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## Life Insurers: What Sets Us Apart

Life insurers provide the products that protect against life's uncertainties—helping individuals and families manage the financial risks of premature death, disability, and long-term care. We enable employers to provide employees with critical retirement savings programs, including defined benefit plans and defined contribution plans, such as 401(k)s. And through annuities, life insurers guarantee retirees an income for life, no matter how long they live. With 78 million baby boomers about to retire, and retirements lasting 20 to 30 years or more, the role of life insurers has never been more important.

And—what sets us apart—is the role we play in economic development. Life insurers invest regularly in stocks, bonds, and real estate markets—all of which fuel economic growth and create jobs. In fact, the life insurance industry is one of the largest sources of investment capital in the nation. In 2007, \$4.9 trillion had been invested in the U.S. economy, including \$1.2 trillion in new net investments between 2003 and 2007.

### **Life insurers help families, workers, and businesses protect their assets, accumulate long-term savings, and guarantee a secure retirement.**

- 67 percent of American families (more than 75 million families) have life insurance or an annuity.
- The life insurance industry is one of the largest providers of products and services to employer-sponsored retirement plans; 22 percent of the assets in employer-based retirement plans is managed by life insurers.
- Millions will depend on annuities for their long retirements—life insurers paid \$43 billion in individual annuity benefits in 2007.

### **Billions paid out in life, long-term care and disability income insurance transcend economics—offering peace of mind to Americans when they need it most.**

- Beneficiaries of life insurance policies received \$58 billion in death benefits in 2007.
- Life insurers paid \$7.2 billion in long-term care insurance benefits in 2007—helping families pay for long-term care needs and often making it possible for beneficiaries to live at home.
- In 2001, life insurers paid out \$6.3 billion in disability benefits to replace lost income. (Most current data available.)

### **Because obligations to consumers are long-term, life insurer's investments also are long-term.**

- Life insurers are the largest source of bond financing for corporate America, and have been since the 1930s, with \$1.6 trillion invested in 2007.
- At the end of 2007, life insurers held over \$561 billion in government bonds, which help fund urban renewal and support America's infrastructure.
- The industry holds about \$313 billion in commercial mortgages and provided \$58 billion in new financing to the commercial mortgage market in 2007.

### **Distribution of Life Insurance Industry Assets, 2007**

- Corporate bonds: 38%
- Stock: 33%
- Mortgages: 7%
- Government bonds: 11%
- Other assets: 11%

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