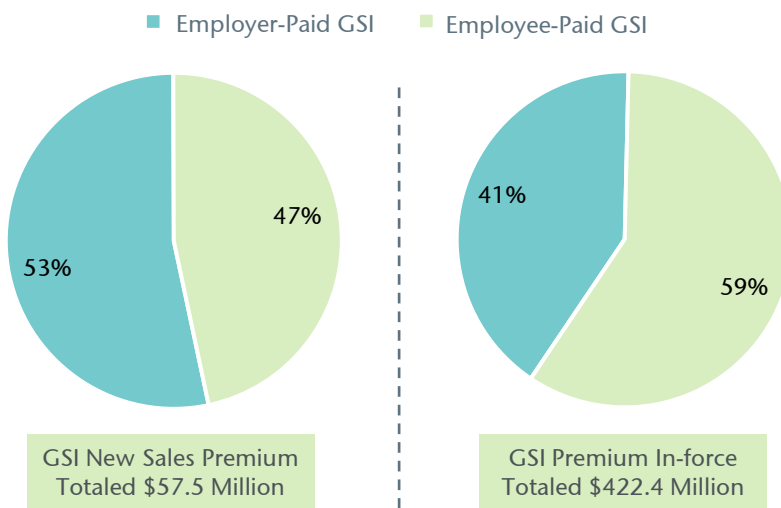
### GSI Premium Growth Rate Trends



Of the total GSI new sales premium, employer-paid accounts for \$30.6 million or 53% and employee-paid accounts for nearly \$27 million (47%).

Employer-paid accounts for \$172.8 million (41%) of the total GSI premium in-force and employee-paid accounts for nearly \$250 million or 59%.

### Percentage of Employer-Paid and Employee-Paid GSI, 2021

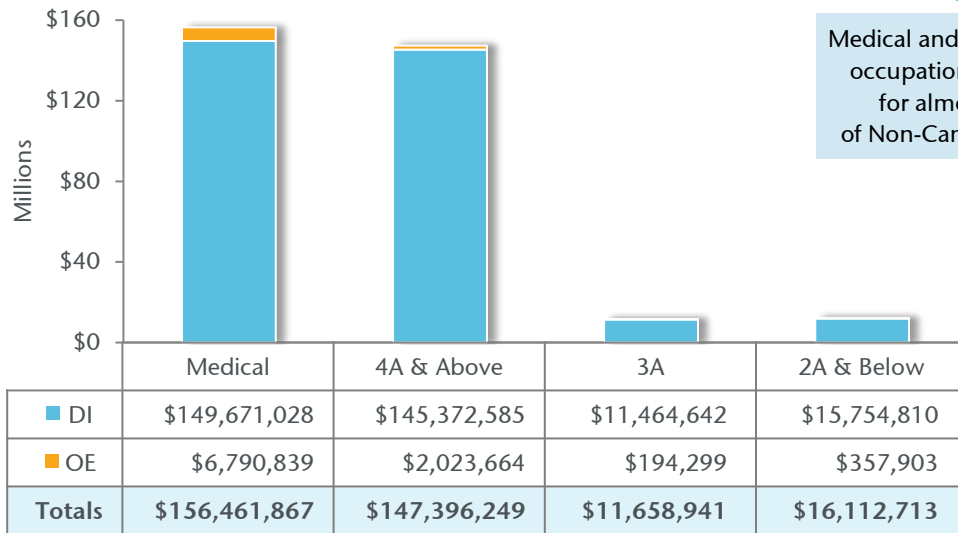




Non-Can – New Business

Participating companies reported \$331.6 million of Non-Can new sales premium. Disability Income (DI) represents \$322.3 million or 97% and Overhead Expense (OE) accounts for almost \$9.4 million.

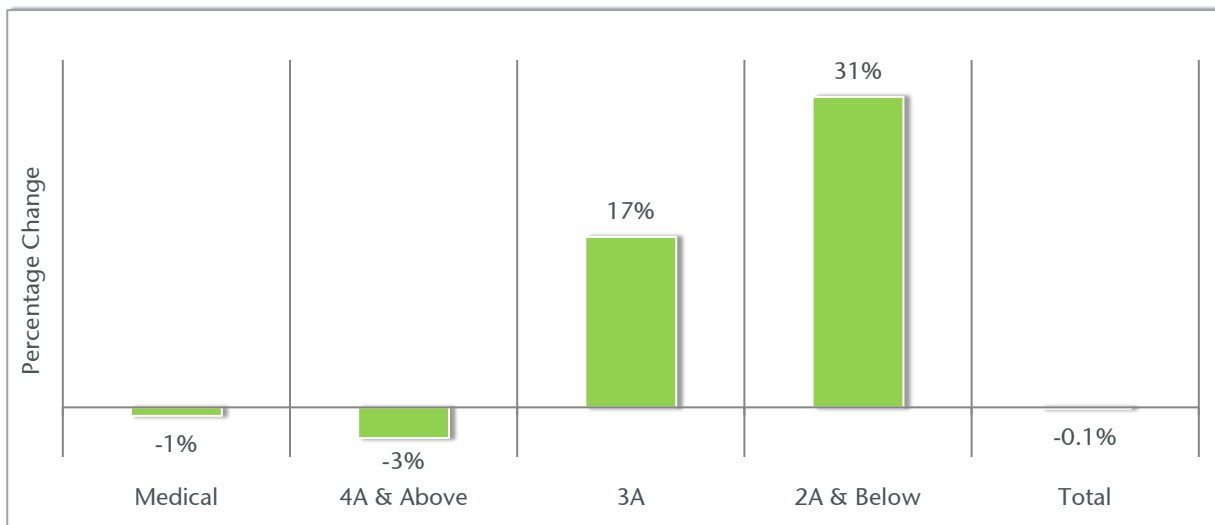
Non-Can Sales Premium by Policy Type and Occupational Class



Note: Sums may not equal totals due to rounding.

Overall, Non-Can new sales premium was level with 2020 results, falling by only 0.1%. New sales premium from Medical and 4A & Above occupations declined 1% and 3%, respectively. For the 3A and 2A & Below occupations premium increased 17% and 31%, respectively.

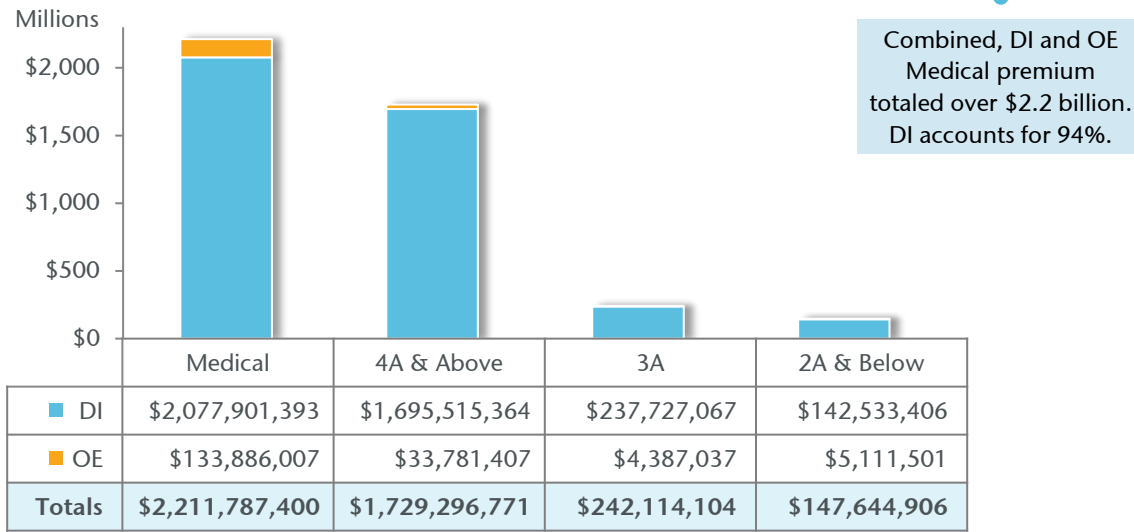
Percentage Change in Non-Can Sales Premium by Occupational Class



Non-Can – In-force Business

Participants reported over \$4.3 billion of Non-Can in-force premium. DI represents almost \$4.2 billion or 96% and OE accounts for the remainder.

Non-Can In-force Premium by Policy Type and Occupational Class



Note: Sums may not equal totals due to rounding.

Non-Can in-force premium grew a little over 1%, with all but the 3A occupational class showing an increase.

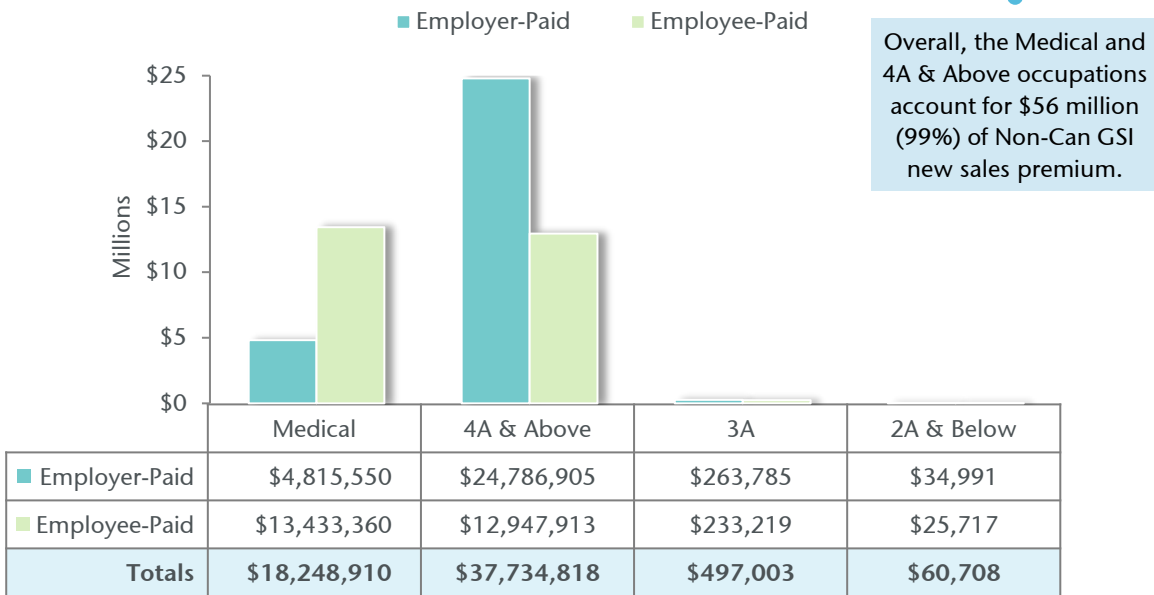
Percentage Change in Non-Can In-force Premium by Occupational Class



Non-Can GSI – New Sales and In-force Business

Participating companies reported \$56.5 million of Non-Can GSI sales premium for 2021, increasing 21% over 2020. Employer-paid premium accounts for \$29.9 million (53%) and employee-paid premium accounts for \$26.6 million.

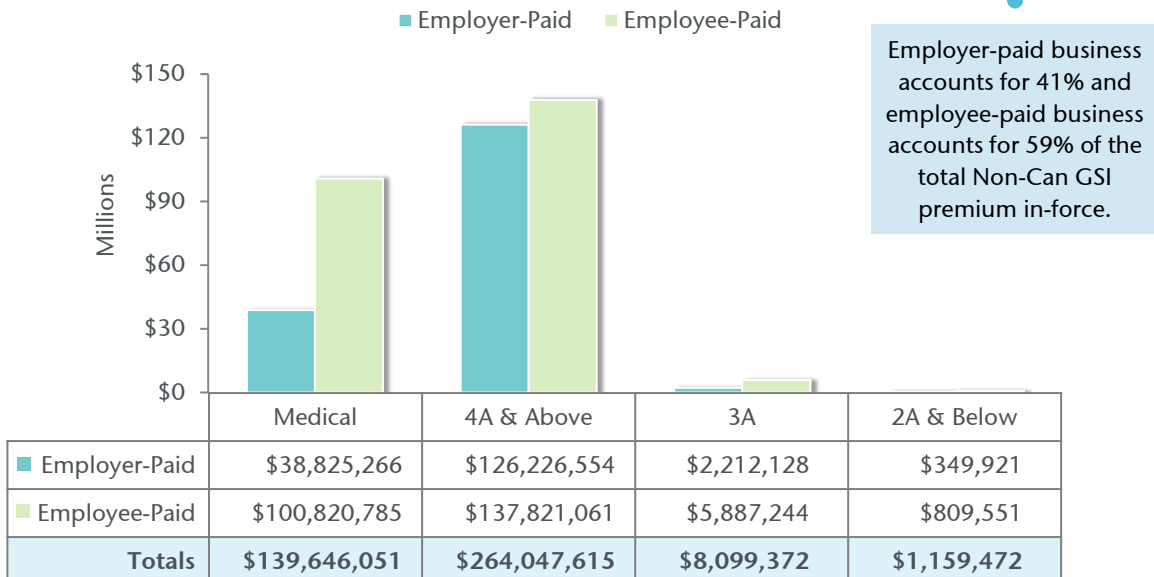
Non-Can GSI Sales Premium



Note: Sums may not equal totals due to rounding.

Eight companies reported \$413 million of Non-Can GSI in-force premium for 2021, an increase of 5% over 2020. On a combined basis, premium from 3A and 2A & Below occupations fell 10% in 2021 and represents only 2% of the total GSI premium in-force.

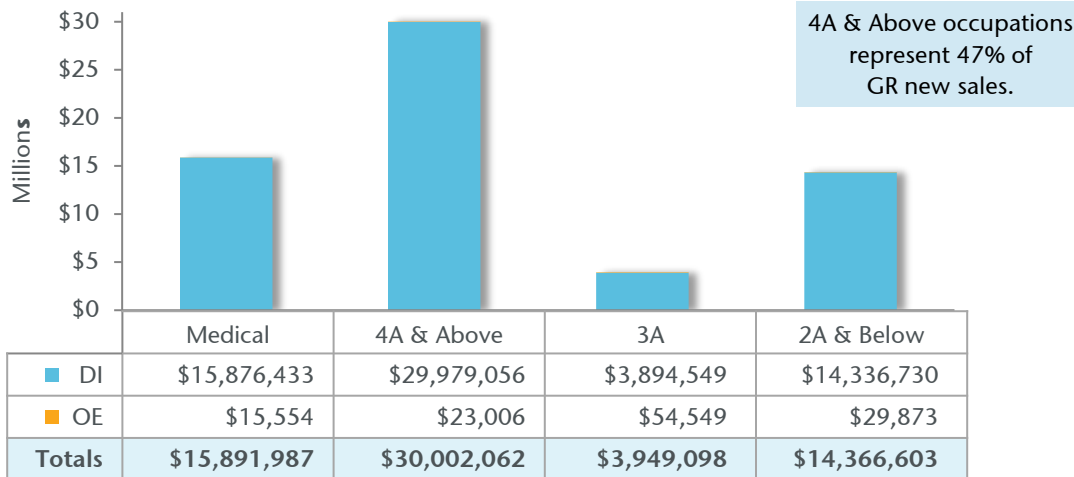
Non-Can GSI In-force Premium



GR – New Business

Participants reported \$64.2 million of GR new sales premium, increasing less than 1% over 2020. DI accounts for nearly all of this at \$64.1 million. OE premium represents \$123,000, down from about \$200,000 in 2020.

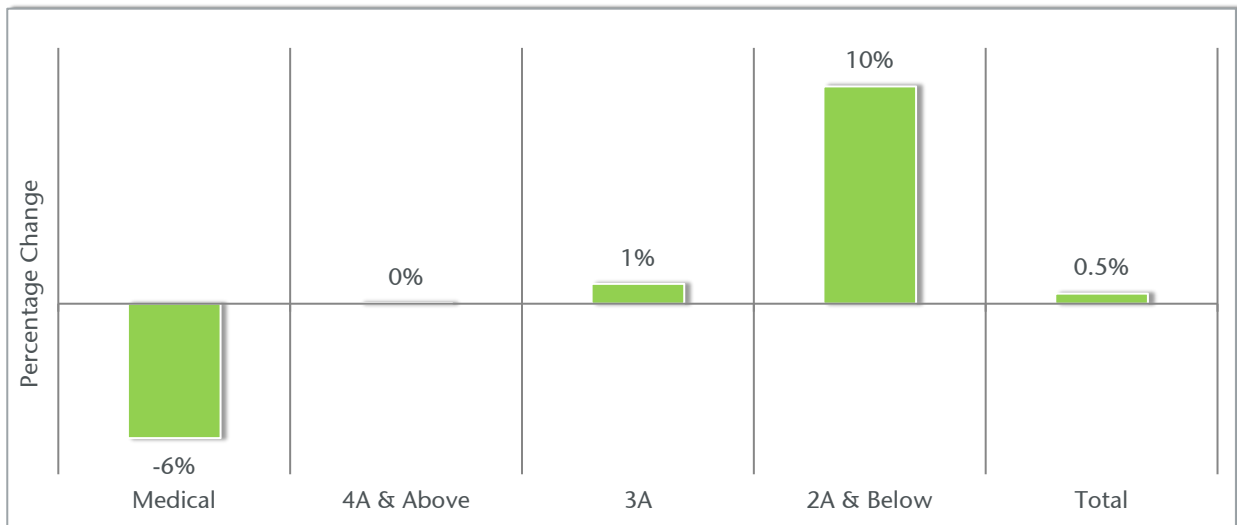
GR Sales Premium by Policy Type and Occupational Class



Note: Sums may not equal totals due to rounding.

New sales premium stayed level or increased for all but the Medical occupations, which declined by 6% compared to 2020.

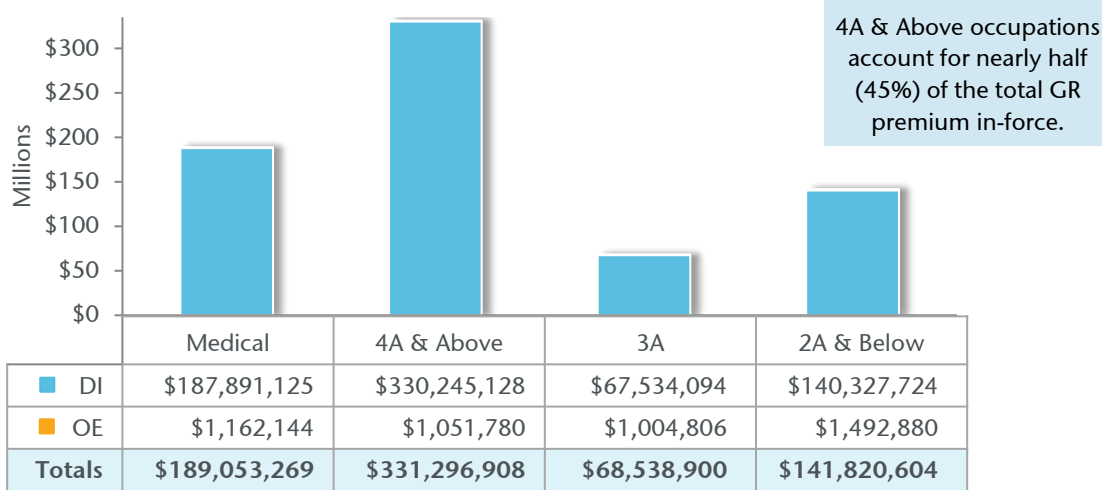
Percentage Change in New GR Premium by Occupational Class



GR – In-force Business

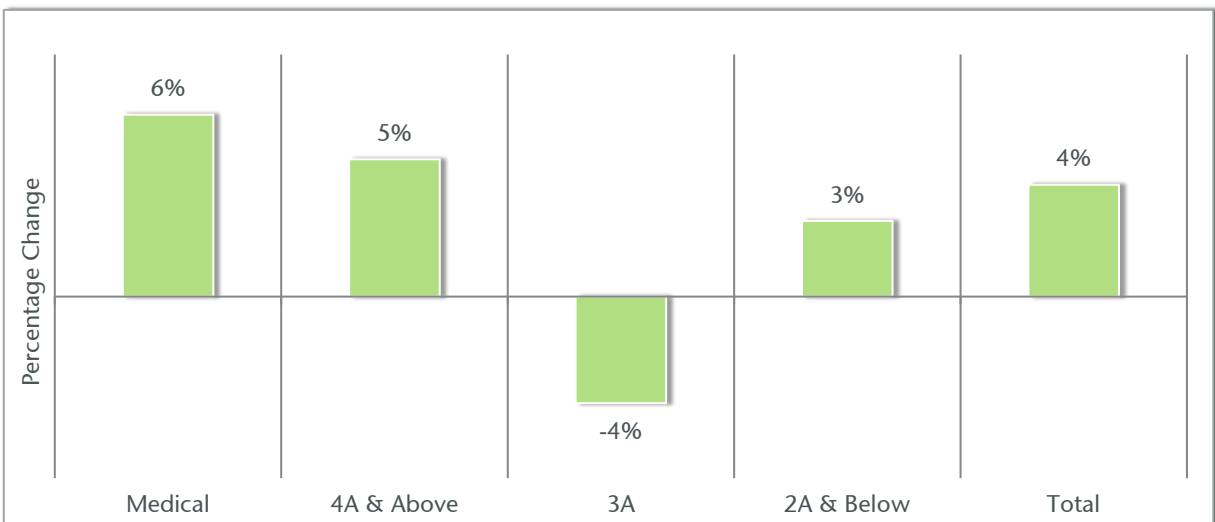
Participants reported \$730.7 million of GR in-force premium, up 4% over 2020. Disability Income accounts for \$726 million or 99%.

GR In-force Premium by Policy Type and Occupational Class



Similar to Non-Can in-force results, GR in-force premium increased for all occupational categories except 3A.

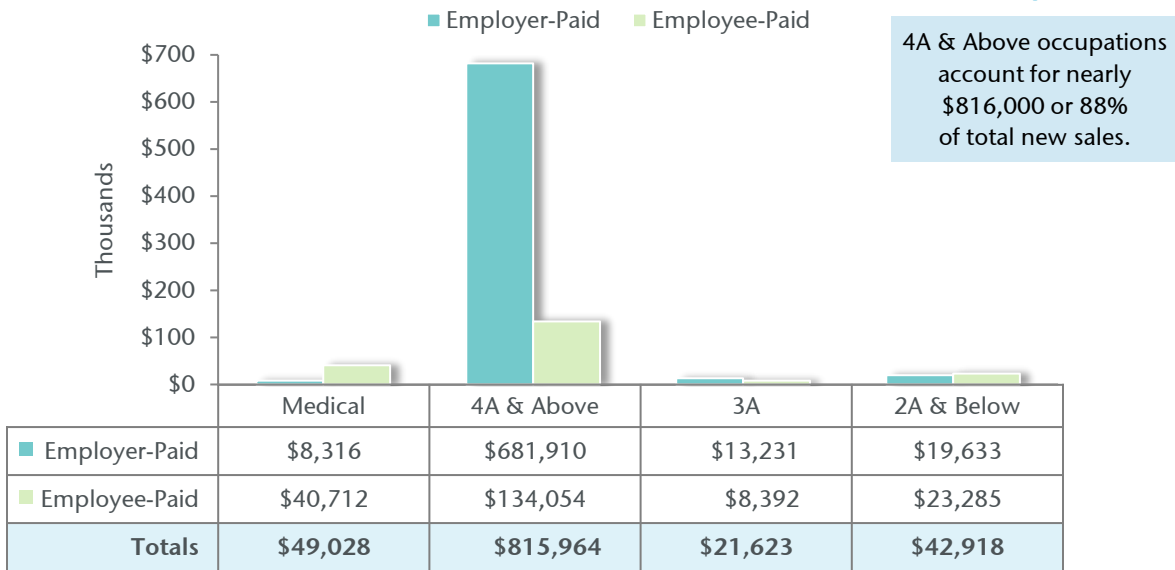
Percentage Change in GR In-force Premium by Occupational Class



GR GSI – New Sales and In-force Business

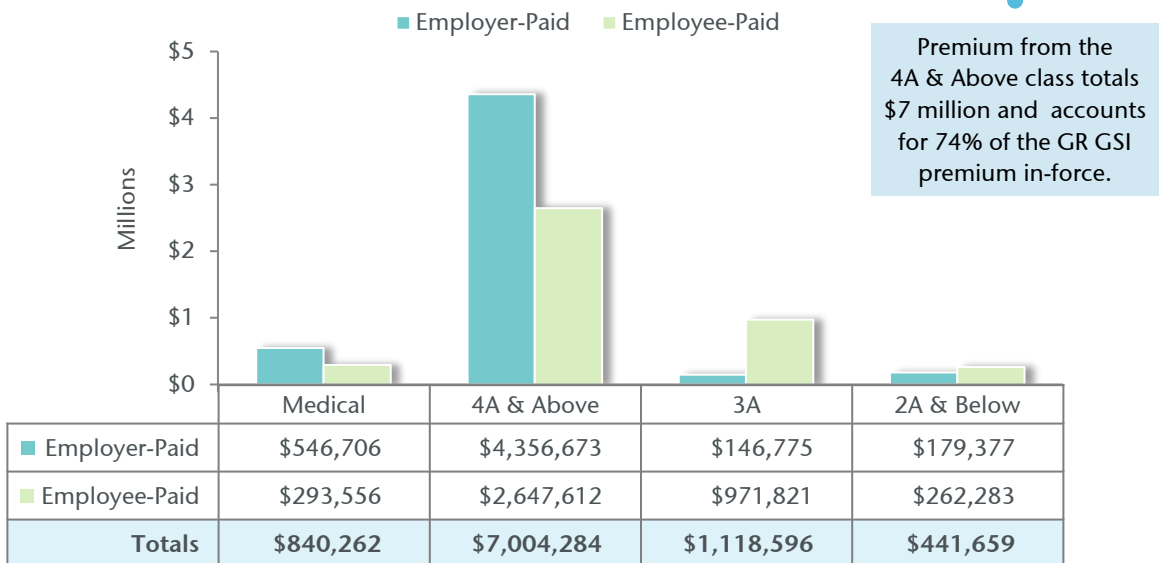
Participating companies reported almost \$930,000 of GR GSI new sales premium, declining 4% compared to 2020. Employer-paid business accounts for about 78%.

GR GSI Sales Premium



Five companies reported \$9.4 million of GR GSI in-force premium for 2021, a decline of 2% compared to 2020 results. Employer-paid premium represents 56% or \$5.2 million and employee-paid accounts for the remainder, \$4.2 million.

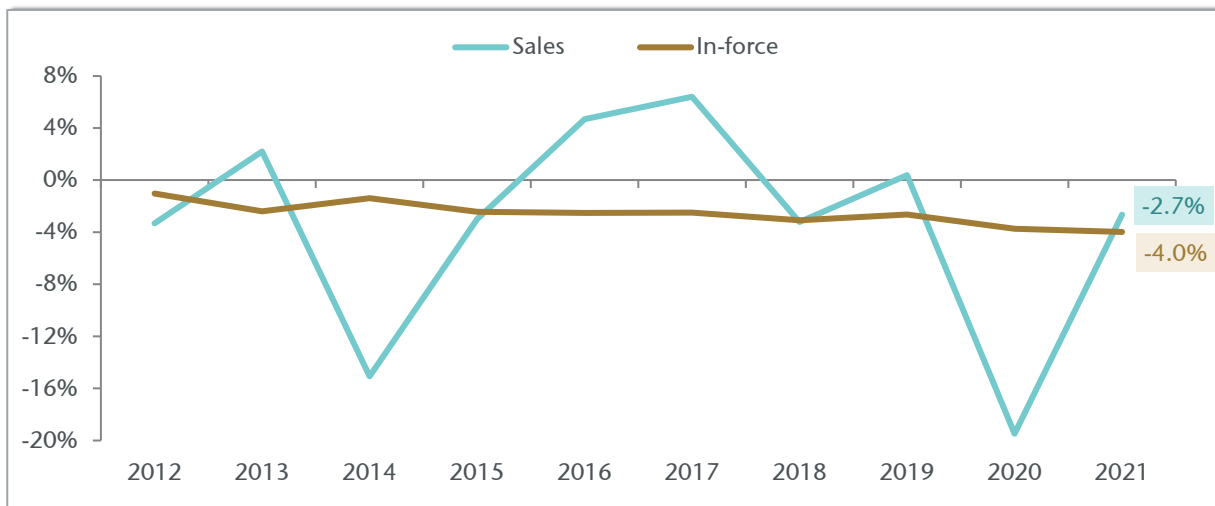
GR GSI In-force Premium



### Buy-Sell – New Sales and In-force Business

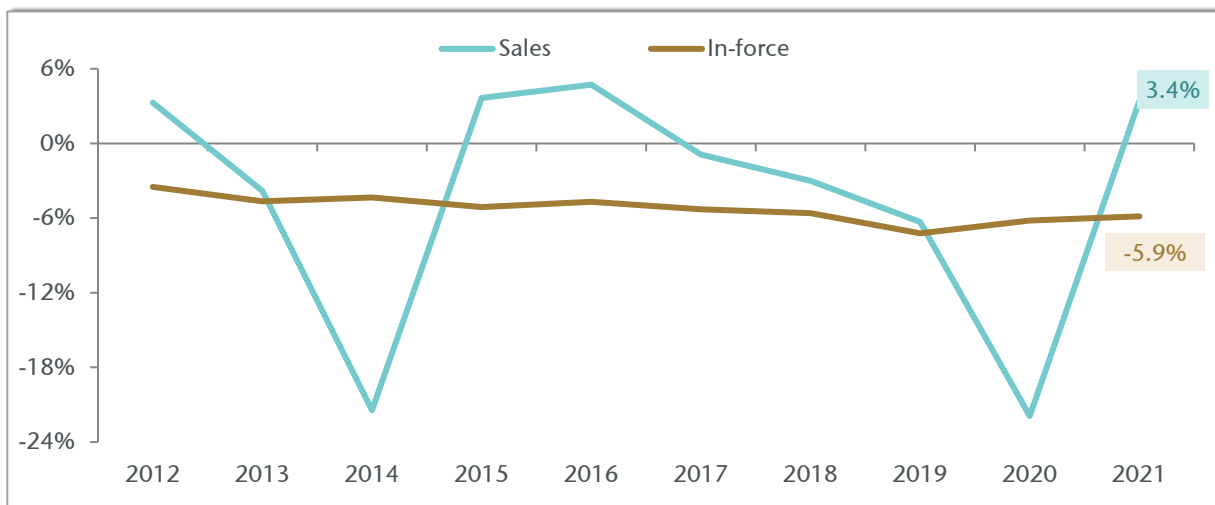
Seven companies reported \$52.6 million in Buy-Sell in-force premium for 2021, falling 4% compared to 2020. This marks 13 consecutive years of declining results. Buy-Sell new sales premium fell 3% to \$3.2 million.

#### Buy-Sell Premium Growth Rate Trends



In 2021, 936 new Buy-Sell policies were issued, an increase of 3% over 2020. Buy-Sell policies in-force declined 6%, to about 18,000.

#### Buy-Sell Policy Growth Rate Trends



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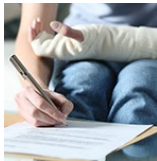
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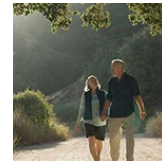
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