

# Facts About Life 2018

Facts from LIMRA

Life Insurance Awareness Month, September 2018

## 2018 Life Insurance Awareness Month

### Who owns life insurance?

- Most adults own life insurance; 3 in 5 consumers (59 percent) own some type of life insurance.
- Only 22 percent of people have both individual and group insurance.
- More adults under 45 owned life insurance in 2016 than did in 2010, while ownership of those over age 45 declined since 2010.

### Why do Americans own life insurance?

- More than one third (35 percent) of all households would feel adverse financial impacts within one month if a primary wage earner died.
- The top three reasons Americans give for owning life insurance in 2018:
  - Cover burial and final expenses (91 percent)
  - Help replace lost wages/income of a wage earner (66 percent)
  - Transfer wealth or leave an inheritance (63 percent)

### Do they have enough coverage?

- LIMRA research finds that approximately 50 million households recognize they need more life insurance.
- Among individuals **with** life insurance, about 1 in 5 say that they do not have enough.
- About 20 percent of individuals who **don't** own life insurance don't know how much coverage they should have.
- Nearly half (44 percent) of individuals who don't own life insurance indicate they have enough (i.e., none is enough) or they do not need any.
- Among married/partnered consumers, one third wish that their spouse or partner would purchase more life insurance
- 16 percent of consumers are not sure how much life insurance protection their spouse or partner has.
- In 2017, only 48 percent of employers offered life insurance to their workers, a 23 percent decline from 2006.

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## What prevents people from owning life insurance?

- Many (40 percent) do not know how much coverage they need and what type of life insurance to buy. Millennials in particular, nearly 6 in 10, feel this way.
- Nearly a quarter of people say no financial professional has approached them for life insurance. Once again, Millennials lead the response here: 43 percent claim they haven't been approached.
- Most consumers estimate the cost of coverage to be more than three times its actual cost. Almost half of Millennials overestimate the cost at five times the actual amount.
- The top three reasons people do not buy (or do not buy more) life insurance:
  - It is too expensive (63 percent)
  - Other financial priorities (61 percent)
  - They already have enough coverage (52 percent)

## The life insurance buying process:

- About half of all adult consumers shopping for life insurance visit a life insurance company website and/or sought life insurance information online.
- Fifty-two percent of potential life insurance buyers said they would be more likely to purchase life insurance if they didn't have to go through a physical exam.
- Almost 3 in 10 (29 percent) of all consumers say they would research and buy life insurance online, up 7 percentage points from 2016.
- Almost one third of people purchased or attempted to purchase life insurance online.
- Millennials are most likely to want to meet with a financial professional before purchasing life insurance (73 percent), compared with Gen X (64 percent) and Boomers (69 percent).

## The impact of social media on life insurance:

- Overall one third of people would ask social media connections for advisor recommendations. Over fifty percent of Millennials said they would do so.
- Four in 10 Gen X consumers and half of Millennials are likely to check recommended financial advisors for a social media presence.
- Almost 40 percent of Millennials and nearly one quarter of Gen X consumers prefer to contact financial advisors via social media.

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