



The Life Insurance Need Gap

Source: 2021 Insurance Barometer

Outline

Welcome – Sean O’Donnell, Senior Vice President, Member Relations, LL Global

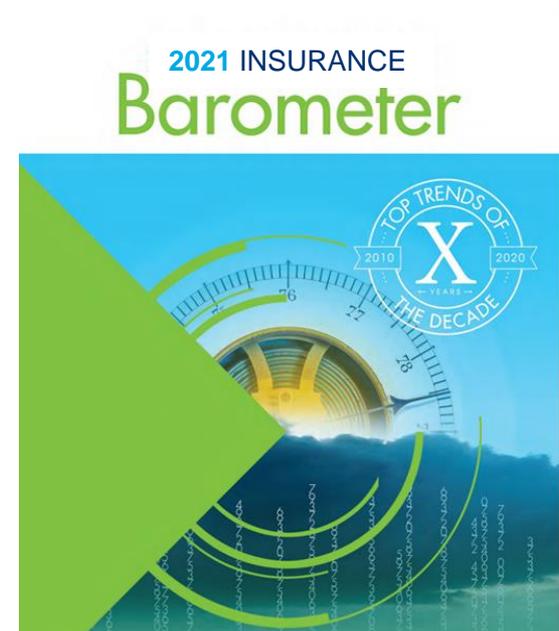
Insurance Barometer Overview – Faisa Stafford, President & CEO, Life Happens

Consumer Mindsets – Jim Scanlon, AVP, Insurance Research, LL Global

- COVID
- Financial concerns
- Life insurance ownership profiles
- Life Insurance Need-Gaps: owners & non-owners
- Reasons for Not Owning (More) Life Insurance

Insurance Barometer Overview

- *The Insurance Barometer is an annual study since 2011, which tracks the perceptions, attitudes, and behaviors of adult consumers in the United States.*
- *LIMRA and Life Happens engage an online panel to survey adult consumers who are financial decision-makers in their households.*
- *The study objectives are to measure financial concern among American consumers and relate these findings to financial behaviors, with a particular focus on life insurance.*



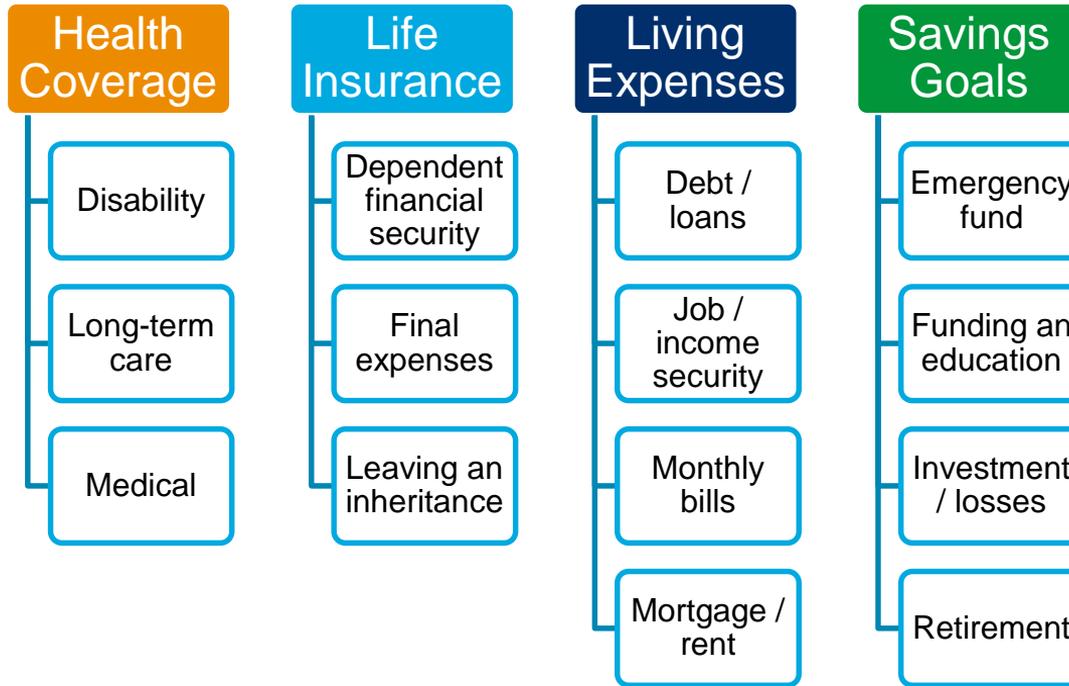
Consumer Mindsets – Impact of COVID on Purchase Intent

31% of consumers
are more likely to
buy life insurance
due to COVID

The impact is higher
among:

- *Millennials [45%]*
- *Household incomes of \$150K or more [42%]*
- *Blacks [38%] & Hispanics [37%]*
- *Couples [35%]*
- *Males [33%]*

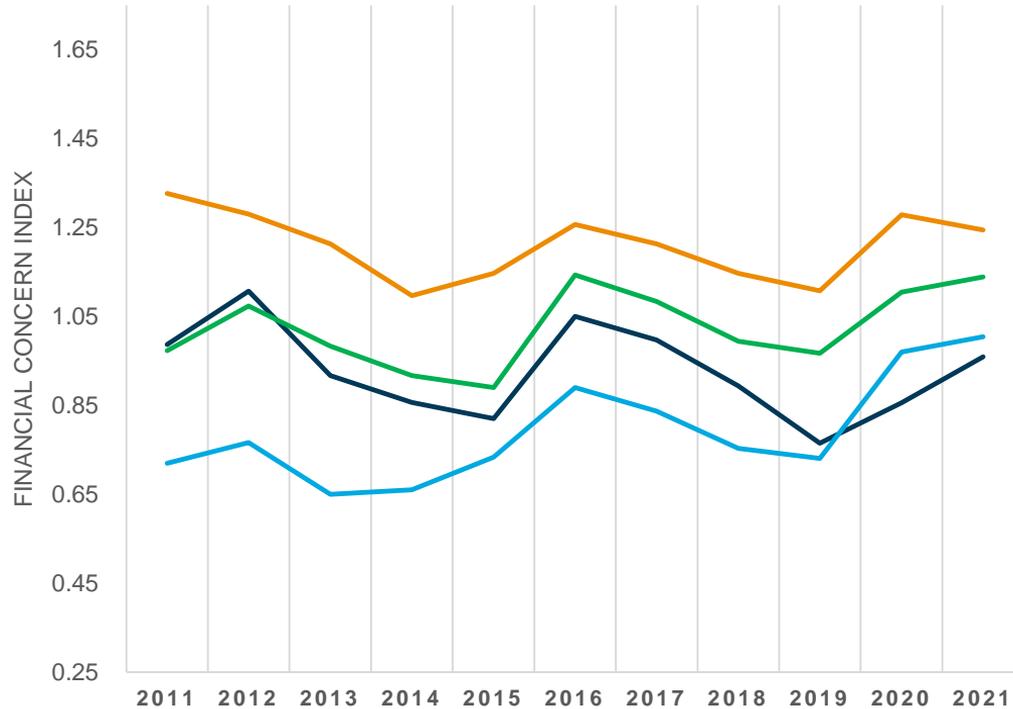
Consumer Mindsets - Financial Concern Trends



- *Consumers say competing priorities are a reason for not owning (more) life insurance.*
- *Tracking concern across categories shows the industry where life insurance ranks.*

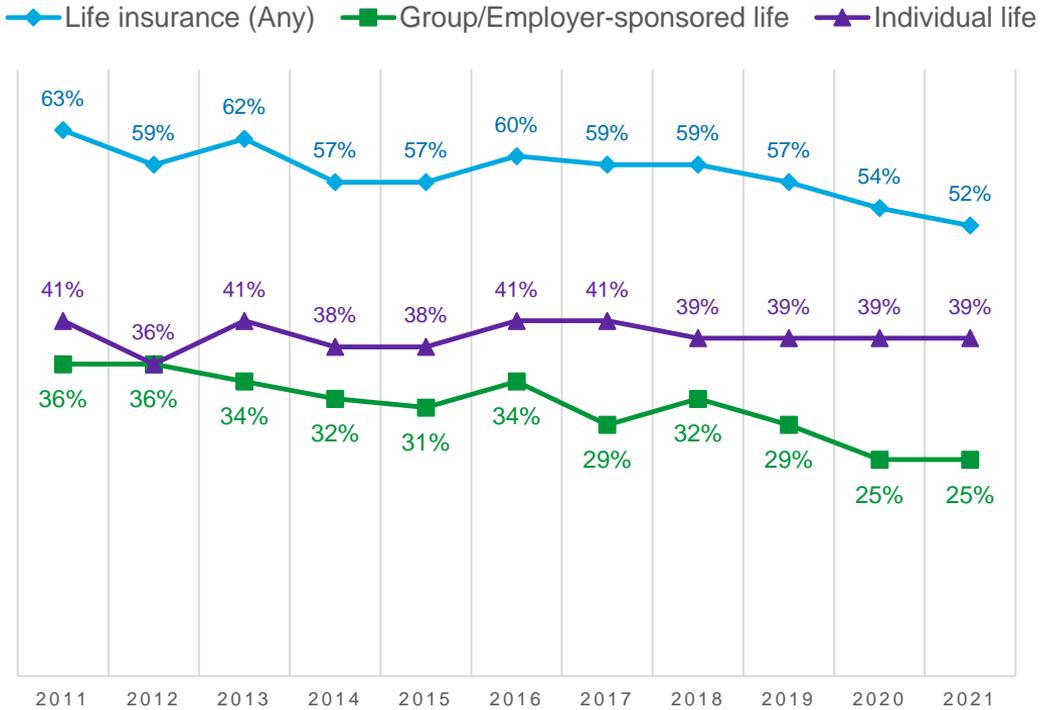
Financial Concern Hierarchy – 2011 to 2021

— Living Expenses — Health Expenses — Saving Goals — Life Insurance



Relative concern for life insurance has increased, it moved into 3rd place in 2020.

Life Insurance Ownership by Type 2011 to 2021



Life insurance ownership volume equals 134 million adults.

	Life Insurance Ownership	Market Size (million of adults)
Owners	52%	134
Non-owners	48%	124
Total	100%	258

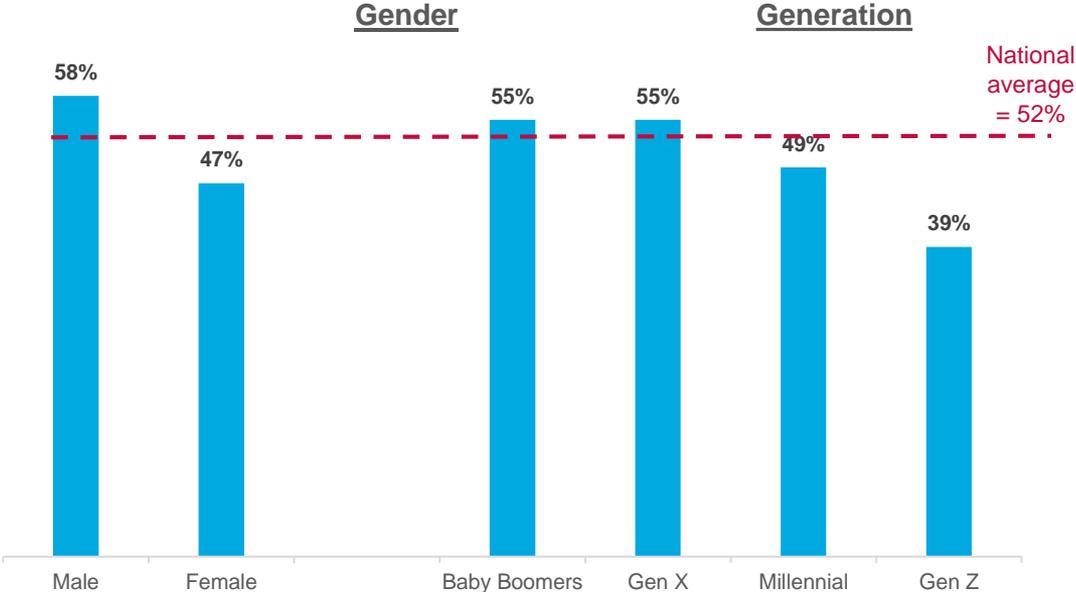
Source: U.S. Census Bureau, Population Division, 2020 Demographic Analysis (December 2020 release)



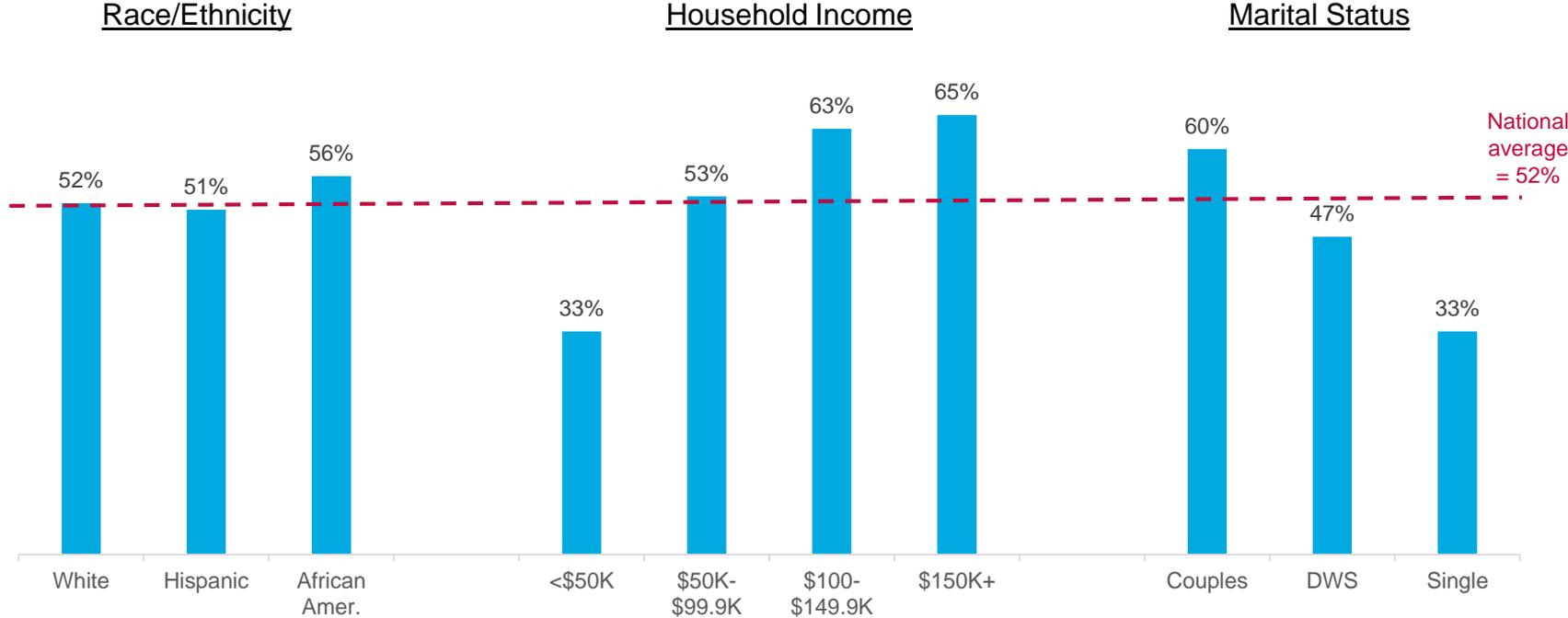
Insurance Ownership Volume & Profiles

Life Insurance Ownership by Gender & Generation

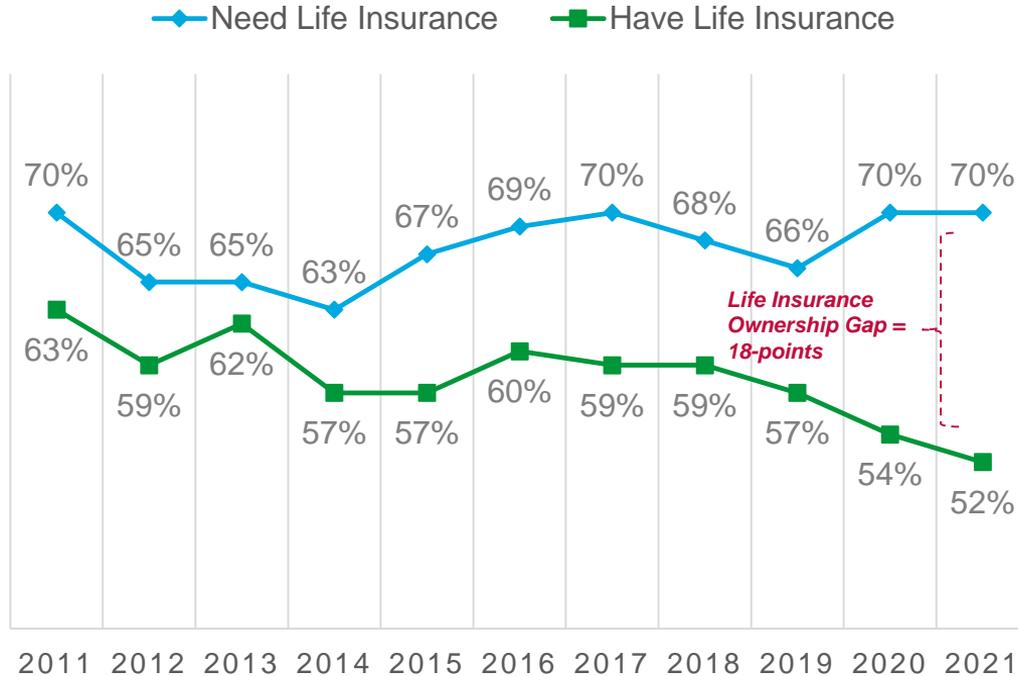
Demographic profiling identifies gaps within market segments.



Life Insurance Ownership Profiles - 2021

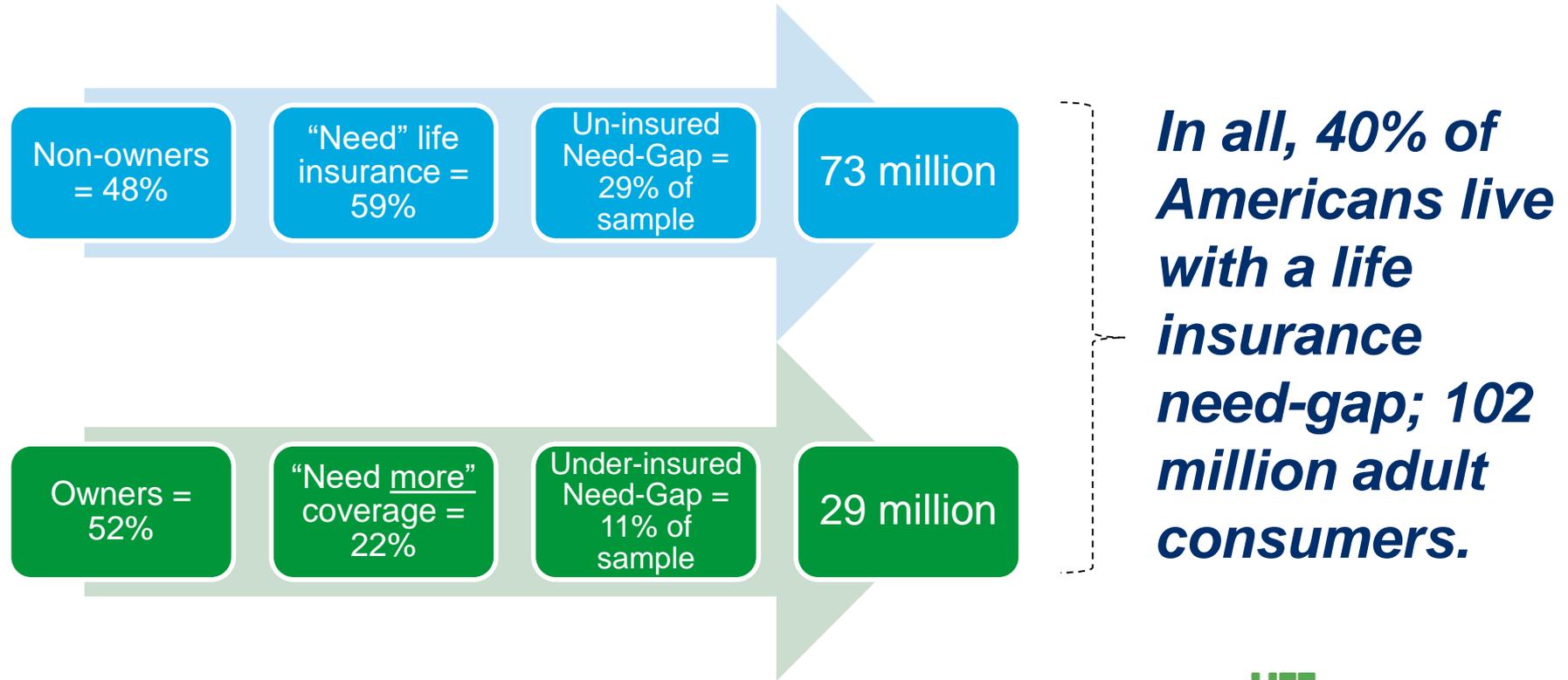


Life Insurance Ownership Gap - 2011 to 2021

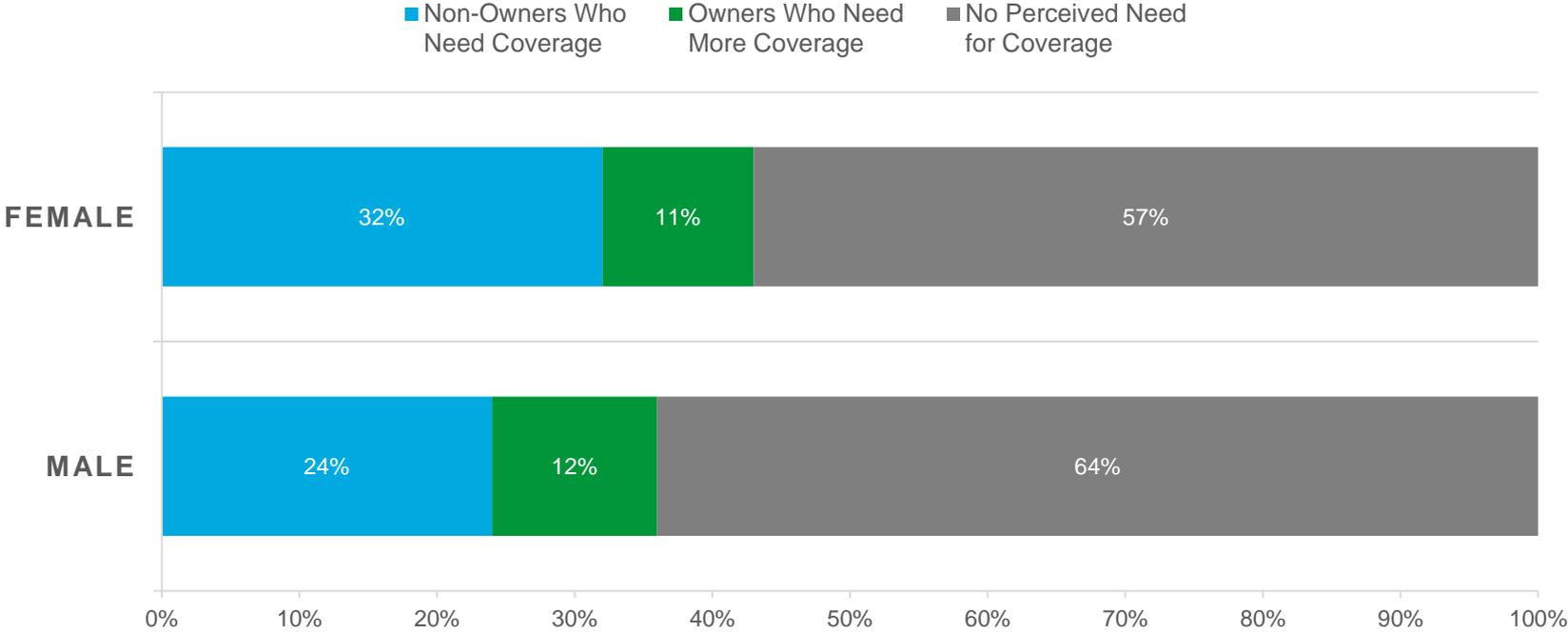


- *The gap between “I need” and “I have” equals 18-points, or 46 million consumers*
- *This understates unmet need in the market.*

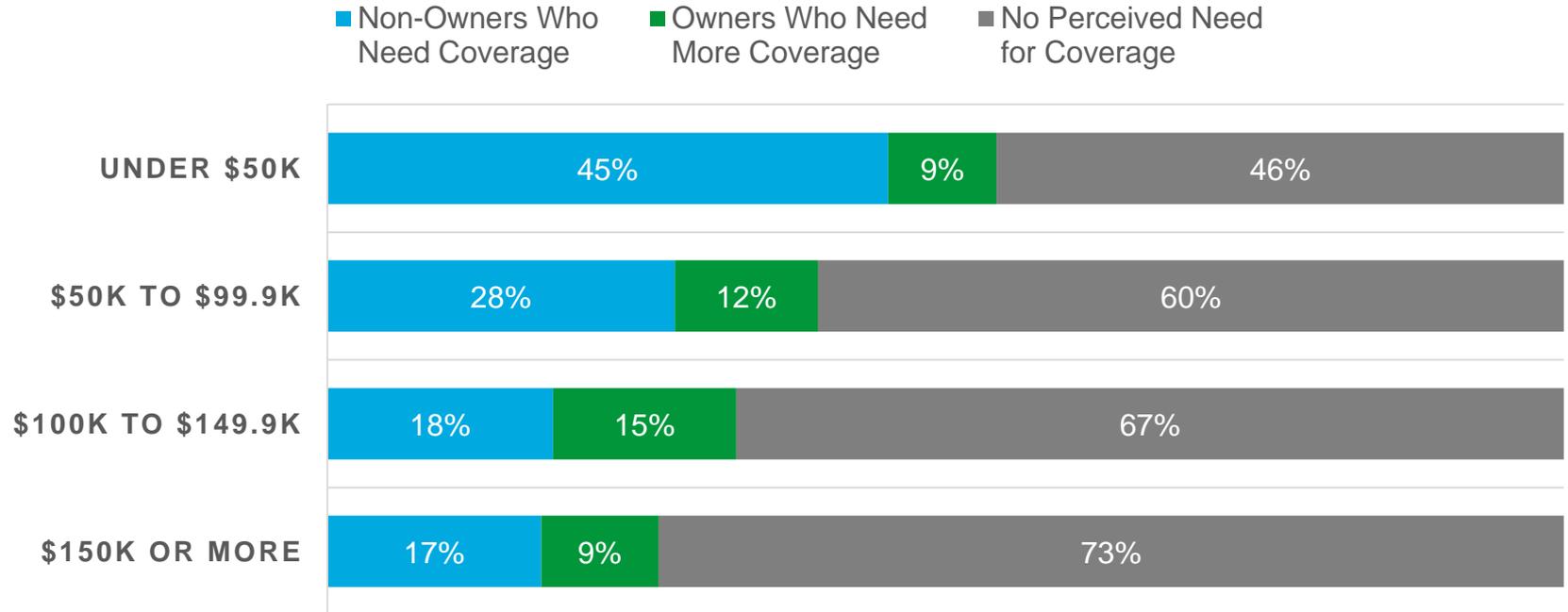
Life Insurance Need – Owners & Non-Owners



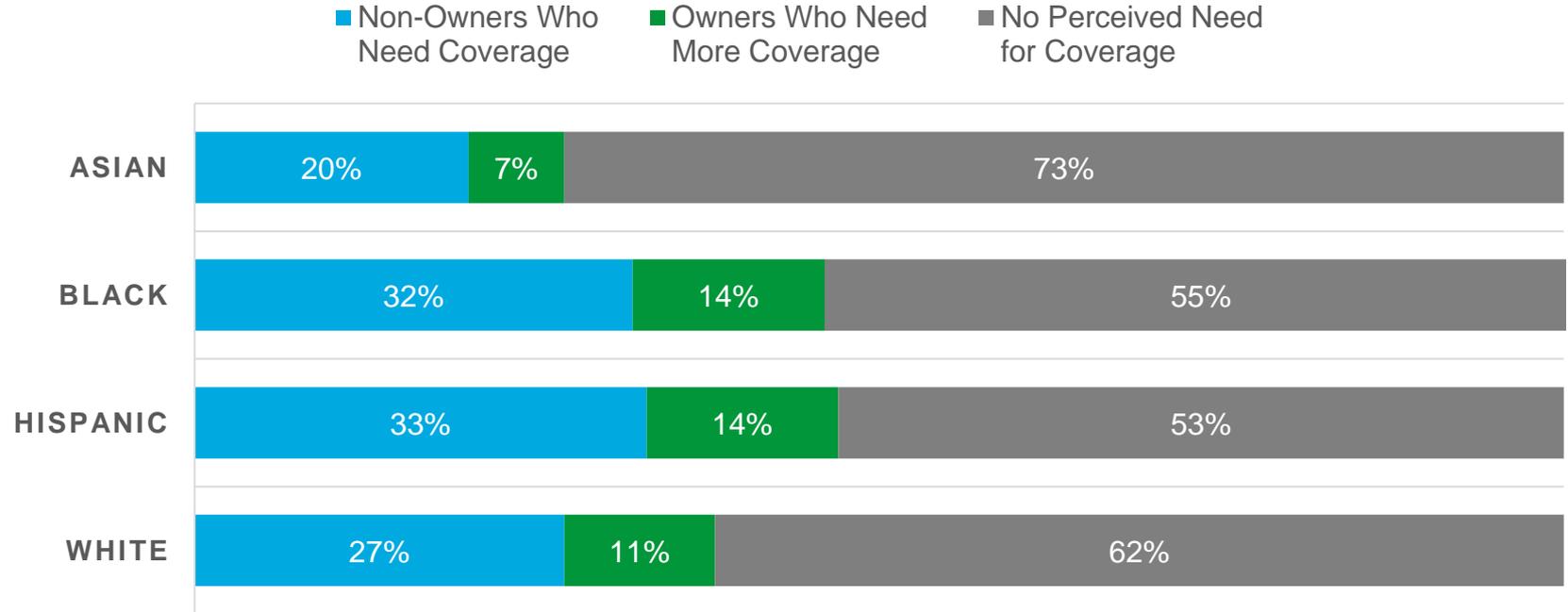
Life Insurance Need by Gender



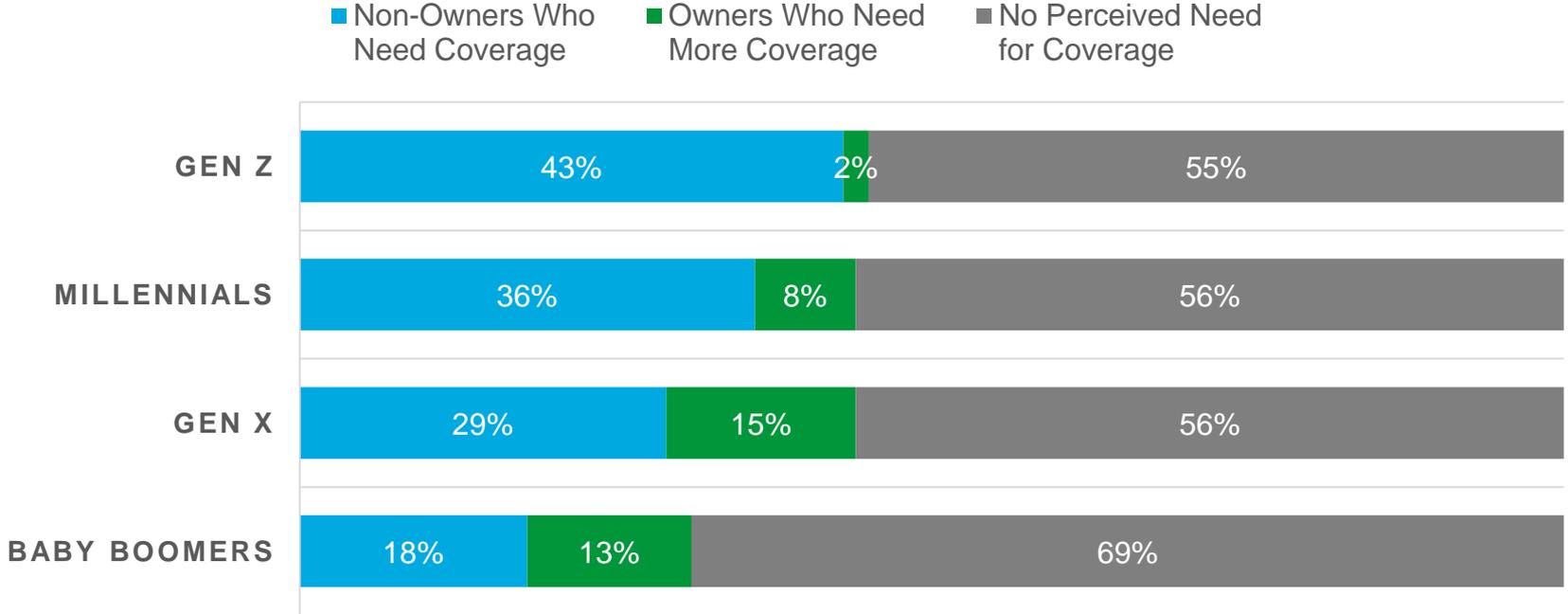
Life Insurance Need by Household Income



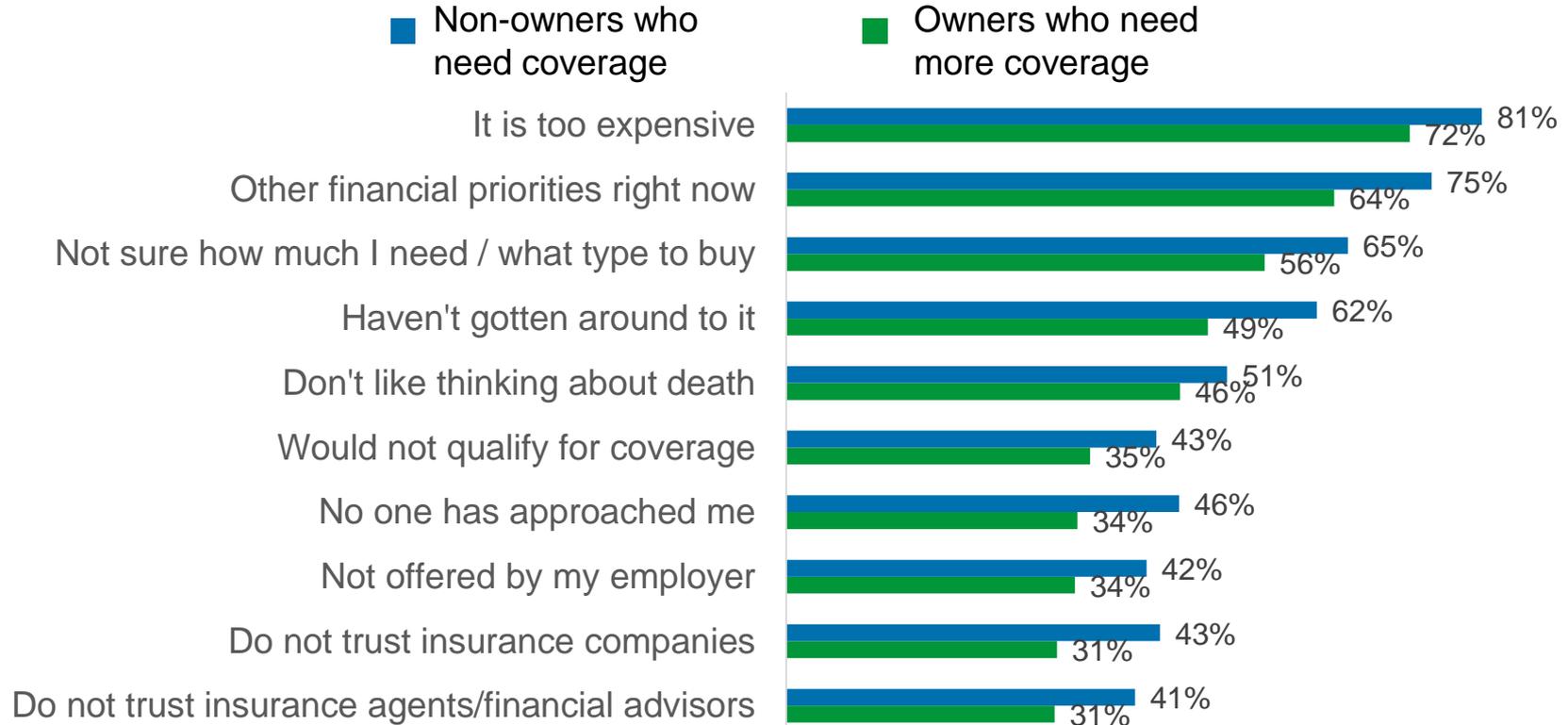
Life Insurance Need by Race/Ethnicity



Life Insurance Need by Generation



Reasons for Not Owning (More) Life Insurance



Next Steps

Month	Insurance Barometer Releases
March	Press release, Infographic, Social Media, CEO/President's video (Dave & Faisa)
April	Life Insurance Conference workshop, Press release, Infographic & Primary report
May/June	Black Americans report, Webinar, Technical Supplement

Key Take-Aways

- 1. Consumer demand or “need” for coverage has increased and remains strong.*
 - The gap between “I need” and “I “have” life insurance has doubled since 2019, further emphasizing the need for the industry to respond proportionally to the existing demand.*
- 2. The pandemic has driven an increase in purchase intent.*
 - 31% indicated they are more likely to buy life insurance due to COVID.*
 - The % of respondents indicating an increased likelihood to buy increases with income. (i.e., 42% of respondents with incomes of \$150K+ indicated they were more likely to buy due to COVID.)*
 - Strongest among Millennials, Gen Xers, Black, and Hispanic respondents.*
- 3. Consumer engagement and education will be the keys to meeting this increased demand*

Questions & Answers





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Industry Knowledge***

For more information contact:

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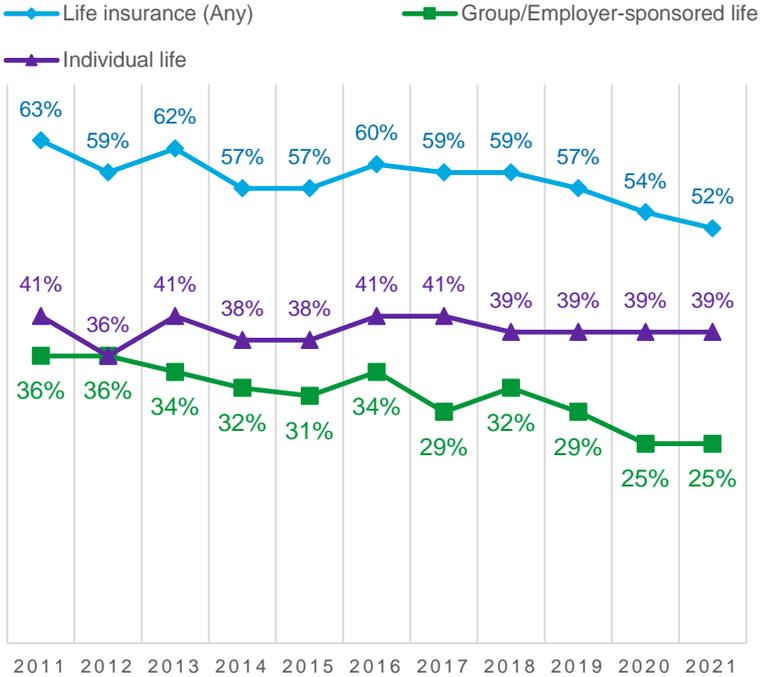
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Life Insurance Ownership by Type 2011 to 2021

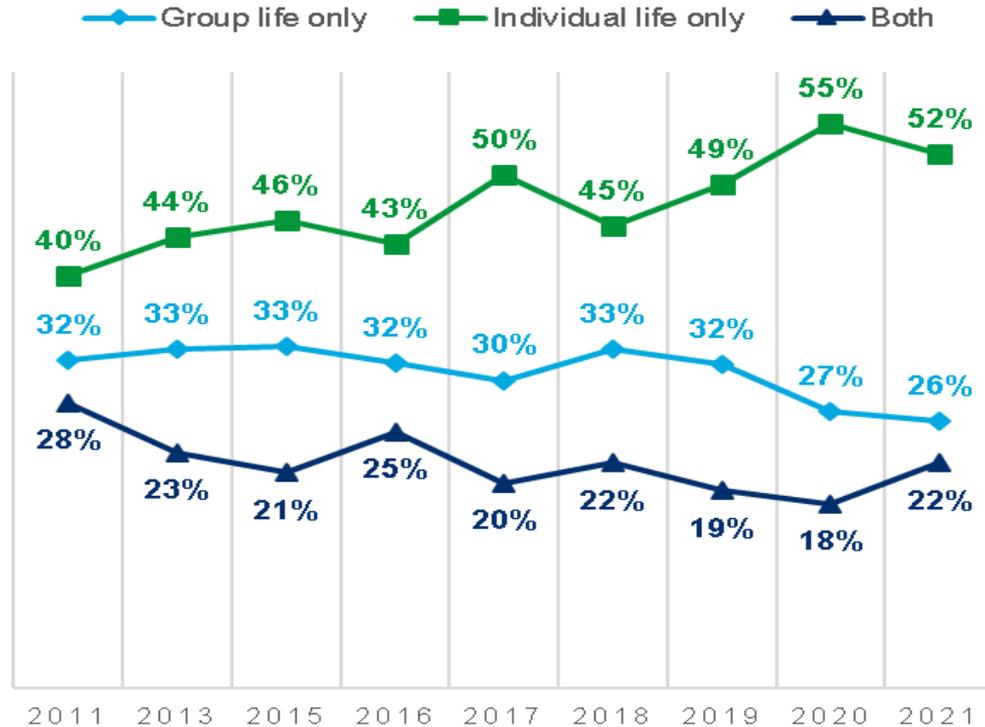
Life Insurance Ownership Trends



Civilian Labor Force Participation Rate



Life Insurance Ownership by Type 2011 to 2021 – Insureds



- Those with both coverage types rose to 22% this year, from a low of 18% in 2020.
- This remains short of the 28% high-point in 2011.