

Life-Insurance Payouts Hit Record \$100 Billion in 2021

Covid-19 deaths likely fueled an increase in death-benefit payments



An installation in Washington, D.C., commemorated Americans who died from Covid 19
By Leslie Scism

U.S. life insurers paid a record \$100 billion in 2021 in death benefits, fueled by another year of [Covid-19 deaths](#), an industry trade group said.

Payouts rose 11% in 2021 to \$100.19 billion, most likely due to the pandemic, according to the American Council of Life Insurers. The increase was on the heels of a 15% year-over-year rise in 2020, when death-benefit payments totaled \$90.43 billion.

The ACLI compiles data from annual filings by insurers to state insurance departments. Given limitations in the filings, the group can't break down causes of death, but it is

reasonable to attribute the bulk of the increases to the pandemic, said Andrew Melnyk, ACLI vice president of research and chief economist.

The year-over-year increases are among the largest since the 1918 flu pandemic, when payments surged 41%. They are far above the 4.9% average from 2011 to 2021, the ACLI said.

Covid-19 deaths in the U.S. jumped 20% in 2021 to approximately 460,000, according to data from the U.S. Centers for Disease Control and Prevention. [Deaths trended younger](#) as the Delta variant raced through the country, though older Americans still largely were the victims.

The Delta deaths substantially boosted payouts under employers' benefit programs, though most of the \$100 billion came from individually owned policies, according to ACLI data.

Myrna Guerrero, a national sales director for [Primerica](#) Inc., one of the nation's biggest sellers of term-life policies, said it was tragic last year to see young families hit with Covid-19 deaths. In two instances of term-life policies sold by her Phoenix-area office, policyholders left behind three or more children.

"Obviously, we won't take the pain away of losing somebody, but financially they will be OK," Ms. Guerrero said of the families. About 25 of the office's clients died in 2021, and about half of those had Covid-19.

Primerica said companywide death claims increased about 34% in 2021 to \$2.25 billion, up from \$1.69 billion.

Life insurers are also seeing deaths that [appear to be indirectly tied to Covid-19](#). In quarterly earnings, some reported jumps in death claims that they believe are tied to delays in medical care as a result of the 2020 lockdowns, and then, later, people's fear of seeking treatment, as well as trouble lining up appointments.

In the early days of Covid-19's rapid spread, the industry faced a seemingly crippling financial burden. But the cost has proved manageable partly because so many victims were in their 80s and 90s and typically had smaller policies, if any insurance at all.

Most insurers entered the pandemic with strong capital buffers, said Carmi Margalit, who leads the life-insurance sector at S&P Global Ratings, in a recent webinar. Strong sales across various product lines and diversified earnings streams also help, said ratings firm AM Best in a November analysis retaining the industry's stable outlook. But [an unusually big surge](#) in sales of life policies [has ebbed this year](#).

In Tulsa, Okla., New York Life Insurance Co. agent Vickie Ford said that in 2020 and 2021, she helped about five families with claims paperwork for deaths tied to Covid-19.

That was about half of the overall deaths for her office. Payments to beneficiaries ranged from \$92,000 to \$206,000.

This report by Leslie Scism confirms what former Black Rock fund manager Edward Dowd has reported over the past year. This was also predicted by others following the so-called "Gene" therapy vaxxes fraudulently issued under Emergency Authorization Use under the President's executive order. We know it is part of a mass global eugenics program to depopulate the world.

Dr. David L. Martin in the fall of 2020 stated that the Insurance Industry would be the "fall guy" who would take the financial hit for this crime against humanity.

Blessings,

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