



2021 Annual Report

U.S. Life Insurance Activity

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MIB Life Index Annual Report for 2021 U.S. Life Insurance Activity

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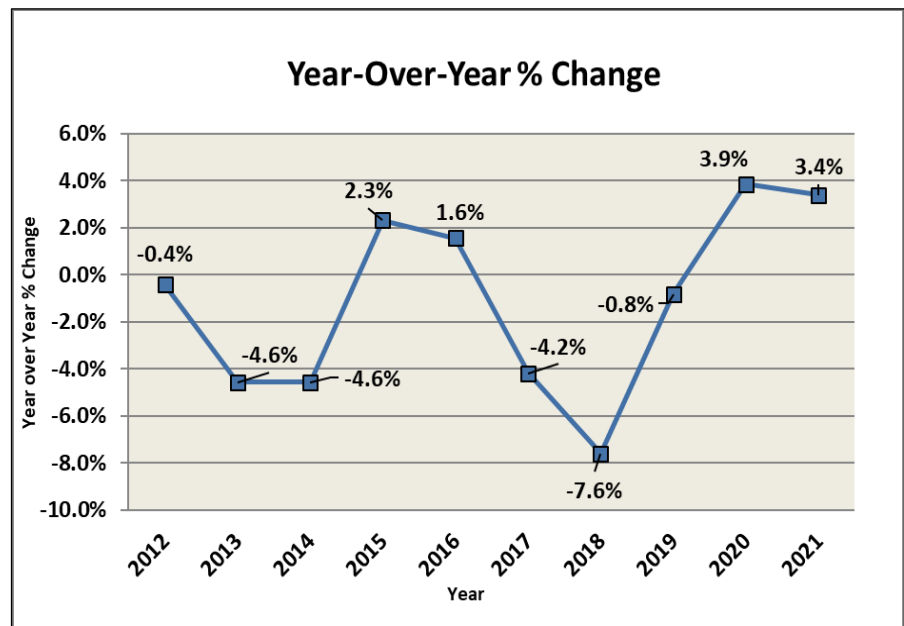
Executive Summary

The MIB Life Index 2021 Annual Report provides insights into trends in U.S. application activity for individually underwritten life insurance. Pages 3-5 provide an Executive Summary of key trends covered in this report, while a more detailed analysis begins on page 6.

Overview

- Application activity as measured by the MIB Life Index ended 2021 up at +3.4% Year-over-Year (YOY), representing the second consecutive year of growth. Following record breaking YOY growth in 2020 of +3.9%, 2021 achieved the second highest YOY annual growth rate on record.

Year-over-Year Percent Change	
Year	% change
2012	-0.4%
2013	-4.6%
2014	-4.6%
2015	2.3%
2016	1.6%
2017	-4.2%
2018	-7.6%
2019	-0.8%
2020	3.9%
2021	3.4%



- All age bands saw YOY growth in 2021, with the most growth coming from those age 31-50 and 71+. This is in contrast to 2020 where age 31-50 lead in YOY growth, but the 71+ age group experienced YOY declines.
- 2021 started strong with initial growth in the first four months, including the strongest YOY growth for the months of February, March and April on record (+7.3%, +18.5% and +10.7% respectively). Growth slowed in May and June with activity flat, followed by a decline in July of -5.8% YOY. August saw a return to growth of +5.5% YOY and September through November experienced growth or flat activity. The year ended with a decline in activity in December of -5.9% YOY.

MIB Life Index 2021

- The first half of 2021 saw YOY quarterly growth in both Q1 and Q2, with Q1 achieving the highest YOY quarterly gain on record, while Q3 and Q4 saw flat activity.
- Total composite activity in 2021 generally followed historical seasonal patterns, with Q1 seeing the highest volume, followed by Q4. Seasonal patterns among age bands fluctuated however, with all age bands experiencing the highest volume of activity in Q1, followed by a drop in Q2, but varying patterns in Q3 and Q4.
- COVID-19 Impact: YOY comparisons are impacted by fluctuations in 2020 due to the COVID pandemic, and the YOY declines seen in July and December 2021 can be attributed to record breaking high activity during those months in 2020. Additionally, when comparing 2021 activity to pre-pandemic levels in 2019, we see growth in all four quarters, in the double digits for Q1 and Q3. When comparing 2021 annual activity to 2019, the industry remains up at +7.4%.

Volume by Age Group

- Year-over-year, the relative volume of submissions reflected in the MIB Life Index showed a slight decrease for ages 0-30 and a slight increase in the 31-50 age group. All other age bands remained relatively flat. At year-end 2021, the % of total applications attributable to ages 0-30 decreased -0.3% over last year, totaling 22.9% of all applications. Ages 31-50 increased +0.5% totaling 41.7%, ages 51-60 remained flat at +0.0%, totaling 17.9%, ages 61-70 decreased -0.1%, totaling 12.7% and ages 71+ increased +0.1%, totaling 4.9% of all applications.
- A three-year lookback (2021-2019) examining age group size percent change showed an increase for ages 31-50 at +1.7% and slight decreases for ages 0-30 at -0.4%, ages 51-60 at -0.3%, ages 61-70 at -0.6% and ages 71+ at -0.4% as relative to the overall volume of applications submitted.
- The five-year lookback (2021-2017) examining age group size percent change showed a slight long-term increase among all age groups except age group 0-30, which was down -2.3%. Specifically, ages 31-50 increased +0.4%, ages 51-60 up +0.5%, ages 61-70 up +1.0%, and ages 71+ was up +0.5% as relative to the overall volume of applications submitted.

Face Amount and Product Type Trends

- YOY growth was driven by increases in activity across face amounts up to and including \$250K and over \$500K, with growth percentages increasing as the face amounts increase.

MIB Life Index 2021

- 2021 saw a continuing growth trend across all age bands for large face amounts, with consistent YOY increases in activity for policies over \$2.5M. Ages 71+, however, also experienced significant double-digit declines for amounts over \$5M.
- Double-digit YOY growth was observed for ages 0-30 with applications for policies over \$1M up to and including \$2.5M, for ages 31-60 with applications over \$5M, for ages 61-70 with applications over \$2.5M and for ages 71+ for applications over \$2.5M up to and including \$5M.
- Universal and Whole Life product lines finished the year at growth over 2020 results, while Term Life activity remained flat. Patterns were consistent across age groups with growth percentages highest for Whole Life followed by Universal Life and flat or declining for Term Life.

Gender Analysis

- Overall, YOY growth in application activity for males slightly outpaced that for females in 2021, with activity for males increasing by +4.0% and females by +3.1%.
- Based on a 3-year lookback, historically female applicants represent a larger proportion of activity than males. During 2021, females accounted for 46.6% of activity while males accounted for 45.8% (the remainder of applicants are undesignated).
- An examination of YOY percent changes in face amounts by gender reveals a markedly increased interest in policies over \$1M for females vs males. Females saw YOY % changes in the double digits for all face amounts over \$1M, with growth for amounts over \$5M in excess of +35% vs flat activity for males. Only face amounts up to \$250K saw YOY growth for males that exceeded that for females.

Long Term Trends

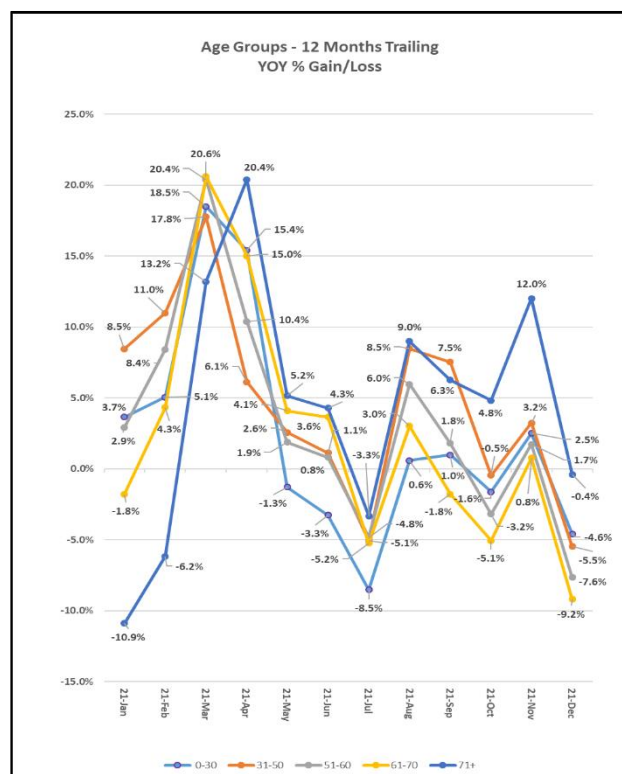
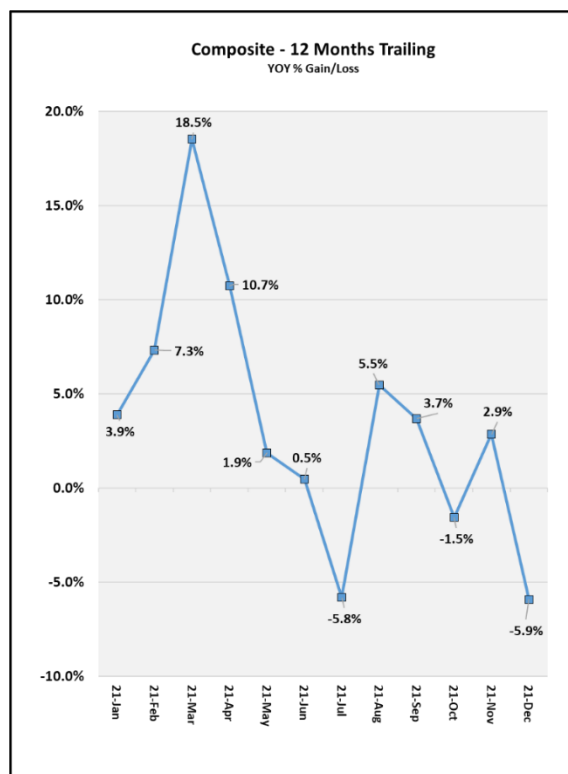
- 2021 represents the 2nd consecutive year with a composite YOY growth above 3%. Prior to 2020, composite YOY growth had not been seen since 2015 when the growth rate was 2.3%.
- The five-year percent change (comparing 2017 to 2021) was flat at -1.6%, but improved compared with the previous year (2016 to 2020) which was at -8.8%. 2021 represents the first time the five-year percent change has been better than -5.0% since before 2015.

Detailed 2021 Findings

12-Month Composite Summary

2021 started strong with YOY growth for February, March and April at a 10-year record breaking high. January showed growth of +3.9%, February +7.3%, March +18.5% and April +10.7%. Growth slowed in May and June with activity flat, followed by a decline in July of -5.8% YOY. August saw a return to growth of +5.5% YOY and September through November experienced growth or flat activity. The year ended with a decline in activity in December of -5.9% YOY.

YOY comparisons are impacted by fluctuations in 2020 due to the COVID pandemic, and the YOY declines seen in July and December 2021 can be attributed to record breaking high activity during those months in 2020.



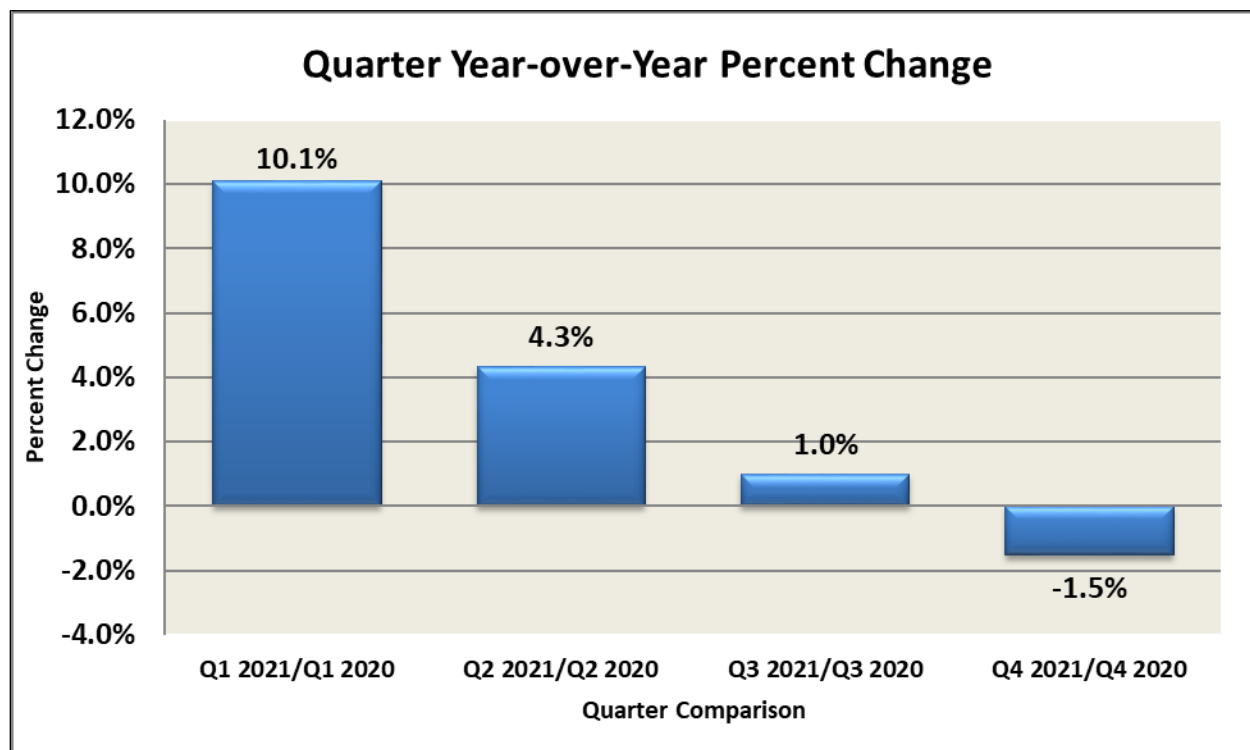
Activity by age band began in a similar pattern when comparing 2021 to 2020, where the highest YOY growth was among those ages 31-50, while older age bands showed declining YOY activity. Patterns fluctuated throughout the year and we saw several shifts in growth across age bands. In one of the more consistent patterns, April saw the 71+ age band begin to outpace the younger set. Age 71+ continued to show the highest YOY growth among age bands for eight of the nine remaining months in 2021. The year ended with a downward trend across all age bands from November to December, in part due to a spike in activity seen in December of 2020.

MIB Life Index 2021

Year-over-Year Quarterly Percentage Change

2021 started strong with Q1 ending at +10.1%, the highest YOY quarterly gain on record, driven by 10-year high YOY gains for February and March. Q2 continued showing gains, driven by a record breaking YOY gain in April and flat activity in May and June. Q3 saw flat activity with YOY declines in July and gains in August and September. Q4 2021 closed with flat activity YOY, mainly due to record setting YOY gains in Q4 2020.

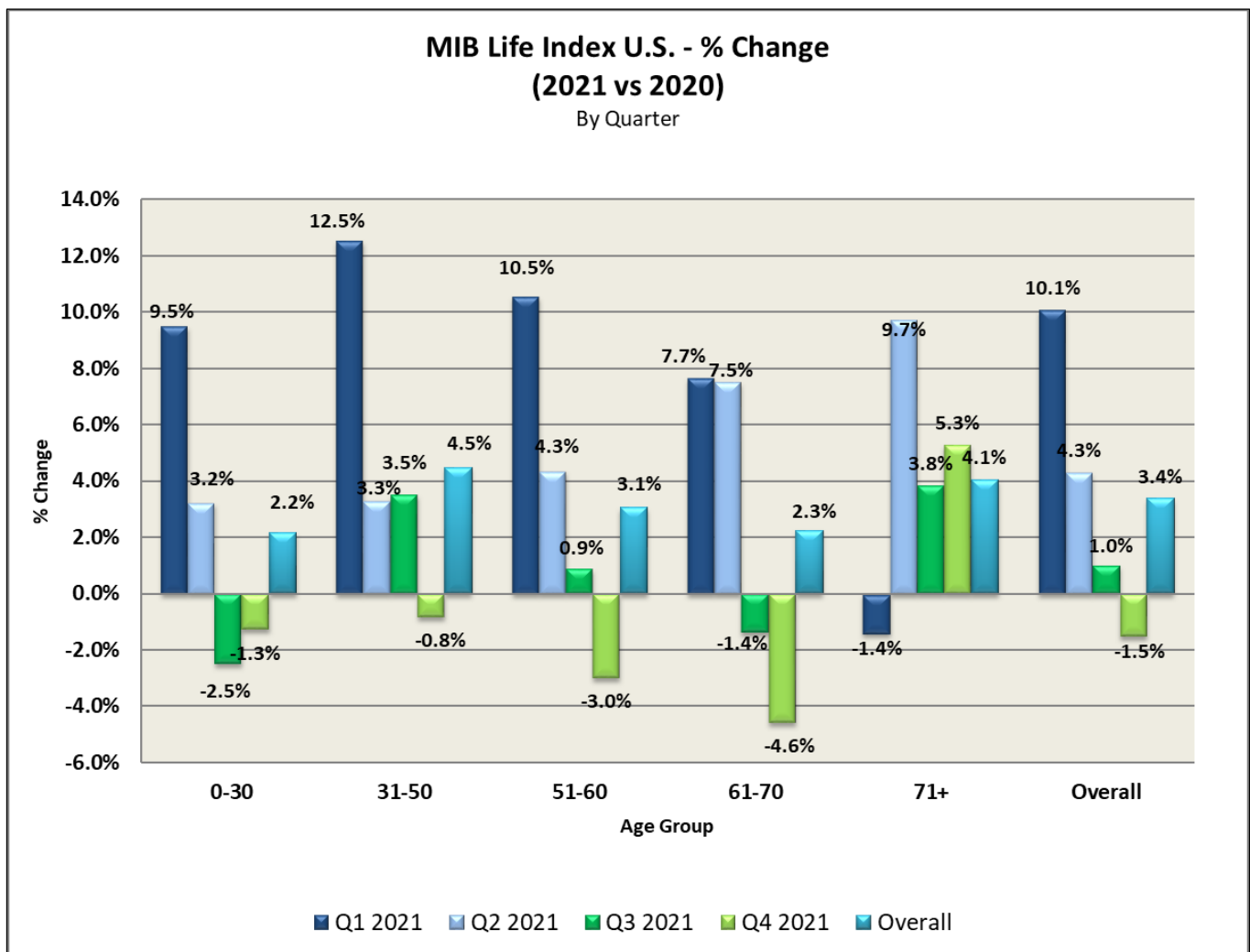
Percent Change		
Period	Compared to	US
Q1 2021	Q1 2020	10.1%
Q2 2021	Q2 2020	4.3%
Q3 2021	Q3 2020	1.0%
Q4 2021	Q4 2020	-1.5%



MIB Life Index 2021

Quarterly Percentage Changes by Age Group

Overall, the most YOY growth in 2021 was seen in ages 31-50 and 71+. Initially, however, growth in Q1 was driven by ages 0-70, with ages 71+ showing flat (slightly declining) YOY activity. The 2nd quarter saw a shift with YOY activity increasing as age increased with ages 61+ driving the most growth. Age band trends continued to shift in Q3 with growth seen for the 31-50 and 71+ age groups, declining activity for ages 0-30, and flat activity for ages 51-70. In Q4, only ages 71+ ended at growth YOY, with ages 0-50 at flat YOY activity and ages 51-60 declining.

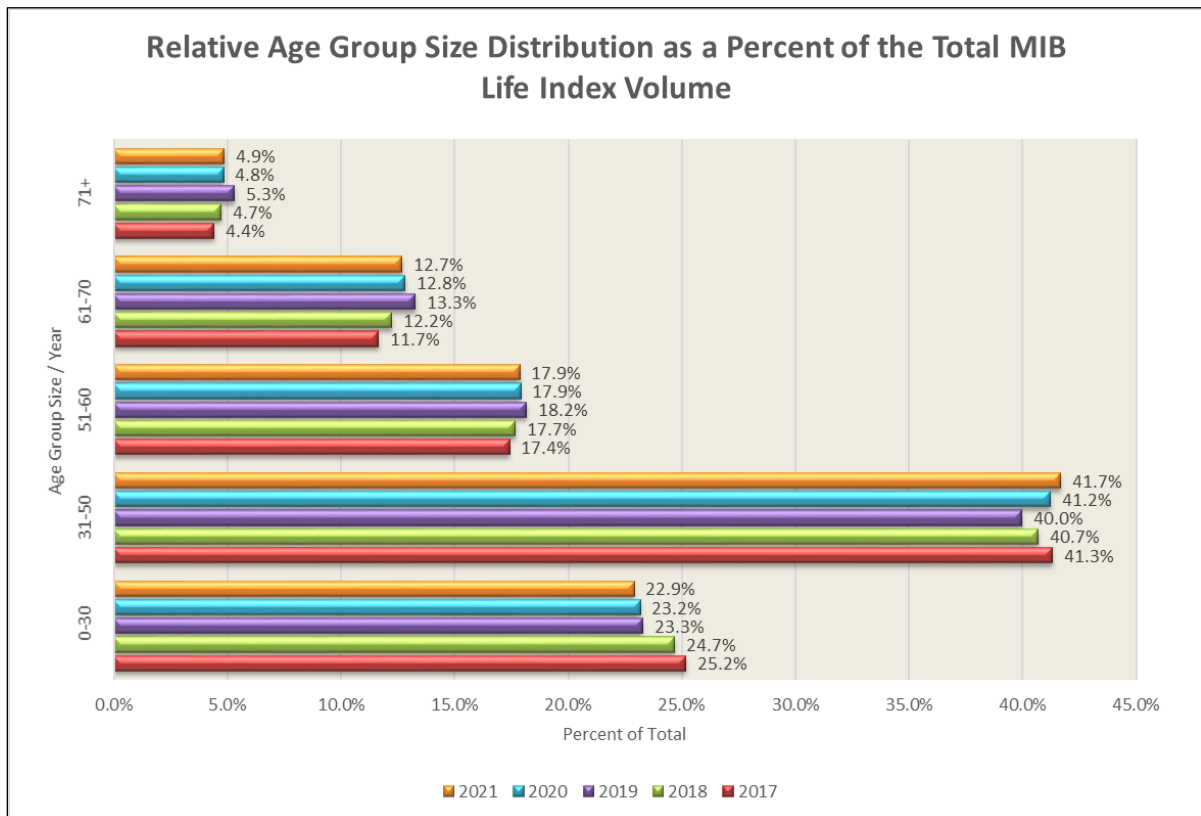


Age Distribution

Age Group Size as a Percent of the Total Activity Volume

A five-year analysis of the relative size of the age groups as a percent of total applications shows a five-year decline in application activity for ages 0-30 and a slight increase for all other age bands, most notably ages 61-70. When comparing 2021 to 2020, we saw a slight decrease in applicants for ages 0-30 and slight increase for ages 31-50. In 2021, ages 0-30 represented 22.9%, 31-50 represented 41.7%, 51-60 represented 17.9%, 61-70 represented 12.7%, and 71+ represented 4.9% of the application activity.

Age Distribution - Percentage of Total					
Age Group	2017	2018	2019	2020	2021
0-30	25.2%	24.7%	23.3%	23.2%	22.9%
31-50	41.3%	40.7%	40.0%	41.2%	41.7%
51-60	17.4%	17.7%	18.2%	17.9%	17.9%
61-70	11.7%	12.2%	13.3%	12.8%	12.7%
71+	4.4%	4.7%	5.3%	4.8%	4.9%
Total	100%	100%	100%	100%	100%



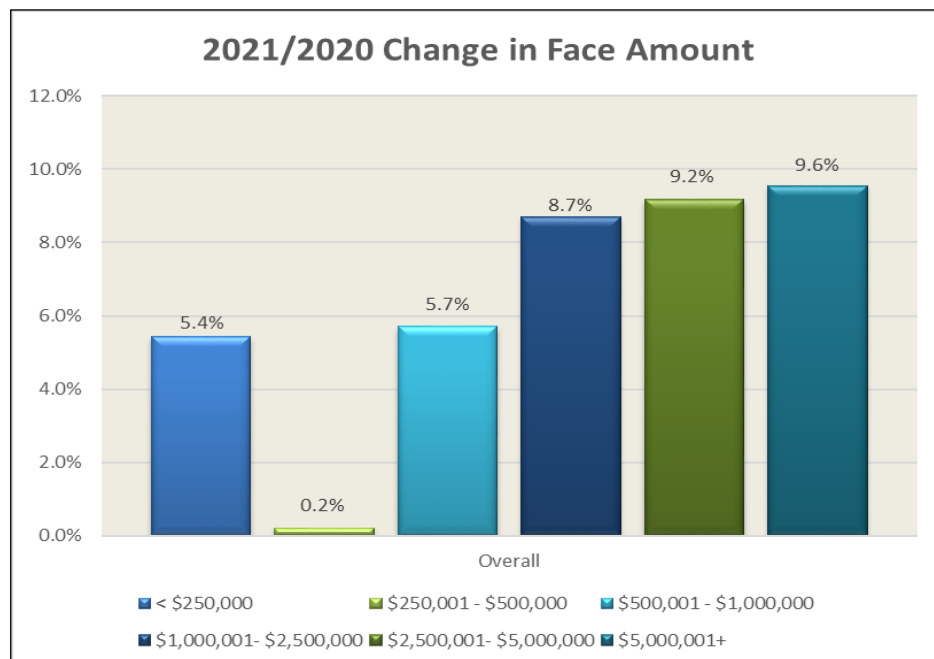
Face Amount and Product Type

Face Amounts by Age Group

Based on the information provided to MIB, 2021 saw flat activity for face amounts over \$250K up to and including \$500K, and growth for all other face amounts. For face amounts over \$500,000, growth percentages increased as the face amounts increased, with amounts over \$5M experiencing the highest YOY growth rate.

2021/2020 Change in Face Amount by Age Group						
Age Group	< \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	\$1,000,001- \$2,500,000	\$2,500,001- \$5,000,000	\$5,000,001+
Overall	5.4%	0.2%	5.7%	8.7%	9.2%	9.6%
0-30	2.6%	2.9%	5.9%	12.5%	8.8%	-6.4%
31-50	7.9%	-0.7%	5.3%	9.1%	7.8%	15.9%
51-60	4.5%	1.6%	9.0%	4.4%	9.2%	13.9%
61-70	4.9%	-4.5%	0.4%	3.0%	20.6%	10.2%
71+	7.2%	-3.3%	7.1%	8.8%	29.2%	-47.7%

In examining age group patterns, we noticed a significant interest in face amounts over \$1M across all age bands, with double-digit YOY growth for ages 0-30 for policies over \$1M up to and including \$2.5M, for ages 31-60 for policies over \$5M, for ages 61-70 for policies over \$2.5M and for policies over \$2.5M up to and including \$5M. However, it is interesting to note that ages 0-30 and 71+ showed declining interest in policies over \$5M, with significant double-digit YOY declines for ages 71+.

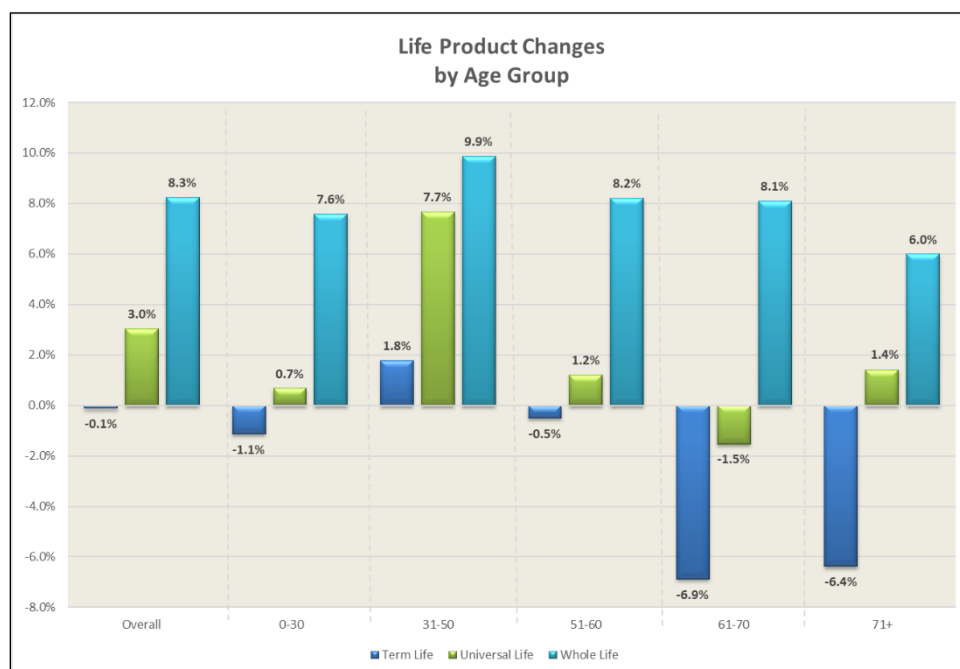


Life Product Insights by Age Group

Based on the information provided to MIB, Universal and Whole Life product lines finished the year up over 2020 results, while Term Life activity remained flat. Patterns were consistent across age groups with growth percentages highest for Whole Life and lowest for Term Life. Ages 0-30 experienced flat activity for Term and Universal Life while seeing growth in Whole Life. Ages 31-50 had growth across all product lines and was the primary driver of Universal Life growth. Ages 51-60 experienced flat activity for Term and Universal Life while seeing strong growth in Whole Life. Ages 61+ saw decreased activity for Term Life, flat activity for Universal Life and growth for Whole Life.

When taking a more detailed look at product trends, we see we see an increasing interest in traditional Whole Life Products for all age bands, including double-digit growth for those 31-50. While based on a small volume of applications, all age bands showed double-digit growth for Variable Whole Life Products.

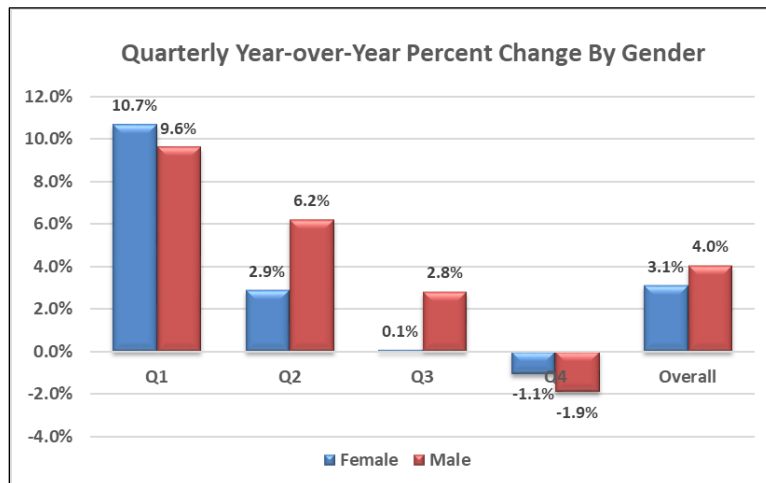
2021/2020 Change in Product Type by Age Group			
Age Group	Term Life	Universal Life	Whole Life
Overall	-0.1%	3.0%	8.3%
0-30	-1.1%	0.7%	7.6%
31-50	1.8%	7.7%	9.9%
51-60	-0.5%	1.2%	8.2%
61-70	-6.9%	-1.5%	8.1%
71+	-6.4%	1.4%	6.0%



Gender Analysis

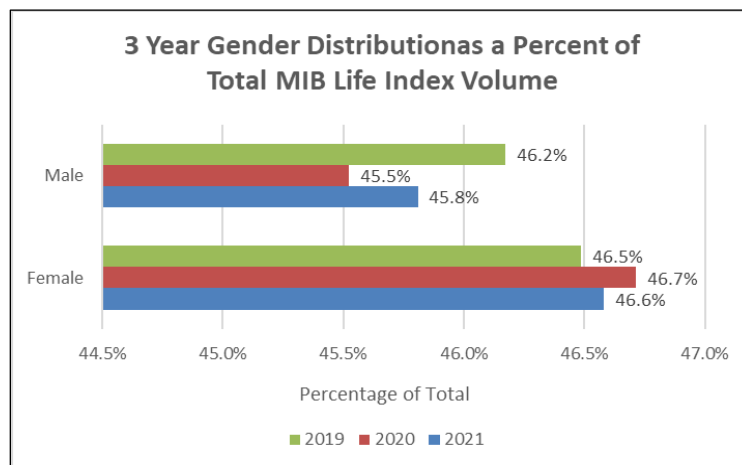
Quarterly Percentage Changes by Gender

Overall, YOY growth in application activity for males slightly outpaced that for females in 2021. However, the difference in activity across gender varied by quarter. The greatest disparity took place in Q2 where applications for males grew by +6.2% while applications for females grew by only +2.9%.



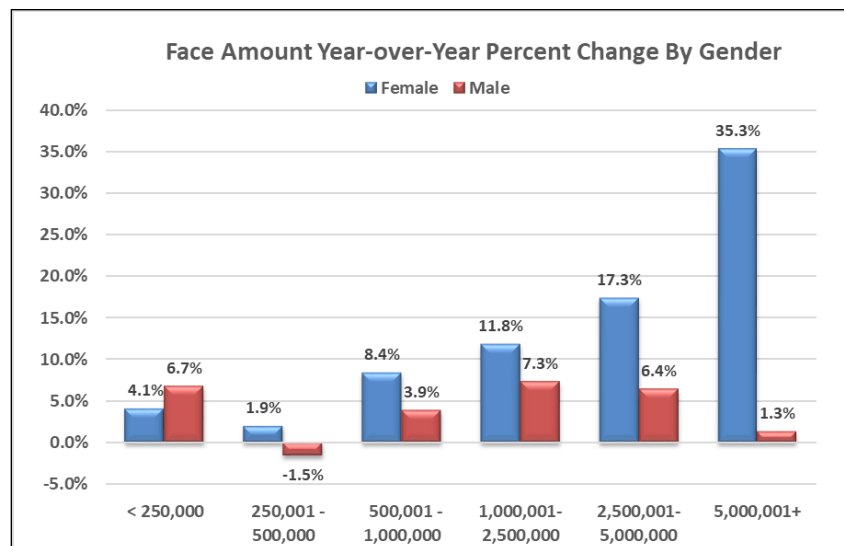
3 Year Gender Distribution

We completed a 3-year lookback at the percent of applications by gender, where this information was reported to MIB. Since gender is not always reported, the percentages do not add up to 100%. Historically, female applicants represent a larger proportion of activity than males. The percent of male vs female applicants has been relatively consistent over the three-year period, with minor fluctuations of less than 2%.



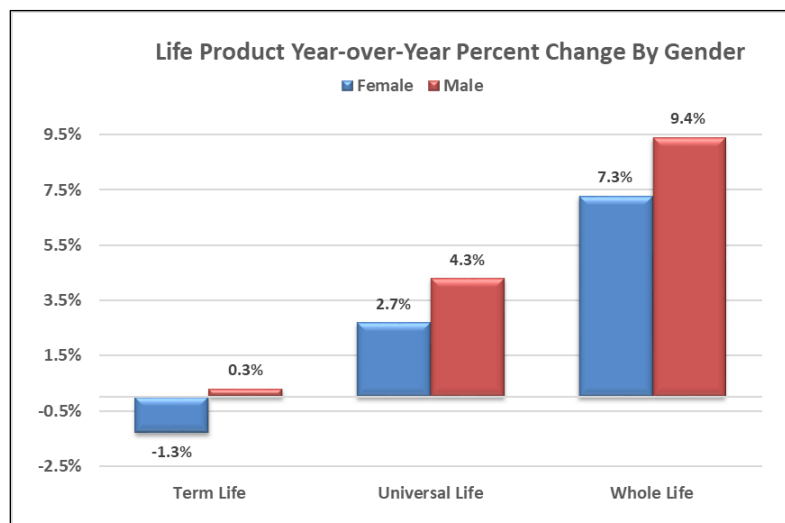
Face Amount by Gender

In examining YOY percent changes by gender and face amount, some interesting trends emerge. Growth in activity for face amounts over \$1M has been driven by females, with YOY increases in the double digits. Only face amounts up to \$250K saw YOY growth for males that exceeded YOY growth for females. Additionally, the disparity between YOY growth for male and female applicants for face amounts over \$250K increases as face amounts increase, with YOY growth for amounts over \$5M in excess of +35% for females, but only flat at +1.3% for males.



Life Product Insights by Gender

YOY activity by gender was consistent with composite trends, with males and females both increasing for Whole and Universal Life, and with flat activity for Term Life. Overall, males saw higher YOY increases than females among all three product types.

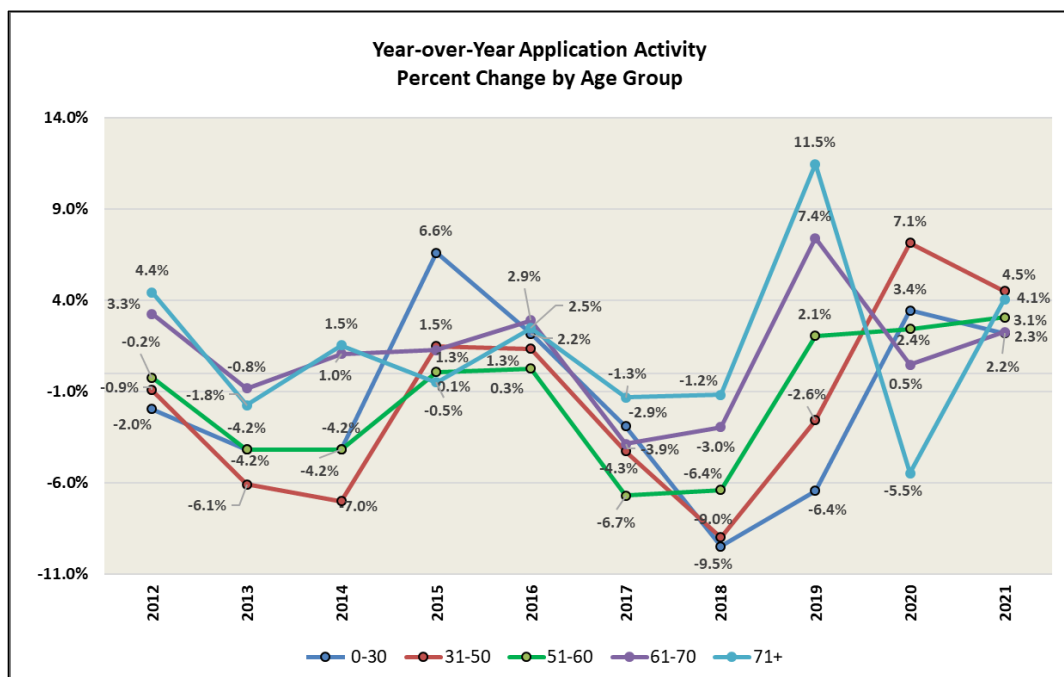


Long Term Trends

Long Term Trends by Age Group

From 2012 through and including 2019, ages 61-70 had the strongest YOY growth, with exceptions occurring in 2015 and 2017 when patterns fluctuated. With the onset of the pandemic in 2020, age patterns shifted with significant growth for those ages 31-50 and ages 71+ declining. In 2021, ages 31-50 continued to lead in growth, however trends again shifted for ages 71+ who ended the year at the second highest growth rate.

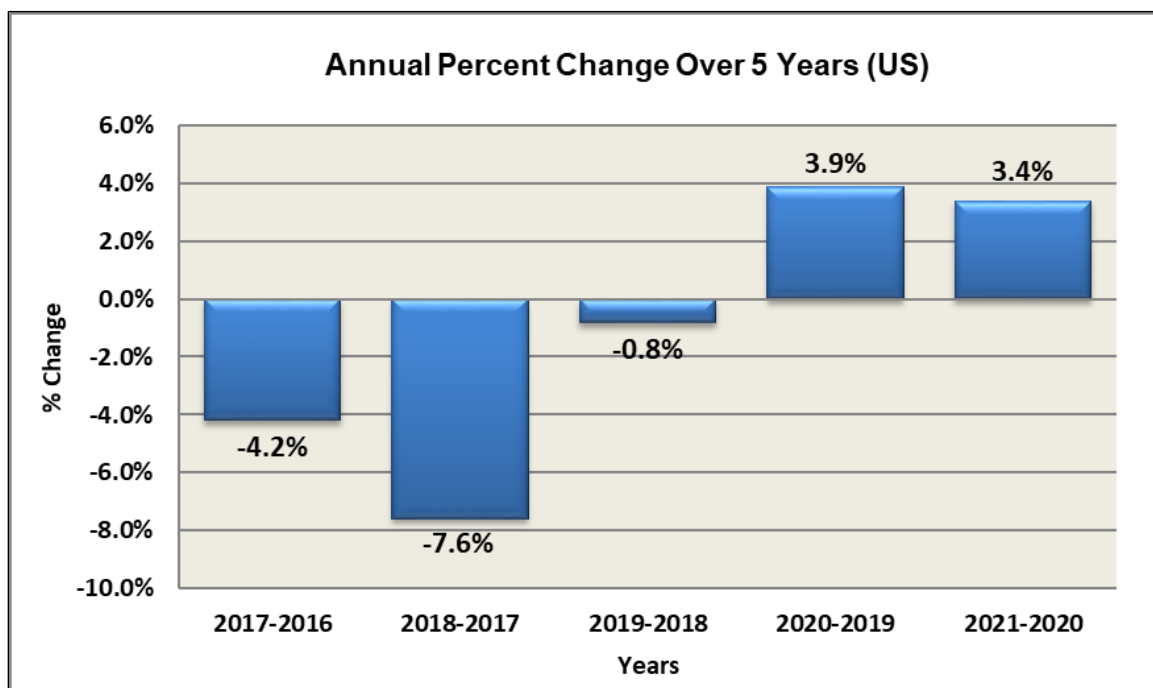
Y-O-Y Application Activity % Change					
	0-30	31-50	51-60	61-70	71+
2021	2.2%	4.5%	3.1%	2.3%	4.1%
2020	3.4%	7.1%	2.4%	0.5%	-5.5%
2019	-6.4%	-2.6%	2.1%	7.4%	11.5%
2018	-9.5%	-9.0%	-6.4%	-3.0%	-1.2%
2017	-2.9%	-4.3%	-6.7%	-3.9%	-1.3%
2016	2.2%	1.3%	0.3%	2.9%	2.5%
2015	6.6%	1.5%	0.1%	1.3%	-0.5%
2014	-4.2%	-7.0%	-4.2%	1.0%	1.5%
2013	-4.2%	-6.1%	-4.2%	-0.8%	-1.8%
2012	-2.0%	-0.9%	-0.2%	3.3%	4.4%



Five-Year Percent Change

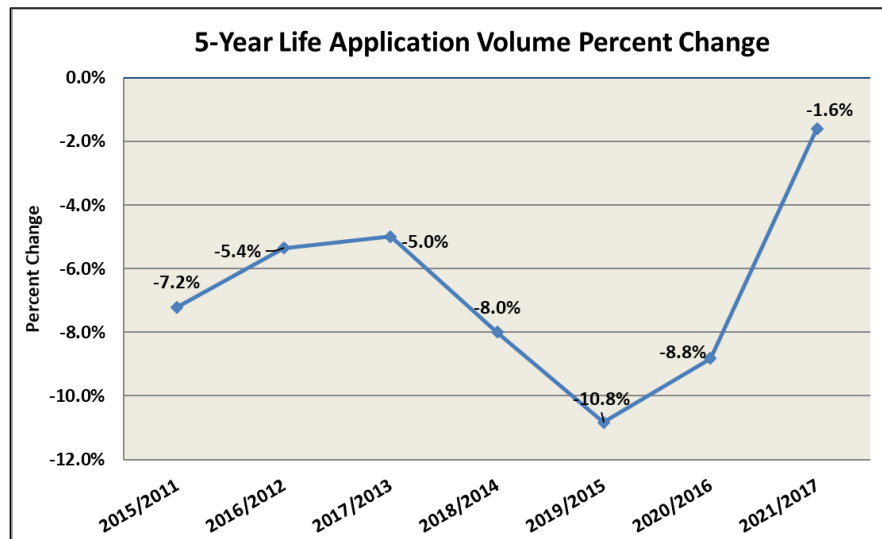
A five-year lookback at the annual year-over-year percent change shows results ranging from a low of -7.6% (2018/2017) to a high of +3.9% (2020/2019). The annual percent change has trended upward since 2018, although a minor drop was seen in 2021.

Five-Year Percent Change		
Period	Compared to	Percent Change
2017	2016	-4.2%
2018	2017	-7.6%
2019	2018	-0.8%
2020	2019	3.9%
2021	2020	3.4%

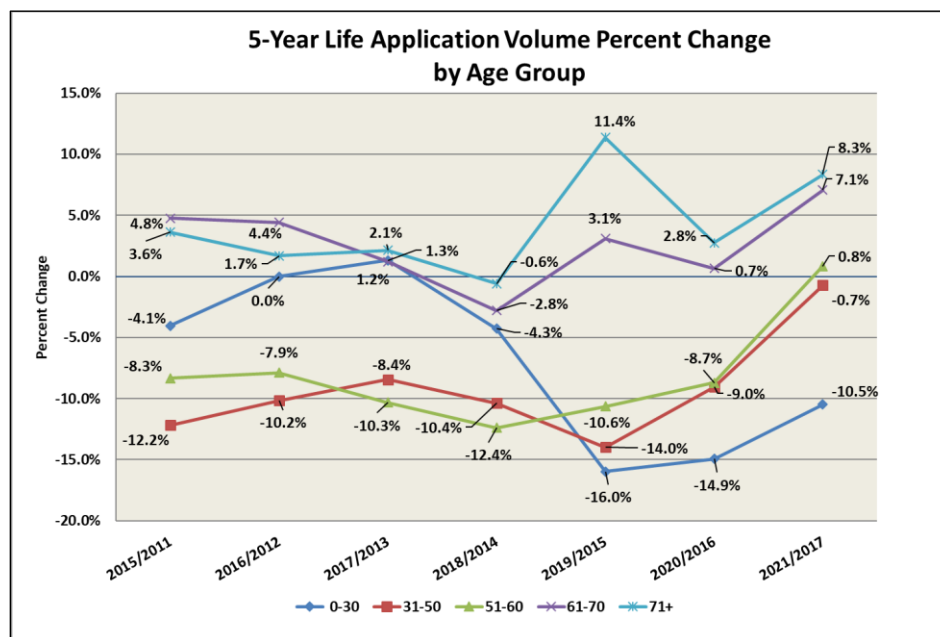


Five-Year Average Trends

The rate of change in activity over five-years was flat (-1.6%) for 2021, reflecting decreasing activity from 2017 to 2019 and offsetting increasing activity in 2020 and 2021. Prior to 2021, the trailing average was below par for six consecutive years.



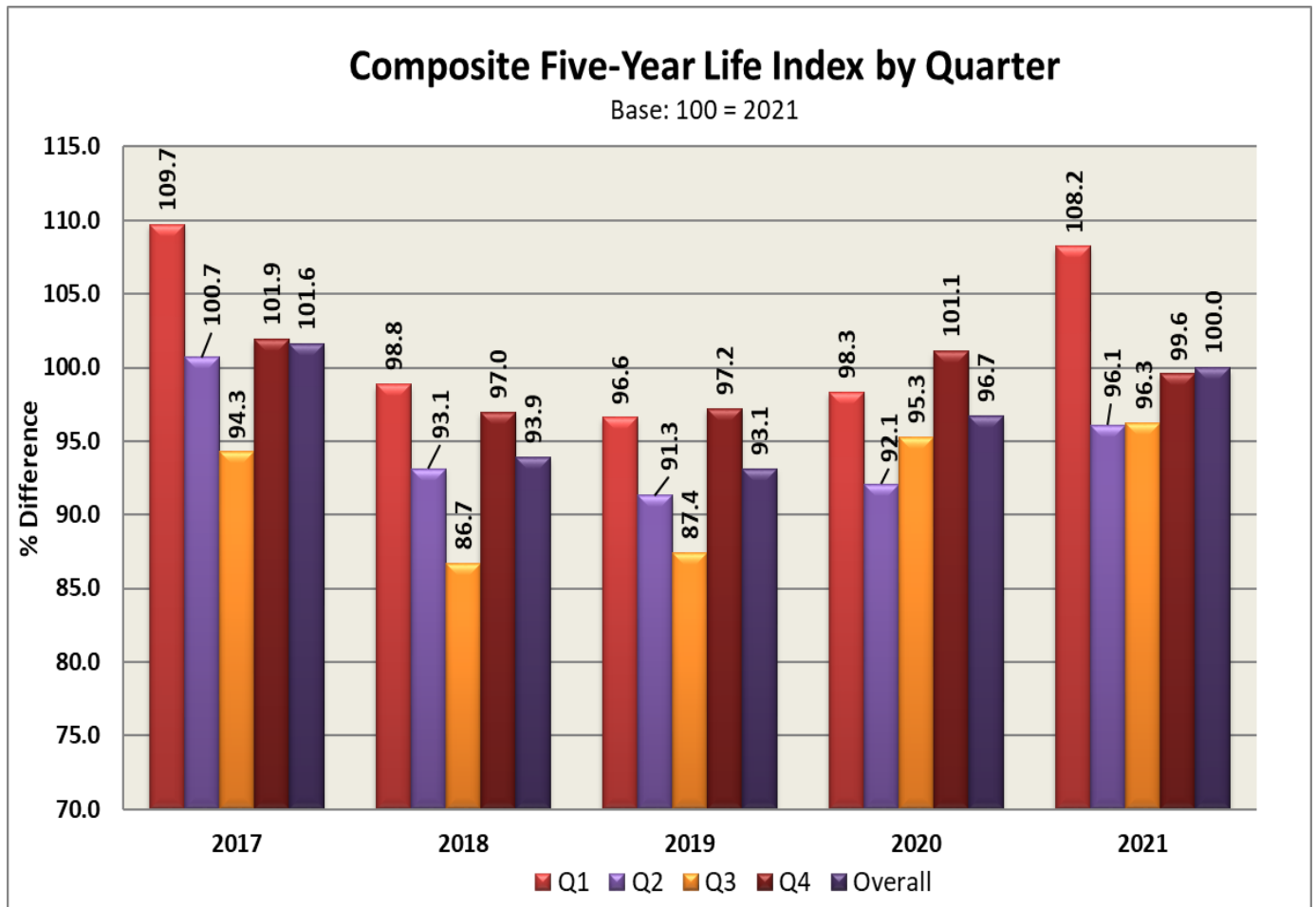
Breaking down the five-year trailing rate by age, when comparing 2021 to 2017 all age groups saw improvements over the 2020 to 2019 comparison. Ages 61-70 and 71+ saw growth at +7.1% and +8.3% respectively, while ages 31-60 remained flat. Ages 0-30 declined at -10.5%, improving over deeper declines in 2020/2016 and 2019/2015.



MIB Life Index 2021

Five-Years Composite, Quarter-by-Quarter

To analyze quarterly trends, we conducted a 5-year lookback comparing activity each quarter to average annual 2021 activity. Based on this analysis, 2021 had the highest Q3 during the five-year period as well as the second highest Q1 and Q2.



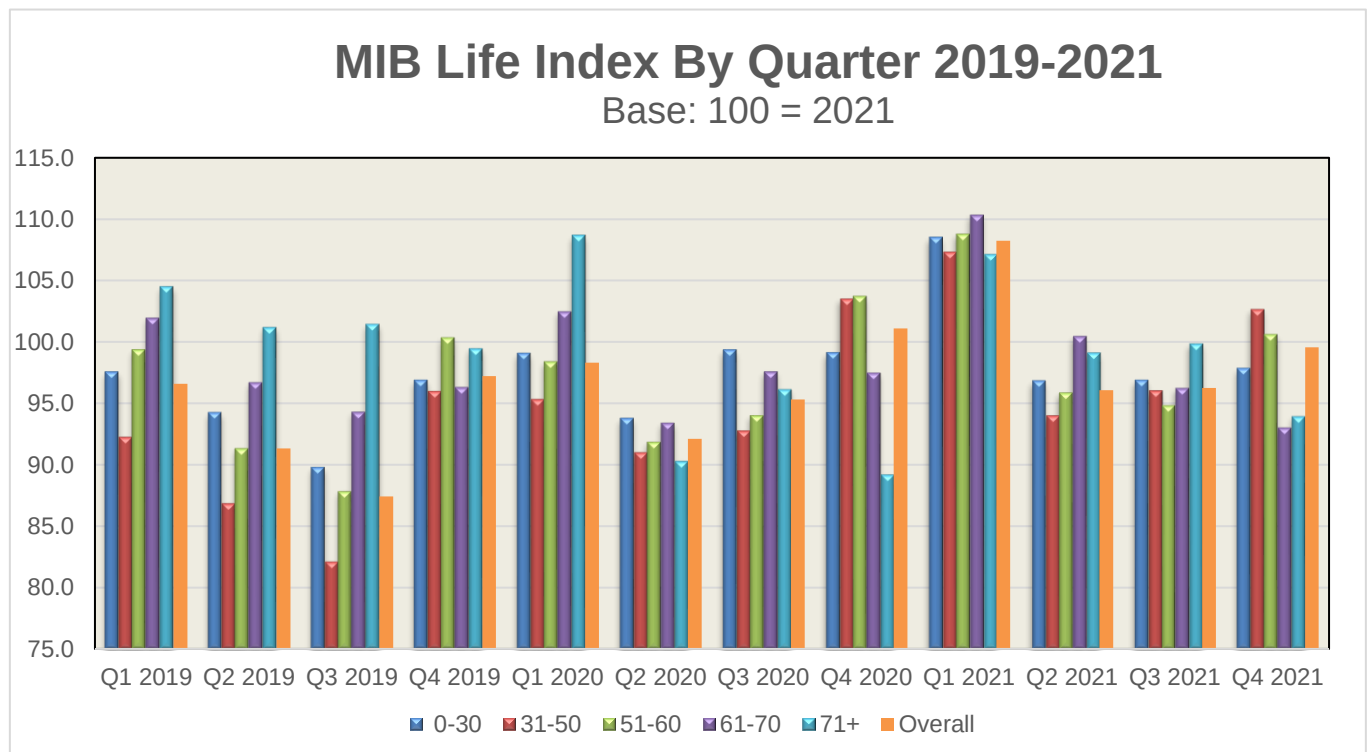
MIB Life Index 2021

Long Term Seasonal Quarterly Trends by Age Band

As indicated on the previous chart, historically we have seen seasonal trends reflected in application activity, with the highest activity traditionally in quarter 1 of each year, decreasing in quarters 2 and 3 with an increase in quarter 4. For composite activity, 2021 generally followed a similar seasonal pattern, however Q2 and Q3 had relatively even activity.

Among age groups, seasonal patterns fluctuated. All age bands experienced a high Q1, followed by a relative drop in Q2, however patterns in Q3 and Q4 varied.

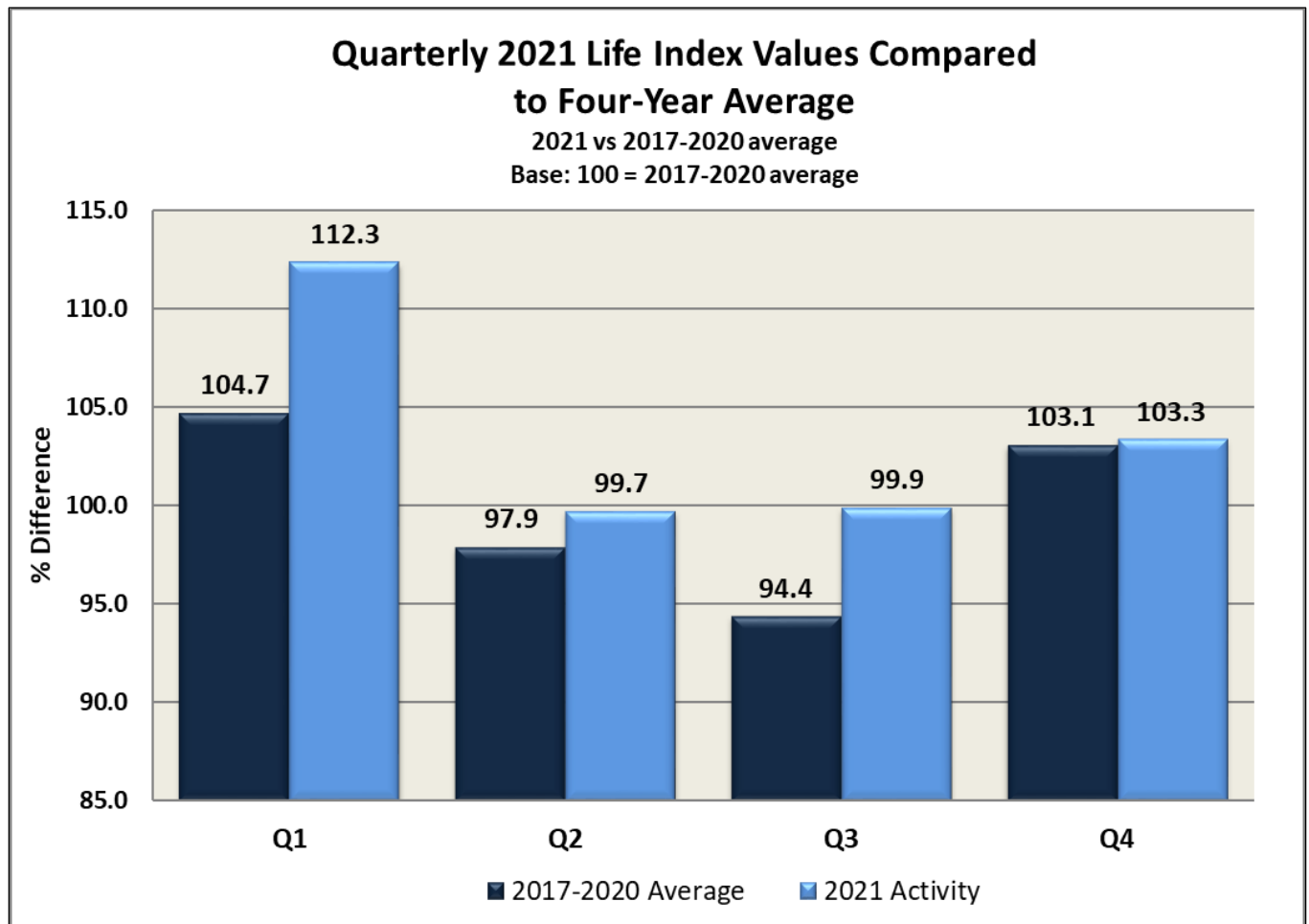
For ages 0-30, Q3 activity was flat compared to Q2 while Q4 saw a slight increase. Ages 31-50 increased from Q2 to Q3 and then continued to increase in Q4. Ages 51-60 followed normal seasonal patterns with activity decreasing from Q2 to Q3 and increasing activity in Q4. Ages 61-70 similarly decreased activity from Q2 to Q3, but then deviated from normal patterns by continuing with declines in Q4. Ages 71+ saw a slight rise in activity from Q2 to Q3 and then saw a decline in Q4.



MIB Life Index 2021

Average Quarterly Activity 2017 – 2020 vs. 2021

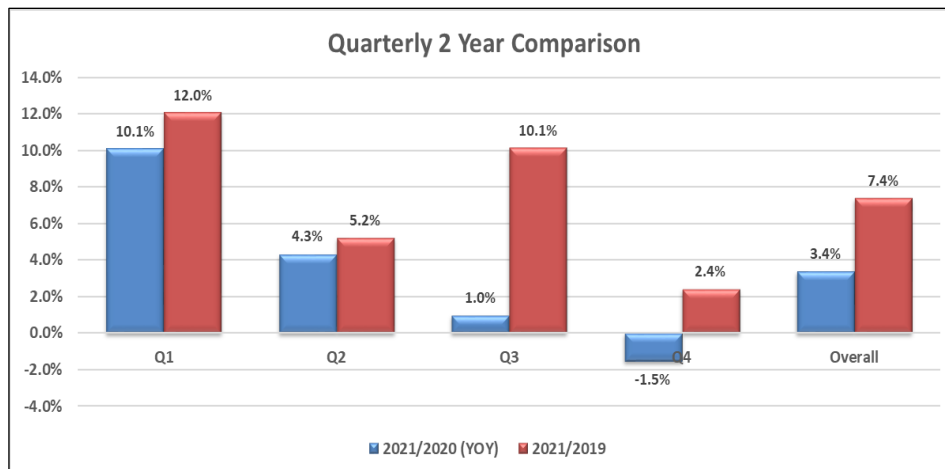
2021 remained above the preceding four-year average in all four quarters, demonstrating that 2021 was a highly positive year for application activity. Further, as the highest YOY growth quarter on record, Q1 2021 significantly outperformed the average.



COVID Impact Analysis

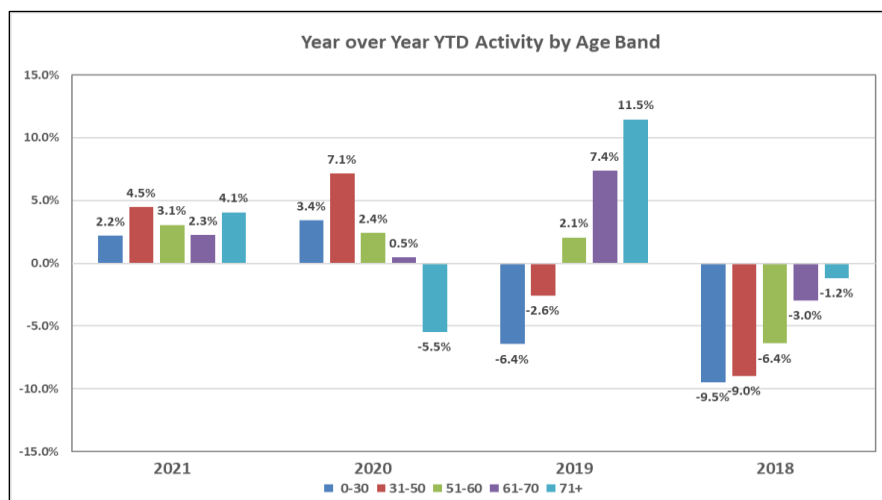
COVID Impact on Quarterly Activity

Since YOY comparisons are impacted by fluctuations in 2020 activity due to COVID, we compared 2021 activity to pre-COVID levels in 2019. Based on this analysis, we see growth in all 4 quarters. The YOY dips in Q3 and Q4 seen when comparing 2021 to 2020 are attributable to activity spikes in July and December of 2020 that were related to COVID recovery.



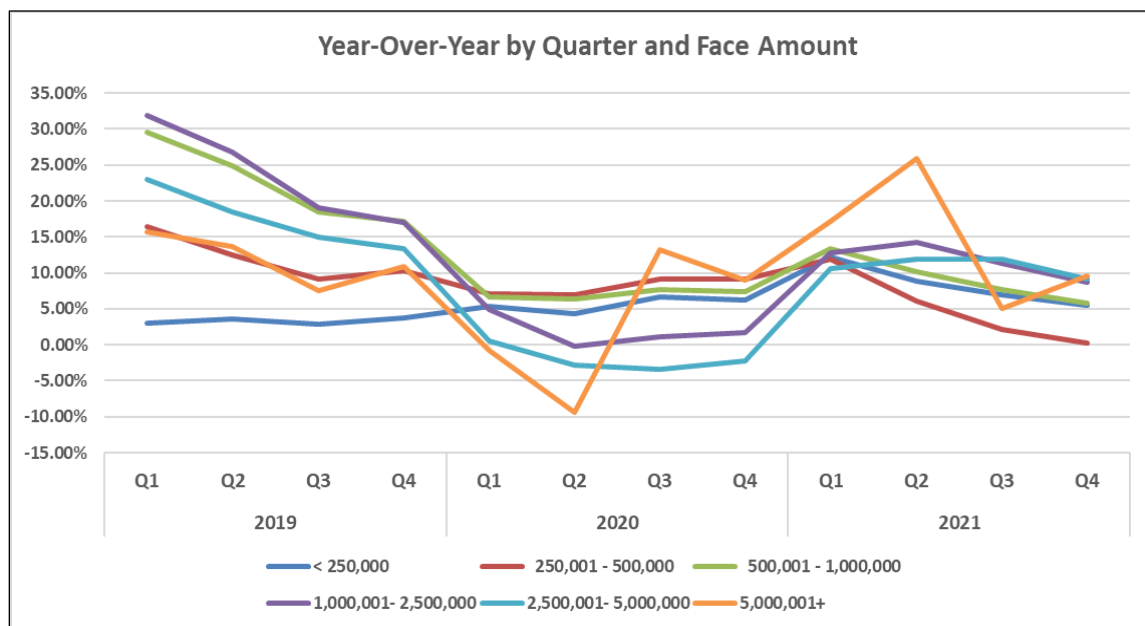
COVID Impact on Activity by Age Band

Growth during the pandemic in 2020 was largely driven by applicants ages 0-61, with ages 31-50 seeing the most activity and ages 71+ experiencing declining activity. This was in stark contrast to pre-pandemic trends in 2019 and 2018 where the 61+ age group out performed other age bands. In 2021, we saw renewed interest in Life Insurance among those ages 71+ while ages 31-50 also remained at strong activity.



COVID Impact on Activity by Product Type

A trend we saw in 2020 was a relative spike in interest in policies over \$5M during Q3, in correlation with the rebound in composite activity levels that began in July after COVID-related declines in April and May. This spike in interest in high policy amounts was observed in particular for those age 0-30 and age 71+. In 2021, we have observed a continued interest in policies with higher face amounts, with applications for policies over \$5M spiking during the first half of 2021, declining in Q3 but then increasing again in Q4.



Appendix A: MIB Life Index Methodology

Methodology

The MIB Life Index provides insights into trends in application activity for individually underwritten life insurance. Application activity for this report is based on inquiries to the MIB Checking ServiceSM performed by MIB's U.S. member company underwriters. Since the MIB Checking Service is used to underwrite the vast majority of individually underwritten life insurance policies in the US (estimated as high as 90 percent), MIB has a unique ability to estimate application activity and provide the industry with insights into trends over time.

Methodology Effective January 2021

Effective January 2021, MIB is reporting on industry activity using straight period over period percent changes (YTD, YOY, MOM, and QOQ) based on calendar days vs. the prior methodology based on a 2011 baseline index on a business day calculation. Additionally, new filters have been applied to more accurately isolate life insurance activity and more detailed age bands have been used to provide our members with enhanced insights. All historic data presented in this report has been restated to reflect this current methodology.

The MIB Life Index starts with all inquiries into the MIB Checking Service, including all facultatively underwritten life reinsurance activity. All inquiries from disability income, critical illness and long-term care insurance are removed from the source data. Guaranteed issue and other non-underwritten individual and group life insurance are not reflected because MIB Checking Service is not used for those market segments. Percent changes are then calculated using the average number of MIB inquiries per day for a given period.

If you have any questions about the MIB Life Index, please contact our Head of Marketing Betty-Jean Lane at Blane@mib.com.