

2022 U.S. Group Disability Market Survey

Summary Report

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Background

The 2022 U.S. Group Disability Market Survey provides an industry perspective of new sales and in-force business for short-term disability (STD) and long-term disability (LTD) insurance products sold in the United States in 2020 and 2021. This summary report includes several key results from the 2022 U.S. Group Disability Market Survey.

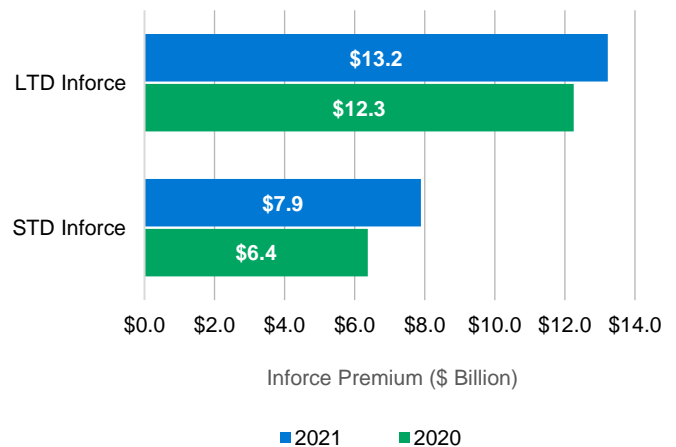
The following insurance companies participated in the survey:

- Dearborn Group
- Equitable
- Guardian Life Insurance Company of America
- The Hartford
- Lincoln Financial Group
- MetLife
- Mutual of Omaha Insurance Company
- New York Life Group Benefit Solutions
- New York State Insurance Fund (NYSIF)
- Northwestern Mutual
- OneAmerica
- Principal Financial Group
- Prudential
- Reliance Standard Life Insurance
- ShelterPoint Life Insurance Company
- The Standard
- Sun Life
- Symetra
- Trustmark Insurance – VB
- The Union Labor Life Insurance Company
- UnitedHealthcare Specialty Benefits
- Unum
- USABLE Life
- Voya Financial

In-force business

The 24 participating companies reported \$21.1 billion in combined STD and LTD in-force premium in 2021, an increase from \$19.3 billion reported by the same companies in 2020. STD in-force premium increased by 19.7% from \$6.6 billion in 2020 to \$7.9 billion in 2021, and LTD in-force premium increased by 4.2% from \$12.7 billion in 2020 to \$13.2 billion in 2021, as shown in Figure 1. The STD premium shown below includes premium for statutory benefits such as the New York Disability Benefits Law (including paid family leave) and other statutory paid family and medical leave (PFML) policies.

FIGURE 1: TOTAL IN-FORCE PREMIUM AMONG PARTICIPATING COMPANIES FROM 2020 AND 2021 (\$ BILLIONS)



The survey data was used to calculate average in-force premium per life (PPL) metrics for LTD and STD, as shown below in Figure 2. The average LTD in-force PPL increased by 4.7% from 2020 to 2021, whereas the average STD in-force PPL increased by 18.7%.

FIGURE 2: 2021 AVERAGE IN-FORCE PREMIUM PER LIFE

PRODUCT	AVERAGE PPL	PPL GROWTH RATE
STD	\$232.8	18.7%
LTD	\$272.2	4.7%

Figure 3 shows growth rates for in-force cases, premium, and covered lives from 2020 to 2021, for STD and LTD.

FIGURE 3: GROUP DISABILITY IN-FORCE GROWTH RATES

	STD	LTD
Cases	1.6%	0.6%
Premium	19.7%	4.2%
Lives	0.8%	-0.5%

New sales

The combined STD and LTD new sales premium increased from \$2.8 billion in 2020 to \$3.0 billion in 2021, as shown in Figure 4. The STD new sales premium increased by 12.7% from \$1.3 billion in 2020 to \$1.5 billion in 2021. The STD new sales premium includes premium for statutory benefits. The LTD new sales premium increased by 1.0% from just under \$1.5 billion in 2020 to just over \$1.5 billion in 2021. Carriers were given the option to report their sales bases as either an effective date or submitted date and no company reported different reporting bases between 2020 and 2021 for the same line of business (although not all carriers reported their bases). It is the first time that we have observed the same level of new sales premium for STD and LTD (both \$1.5 billion in 2021). In the past, LTD new sales premium was always higher than STD new sales premium.

FIGURE 4: TOTAL NEW SALES PREMIUM AMONG PARTICIPATING COMPANIES FROM 2020 AND 2021 (\$ BILLIONS)

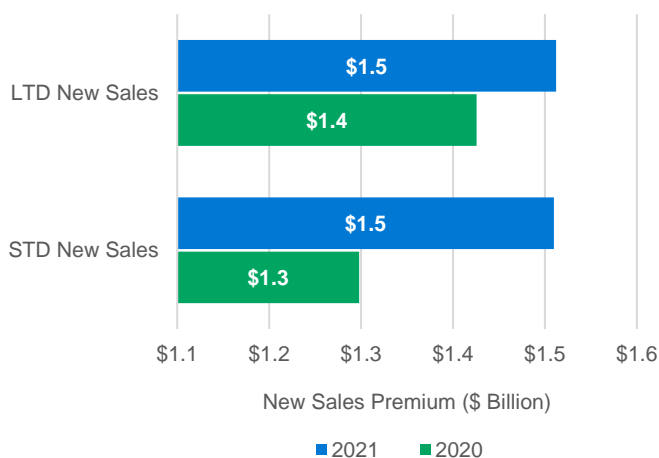


Figure 5 shows average PPL metrics for new sales in 2021, and the PPL growth rate from 2020 to 2021. Average PPL increased by 4.9% for STD products and increased by 15.1% for LTD products. The increase in the LTD PPL was driven by a decrease in covered lives and does not appear to be driven by higher premium rates.

FIGURE 5: 2021 AVERAGE NEW SALES PREMIUM PER LIFE

PRODUCT	AVERAGE PPL	PPL GROWTH RATE
STD	\$212.1	4.9%
LTD	\$251.7	15.1%

Figure 6 shows STD and LTD new sales growth rates for cases, premium, and covered lives from 2020 to 2021. The strong growth in STD premiums can likely be attributed in part to changes in the New York Paid Family Leave contribution rates.

FIGURE 6: GROUP DISABILITY NEW SALES GROWTH RATES

	STD	LTD
Cases	16.0%	6.9%
Premium	12.7%	1.0%
Lives	6.8%	-11.3%

Other key results

Figures 7 through 10 provide additional details of the in-force and new sales premium reported by survey participants. The company rankings in these tables are based on reported premium in 2021.

FIGURE 7: STD NEW SALES PREMIUM IN 2020 AND 2021 (\$ MILLIONS)

RANK	COMPANY	2020	2021	% CHANGE
1	METLIFE	\$148.6	\$262.7	77%
2	THE HARTFORD	\$143.9	\$220.5	53%
3	UNUM	\$158.7	\$142.7	-10%
4	LINCOLN FINANCIAL GROUP	\$233.9	\$124.7	-47%
5	GUARDIAN	\$88.1	\$122.0	38%
6	SUN LIFE FINANCIAL	\$91.3	\$101.8	11%
7	MUTUAL OF OMAHA	\$74.2	\$98.8	33%
8	THE STANDARD	\$80.4	\$81.9	2%
9	NEW YORK LIFE	\$81.1	\$63.1	-22%
10	RSLI	\$41.5	\$55.4	33%
11	PRUDENTIAL	\$36.1	\$43.8	21%
12	SHELTERPOINT	\$20.5	\$37.7	84%
13	PRINCIPAL	\$33.0	\$36.0	9%
14	UHC	\$22.0	\$24.2	10%
15	DEARBORN GROUP	\$19.7	\$19.6	0%
16	SYMETRA	\$7.4	\$17.5	137%
17	VOYA FINANCIAL	\$21.8	\$13.6	-38%
18	USABLE LIFE	\$6.7	\$13.1	96%
19	EQUITABLE	\$9.7	\$11.5	18%
20	ONEAMERICA	\$15.3	\$10.8	-30%
21	NYSIF	\$3.0	\$6.3	106%
22	NORTHWESTERN MUTUAL	\$2.0	\$1.7	-14%
23	TRUSTMARK INSURANCE	\$0.3	\$0.3	6%
24	ULLICO	\$0.2	\$0.0	-100%

Several companies reported very strong STD sales in 2021. Most notably, MetLife reported an additional \$114 million and The Hartford reported an additional \$77 million in STD sales in 2021. Guardian and Mutual of Omaha also reported solid STD sales in 2021.

FIGURE 8: STD IN-FORCE PREMIUM FROM 2020 AND 2021 (\$ MILLIONS)

RANK	COMPANY	2020	2021	% CHANGE
1	LINCOLN FINANCIAL GROUP	\$838.1	\$987.0	18%
2	THE HARTFORD	\$806.7	\$946.7	17%
3	UNUM	\$796.8	\$877.6	10%
4	METLIFE	\$542.6	\$746.5	38%
5	NEW YORK LIFE	\$718.2	\$741.4	3%
6	GUARDIAN	\$446.9	\$601.8	35%
7	SHELTERPOINT	\$266.2	\$444.7	67%
8	MUTUAL OF OMAHA	\$364.4	\$421.5	16%
9	THE STANDARD	\$347.4	\$397.8	14%
10	PRUDENTIAL	\$272.9	\$327.7	20%
11	SUN LIFE FINANCIAL	\$277.0	\$321.8	16%
12	RSLI	\$217.7	\$276.0	27%
13	PRINCIPAL	\$201.9	\$219.7	9%
14	NYSIF	\$66.8	\$100.3	50%
15	DEARBORN GROUP	\$80.4	\$93.3	16%
16	UHC	\$57.2	\$68.0	19%
17	ONEAMERICA	\$78.2	\$67.7	-13%
18	VOYA FINANCIAL	\$61.2	\$65.7	7%
19	SYMETRA	\$46.3	\$56.8	23%
20	USABLE LIFE	\$41.0	\$54.2	32%
21	EQUITABLE	\$23.8	\$33.2	39%
22	NORTHWESTERN MUTUAL	\$19.3	\$20.0	4%
23	ULLICO	\$15.3	\$16.0	4%
24	TRUSTMARK INSURANCE	\$4.7	\$4.3	-7%

Many companies reported solid growth in STD in-force premium in 2021, with the top rankings remaining largely unchanged from 2020. MetLife, Guardian, and ShelterPoint reported particularly strong growth in in-force premium.

FIGURE 9: LTD NEW SALES PREMIUM FROM 2020 AND 2021 (\$ MILLIONS)

RANK	COMPANY	2020	2021	% CHANGE
1	METLIFE	\$160.5	\$252.0	57.1%
2	THE HARTFORD	\$186.4	\$199.6	7.0%
3	UNUM	\$191.5	\$166.5	-13.0%
4	THE STANDARD	\$149.6	\$149.1	-0.4%
5	LINCOLN FINANCIAL GROUP	\$151.2	\$135.1	-10.7%
6	PRUDENTIAL	\$111.2	\$102.7	-7.7%
7	NEW YORK LIFE	\$111.5	\$98.0	-12.2%
8	GUARDIAN	\$71.8	\$70.4	-1.9%
9	MUTUAL OF OMAHA	\$70.0	\$67.8	-3.2%
10	SUN LIFE FINANCIAL	\$67.1	\$62.5	-6.9%
11	RSLI	\$71.2	\$56.5	-20.7%
12	PRINCIPAL	\$37.7	\$40.1	6.4%
13	UHC	\$21.0	\$25.4	21.3%
14	EQUITABLE	\$12.8	\$18.0	40.7%
15	SYMETRA	\$16.1	\$17.6	9.2%
16	VOYA FINANCIAL	\$22.9	\$17.1	-25.2%
17	DEARBORN GROUP	\$20.9	\$16.5	-21.1%
18	ONEAMERICA	\$14.4	\$8.5	-40.7%
19	USABLE LIFE	\$4.5	\$4.6	2.2%
20	NORTHWESTERN MUTUAL	\$4.4	\$4.1	-5.5%
21	TRUSTMARK INSURANCE	\$0.1	\$0.1	-7.3%
22	NYSIF	N/A	N/A	N/A
23	SHELTERPOINT	\$0.0	\$0.0	-100.0%
24	ULLICO	\$0.0	\$0.0	N/A

Most companies reported lower LTD new sales premium in 2021, but some reported strong growth in LTD. Most notably MetLife, which jumped several ranks to the top position with a 57% increase in sales premium.

FIGURE 10: LTD IN-FORCE PREMIUM FROM 2020 AND 2021 (\$ MILLIONS)

RANK	COMPANY	2020	2021	% CHANGE
1	THE HARTFORD	\$1,812.6	\$1,841.0	1.6%
2	UNUM	\$1,815.2	\$1,815.9	0.0%
3	LINCOLN FINANCIAL GROUP	\$1,664.0	\$1,683.6	1.2%
4	METLIFE	\$1,390.3	\$1,603.3	15.3%
5	NEW YORK LIFE	\$1,482.8	\$1,497.9	1.0%
6	THE STANDARD	\$926.8	\$951.7	2.7%
7	PRUDENTIAL	\$829.4	\$871.4	5.1%
8	GUARDIAN	\$498.2	\$536.6	7.7%
9	SUN LIFE FINANCIAL	\$517.4	\$535.4	3.5%
10	RSLI	\$435.7	\$454.2	4.3%
11	MUTUAL OF OMAHA	\$400.0	\$430.5	7.6%
12	PRINCIPAL	\$316.8	\$335.6	5.9%
13	DEARBORN GROUP	\$97.3	\$109.9	13.0%
14	VOYA FINANCIAL	\$103.1	\$109.8	6.5%
15	NORTHWESTERN MUTUAL	\$100.1	\$99.9	-0.2%
16	SYMETRA	\$76.8	\$89.7	16.8%
17	ONEAMERICA	\$85.1	\$78.4	-7.9%
18	UHC	\$60.9	\$72.7	19.4%
19	EQUITABLE	\$34.7	\$52.3	50.5%
20	USABLE LIFE	\$37.6	\$51.3	36.6%
21	TRUSTMARK INSURANCE	\$1.9	\$1.8	-3.9%
22	ULLICO	\$0.2	\$0.2	3.2%
23	SHELTERPOINT	\$0.2	\$0.2	-7.9%
24	NYSIF	N/A	N/A	N/A

The combined LTD in-force premium increased by 4.2% from 2020 to 2021. The Hartford has taken the top position, followed closely by Unum. Most companies reported modest increases. However, some companies reported significant growth, including Equitable and USable Life.

SURVEY PARTICIPATION

Companies that participate in Milliman's U.S. Group Disability Market Survey receive a comprehensive report of metrics at no charge. Please contact the author if your company would like to participate in Milliman's U.S. Group Disability Market Survey in the future.

RELIANCE AND LIMITATIONS

In performing the 2022 U.S. Group Disability Market Survey and preparing this report, Milliman relied upon the information provided by the participating companies. To the extent that this data is incomplete or inaccurate, the results may be materially affected. Submitted data were reviewed carefully. In some cases, they had apparent imperfections and assumptions were made to repair or aggregate results. In rare cases where the data had material defects, they were excluded.

QUALIFICATIONS

I, Maxwell Berube, am a consulting actuary with Milliman. This report provides an opinion regarding trends in the group disability insurance market. I am a member of the American Academy of Actuaries and meet its qualification standards for rendering this opinion.



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