

Facts About Life 2019

Facts from LIMRA

Life Insurance Awareness Month, September 2019

Who owns life insurance?

- More than half of American adults (57%) own some type of life insurance.
- Three in 10 Americans have life insurance coverage at work; 4 in 10 Americans have individual coverage.
- Women are less likely to own life insurance than men. Just 56% of women own life insurance, compared with 62% of men who own life insurance.
- Only 4 in 10 children (under 18) own any life insurance.

Why do Americans own life insurance?

- Half of consumers say they would use life insurance proceeds to replace income if the primary wage-earner died.
- The top three reasons Americans give for owning life insurance:
 - Cover burial and final expenses (91%)
 - Help replace lost wages/income of a wage earner (66%)
 - Transfer wealth or leave an inheritance (63%)

What prevents consumers from owning life insurance?

- The top three reasons to not purchase (or to not purchase more) life insurance:
 - It is too expensive (63%)
 - Have other financial priorities (61%)
 - Already have enough coverage (52%)
- Millennials are the most likely to overestimate the price of term life insurance. Four in 10 of Millennials estimated the cost of a \$250,000 term life policy for a healthy 30-year-old at \$1,000 a year or more (actual average cost is \$160 per year).

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The changing life insurance buying process:

- About half (47%) of American consumers find simplified underwriting more appealing than traditional underwriting.
- Benefits of simplified underwriting:
 - Is fast and easy (63%)
 - Is unbiased and objective (57%)
 - Transparent explanations of risk and pricing (57%)
 - Avoids need to see a doctor (56%)
 - Avoids medical exam, blood and urine samples (55%)
 - Avoids face-to-face conversation (40%)
- The majority (74%) of consumers who buy their life insurance online work full-time.
- Similar to those who buy in person, about half of those who buy online are married.
- Consumers who purchased life insurance online tend to have fewer investable assets than those who purchased in person (on average, \$179K vs. \$289).

The impact of social media on life insurance ownership:

- Nine in 10 life insurance shoppers use at least one social media platform.
- Millennials are twice as likely to feel its important for financial professionals to have a social media presence than older generations.
- Consumers say Facebook, Yelp and LinkedIn are the most important social media sites for financial professionals.
- Six in 10 life insurance shoppers use social media to learn about products and services and read reviews on financial professionals.

All facts are from several of LIMRA's life insurance consumer studies.
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