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Press Release

Milliman Survey Indicates Indexed Universal Life and Chronic Illness Riders Remain Priority for Life Insurers

Seattle – July 8, 2014 – Total Indexed Universal Life (IUL) sales, as a percent of total Universal Life (UL) and IUL sales combined, increased from 14% in 2010 to 31% during the first nine months of 2013, as reported by participants in Milliman’s annual comprehensive study of UL and IUL issues. In recent years more companies have entered the IUL market. Expectations of survey participants suggest that companies will focus more on cash accumulation IUL and current assumption IUL products, and less on universal life with secondary guarantees (ULSG). Five of the 26 survey participants reported discontinued sales of ULSG products.

The popularity of chronic illness riders has also increased over the last few years. Fourteen participants currently offer a chronic illness accelerated benefit rider on either a UL or IUL chassis. During the first nine months of 2013 sales of chronic illness riders as a percent of total sales were 11% for UL products and 33% for IUL products. The majority of participants that reported UL/IUL sales with a chronic illness rider provide a discounted death benefit as an accelerated benefit. Similarly, during the first nine months of 2013, sales of long term care (LTC) riders as a percent of total sales were 17% for UL products and 9% for IUL products. Nearly 85% of survey respondents expect to market either an LTC or chronic illness rider within 12 to 24 months.

The seventh annual Milliman study, “Universal Life and Indexed Universal Life Issues”, focuses on issues relative to Universal Life with Secondary Guarantees (ULSG), Cash Accumulation UL, Current Assumption UL, and the corresponding indexed UL (IUL) versions. Twenty-six carriers of Universal Life and Indexed Universal Life products participated in this annual survey.

The study also includes information on product and actuarial issues, such as target surplus, reserves, risk management, underwriting, product design, compensation, pricing, administration, and illustrations.

The 484 page “Universal Life and Indexed Universal Life Issues – Detailed Report” is available for purchase by visiting the Milliman website at <http://www.milliman.com/insight/2014/Universal-life-and-indexed-universal-life-issues--2013-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 milliman.com.

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