



2022 TOLI Portfolio Statistics

Payment of the Trust Owned Life Insurance (TOLI) policy death benefit is fundamental to the estate liquidity and wealth management planning purpose of every Irrevocable Life Insurance Trust (ILIT). Further, it is usually the primary measure of an ILIT trustee's prudent practices on behalf of trust beneficiaries.

TOLI policies, both guaranteed and non-guaranteed, require annual/periodic risk management attention to assure guarantees have not been compromised and premium payments will sustain the policy to the insured's estimated life expectancy, as a minimum. The following statistics reinforce the need for risk mitigation corrective action when policy risks and mitigation options have been identified.

Our 2022 statistics confirm the continued trend back to fixed premium guaranteed death benefit products following the trend to flexible premium nonguaranteed products during the 1990s and early 2000s. Guaranteed universal life products remain the 'product of choice' today but 16% need risk mitigation attention compared to 15% in 2017 and 14% in 2020. Nonguaranteed universal products have declined to 15% of total portfolio products compared to 30% in 2006 and in 2002, 48% are classified as underperforming.

The TOLI Center has maintained TOLI portfolio statistics since 1991 from our database of TOLI policies outsourced by professional (skilled) and personal (unskilled) trustees.

Total Portfolio Performance Summary

Policy Classification Code	2006	2013	2017	2020	2022
Performing Policies					
<i>Current inforce illustration projects the policy to sustain at least six years beyond the insured's assumed mortality.</i>	82%	83%	83%	85%	83%
Under-performing Policies					
<i>Current inforce illustration projects the policy to lapse without value prior to or within five years after the insured's assumed mortality.</i>	18%	17%	17%	15%	17%

Product Summary

Product Type	1999	2006	2013	2017	2020	2022	Perf	UPerf
Guaranteed Products								
Term	11%	12%	10%	11%	16%	14%	94%	6%
Whole Life	68%	46%	32%	31%	28%	28%	99%	1%
Gty Universal Life			27%	27%	31%	31%	84%	16%
	79%	58%	69%	69%	75%	73%		
NonGuaranteed Products								
Universal Life	17%	30%	19%	20%	13%	15%	52%	48%
Indexed Universal Life					2%	2%	87%	13%
Variable Universal Life	4%	12%	12%	11%	10%	10%	72%	28%
	21%	42%	31%	31%	25%	27%		

Total Portfolio Death Benefit Summary

	1999	2006	2013	2017	2020	2022
Avg Death Ben/ Policy	\$797,730	\$1,710,923	\$2,787,019	\$2,812,386	\$3,096,777	\$3,027,992