

Facts from LIMRA Life Insurance Awareness Month, September 2015

Facts of Life: Life Insurance Available Through the Workplace

American workers value life insurance

LIMRA research shows that 93 percent of U.S. workers with employer-based life insurance benefits believe most people need life insurance. Eight in ten employees with a life insurance benefit obtained through work believe they personally need life insurance.



Many Americans rely on employer-based life insurance benefits

Nearly seven in ten employees (more than 90 million) have life insurance offered or made available to them through an employer. Among employees with access to the benefit, 80 percent participate.

Half of U.S. workers have additional or supplemental life insurance benefits available to them through their employer and about 50 percent participate in this benefit. However, 14 percent of full-time employees are unsure if this benefit is available to them.

Having life insurance offered at the workplace is important to a majority of U.S. workers

Nearly 7 in 10 U.S. workers – across all generations - believe having a life insurance benefit available to them at work is important. The importance workers place on life benefits has grown over the past five years (an increase of 22 percent).

Why they have it

Like those who own individual life insurance, the major reasons workers give for owning group life insurance include covering burial and other final expenses (49 percent), replacing lost income (41 percent) and paying off the mortgage (30 percent).

Many would feel significant impact if they lost this benefit

Six in ten U.S. workers indicate that losing life insurance through their employer would have a negative impact on them and their families. More than half said losing their supplemental life insurance benefit have a negative impact.

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Loss of primary wage-earner would impact half of U.S. families

Half of the households in America would feel the financial impact from the loss of their primary wage earner in a year or less. In fact, over 40 percent would feel the impact within 6 months.

Most U.S. workers believe they need more than the basic benefit they get at work.

Of the employees that participate in their employers' basic life insurance benefit, 4 in 10 think that the benefit does not meet or only partially meets their/their families' needs. Sixty-five percent of employees with group life coverage believe they need more life insurance beyond what their employer provides.

According to the Bureau of Labor Statistics, 38 percent of all workers with a basic life insurance plan have a flat dollar amount benefit (with a median amount of \$20,000), and 57 percent have a fixed multiple of annual earnings. The most common multiple of earnings is 1 times salary.

All facts are from LIMRA's life insurance consumer studies

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