Full Report

2015 Insurance Barometer Study

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Contents

Tables and Figures

❖ ❖ ❖ ❖ ❖

Overview

The Insurance Barometer is an annual trending study that tracks the perceptions, attitudes, and behaviors of consumers in the United States. Now in its fifth year, the study seeks to understand consumers' financial concerns and how they think and act with regards to financial products, with a particular focus on life insurance.

New this year are insights into juvenile life insurance and a deeper dive into consumers' financial concerns, including the isolation of their greatest concern and reasons some worry they may not be able to afford a comfortable retirement. Also new in 2015: consumer knowledge of what can affect the cost of life insurance, experience using quoting engine websites, and tolerance toward the amount of time it takes to receive coverage.

Most of the results from this year are consistent with the previous Barometer studies. Additional trend data, including results by year and demographic segments, are included in a supplemental report.

Key Findings

- The most common financial concern among consumers is the ability to afford a comfortable retirement. Nearly half say their unease reflects the economy and/or their lack of savings. Over a quarter say they haven't done enough planning or they can't depend enough on traditional retirement income sources like Social Security or defined benefit plans.
- Just over half of the population is covered by life insurance. Overall, 30 percent acknowledge their need for some or more protection, but few are very likely to purchase any in the next year. Perceived expense and other financial priorities keep most consumers from purchasing coverage and many cite issues related to trust, education, and procrastination.
- People purchase juvenile life insurance to help their children or grandchildren financially about as often as they do to cover funeral expenses. In fact, a third of people have borrowed money from the policy their parent or relative bought for them and a third have added coverage to their juvenile policy.
- Eighty percent of consumers overrate the price for term insurance and — while most understand that age and health can affect the cost for life insurance — many are unaware that additional factors such as gender, occupation, and driving or credit history also factor in.
- The majority still prefer to buy life insurance face-to-face with a financial advisor or agent. Most would use the Internet for research, although 22 percent prefer to buy life insurance online. In fact, 22 percent have gone online to purchase insurance and nearly 1 in 4 completed and submitted their application online.

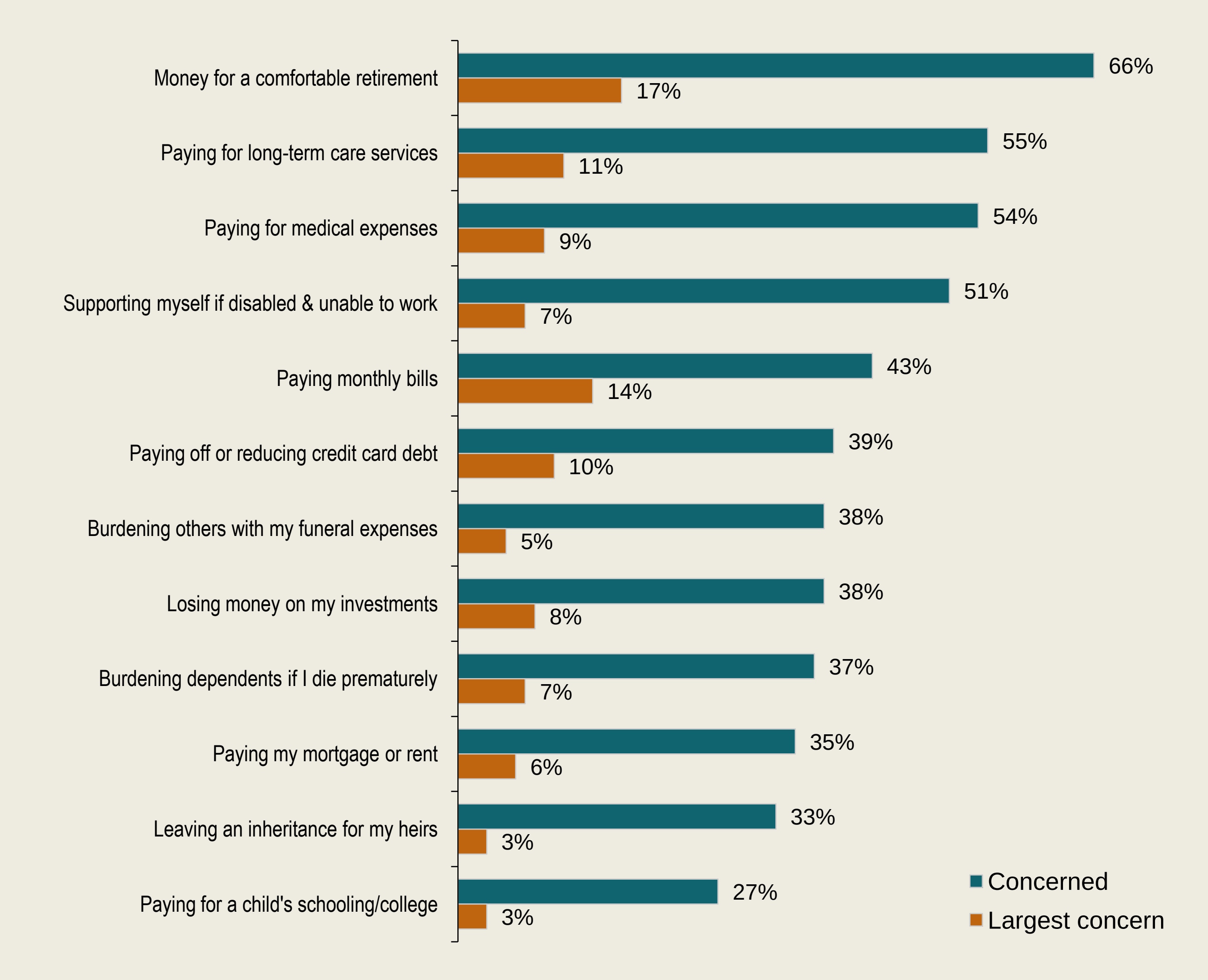
METHODOLOGY LIMRA employed an online panel to survey consumers on insurance and financial topics in January 2015. Responses were received from 2,032 individuals. The data were weighted by age, gender, education, race, region, and income to be representative of the general population. A propensity score adjustment was added to correct for biases inherent in Internet panels. The margin of error in this study is ±3 percentage points.

Financial Concerns

Overall Financial Concerns

While the numbers of Americans with an unfavorable opinion of the economy are in the minority for the first time since the Great Recession,[1] consumers remain concerned about many financial issues (Figure 1). Concern over being able to afford a comfortable retirement is most common; although only 17 percent of people consider this to be their single largest financial concern.

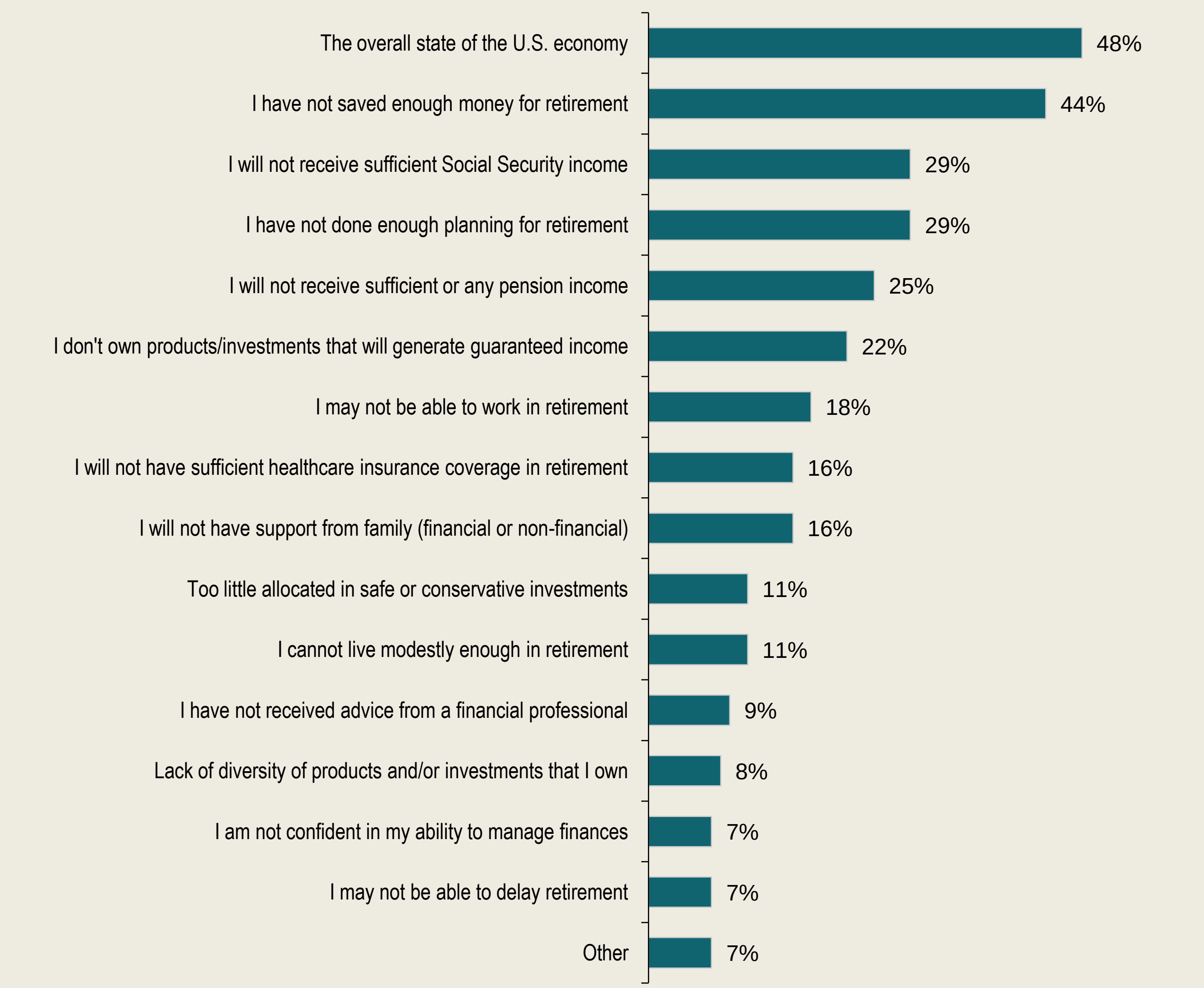
Figure 1 —
Consumer Concern Over Financial Issues
Percent concerned, very concerned, or extremely concerned
Single largest concern



[1] *Consumer Sentiment Tracking*, LIMRA, 2015, page 2.

Still, over 40 percent of Americans are very or extremely concerned with their ability to retire comfortably. Most often, their unease is a reflection of the economy which is particularly unfortunate as it can lead to a sense of helplessness and a state of passiveness (Figure 2). In fact, nearly half admit they are concerned because they haven't saved enough for retirement and nearly a third say it's because they haven't planned enough. And many are concerned because they can't depend on traditional retirement income sources like Social Security or defined benefit plans.

Figure 2 —
Reasons Consumers Are Concerned About Retirement



Financial Concerns by Demographic Groups

While women and those in lower age and income brackets are more likely to express concern over finances, for most issues the feeling exists across demographic lines (Table 1). This translates into a lot of opportunity for the financial services industry. Annuities and life insurance can promise buyers a more comfortable retirement and long-term care (LTC) and disability insurance (DI) can diminish the risk of losing savings to such expenses. Life insurance can also alleviate worry over dependents being left in financial hardship, without an inheritance, or with funeral costs. And life products combined with LTC or critical illness coverage provide an umbrella of protection for those who want or need one flexible policy to address several concerns.

But the industry needs to find a way to get through to people, because many aren't taking action. They don't typically have a formal retirement plan[2] and often don't pursue life or LTC insurance because they think they are too expensive.[3] And, while more than half of Barometer respondents under age 65 question their ability to support themselves should they become sick or disabled, only 20 percent of them have DI coverage.

Table 1 —
Level of Financial Concern by Gender, Age, and Income
Percentage concerned, very concerned, or extremely concerned

	Gender		Age				Household Income		
	Male	Female	<25	25–44	45–64	65+	<$50K	$50K–$99.9K	$100K+
Money for a comfortable retirement	62%	68%	72%	72%	65%	48%	70%	69%	60%
Paying for medical expenses	53	55	63	57	54	45	63	55	44
Paying for long-term care services	53	59	54	58	56	49	59	56	52
Supporting myself if disabled & unable to work	52	52	59	61	53	22	60	50	46
Paying monthly bills	42	45	68	45	44	30	57	43	29
Paying my mortgage or rent	34	37	54	44	33	21	46	36	25
Burdening dependents if I die prematurely	35	39	47	43	36	23	41	39	32
Burdening others with my funeral expenses	34	41	53	41	35	30	47	35	27
Paying off or reducing credit card debt	37	42	53	45	36	27	41	44	35
Losing money on my investments	41	38	39	39	39	38	32	42	47
Leaving an inheritance for my heirs	33	34	50	38	27	27	36	32	29
Paying for a child's schooling/college	27	26	57	39	18	6	23	30	26

[2] *The Retirement Income Reference Book*, LIMRA, 2012, page 67.

[3] *LTCI and CLASS Act — Industry Awaits Silver Bullet*, LIMRA, 2010, page 2.

Consumers under age 25 are most likely to say their *greatest* concern is covering their monthly bills, while older non-seniors are more likely to name comfortable retirement as their greatest financial worry (Table 2). A quarter of Barometer respondents over age 64 say they are most concerned with the cost of LTC.

Overall, men and women have very similar views when it comes to their greatest financial concern (though women are a bit more concerned about retirement and men about losing money on investments).

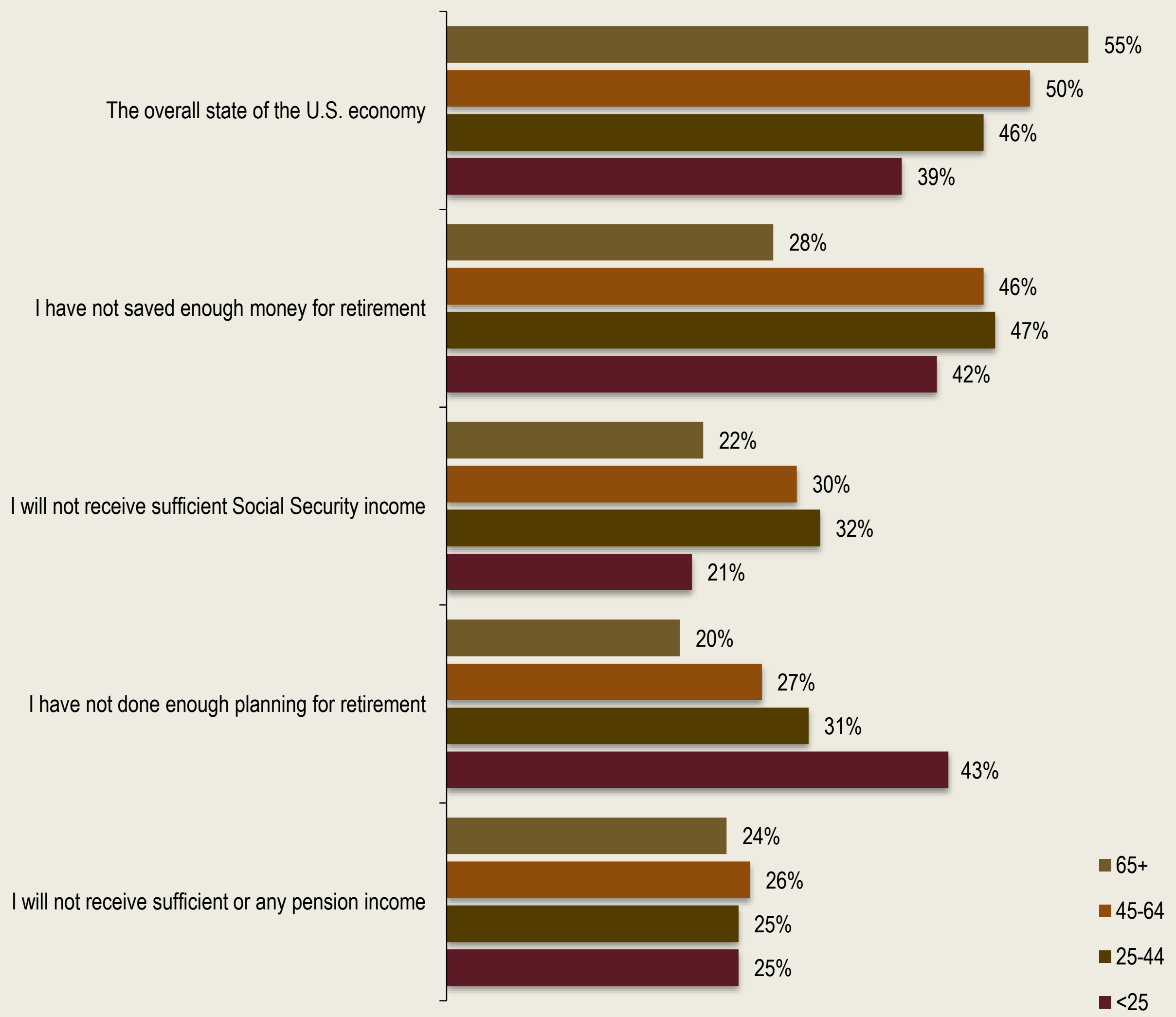
Table 2 — Greatest Financial Concern by Age and Income

	Age				Household Income		
	<25	25–44	45–64	65+	<$50K	$50K–$99.9K	$100K+
Money for a comfortable retirement	9%	19%	19%	9%	11%	18%	24%
Paying for medical expenses	13	6	10	11	8	11	7
Paying for long-term care services	6	4	12	26	8	9	15
Supporting myself if disabled & unable to work	2	9	7	2	9	8	4
Paying monthly bills	28	16	14	7	26	11	4
Paying my mortgage or rent	7	10	4	4	7	7	5
Burdening dependents if I die prematurely	10	9	7	5	7	8	7
Burdening others with my funeral expenses	12	3	5	5	7	4	3
Paying off or reducing credit card debt	11	12	9	9	8	11	12
Losing money on my investments	0	5	8	15	5	8	13
Leaving an inheritance for my heirs	1	2	3	6	2	3	2
Paying for a child's schooling/college	1	5	2	1	2	2	4

As consumers age they become increasingly concerned with the impact the economy may have on their retirement (Figure 3). People under age 65 are about as likely to feel apprehension because they don't think they're saving enough, while seniors may feel that ship has already sailed. Younger consumers are also increasingly concerned because they aren't planning enough for their "golden years."

While it didn't make the top 5 overall, 4 in 10 people under age 25 are concerned with their lack of investment products to guarantee income during retirement. Not only are the youngest consumers less likely to own investment products, they may be giving more thought to how they are going to generate their own retirement income because they weren't expecting as much from Social Security or pensions in the first place.

Figure 3 —
Top 5 Reasons Consumers Are Concerned About Retirement by Age



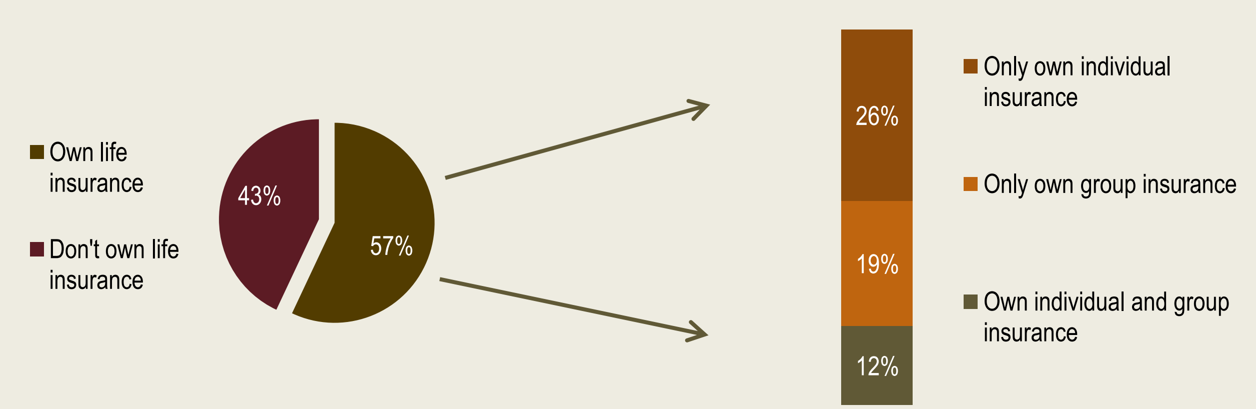
Life Insurance Ownership and Consumer Outlook

Life Insurance Ownership

Just under 60 percent of adults in the United States have life insurance coverage (Figure 4). About a quarter are solely covered by individual insurance and about 20 percent only have group coverage obtained through an employer. Fewer than 15 percent of people have both (compared with 1 out of every 3 Americans in 1998[4]). This leaves over 100 million adult Americans without life insurance protection.

Group ownership had been increasing since the 1960s as employers added life insurance as a benefit. And in turn, reliance on individual coverage steadily declined. But when group ownership began to decline this past decade (as unemployment rates and health care benefit costs increased) individual ownership didn't grow in response.[5]

**Figure 4 —
Life Insurance Ownership**



Not surprisingly, men, older ages, and higher income groups are more likely to own life insurance (Table 3).

**Table 3 —
Life Insurance Ownership by Gender, Age, and Income**

	Gender		Age				Household Income		
	Male	**Female**	**<25**	**25–44**	**45–64**	**65+**	**<50K**	**50-99.9K**	**100K+**
Own life insurance	62%	53%	30%	52%	62%	69%	40%	64%	73%
Own only individual life insurance	26	26	16	17	28	46	26	24	28
Own only group life insurance	23	16	14	24	20	10	10	26	25
Own individual and group insurance	13	11	0	11	14	13	4	14	20

[4] *Person-Level Trends in U.S. Life Insurance Ownership*, LIMRA, 2011, page 14.

[5] *Person-Level Trends in U.S. Life Insurance Ownership*, LIMRA, 2011, pages 10 and 14.

Feelings About Ownership

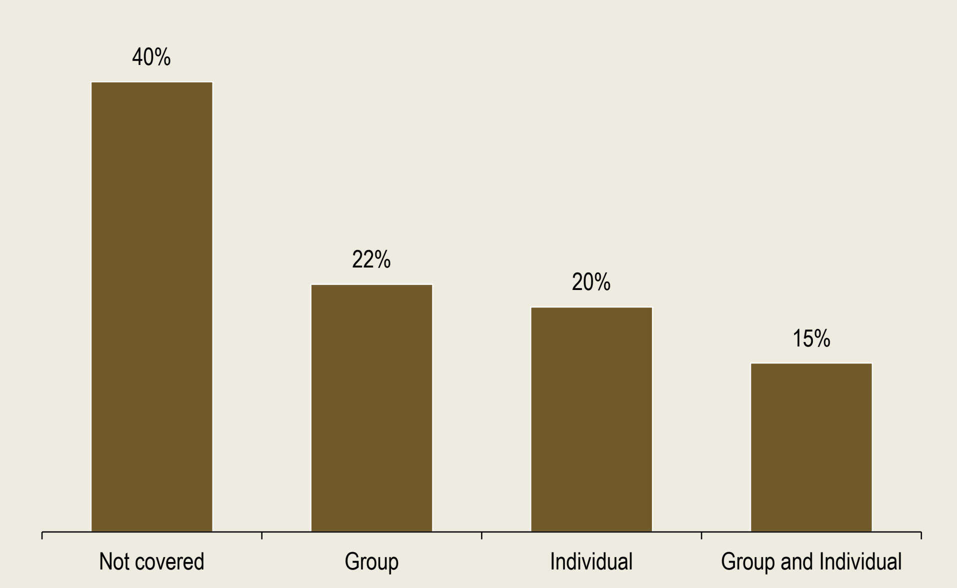
Thirty percent of Barometer respondents acknowledge their need for more life insurance (Table 4). If these results are true to the entire adult population, that translates into a target market of over 70 million people (based on the most recent U.S. Census Bureau data). On top of this 1 in 4 wish their spouse or partner would purchase some or more life insurance.

Table 4 —
Feelings About Life Insurance Ownership by Gender, Age, and Income

		Gender		Age				Household Income		
	Total	**Male**	**Female**	**<25**	**25–44**	**45–64**	**65+**	**<50K**	**50-99.9K**	**100K+**
I do not have enough	30%	29%	30%	32%	32%	31%	21%	37%	29%	24%
I have about the right amount	45	48	42	37	42	45	56	34	46	58
I have more than enough	7	8	6	5	7	8	5	4	8	8
I do not need any	9	8	11	9	8	9	13	12	10	6
I don't know	9	7	11	17	11	7	5	13	7	4

And companies, agents, and financial advisors should not forget to market to existing customers, as a good number of them believe they need more coverage (Figure 5).

Figure 5 —
Adults Who Say They Need More Life Insurance by Ownership

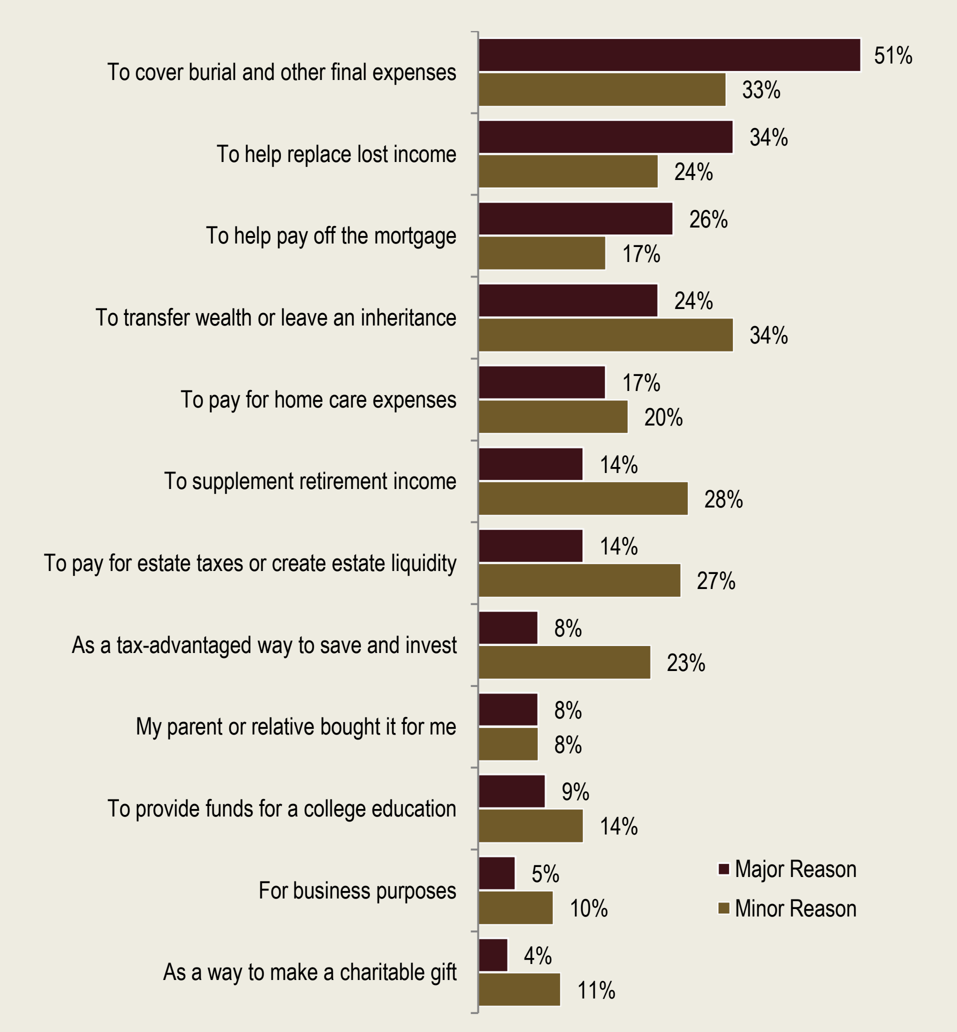


Reasons for Owning Life Insurance

As expected, the majority of life insurance owners have protection for traditional reasons such as income replacement and coverage for funeral expenses (Figure 6).

And many have specific goals; for instance, a quarter say a major reason they have life insurance is to help pay off their mortgage, and nearly a third under age 45 say a key motivation for them is coverage for home care expenses (like child care and cleaning services).

Figure 6 —
Reasons for Owning Life Insurance

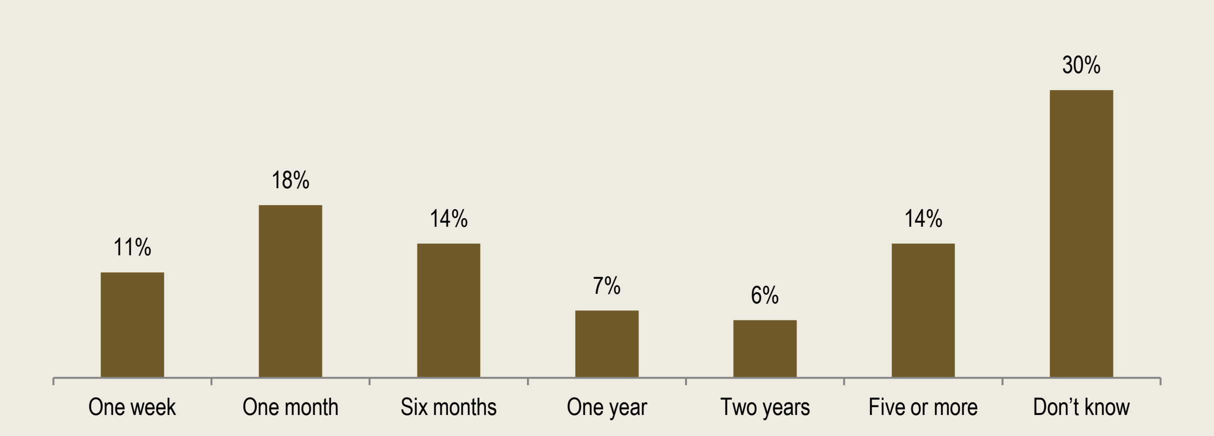


While more than 40 percent say their life insurance is to help supplement their retirement income, only 14 percent cite that as a major reason. With retirement weighing on so many consumers' minds, the industry may want to help them recognize this less traditional benefit of life insurance.

Financial Impact of Loss

Half of the households in America would feel the financial impact from the loss of their primary wage earner in a year or less (Figure 7). In fact, over 40 percent would feel the impact within 6 months, including nearly 40 percent of households with an annual income of $100,000 or more. On top of this, 30 percent don't know how long it would take to feel the impact. And life insurance ownership does not change these results significantly, again suggesting a great number of people are underinsured.

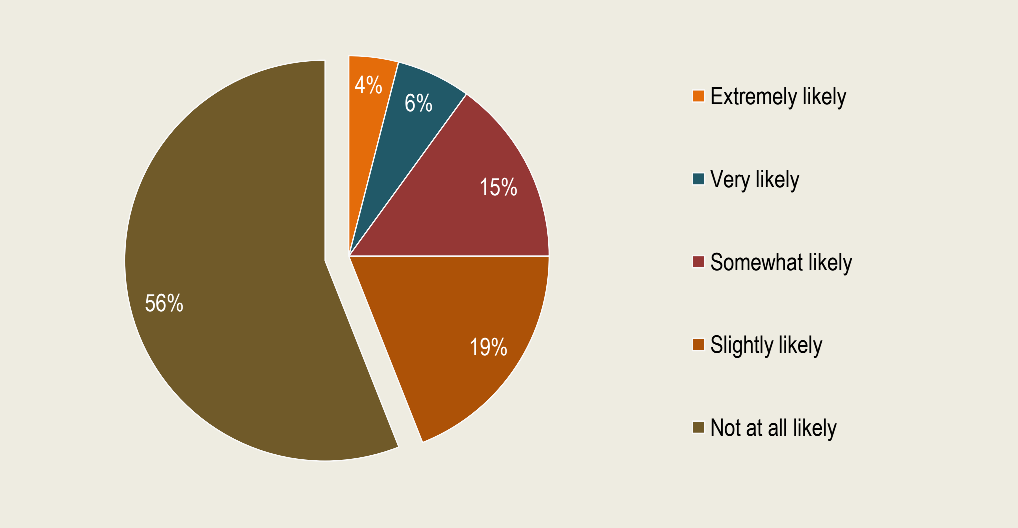
Figure 7 —
Estimated Time it Would Take to Feel the Financial Impact From the Loss of the Primary Wage Earner



Likelihood of Purchase

While they clearly recognize the need for life insurance, few consumers are very likely to purchase coverage in the next year (Figure 8).

Figure 8 —
Likelihood of Purchasing Life Insurance in the Next Year



Sales Barriers

Reasons People Don't Purchase Life Insurance

The main barriers to purchasing some or more life insurance are perceived cost and competing financial priorities (Table 5).

Consumers also cite issues related to trust, education, and procrastination. Over a third don't trust life insurance agents, which is particularly unfortunate because most still prefer to buy life insurance in person. They also commonly say they don't know what or how much to buy, and find life insurance research to be confusing. On top of this a number of consumers just don't want to think about death. All of these add up to a lot of procrastination. So it's also particularly unfortunate that a number of people say they haven't purchased life insurance because no one has approached them about it.

Table 5 — Reasons for Not Purchasing Some or More Life Insurance	
It is too expensive	65%
I have other financial priorities right now	61
I have as much as I need/I don't feel I need any	55
I do not trust insurance companies	38
I'm not sure how much I need or what type to buy	38
I do not trust insurance agents	35
I just haven't gotten around to it	30
I don't like thinking about death	29
No one has approached me about it	22
I would not qualify for coverage	22

Consumers of all ages are most likely to say essential costs of living, like food and shelter, are the specific financial priorities keeping them from purchasing life insurance (Table 6). While it's not surprising that people with a household income of less than $50,000 are even more likely to say this, 1 in 2 living in homes with incomes of $100,000 or more cite required living expenses as barriers.

Overall, 1 in 2 consumers refer to additional living expenses (such as Internet and cell phone bills) as financial priorities that take precedence over life insurance, and the youngest consumers are even more likely to cite these as obstacles.

Table 6 — Financial Priorities Keeping Consumers From Buying Some or More Life Insurance by Age

		Age			
	Total	**<25**	**25–44**	**45–64**	**65+**
Required cost of living expenses (mortgage, groceries, electric bill, etc.)	65%	68%	65%	66%	58%
Additional living expenses (Internet, cable, cell phone(s), etc.)	49	63	49	46	49
Managing accumulated debt (credit card, other loans, etc.)	38	36	41	37	33
Saving for retirement	37	11	45	38	24
Building savings account(s) or emergency fund(s)	37	50	43	33	25
Health expenses	30	26	28	30	38
Day-to-day recreational activities (going out to eat, movies, shopping, etc.)	22	54	28	13	10
Saving or paying for a new car, boat, or second home	22	42	27	14	18
Saving or paying for college or student loans	18	56	26	9	3
Vacation(s)	17	26	23	12	14
Other	14	6	8	19	27

While debt management remains a barrier for many (even through retirement age), as people get older they become less likely to cite savings and everyday activities as competing expenses. Although, it's possible that more (in all age groups) are giving priority to recreational activities than they admit. Some may feel more comfortable saying, even believing, their money is going first toward more fiscally responsible goals like retirement or emergency funds. Still, highlighting the savings and accumulation components of life insurance may help consumers see it as an option to support many of their financial priorities.

Likelihood to Recommend

In addition to competing financial priorities, procrastination, confusion, mistrust and claimed lack of contact from the industry, it's not likely that consumers will buy life insurance because of a recommendation from a friend, family member, or colleague.

Despite the fact that 85 percent of Americans believe most people need life insurance, only 20 percent are very likely to recommend it (Table 7). While people with coverage are more likely to recommend life insurance, they are still in the minority. Even among those who purchased individual life insurance on their own, only 1 in 3 are very likely to recommend it to their friends or family members.

Table 7 —
Likelihood to Recommend Life Insurance by Age and Ownership

		Age				Life Ownership	
	Total	**<25**	**25–44**	**45–64**	**65+**	**Own**	**Don't Own**
Very likely	20%	24%	21%	19%	18%	26%	11%
Somewhat likely	35	41	41	32	28	37	32
Somewhat unlikely	22	20	19	24	25	20	24
Very unlikely	23	15	19	25	28	16	32

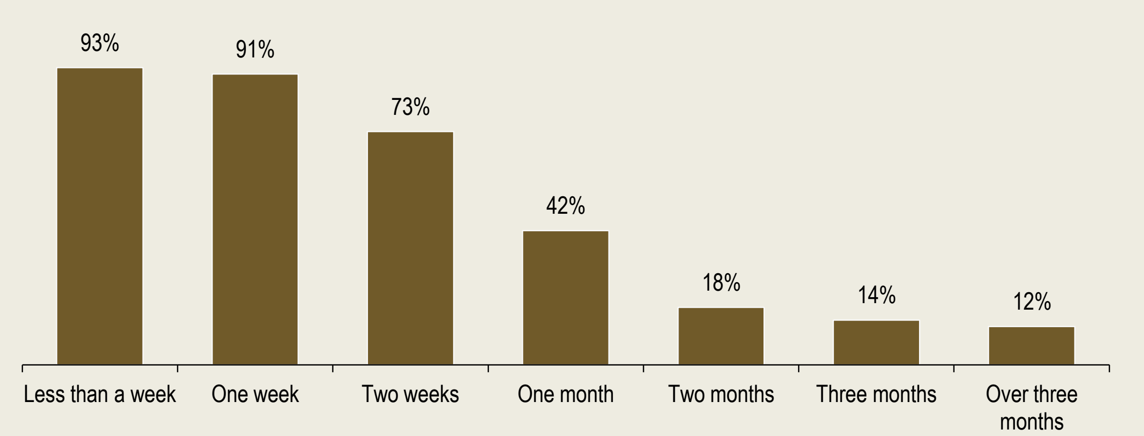
Some may be apprehensive to suggest life insurance because Americans don't tend to talk about money, particularly other people's finances. They're also unlikely to bring up the issue of mortality.

However, once people decide to shop for life insurance it's not that uncommon for them to discuss it with their friends or relatives. About 1 in 3 have; and while fewer discussed their shopping experience with a coworker, many that have talked about it on more than one occasion. [6]

Timing and Desired Features

The majority of consumers are fine with waiting a few weeks to receive life insurance coverage, but most consider a longer wait to be unacceptable (Figure 9). It's interesting that people's health does not have much of an impact on these results; and as consumers get older, they become less tolerant of the amount of time it takes from application to official issue of a policy.

Figure 9 —
Length of Time it Could Take to Receive a Life Insurance Policy (From Application to Issue)
Percent of consumers who consider time to be acceptable



[6] *Shopping for Life Insurance: Different Paths to Success,* LIMRA, 2013, page 10.

While most consumers say they don't have any or more life insurance because it's too expensive or they have other financial priorities, price does not top of the list in terms of importance. In general, people are a bit more concerned with understanding what they are buying and knowing they are buying the right amount, although younger buyers are most concerned with getting the best price (Table 8).

Table 8 —
Importance of Life Insurance Purchase Factors (Weighted by Rank) by Age
Weight based on consumers' top three rankings*

		Age			
	Total	**<25**	**25–44**	**45–64**	**65+**
Getting the proper amount of coverage	1.36	1.20	1.34	1.36	1.48
Being certain I understand what I am buying	1.28	1.15	1.20	1.30	1.47
Getting the best price	1.17	1.27	1.29	1.19	0.82
Getting a fixed price that can never go up	1.03	1.00	0.99	1.02	1.12
Getting coverage that is guaranteed for life	1.03	1.24	0.95	1.06	1.06
Getting extra features on the policy	0.13	0.16	0.23	0.07	0.06

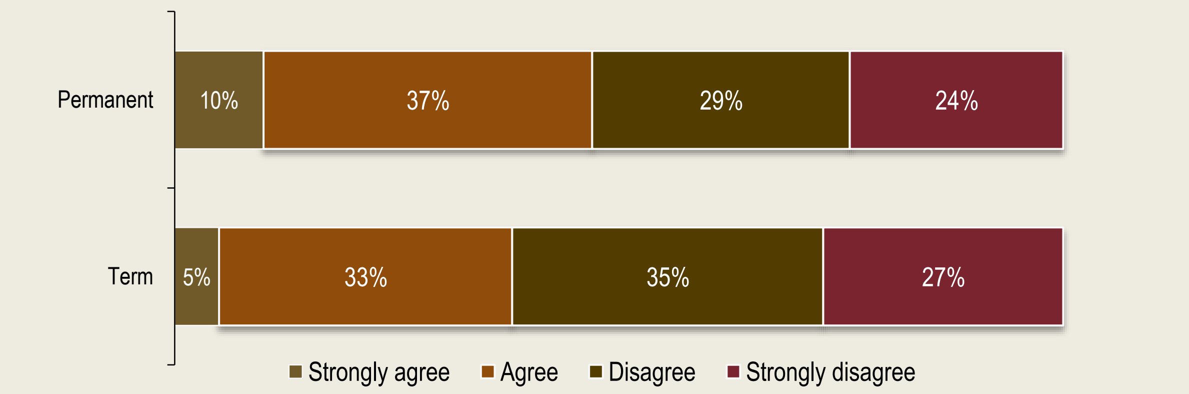
*Higher numbers indicate higher importance

Juvenile Life Insurance

Only 30 percent of people feel they have a good understanding of juvenile life insurance (although people making at least $100,000 per year and those with insurance are a bit more likely to know about it).

When given a very high level description of the product, nearly half agree that most minors need to be insured permanently, but only 10 percent feel strongly about it (Figure 10). People are a bit less likely to feel children need term insurance (a possible reflection of an emotional response at the thought of a child's death).

Figure 10 —
Consumer Sentiment Toward Children's Need for Life Insurance Coverage by Product Type



Given the general uncertainty surrounding juvenile insurance, it's not surprising that only 20 percent of Barometer respondents with children or grandchildren have purchased coverage for them. In addition, few are very or extremely likely to purchase juvenile insurance in the next year (Table 9).

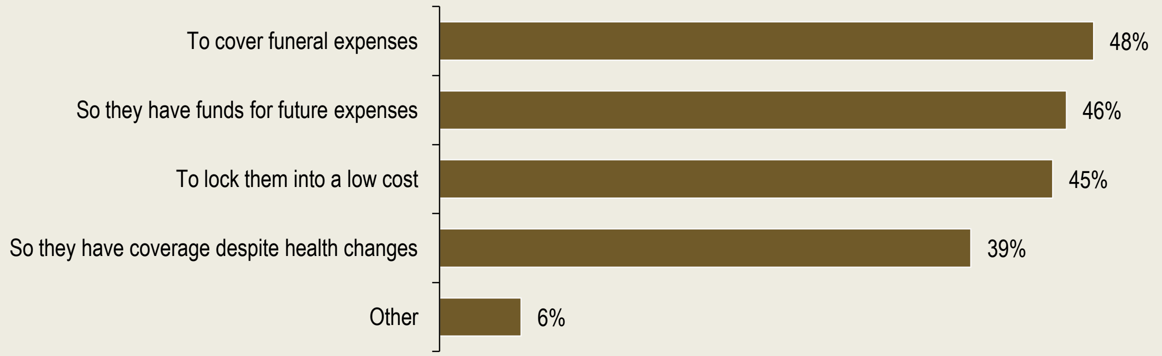
Table 9 —
Likelihood of Purchasing Juvenile Life Insurance in the Next Year by Age, Income, and Ownership

		Age				Household Income			Life Ownership	
	Total	<25	25–44	45–64	65+	<50K	50-99.9K	100K+	Own	Don't Own
Very or extremely likely	5%	17%	8%	1%	4%	5%	5%	4%	5%	4%
Somewhat or slightly likely	21	30	33	17	7	24	21	19	19	24
Not at all likely	67	53	52	73	85	67	66	67	66	71
Already purchased enough	7	0	7	9	4	4	8	10	10	1

Base: Respondents with children or grandchildren

People purchase juvenile life insurance to help their children or grandchildren financially about as often as they do to cover funeral expenses (Figure 11).

Figure 11 —
Reasons for Purchasing Life Insurance for Children or Grandchildren



Of those that own life insurance because their parent or relative purchased it for them, 1 in 3 have borrowed money from their policy and for a variety of reasons (Table 10). Furthermore, 1 in 3 juvenile policyholders have added coverage to their policy.

Table 10 —
Reasons Owners Borrowed Money From Their Juvenile Policy

For retirement	11%
To cover health expenses	10
To purchase a home	10
For a wedding	9
For some other large purchase (car, boat, vacation, etc.)	6
To pay off accumulated debt (credit card, other loans, etc.)	6
To pay any remaining or additional premium(s)	5
To cover living expenses (mortgage, groceries, etc.)	5
For education expenses (college, student loans, etc.)	1
For some other reason	5

Life Insurance Awareness

Three quarters of people feel they have a good understanding of life insurance, but fewer than 2 in 10 are *strongly* confident in their knowledge of how it can protect their family's financial well-being.

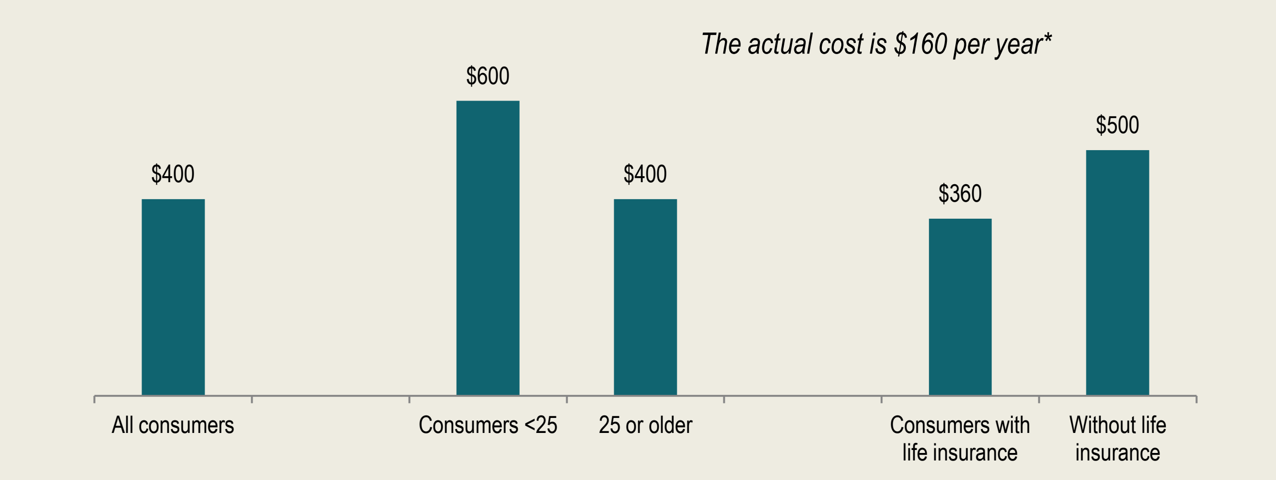
Estimated Cost of Term Insurance

While consumers often note that life insurance is too expensive, they tend to overestimate the cost.

In fact, 8 in 10 overrate the price for a 20-year, $250,000 level-term policy. While the cost for a healthy 30-year-old would be about $160 per year, the median estimate is $400 (Figure 12). In fact, the *average* estimate is nearly twice as high, with 1 in 4 believing it would cost at least $1,000 per year. And the youngest consumers (who tend to pay the least for insurance) are particularly likely to think coverage costs more than it does, with a median estimate of $600 and an average guess of $1,312.

While high, many of the results this year are lower than they were in 2014. But this could be because we defined term insurance for the 2015 Barometer respondents, making sure they know it has little-to-no cash value.

Figure 12 —
Median Estimated Yearly Cost for a $250,000 Term Policy

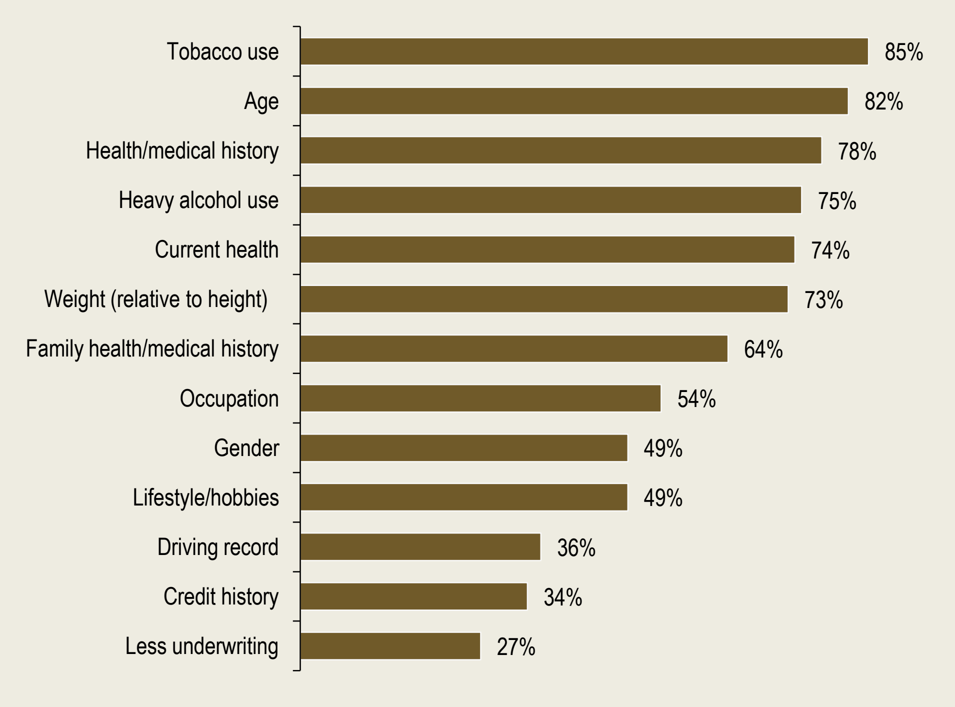


*Best annual cost of a 20-year, $250,000 level-term policy for a healthy, non-smoking 30-year-old consumer, as quoted by Quick Life Center

Factors That Affect Pricing

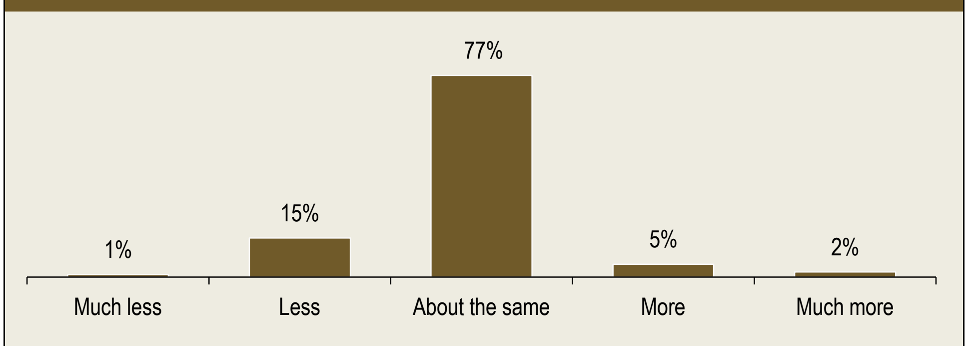
Consumers have a decent handle on how age and health factors can affect the cost for life insurance; however, many are unaware that factors outside health (such as gender, occupation, and driving or credit history) have an effect as well (Figure 13).

Figure 13 —
Factors That Could Affect the Price of Life Insurance
Percentage agreed



With a majority of consumers unaware that underwriting levels can impact the price for life insurance, it's not surprising that only 7 percent believe it generally costs more when purchased online (Figure 14). It's likely that few consider the effect that simplified underwriting can have on the cost of coverage.

Figure 14 —
Consumer Estimates of How Much More or Less Life Insurance Costs Online



Life Insurance Research and Purchase Preferences

Preferred Purchase Methods and Internet Usage

Most people still prefer to buy life insurance face-to-face with a financial advisor or agent (Table 11). In fact, there is a correlation between declining ownership and the shrinking affiliated field force. While there has been a parallel increase in the number of independent agents, they tend to focus on fewer, more affluent Americans. So increased recruiting and retention to help the industry focus on middle- and lower- income consumers may help boost sales and ownership.

Meanwhile, while 1 in 5 consumers say they prefer to purchase life insurance online, the convenience of online shopping does not appear to translate into increased sales. Not only do many consumers procrastinate and find life insurance to be confusing, many middle-market consumers feel it's hard to know which online sources to trust.[7]

Table 11 —
Most Preferred Way to Purchase Life Insurance by Age

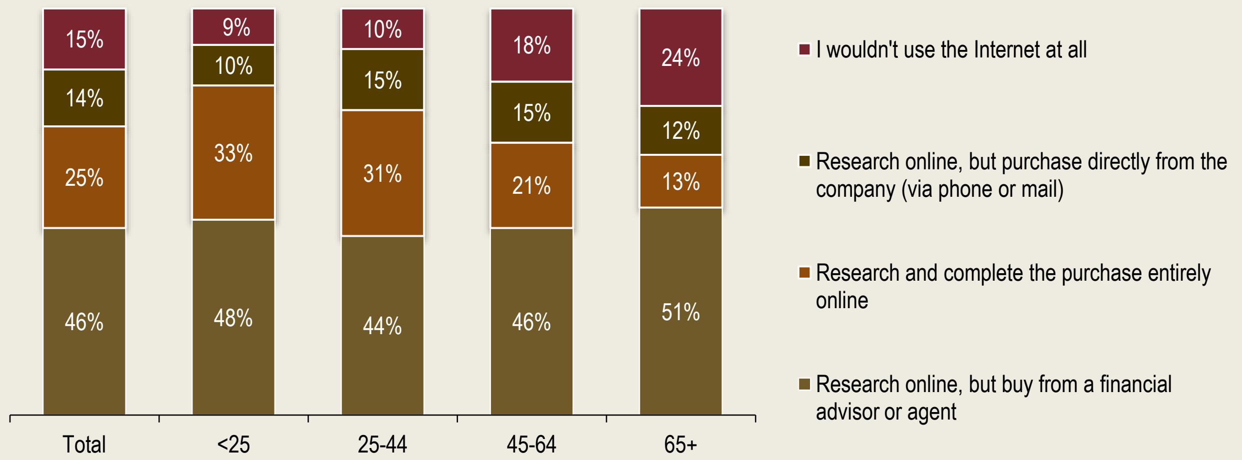
		Age			
	Total	**<25**	**25–44**	**45–64**	**65+**
In person (outside of the workplace) through a financial advisor or agent	52%	59%	44%	53%	67%
Complete an online form	22	26	29	20	9
Through my workplace	10	7	14	9	5
Complete an application and mail it to an insurance company/professional	8	7	5	9	14
Complete an (offline) application and email it to an insurance company/professional	4	1	6	4	1
Over the phone	4	0	2	5	4

Consumers use the Internet mainly for research. Most would look to online resources when shopping for life insurance (Figure 15); in fact, this is the most repeated step in the shopping process[8]. Although, while shoppers may frequent online because they can look for information on their own time and at their own pace, it may also be because they are trying to figure things out without the aid of a professional. They may be taken aback by complexities and options, so companies should keep this in mind when designing informational portions of their websites as they are well used.

[7] *U.S. Consumers Today: The Middle Market*, LIMRA, 2014, page 22.

[8] *Shopping for Life Insurance: Different Paths to Success*, LIMRA, 2013, page 10.

Figure 15 —
How Consumers Would Use the Internet When Purchasing Life Insurance by Age



Online Shopping Experience

Just over 20 percent of people have actually purchased or attempted to purchase life insurance online. Not surprisingly younger consumers are more likely to shop online (Table 12).

Table 12 —
Purchased or Attempted to Purchase Life Insurance Online by Age

		Age			
	Total	**<25**	**25-44**	**45-64**	**65+**
Within the past month	3%	7%	5%	1%	<
Within the past year	5	19	6	4	2%
Over a year ago	14	18	15	14	11
Never	78	56	74	81	87

<Less than ½ of one percent

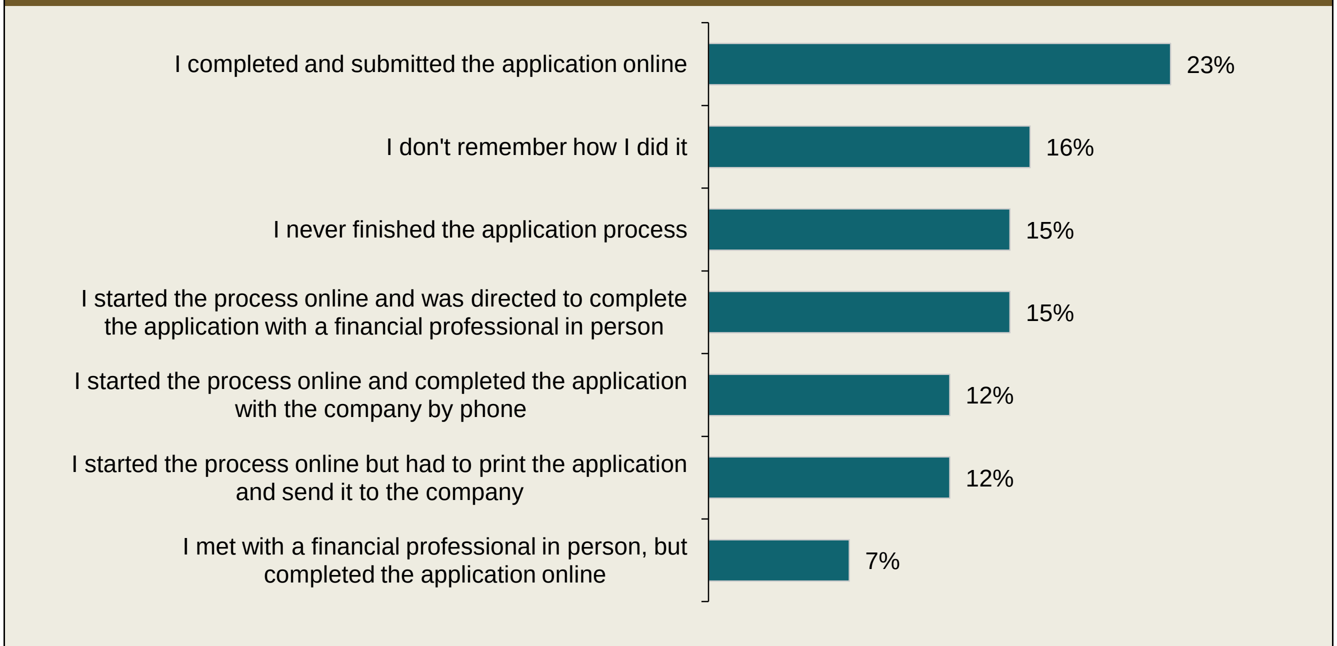
About 40 percent of online shoppers went to a quoting engine website (Table 13). However a number of them may use these sites for information or a quick and easy quote. According to LIMRA research, only 14 percent of online purchases are made through a quoting website while more than half go through a carrier website.[9]

Table 13 — Percent of Online Shoppers Who Visited a Quoting Engine Website by Age

		Age			
	Total	<25	25-44	45-64	65+
After researching insurance and getting a good idea of what I wanted	24%	28%	32%	19%	14%
Before researching insurance elsewhere	11	26	11	10	5
Without researching insurance elsewhere	7	2	9	6	5
I did not visit a quoting engine website	58	44	48	65	76

Overall, nearly 1 in 4 people who attempted to purchase life insurance on the Internet completed the entire application process online and only 15 percent aborted the application process (Figure 16).

Figure 16 — Consumer Experience When Attempting to Purchase Life Insurance Online



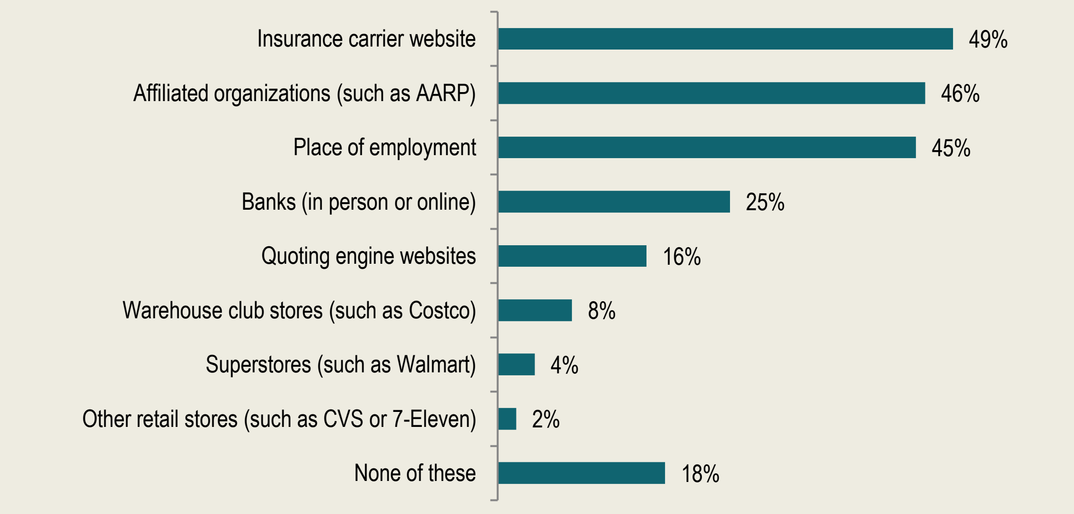
[9] *Shopping for Life Insurance: Different Paths to Success,* LIMRA, 2013, page 18.

Acceptable Purchase Locations

A quarter of Americans have visited a life insurance company website within the past year and a quarter more have in the further past. While it may not be the most favored way to buy life insurance, half of consumers would consider buying through a carrier's website (Figure 17).

People are also open to buying at work and through affiliated organizations like AARP. Having such endorsements may help with consumer trust issues, and selling through people's places of employment can also help solve the procrastination and contact issues the industry faces.

Figure 17 —
Locations From Which Consumers Are Willing to Purchase Life Insurance



While 1 in 4 are willing to purchase life insurance through a bank, only 1 percent of the policies sold in recent years were purchased through a bank or credit union.[10] Banks are still relatively new to selling life insurance, so many need support. In addition, nearly half of consumers aren't even aware that banks sell life insurance[11] and bank employees are generally more focused on selling annuities[12].

One in 10 consumers are open to purchasing life insurance through a retail store and companies began experimenting with this potential market a few years ago. People like the idea because they anticipate reasonable costs, a simple process, and convenience; although they also note drawbacks: most prefer to meet with a financial professional and fear life insurance is too complex to purchase at Costco or Walmart.[13]

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[10] Retail Individual Life Insurance Sales Surveys, LIMRA, 2014 and 2015.

[11] *Bank On It! Opportunities with Today's Bank Customers*, LIMRA, 2012, page 19.

[12] *Bank Life Insurance Benchmarking Study*, 2014, page 3.

[13] *Insurance Barometer Study*, LIMRA and LIFE Happens, 2013, page 17.

Researching Agents and Financial Advisors

A quarter of consumers have looked online to find an agent or financial advisor and 1 in 3 have gone online to find information about an agent or advisor (Table 14).

Older consumers and those in higher income groups are a bit less likely to use online resources to find or research agents and advisors, but this could be in part because they are more likely to have an established relationship with a financial professional.[14]

Table 14 — Percent of Consumers Who Used the Internet to Find or Research Agents/Financial Advisors by Age and Income

		Age				Household Income		
	Total	**<25**	**25–44**	**45–64**	**65+**	**<50K**	**50-99.9K**	**100K+**
To get information about an agent or financial advisor	34%	45%	40%	30%	25%	27%	36%	45%
To find an agent or financial advisor	28	36	36	23	14	24	27	38

[14] *Insurance Barometer Study*, LIMRA and LIFE Happens, 2014, page 19.

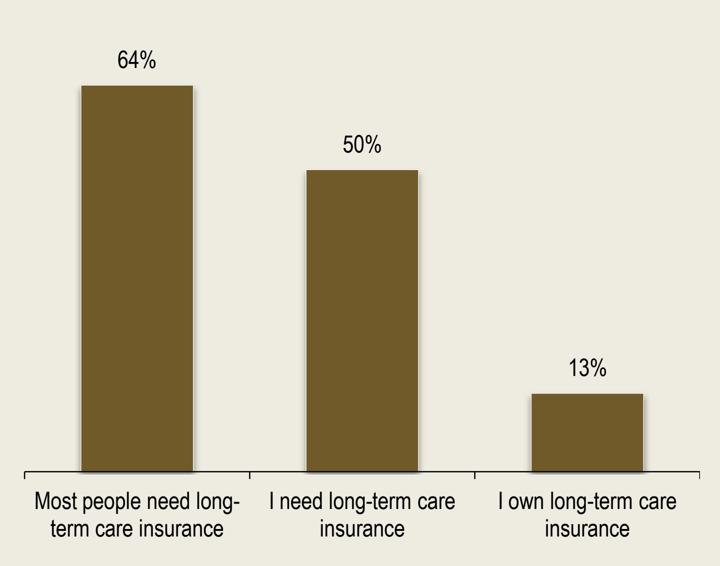
Long-Term Care and Disability Insurance

Half of Americans are concerned about potential LTC expenses and half are concerned about supporting themselves if they become unable to work because of an illness or injury. While 1 in 3 are very concerned about these risks, most do not own LTC or DI.

Long-Term Care Insurance

A majority of consumers seem to have a favorable opinion of LTC insurance; 65 percent agree that most people need it. Yet only half of adult consumers believe that they themselves need LTC protection and few actually own it (Figure 18).

Figure 18 —
Long-Term Care Insurance Attitudes and Ownership



Seniors and people living in homes with incomes of at least $100,000 are more likely to own an LTC policy, but even among these groups penetration is only about 20 percent.

Overall, owners are a bit more likely to have gained coverage through their employer, although seniors are much more likely to have purchased protection on their own.

In general, people give a variety of reasons for not purchasing LTC insurance.

The most common reason (shared by half of consumers) is the belief that they cannot afford LTC insurance.[15] In fact, 41 percent of people feel LTC insurance is a product for affluent Americans.[16]

It's also not uncommon for people to feel they are too young to need LTC insurance or hope for government intervention. But according to the U.S. Census, the number of seniors living in the United States will nearly double in the next 35 years. And as this happens it will put a great amount of stress on public funds, and the need for innovative LTC solutions will likely become more critical.

[15] *LTCI and CLASS Act — Industry Awaits Silver Bullet*, LIMRA, 2010, page 2.

[16] *LTCI: An Industry Subdued*, LIMRA, 2012, page 11.

Disability Insurance

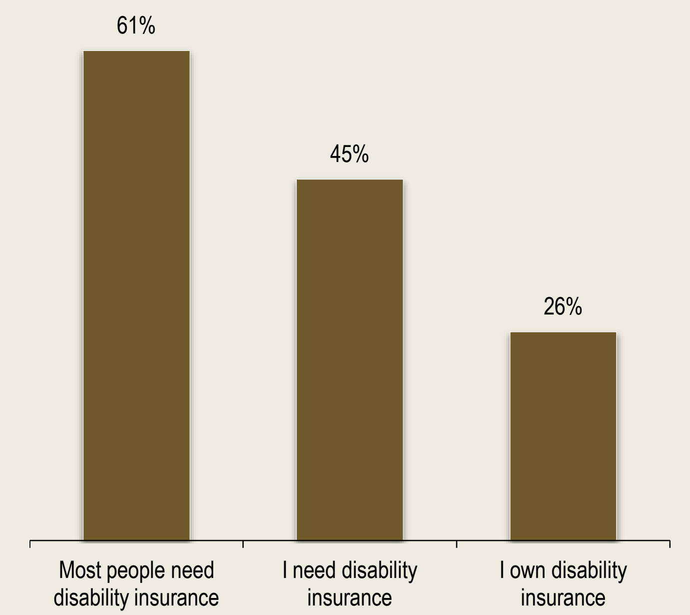
While people's feelings about the need for DI are comparable to their feelings about LTC insurance, they are more likely to have disability coverage (Figure 19).

Over 80 percent of DI owners obtained coverage through their employer; and, as expected, 90 percent of owners are between ages 25 and 64 (the typical working years).

The average disability owner will receive a benefit of $3,200 per month or $410,000 in one lump-sum.[17]

But companies, agents, and financial advisors should keep a focus on DI owners as 1 in 4 say they would have immediate trouble meeting everyday expenses if their home's primary wage earner became sick or disabled and unable to work.[18]

Figure 19 —
Disability Insurance Attitudes and Ownership



Base: Employed consumers

[17] *U.S. Individual Disability Income Insurance 2013 Annual Supplement*, LIMRA, 2014, page 5.

[18] U.S. *Ownership Study* database, LIMRA, 2010.

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