

# Summary of Key Results from 2016 U.S. Group Disability Market Survey

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The 2016 U.S. Group Disability Market Survey covers employer-paid and employee-paid short-term disability (STD) and long-term disability (LTD) insurance products, and includes an analysis of premiums, cases, and covered lives from new sales and in-force business in 2015 and 2016. This document summarizes some of the key results from the survey.

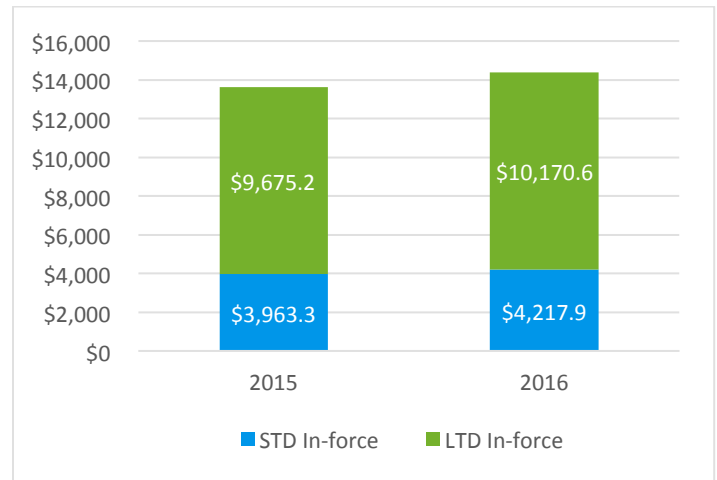
In total, 20 disability insurance companies contributed data to the 2016 U.S. Group Disability Market Survey:

Aetna  
Cigna  
Dearborn National  
Guardian Life Insurance Company  
The Hartford  
Liberty Mutual  
Lincoln Financial Group  
MetLife  
Mutual of Omaha  
Prudential  
The Standard  
Sun Life Financial  
Symetra  
Trustmark Insurance  
The Union Labor Life Insurance Company  
UnitedHealthcare  
Unum  
USABLE Life  
Zurich North America Life

The combined STD and LTD in-force premium was \$14.4 billion among contributing companies in 2016, versus \$13.6 billion in 2015. We estimate that their total premium represents 85% to 90% of the group disability insurance market in terms of in-force business. STD in-force premium increased by 6.4% from 2015 to 2016, and LTD in-force premium increased by 5.1%. The 2015 and 2016 in-force premiums are shown in Figure 1.

The combined STD and LTD premium from new sales was \$2.3 billion in 2016, versus \$2.0 billion in 2015. STD premium from new sales increased by 12.0% from 2015 to 2016, and LTD premium from new sales increased by 14.9%, as shown in Figure 2.

**FIGURE 1: TOTAL IN-FORCE PREMIUM AMONG CONTRIBUTING COMPANIES FROM 2015 AND 2016 (IN \$ MILLIONS)**



**FIGURE 2: TOTAL NEW SALES PREMIUM AMONG CONTRIBUTING COMPANIES FROM 2015 AND 2016 (IN \$ MILLIONS)**

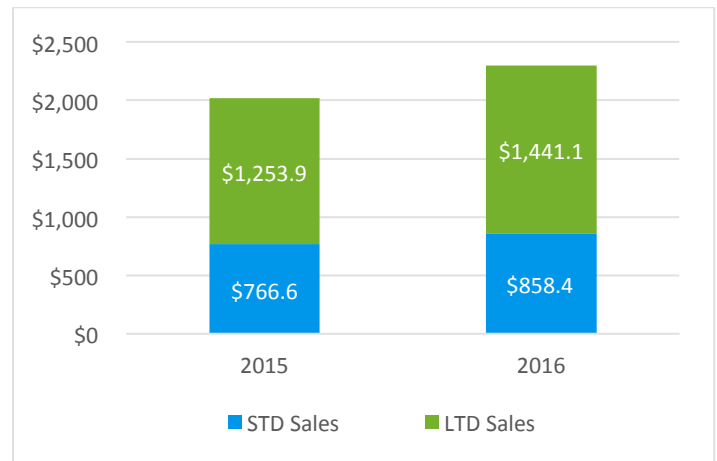


Figure 3 on page 2 shows average premium per life for in-force business and new sales in 2016. Average LTD premium per life grew slightly from 2015 to 2016, for both in-force business and new sales. On the other hand, average STD premium per life increased by 2.2% for in-force business while declining by 3.1% for new sales.

The table in Figure 4 shows the average growth rates for case counts, premium, and covered lives from 2015 to 2016, for STD and LTD.

As detailed, the reported number of LTD cases sold increased 6.9% while the number of LTD cases in-force only increased slightly from 2015 to 2016. Both the total LTD premium and the number of LTD covered lives from new sales increased significantly with more modest increases in in-force values. For STD, the reported number of cases sold decreased by 5.0% from 2015 to 2016 with a similar decrease in the number of cases in-force. However, STD premium and covered lives from new sales show a similar pattern to LTD - large increases in new sales with more modest increases in in-force values. This implies an increase in the average lives per STD case from 2015 to 2016.

The tables in Figures 5 and 6 show 2015 and 2016 in-force premiums reported by survey contributors. Please note that the company rankings in these tables were determined based upon reported results from 2016.

**FIGURE 3: 2016 GROUP DISABILITY AVERAGE PREMIUM PER LIFE**

	STD	LTD
IN-FORCE	\$222	\$260
GROWTH	2.2%	2.7%
NEW SALES	\$183	\$222
GROWTH	-3.1%	1.1%

**FIGURE 4: GROUP DISABILITY GROWTH RATES**

	STD	NEW SALES	IN-FORCE
CASES	-5.0%		-5.2%
PREMIUM	12.0%		6.4%
LIVES	14.6%		4.2%
	LTD	NEW SALES	IN-FORCE
CASES	6.9%		0.3%
PREMIUM	14.9%		5.1%
LIVES	12.4%		2.4%

**FIGURE 5: STD IN-FORCE PREMIUM FROM 2015 AND 2016 (\$ MILLIONS)**

RANK	COMPANY	2015	2016	% CHANGE
1	UNUM	\$628.94	\$640.28	1.8%
2	CIGNA	\$435.13	\$474.82	9.1%
3	THE HARTFORD	\$385.32	\$389.41	1.1%
4	LINCOLN FINANCIAL GROUP	\$382.91	\$373.72	-2.4%
5	SUN LIFE FINANCIAL	\$346.17	\$351.23	1.5%
6	AETNA	\$270.70	\$318.30	17.6%
7	METLIFE	\$281.89	\$312.92	11.0%
8	GUARDIAN LIFE INSURANCE COMPANY	\$262.37	\$286.04	9.0%
9	THE STANDARD	\$249.84	\$270.69	8.3%
10	MUTUAL OF OMAHA	\$197.63	\$215.99	9.3%
11	LIBERTY MUTUAL	\$182.80	\$205.16	12.2%
12	PRUDENTIAL	\$151.30	\$165.78	9.6%
13	DEARBORN NATIONAL	\$59.32	\$66.48	12.1%
14	USABLE LIFE	\$47.03	\$47.87	1.8%
15	ONEAMERICA	\$37.84	\$43.98	16.2%
16	UNITEDHEALTHCARE	\$17.55	\$23.67	34.9%
17	SYMETRA	\$16.18	\$21.70	34.1%
18	TRUSTMARK INSURANCE	\$6.09	\$5.32	-12.5%
19	THE UNION LABOR LIFE INSURANCE COMPANY	\$4.14	\$4.46	7.7%
20	ZURICH NORTH AMERICA LIFE	\$0.11	\$0.11	-3.4%
	<b>GRAND TOTAL</b>	<b>\$3,963.26</b>	<b>\$4,217.92</b>	<b>6.4%</b>

**FIGURE 6: LTD IN-FORCE PREMIUM FROM 2015 AND 2016 (\$ MILLIONS)**

RANK	COMPANY	2015	2016	% CHANGE
1	UNUM	\$1,660.8	\$1,730.1	4.2%
2	METLIFE	\$1,190.8	\$1,282.4	7.7%
3	CIGNA	\$1,140.4	\$1,249.9	9.6%
4	THE HARTFORD	\$1,031.9	\$1,019.6	-1.2%
5	THE STANDARD	\$741.7	\$797.7	7.5%
6	LIBERTY MUTUAL	\$686.2	\$770.8	12.3%
7	AETNA	\$637.9	\$678.7	6.4%
8	PRUDENTIAL	\$593.9	\$631.4	6.3%
9	SUN LIFE FINANCIAL	\$588.5	\$569.5	-3.2%
10	LINCOLN FINANCIAL GROUP	\$572.7	\$536.9	-6.3%
11	GUARDIAN LIFE INSURANCE COMPANY	\$363.0	\$393.7	8.5%
12	MUTUAL OF OMAHA	\$248.1	\$261.4	5.4%
13	DEARBORN NATIONAL	\$62.5	\$72.7	16.3%
14	ONEAMERICA	\$41.1	\$48.8	18.9%
15	USABLE LIFE	\$44.8	\$43.7	-2.5%
16	UNITEDHEALTHCARE	\$32.6	\$37.7	15.7%
17	SYMETRA	\$30.3	\$37.3	23.4%
18	ZURICH NORTH AMERICA LIFE	\$5.8	\$6.1	5.4%
19	TRUSTMARK INSURANCE	\$1.9	\$1.9	-1.9%
20	THE UNION LABOR LIFE INSURANCE COMPANY	\$0.3	\$0.3	0.2%
	<b>GRAND TOTAL</b>	<b>\$9,675.2</b>	<b>\$10,170.6</b>	<b>5.1%</b>

**RELIANCE AND LIMITATIONS**

In conducting the 2016 U.S. Group Disability Market Survey and preparing this report, we have relied upon the information provided by the contributors. To the extent that this data is incomplete or inaccurate, our results may be materially affected.

**QUALIFICATIONS**

We, Jennifer Fleck and Paul Correia, are consulting actuaries with Milliman. This report provides an opinion regarding trends in the group disability insurance market. We are members of the American Academy of Actuaries and meet its qualification standards for rendering this opinion.



Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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