

2023 Life Insurance Fact Sheet



Life Insurance Ownership Today

- In January 2023, 52% of consumers reported owning life insurance (e.g., individual, employer-sponsored, etc.), which is up from 50% in 2022 but down from 63% in 2011.
- Overall, there are more than 100 million uninsured and underinsured Americans who say they need (or need more) life insurance coverage.
- Thirty-eight percent of Americans say their household would face financial hardship within six months should a wage earner die unexpectedly — 30% would struggle financially within a month.
- Among life insurance owners, 21% say they do not have enough coverage.
- COVID-19 continues to influence people's interest in life insurance — particularly younger adults:
 - Fifteen percent of individual life insurance owners say that the COVID-19 pandemic led them to purchase life insurance.
 - One third of Gen Z adults say COVID-19 was a reason they bought life insurance.
- Just 45% of Hispanic Americans report owning life insurance, lower than other racial and ethnic groups. Black and white Americans' ownership rate is nearly 10 percentage points higher than Hispanic Americans'.

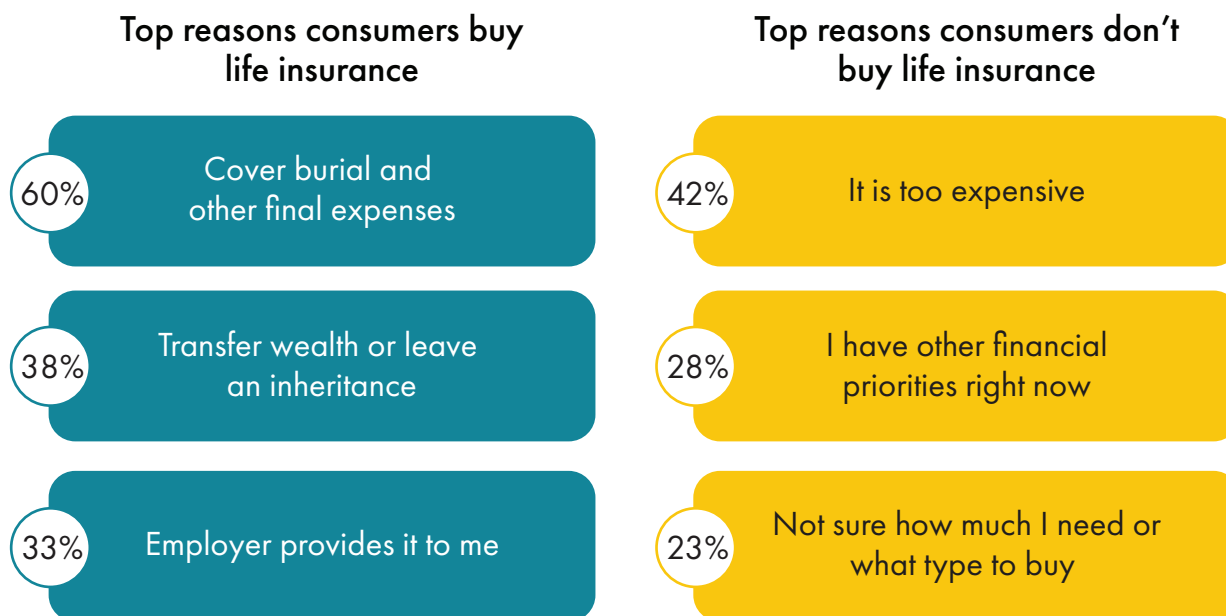
Parents and Life Insurance

- The majority of parents (59%) own life insurance, up five percentage points from 2022, and significantly higher than the general population (52%).
- Among parents who own life insurance, 56% say the primary reason they own it is to cover burial costs and final expenses, slightly lower than the overall population (60%).
- Parents are more likely than the overall population to say they use social media as a source of financial information. The top three sites used are Facebook (71%), YouTube (60%), and Instagram (43%).
- Parents turn to financial advisors at a higher rate than the overall population (50%). Parents are also more likely than the general population to be looking to engage a financial professional (28% versus 24%).
- Thirty eight percent of parents say they are very or extremely knowledgeable about life insurance, compared to 27% of all Americans.



Reasons People Buy/Don't Buy Life Insurance

- The top reason people give for not purchasing coverage is that it is too expensive. Yet more than half of Americans overestimate the cost of life insurance three-fold.
- More than a third of those without life insurance (36%) say they haven't purchased life insurance because they are unsure how much they need or what type to buy.
- About 23% of consumers view life insurance only for burial and final expenses. This perception of life insurance could result in not purchasing enough coverage to provide income replacement or enable wealth transfer — two key ways life insurance can benefit loved ones after a wage earner dies.



Women and Life Insurance Ownership



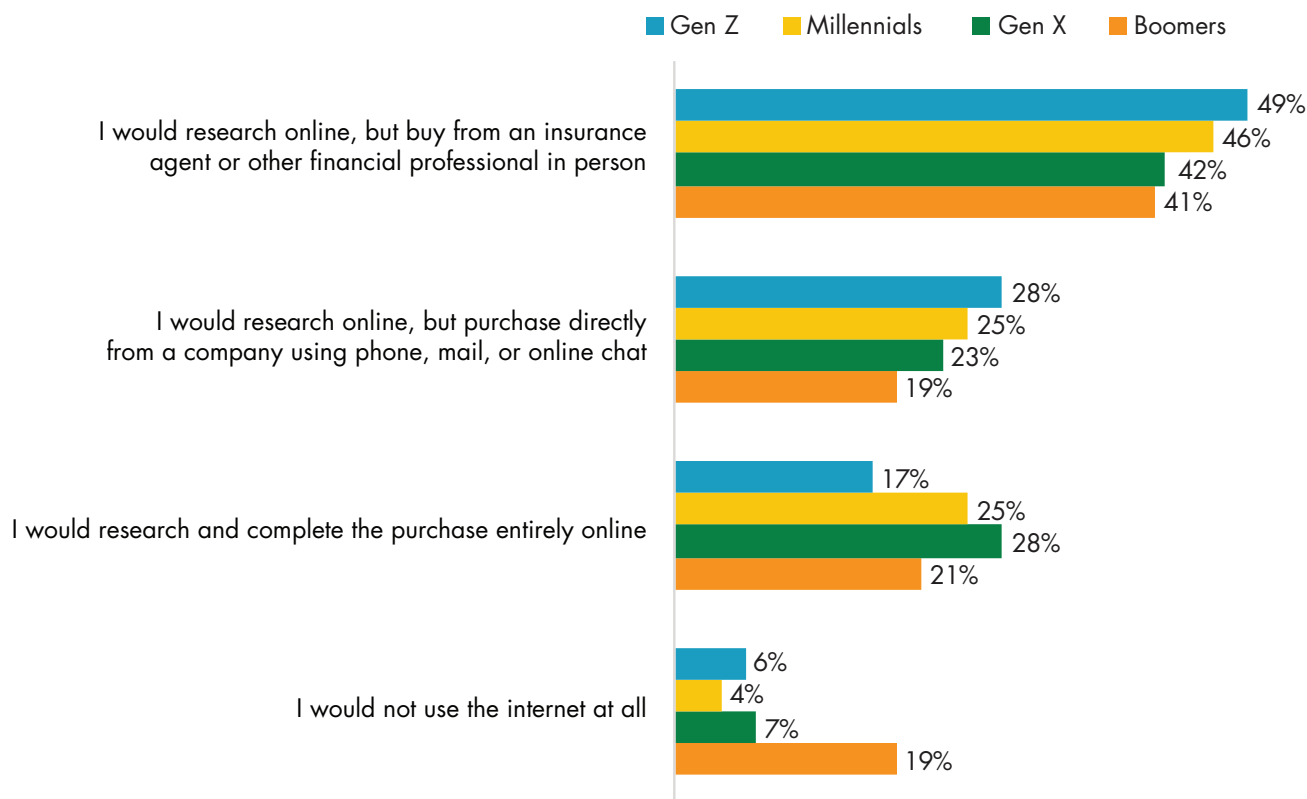
- Women are less likely than men to own life insurance. Just 49% of women own life insurance, compared with 55% of men. This represents the fifth consecutive year of life insurance ownership declines for women.
- Only 22% of women feel very knowledgeable about life insurance. In contrast, 33% of men say they are very or extremely knowledgeable about life insurance.
- Women were more likely than men to say the major reason they have life insurance is to pay for burial expenses (64% versus 56%). Women were much less likely than men to consider it as a way to supplement their retirement income (27% versus 20%).
- Forty-three percent of uninsured and underinsured women say they need (or need more) life insurance but only 39% of women plan to buy in 2023.
- Women are more likely to cite having other financial priorities as well as uncertainty over how much or what type to get.

Using Social Media and Purchasing Life Insurance Online

- 2023 was the first year that consumers said they would prefer to shop and purchase life insurance online versus via in-person meetings.
- However, far fewer (24%) consumers would expect to complete their life insurance purchases entirely online than in person (44%).
- More and more consumers are using social media to research financial product-related information. Among the most popular sites are:
 - Facebook (62%)
 - YouTube (58%)
 - Instagram (36)
 - Investment/advice online forums (29%)
 - X, formerly Twitter (27%)
 - LinkedIn (26%)
 - TikTok (25%)
- Millennials and Gen Z are the most frequent users of social media platforms, including newer entrants like TikTok.
- Gen Z turns to social media for discussion, advice, and information regarding financial topics more often than older generations — 81% of them say they use social media in this way, as compared to 75% of Millennials, 48% of Gen X, and 27% of Baby Boomers.



Social Media Activity by Generation



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