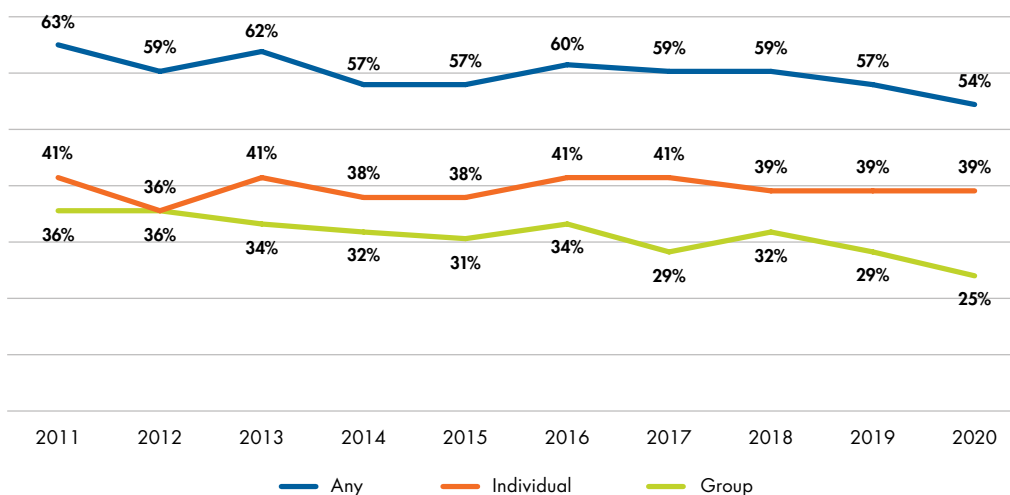


# 2020 Insurance Barometer Study Executive Summary Focus on Life Insurance

## U.S. LIFE INSURANCE OWNERSHIP IS FALLING

U.S. life insurance ownership has been declining over the past decade. In 2020, just 54% of American adults said they had life insurance coverage, a 9 point decline from 2011.

### Life Insurance Ownership 2011 – 2020

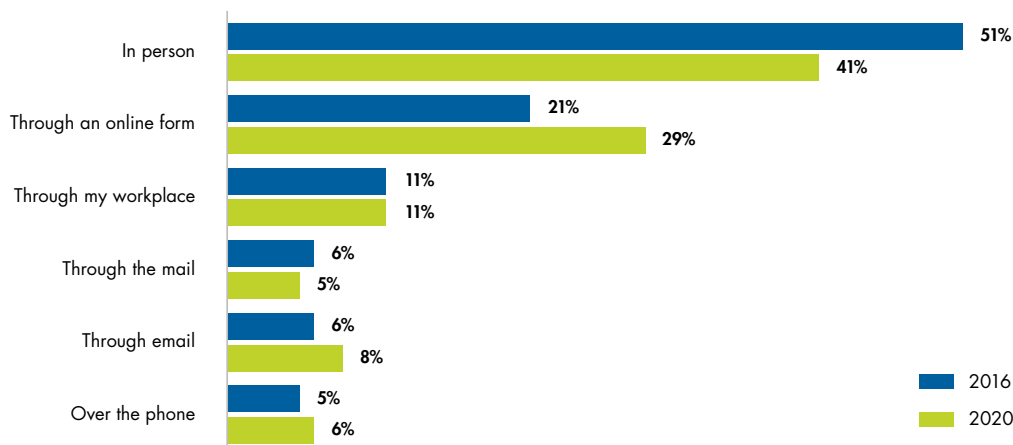


Yet, 70 percent of Americans said they needed life coverage in 2020, the highest level of perceived need among these products. This represents an increase of 6 percent from 2019, and suggests total market demand of 179 million consumers.

## PURCHASE PREFERENCES HAVE CHANGED

- In 2011, 64 percent of Americans preferred in-person sales. In 2020, only 41 percent of consumers said they preferred in-person sales. While it remains the most favored method, the decline reveals a significant change in consumer preferences over the past decade.

### Trends in Life Insurance Purchase Preferences

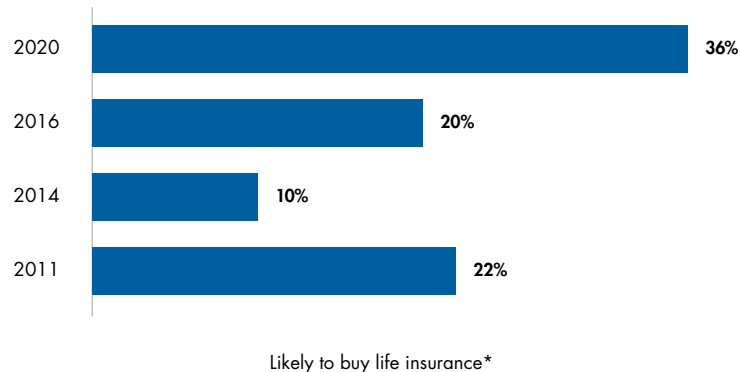


- Consumers’ preference for “internet/online” sales grew from 17 percent in 2011, to 29 percent in 2020. Overall, the data indicate the majority of consumers now prefer alternatives to “in-person” sales.

## LIKELIHOOD-TO-BUY IS AT ITS HIGHEST POINT TO-DATE

- In 2020 — prior to the pandemic — 36 percent of Americans said they intend to purchase life coverage in the next 12 months. This suggests purchase intent from 42 million non-owners. It represents the highest level of purchase intent recorded since LIMRA and Life Happens began this study in 2011.

### Trends Likelihood to Buy Life Insurance



- Developments such as combination products, continuous underwriting, and simplified underwriting can increase a consumer’s likelihood to buy life insurance by as much as 50 percent.

## CONSUMERS OVERESTIMATE THE COST COVERAGE

- In the last four study periods, consumers consistently overestimated the cost of term life coverage; half the population estimate the cost of life insurance at *more than three times the actual cost*.
- Educating consumers about the true cost of coverage can help dispel these misconceptions and increase the size of the life insurance market.

To read the full report, visit [2020 Insurance Barometer Study](#).

**Methodology:** In January 2020, LIMRA and Life Happens engaged an online panel to survey adult consumers who are financial decision-makers in their households. The survey generated 1,997 responses