

# Facts About Life 2020

Facts from LIMRA

Life Insurance Awareness Month, September 2020

## 2020 Life Insurance Awareness Month

### Who currently owns life insurance?

- More than half of American adults (54%) own some type of life insurance.
- In January 2020, prior to the coronavirus pandemic, 36% of Americans who didn't currently own life insurance said they intended to purchase it within the next 12 months.
- In May, more than half of Americans (53%) expressed a heightened need for life insurance because of COVID-19.
- Women are less likely to own life insurance than men. Just 47% of women own life insurance, compared with 53% of men who own life insurance.

### Why do Americans own life insurance?

- The top reasons for owning life insurance are:
  - Paying for burial costs and final expenses (84%)
  - Transferring wealth across generations (66%)
  - Replacing lost wages or income (62%)
  - Supplementing retirement income (57%)
- Between 2018 and 2020, reasons for having life insurance changed—wanting burial/final expenses declined in 2020, and saving for retirement increased.

### Why don't people own life insurance?

- Sixteen percent of consumers—41 million Americans—say they need life insurance coverage but don't have it.
- The top three reasons to not purchase (or to not purchase more) life insurance are:
  - They have other financial priorities (67%)
  - It is too expensive (65%)
  - They don't feel they need it (56%)
- Many also overestimate the cost of life insurance. Half (50%) of Millennials believe the estimated yearly cost for a \$250,000 term life policy for a healthy 30-year-old is \$1,000 or more when, in actuality, it's closer to \$160 per year.

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### How do people buy life insurance?

- In 2011, 64% of consumers said they preferred buying insurance face-to-face; by 2020, just 41% felt this way.
- Consumers who prefer internet/online sales grew from 17% in 2011 to 29% in 2020.
- Half (50%) of Americans are more likely to buy life insurance if simplified underwriting is used. Consumers prefer simplified underwriting because it:
  - Is fast and easy – 66%
  - Is unbiased and objective – 58%
  - Provides transparent explanations of risks and pricing – 58%
  - Avoids medical exams, blood and urine samples – 56%
  - Avoids the need to see a doctor – 55%
- Almost half (49%) of Millennials are more likely to buy life insurance using simplified underwriting.

### How is social media changing the way people learn about life insurance?

- Over one third of Americans (34%) say they go directly to the company's website when researching an insurance brand.
- Facebook and YouTube are the most popular sites when searching for financial topics. Between 2019 and 2020, Facebook use doubled from 13% to 26% and YouTube use grew from 8% to 17%.
- Currently, 1 in 4 consumers are looking for an adviser via social media—a rise of 64% in the past three years.
- More than one third (32%) of Millennials are using social media to find a financial advisor.
- Among Millennials, Facebook (43%) has the highest-rated importance to those looking for financial professionals. LinkedIn (33%) and YouTube (31%) have comparable importance ratings for the younger generation.

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