

Facts About Life 2011

Facts from LIMRA

Life Insurance Awareness Month, September 2011



Fewer American Adults Own Life Insurance:

- The proportion of U.S. adults with life insurance protection has declined to an all-time low as 41 percent (95 million) of U.S. adults have no life insurance at all.
- Both men and women are less likely to own life insurance today than they were in 2004—only 61 percent of men and 57 percent of women have some sort of life insurance coverage.
- Only 1 in 10 insured adults own both permanent and term life insurance —half as many in 2004.
- The likelihood of being without life insurance has dramatically increased for every age group since 2004.

Troubling Declines for Men:

- Men ages 35 to 54 have seen large declines in individual life ownership in the past 12 years. This is troubling, since middle-aged men typically have families and are usually in their highest income earning years.
- Young males, ages 18 to 24, are less likely than in past decades to be starting their adult years with any individual life insurance. Only 13 percent had individual life policies in 2010, compared with 30 percent in 1998.
- Husbands ages 35 to 54 and 65 or older had double-digit declines in the proportion owning individual life insurance in the past six years.
- Since 2004 the likelihood of husbands having any life insurance has declined across every income level — low, middle and affluent.

Women Lag Behind in Life Insurance Coverage:

- While younger women are now as likely as their male counterparts to have coverage, women ages 55 and older are still considerably less likely than men the same age to own life insurance.
- Women of all ages average smaller amounts of individual life coverage than men of similar ages. On average, women have \$129,800 of individual life insurance, while men have \$187,100 of individual life insurance coverage.
- The gap in average life insurance coverage between husbands and wives with similar personal incomes has narrowed over the past six years —primarily because insured wives have experienced smaller declines in amounts of individual life and group life coverage than have husbands with similar personal incomes.
- Women with high personal incomes (\$100,000+) are less likely to have individual life insurance or group life insurance than men with similar personal incomes.

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More U.S. Adults Are Relying on Employer-Sponsored Life Insurance:

- Today, more insured adults depend solely on group life insurance for their only life insurance coverage than in the past.
- For the first time, the percentage of adults having group life insurance has surpassed adults owning individual life insurance (36% to 35%)
- However, the percentage of adults having group life insurance has dropped (down four percentage points since 2004), which is the first decline since group insurance was introduced.
- About 4 in 10 insured husbands and insured wives have only group life insurance coverage.
- People insured only through group life insurance have the lowest average amount of coverage.

Comparing What Different Ethnic Groups Think About Life Insurance

More than 80 percent of African Americans believe the main reason to buy life insurance is because you love your family:

- African Americans are more concerned than other ethnic groups about not burdening others with their funeral expenses and with leaving an inheritance for their heirs, and are more likely to own life insurance for these same reasons.
- African Americans have more positive attitudes about life insurance, including understanding how it protects their family, the need for it, and that you buy it because you love your family.
- When buying life insurance, African Americans place more importance on being certain they understand what they are buying and less importance on getting a fixed price that cannot go up.
- African Americans are more likely than other ethnic groups to want to buy life insurance face-to-face from an insurance professional.

Seventy percent of Hispanics think they need life insurance:

- Hispanics are less likely to feel insurance agents are knowledgeable and consequently are less likely to buy from an insurance agent than other ethnic groups.
- Hispanics are more likely to cite paying for a college education as a reason to own life insurance.
- Hispanics are more likely to prefer to buy life insurance direct from a company via the Internet than other ethnic groups .

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