

# 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

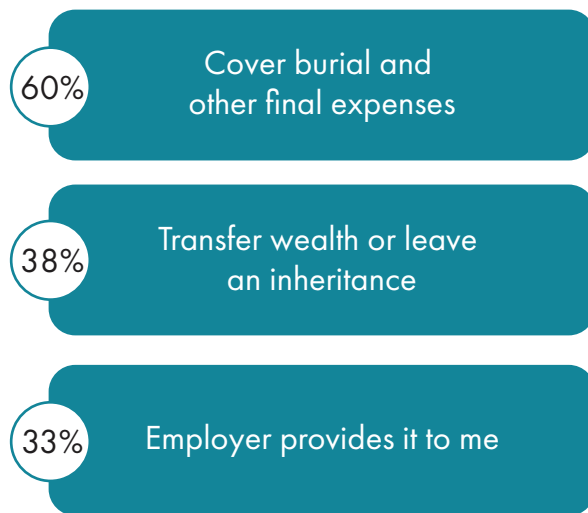
- The majority of parents (59%) own life insurance, up five percentage points from 2022, and significantly higher than the general population (52%).
- Among parents who own life insurance, 56% say the primary reason they own it is to cover burial costs and final expenses, slightly lower than the overall 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.



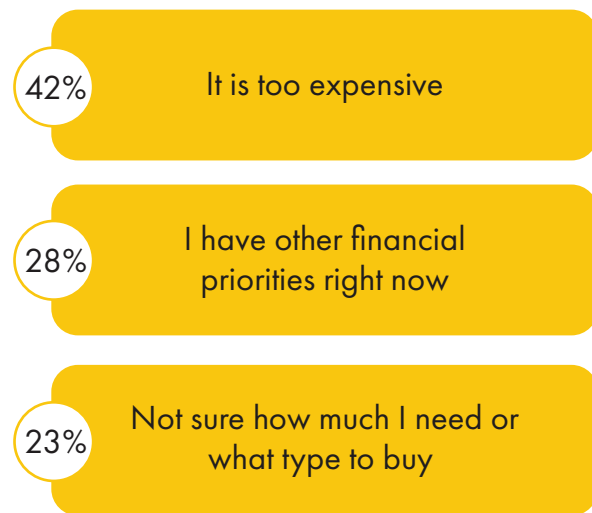
## Reasons People Buy/Don't Buy Life Insurance

- 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 it 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 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.

### Top reasons consumers buy life insurance



### Top reasons consumers don't buy life insurance



## Women and Life Insurance Ownership



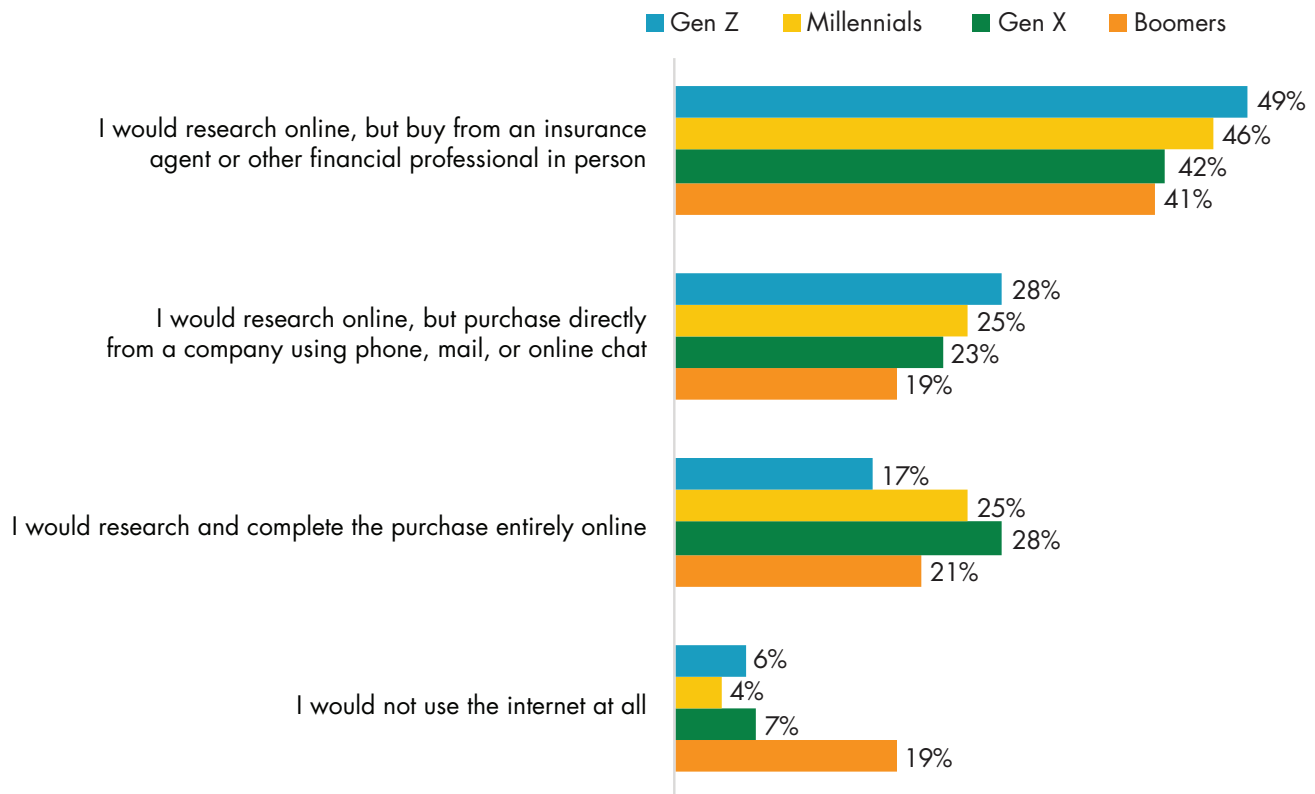
- Women are less likely than men to own life insurance. Just 49% of women own life insurance, compared with 55% of men. This represents the fifth consecutive year of life insurance ownership declines for women.
- Only 22% of women feel very knowledgeable about life insurance. In contrast, 33% of men 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



Source: 2023 Insurance Barometer Study  
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