

## 2011 - Year End Results (Life Insurance Industry)

The U.S. life insurance industry's net income before capital gains dropped by 48.1 percent, from \$44.1 billion in 2010 to \$22.9 billion in 2011, according to SNL Financial data. This was nearly matched by a 48.8 percent drop in net income during the same period., Revenue increased by 8 percent in 2011, reflecting increases in annuity premiums and most types of life insurance premiums.

### LIFE/HEALTH INSURANCE INDUSTRY INCOME STATEMENT, 2007-2011

(\$ billions, end of year)

	2007	2008	2009	2010	2011	Percent change, 2010-2011 (1)
<b>Revenue</b>						
Life insurance premiums	\$138.3	\$142.8	\$120.5	\$100.2	\$122.8	22.5%
Annuity premiums and deposits	310.4	323.0	225.4	286.3	327.0	14.2
Accident and health premiums	143.5	156.6	162.4	169.9	171.0	0.7
Credit life and credit accident and health premiums	2.2	2.1	1.6	1.6	1.6	1.0
Other premiums and considerations	16.8	0.8	0.5	23.1	2.1	-91.0
<b>Premiums, consideration and deposits</b>	<b>\$611.2</b>	<b>\$625.2</b>	<b>\$510.4</b>	<b>\$581.2</b>	<b>\$623.9</b>	<b>7.3%</b>
Net investment income	168.0	162.2	156.6	164.1	167.3	1.9
Reinsurance allowance	-22.4	17.8	61.5	-29.3	-16.3	-44.5
Separate accounts revenue	22.9	21.2	20.4	23.4	26.1	11.7
Other income	35.3	18.3	27.8	33.9	34.0	0.2
<b>Total revenue</b>	<b>\$815.1</b>	<b>\$844.7</b>	<b>\$776.7</b>	<b>\$773.3</b>	<b>\$835.0</b>	<b>8.0%</b>
<b>Expense</b>						
Benefits	228.3	240.2	244.1	246.9	254.7	3.2
Surrenders	305.2	291.6	228.7	216.8	237.3	9.4
Increase in reserves	35.3	144.2	99.0	96.2	141.0	46.6
Transfers to separate accounts	66.1	22.7	11.1	29.3	32.4	10.8
Commissions	50.7	51.7	48.9	49.3	51.8	5.1
General and administrative expenses	52.1	53.6	54.2	56.8	58.5	3.0
Insurance taxes, licenses and fees	7.3	7.3	7.3	7.7	8.0	3.6
Other expenses	8.0	17.2	7.4	2.2	8.1	269.2
<b>Total expenses</b>	<b>\$753.0</b>	<b>\$828.3</b>	<b>\$700.8</b>	<b>\$705.3</b>	<b>\$791.9</b>	<b>12.3%</b>
<b>Net income</b>						

	2007	2008	2009	2010	2011	Percent change, 2010-2011 (1)
Policyholder dividends	17.5	17.7	15.0	15.0	15.1	0.8
Net gain from operations before Federal income tax	44.6	-1.4	61.0	53.1	28.0	-47.2
Federal income tax	11.5	-0.1	10.7	9.0	5.1	-43.3
<b>Net income before capital gains</b>	<b>33.1</b>	<b>-1.4</b>	<b>50.3</b>	<b>44.1</b>	<b>22.9</b>	<b>-48.1%</b>
Net realized capital gains (losses)	-1.5	-50.9	-28.7	-16.0	-8.5	-46.8
<b>Net income</b>	<b>\$31.6</b>	<b>-\$52.3</b>	<b>\$21.5</b>	<b>\$28.0</b>	<b>\$14.4</b>	<b>-48.8%</b>
Pre-tax operating income	44.6	-1.4	61.0	53.1	28.0	-47.2

(1) Calculated from unrounded data.

Source: SNL Financial LC.

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