

# Help Protect Our Families Consumer Interest and Need for Life Insurance Remain Elevated



After two years of living with COVID-19, consumer awareness about the importance of life insurance remains high. Despite the increased interest, life insurance ownership continues to fall, according to the 2022 Insurance Barometer Study, conducted by LIMRA and Life Happens.

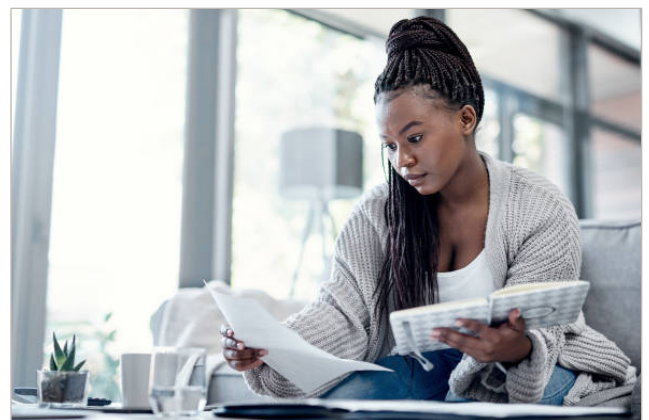
The **Help Protect Our Families** campaign continues to work with the industry to engage and educate consumers and help them get the coverage they need to protect their loved ones.

## While need is high, ownership declines

- ▶ Just half of American adults have any life insurance coverage, a notable decline from 63 percent just a decade ago.
- ▶ Of those who have life insurance coverage, 77 percent said they have individual life insurance coverage or both group and individual coverage, and 41 percent said they have group coverage or both.
- ▶ There are 106 million Americans, representing 41 percent of the adult population, who acknowledge they are living with a life insurance coverage gap.
- ▶ Younger adults (Millennials and Gen Z) are most likely to believe they don't have enough life insurance coverage: 47 percent of Millennials and 49 percent of Gen Z say they need (or need more) life insurance.
- ▶ In 2022, 44 percent of women believe they have a life insurance coverage gap.
- ▶ Four in 10 families (37 percent) say they would face financial hardship if the primary wage earner died within six months. For 21 percent, it would be within just one month.
  - 2022 Insurance Barometer Study, LIMRA and Life Happens.

## COVID-19 has prompted new priorities

- ▶ Half of Americans say their physical and mental health are more important today than they were pre-pandemic.
  - *Consumer Sentiment in the Time of COVID-19*, LIMRA, January 2022.
- ▶ One in three consumers feel high financial stress; for those under 50, 42 percent say they feel high levels of financial stress.
  - *Coronavirus (COVID-19): Consumer Concerns on the Rise*, LIMRA, 2021.
- ▶ Purchase intent is at a record high. Thirty-seven percent of Americans plan to buy life insurance this year.
  - 2022 Insurance Barometer Study, LIMRA and Life Happens.
- ▶ Thirty-one percent of Americans say they are more likely to buy life insurance due to COVID-19; the impact of the pandemic is highest among Millennials (44 percent), Black Americans (38 percent), and Hispanics (37 percent).
  - 2022 Insurance Barometer Study, LIMRA and Life Happens.
- ▶ U.S. consumer interest in life insurance remains higher than before the pandemic. In March 2022, online searches about life insurance were 55 percent above pre-pandemic levels.
  - Google Analytics, March 17, 2022.



## Barriers to purchase

- ▶ Despite the desire to have life insurance coverage that suits their needs, consumers identify many reasons for their need gap. The most common reasons include:
  - Health issues make it difficult to get more coverage
  - Don't know what to buy or how much coverage they need
  - Don't want to take the time and energy to pursue it
  - Can't afford it; the perceived cost is too high
  - Financial instability, loss of job

– *Let's Talk Life – Why Do Consumers Live With a Life Insurance Need Gap?*, LIMRA, 2021.

- ▶ Almost half of uninsured consumers (48 percent) say they haven't purchased life insurance because they don't know how much they need or what type to buy.

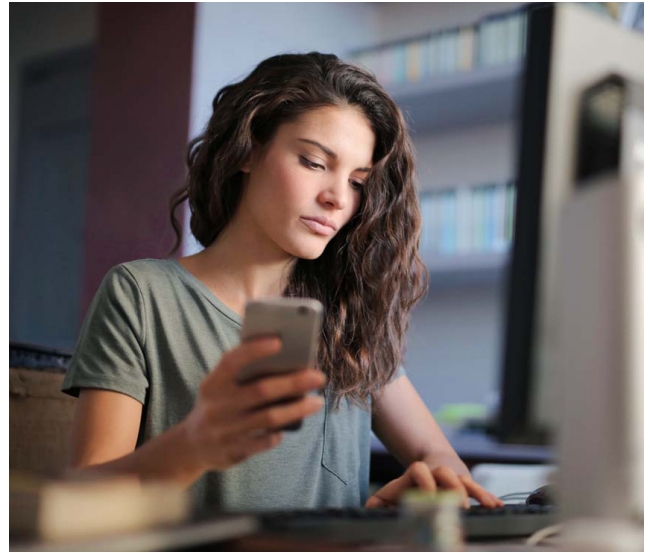
– 2022 Insurance Barometer Study, LIMRA and Life Happens.

- ▶ Nearly half of uninsured Millennials (49 percent) say they haven't purchased life insurance because no one has approached them.

– 2022 Insurance Barometer Study, LIMRA and Life Happens.

- ▶ Four in 10 insured married adults say they have life insurance to pay for college education.

– 2021 Insurance Barometer Study, LIMRA and Life Happens.



## Consumers want ease and convenience

- ▶ Consumers' preferences on how they wish to purchase life insurance have evolved. Nearly an equal proportion of consumers say they would prefer to purchase life insurance online as those who would prefer to work with a financial professional (31 percent versus 33 percent respectively). In 2017, 47 percent of consumers said they preferred to use a financial professional to purchase life insurance.

– 2022 Insurance Barometer Study, LIMRA and Life Happens.

- ▶ Forty-eight percent of Americans say they are more likely to buy life insurance through automated/accelerated underwriting.

– 2021 Insurance Barometer Study, LIMRA and Life Happens.

- ▶ Eighty-two percent of North American life insurers offer life insurance using automated underwriting. This means more choices to buy life insurance for people who don't want to undergo traditional underwriting (blood samples, doctor's visits, etc.).

– LIMRA carrier survey on automated underwriting, 2021 (not yet published).

- ▶ Since the start of the pandemic, 95 percent of life insurers now accept e-signatures and e-delivery to ease the process of purchasing life insurance.

– *COVID-19: One Year Later: The Impact on Individual Life Insurance*, LIMRA, 2021.