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FOR IMMEDIATE RELEASE

Press Release

Annual Milliman survey reveals a significant shift in sales from universal life insurance to indexed universal life insurance

SEATTLE – MAY 26, 2020 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its annual comprehensive study of universal life (UL) and indexed universal life (IUL) issues. The 13th annual Milliman study, “Universal Life and Indexed Universal Life Issues,” is based on a survey of 30 UL/IUL companies. The report focuses on current topics relative to a range of UL and IUL product types.

Key findings of the study include:

- Total individual UL sales reported by survey participants decreased 31% between 2017 and year-to-date (YTD) 9/30/19 (on an annualized basis).
- A 16% increase in total individual IUL sales was reported during the same time period.
- IUL sales during YTD 9/30/19 accounted for 63% of total UL/IUL sales combined (reported by survey participants), increasing from the 50% of total sales it represented in 2017.
- Sales of combination riders on UL/IUL products continue to be strong. During YTD 9/30/19, sales of chronic illness riders as a percent of total sales were 11.4% for UL products and 37.3% for IUL products. During the same period, sales of policies with long-term care (LTC) riders as a percent of total sales were 54.6% for UL products and 14.7% for IUL products. Within 24 months, 90% of survey participants possibly will market either an LTC or chronic illness rider.
- Of the 30 respondents, full underwriting of UL/IUL products is used by 29 participants, accelerated underwriting by 16 participants, and simplified issue underwriting by 11 participants. Of the 14 survey participants that do not currently have an accelerated underwriting program, eight indicated they plan to implement one in the next 12 months.
- The number of survey participants (27) that have repriced or redesigned at least one UL/IUL product under the 2017 CSO Mortality Tables was significantly higher than in our prior UL/IUL survey (14), published in June 2019. The two most common products that were repriced or redesigned are ULSG and cash accumulation IUL.

The 283-page “Universal Life and Indexed Universal Life Issues – Detailed Report” includes detailed information on product and actuarial issues, such as sales, profit measures, target surplus, reserves, risk management, underwriting, product design, compensation, pricing, and illustrations. It is available for purchase by visiting the Milliman website at <https://www.milliman.com/en/insight/Universal-life-and-indexed-universal-life-issues-2019-2020-survey> 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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