2024 Insurance Barometer Study

Report 1: The Generational Shift Has Arrived — The Path Forward for Life Insurers

LIMRA
Navigate With Confidence

Life Happens.
a nonprofit organization

2024 Insurance Barometer Study

REPORT 1: The Generational Shift Has Arrived — The Path Forward for Life Insurers

Steve Wood
Research Director,
Consumer Markets
LIMRA
swood@limra.com

Maggie Leyes
Chief Creative Officer
Life Happens
mleyes@lifehappens.org

Contents

Figures

Tables

Overview

LIMRA and Life Happens have collaborated on the annual Insurance Barometer Study since 2011 in an effort to provide our members with actionable insights derived from the attitudes and behaviors of American adults with regard to life insurance and other financial products and services. What barriers do consumers face when making life insurance purchase decisions? What can life insurers do to better educate and serve all Americans who are interested in protecting their families? Are there important demographic differences when it comes to the life insurance marketplace? LIMRA and Life Happens surveyed 4,936 adult financial decision-makers in early January 2024, aged 18 – 75, about what matters most to them about life insurance.

While it is not possible to paint entire population segments with the broad brush of consumer survey results, the Barometer Study aims to provide some guidance to better understand a wide range of diverse demographic groups. The study has always used generations and life stages as its basis for analysis, but also provides analyses on racial and ethnic cohorts as well. This year, an effort has been made to provide insights regarding life insurance behaviors and attitudes among the LGBTQ+ community, as well.

In the 2024 Barometer Series, we will explore not only how to best reach potential new life insurance buyers, but what types of incentives and products they may be most interested in.

These findings will be published later in 2024:

- **Report 2: Reaching New Life Insurance Buyers: What Works?**
- **2024 Life Insurance Barometer Technical Supplement**

Key Findings

- Overall, self-reported life insurance ownership has remained stable with 51 percent of our sample reporting they own at least one policy.
- Among life insurance owners, 22 percent say they do not have enough coverage.
- Non-owners who say that they need life insurance represent 30 percent of all respondents; little change since 2022.
- The percentage of Americans with a life insurance need-gap rose sharply in 2020 and has remained elevated since the height of the COVID-19 pandemic in early 2021.
- Of respondents earning $50,000 to $149,999 per year, 39 percent say they need/need more life insurance. The high level of need combined with the large number of households in this segment suggests interest from 48 million middle-income consumers.
- Women (46 percent) are less likely than men (57 percent) to have life insurance. This self-reported gender gap has persisted over the 14 years of the Barometer study and the 11-point difference matches the largest it has ever been.
- The life insurance ownership rate among Baby Boomers leads all generations, but the industry should not presume that future generations would increase ownership to the same level.
- The majority of Gen Z has now aged into the Barometer study sample and is showing interest in life insurance. While self-reported ownership remains low at 36 percent, half say they have a need-gap (49 percent), which suggests an early awareness of life insurance products.
- Black and Hispanic Americans report higher need for life insurance protection than other groups.
- Millennials express the highest level of financial concern on 9 of the 15 specific financial matters in this study. Just two years ago, in 2022, Gen X was "most concerned" on 14 of the 15. A generational shift is clearly underway.
- The perceived cost is cited as the top barrier to purchasing life insurance. However, about three quarters (72 percent) of all respondents overestimated the true cost of a basic term life insurance policy. Year after year, consumers greatly overestimate the cost of life insurance; notably over half of Gen Z and Millennials combined overestimate the cost at over three times its actual price.
- Over half (54 percent) of those surveyed said their life insurance cost estimate was based on "gut instinct" or a "wild guess."
- Over a quarter of the three younger generations in the study (Gen Z, Millennials, and Gen X) cite "lack of knowledge about life insurance products" as a reason that they do not own it.
- One in five of those who identify as LGBTQ+ cite "shares my sexual orientation or is a known ally" as one of the top three most important characteristics when seeking a financial professional to work with.
- Those who identify as LGBTQ+ appear more likely to distrust insurance companies and agents than the general population.

- Forty-one percent of adults say they would be willing to share personal health information with a life insurer in order to receive premium decreases, travel rewards, or other financial and gift incentives for healthy lifestyles. When compared to 2016, almost every demographic shows greater willingness to participate in a data sharing wellness program with a life insurer.
- Fifty-nine percent of Americans say they use social media when seeking information on financial or insurance products, and Gen Z uses it over 50 percent of the time versus traditional company websites.

The Life Insurance Need-Gap

The Insurance Barometer generates a number of important market metrics for the industry. The life insurance need-gap is an important measure because it represents the total level of self-reported life insurance need among all American adults aged 18 – 75. Tracking this metric annually enables the industry to assess business opportunities in the present-day market and evaluate those opportunities relative to prior years.

To identify respondents who need life insurance, we include the non-owners who say they need coverage, as well as life insurance owners who say they need more coverage. Table 1 reveals that 42 percent of American adults say they need life insurance or need to obtain more life insurance coverage. This represents a 2-point rise from 2021, which suggests the overall level of unmet need has been stable over the past three years.

Blending estimated U.S. adult population data[1] with the survey results suggests the total life insurance need-gap now encompasses about 102 million adults.

- Life insurance owners who want more coverage represent 1 in 10 respondents, about the same level as in the last 24 months. This indicates more business value exists within the industry's current policyholder base.
- Non-owners who say they need life insurance represent 30 percent of all respondents, a 2-point rise from 2021. This indicates the industry's overall market opportunity has maintained its potential for growth from mid-pandemic 2021.

TABLE 1: The Life Insurance Need-Gap (2021 – 2024*)

Segment Definition	Percent of All Adults With a Life Insurance Need-Gap				Number of Adults With a Life Insurance Need-Gap (in millions)			
	2021	2022	2023	2024	2021	2022	2023	2024
Insureds who need more coverage	11%	10%	11%	11%	27	25	27	27
Non-owners with need	28%	31%	30%	30%	69	77	74	75
Total need-gap	40%	41%	41%	42%	99	101	101	102

**Owner + non-owners may not equal total due to rounding.*

[1] *Total U.S. Resident Population by Age, Sex, and Series,* U.S. Census Bureau, Population Division, Demographic Analysis, December 2020 release.

- The need-gap among owners has remained stable, but still represents 27 million adults who acknowledge a need for more life insurance coverage.
- The need-gap among non-owners has also not fluctuated very much in recent years, but it remains elevated since the COVID-19 pandemic. The goal of the Insurance Barometer Study is to arm the industry with some insights to help these tens of millions of Americans find the right coverage to protect themselves and their families.
- Prior to the pandemic, between 2011 and 2019, the percentage of Americans with a self-reported need-gap ranged from 31 percent to 36 percent versus 42 percent in 2024.

Life Insurance Need-Gap Segments

It is essential for the industry to understand the personal characteristics of consumers who live with a life insurance need-gap. This information is critical in the creation of marketing strategies and distribution tactics. However, understanding all consumers with a need-gap is not a simple task because they represent a wide range of the American population. Thus, need-gap segments are not niche markets; each group of owners and non-owners represents a mass market with millions of consumers.

Demographic characteristics are useful for understanding the diversity of people who live with a life insurance need-gap. Table 2 illustrates the relative level of life insurance need across four important demographic characteristics: gender, generation, race/ethnicity, and household income.

The data below suggest life insurance need is highest among the following consumer segments:

- Households earning under $50,000 per year
- Those identifying as Hispanic or Black Americans
- Millennials and Gen Z (ages 18 to 59)
- Women

The following analysis estimates the size of each need-gap segment, so the industry can evaluate market opportunities within these groups.

TABLE 2: Life Insurance Need and Market Sizing, by Demographic Segment and Ownership*

Demographic Group	Percent With Need			Number With Need (in millions)		
	Owners	Non-owners	Total	Owners	Non-owners	Total
GENDER				in MM	in MM	in MM
Male	12%	26%	38%	15	32	47
Female	11%	34%	45%	14	42	56
GENERATION						
Gen Z	6%	43%	49%	3	18	21
Millennials	9%	37%	46%	6	27	33
Gen X	16%	29%	45%	11	19	30
Baby Boomers	11%	16%	27%	8	11	19
RACE/ETHNICITY						
Black	17%	32%	49%	6	11	17
Hispanic	13%	40%	53%	6	18	24
White	9%	28%	37%	14	43	57
LGBTQ+	7%	39%	46%	1	8	8
HOUSEHOLD INCOME						
Under $50K	9%	47%	56%	6	31	37
$50–$149K	12%	28%	40%	16	34	50
$150K or more	14%	14%	28%	8	8	16

**Owner + non-owners may not equal total due to rounding.*

Gender and Generations — The overall need for life insurance is higher among women (45 percent) than among men (39 percent), with a greater difference found among non-owners. In other words, women present a significant opportunity for the industry. Women have reported lower rates of ownership for every year of the Barometer study as well as a higher level of need. Nearly half of each of the younger three generations has a life insurance need-gap.

Race and Ethnicity — Respondents identifying as Hispanic or Black expressed the highest need for life insurance. This suggests present-day interest from 24 million Hispanic and 17 million Black consumers. With ongoing demographic shifts in the United States, younger Black and Hispanic consumers will continue to become a larger market segment.

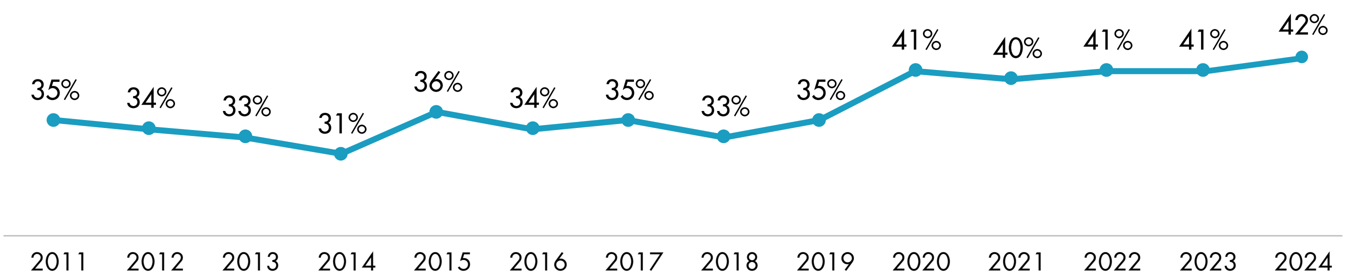
Household Income — Life insurance need is highest among under $50,000 per-year-household-income respondents, indicating interest from 37 million Americans in this group. This may be a challenging segment to serve, given their limited financial resources. Yet, their very high level of need suggests it is a historically underserved market.

Among respondents earning $50,000 to $149,999 per year, 40 percent say they need/need more life insurance. The high level of need combined with the large number of households suggests interest from 50 million middle-income consumers. Need is less pronounced within the mass affluent (over $150,000 per year), but this segment still represents 16 million potential life insurance buyers.

The Need-Gap Over Time

In the years the Barometer Study was conducted prior to the COVID-19 pandemic, the life insurance need-gap averaged 34 percent, with a maximum of 36 percent in 2015. Once the pandemic occurred, the gap rose to 41 percent and has stayed at that level for four years (Figure 1).

FIGURE 1: The Life Insurance Need-Gap, 2011 – 2024



Economic and employment conditions affect the need-gap measurement, but we can infer that it takes a drastic global event like the COVID-19 pandemic to change perceptions about the need for life insurance.

By early 2023, however, most Americans considered the pandemic "over" — yet in 2024, the need-gap has remained elevated above the previous decade's average.

Aside from the pandemic, it is difficult to ascribe other reasons for this metric. As more Millennials and Gen Z members reach life stages when life insurance purchase becomes more likely, it is possible that they are recognizing the need, but do not think they can afford it.

At the same time, over a quarter of Gen Z, Millennial, and Gen X members state they are not sure how much or what type of coverage to get (Figure 3). A large part of the need-gap can be attributed to a "knowledge gap." Many younger Americans state a need for life insurance, but too many are likely intimidated by the education and purchase process.

Societal changes and economic conditions also surely play a role in at least delaying life insurance purchases. Americans are getting married later… and less often. Furthermore, in 2021, the average woman gave birth for the first time at 27.3 years old, according to the most recent data from the Centers for Disease Control and Prevention. This was up from 2011, when the average mom was 25.6 at the birth of her first child.[2]

[2] *Key facts about moms in the U.S.*, Pew Research Center, 2023.

The birth of a first child is very often a driver for life insurance purchase. Millennials and Gen Z report an awareness of life insurance and protection products but are likely delaying purchase until they begin families. Inflation, increased cost of living, and other economic factors may also be playing a role in lack of coverage, especially when perceived cost is the major barrier.

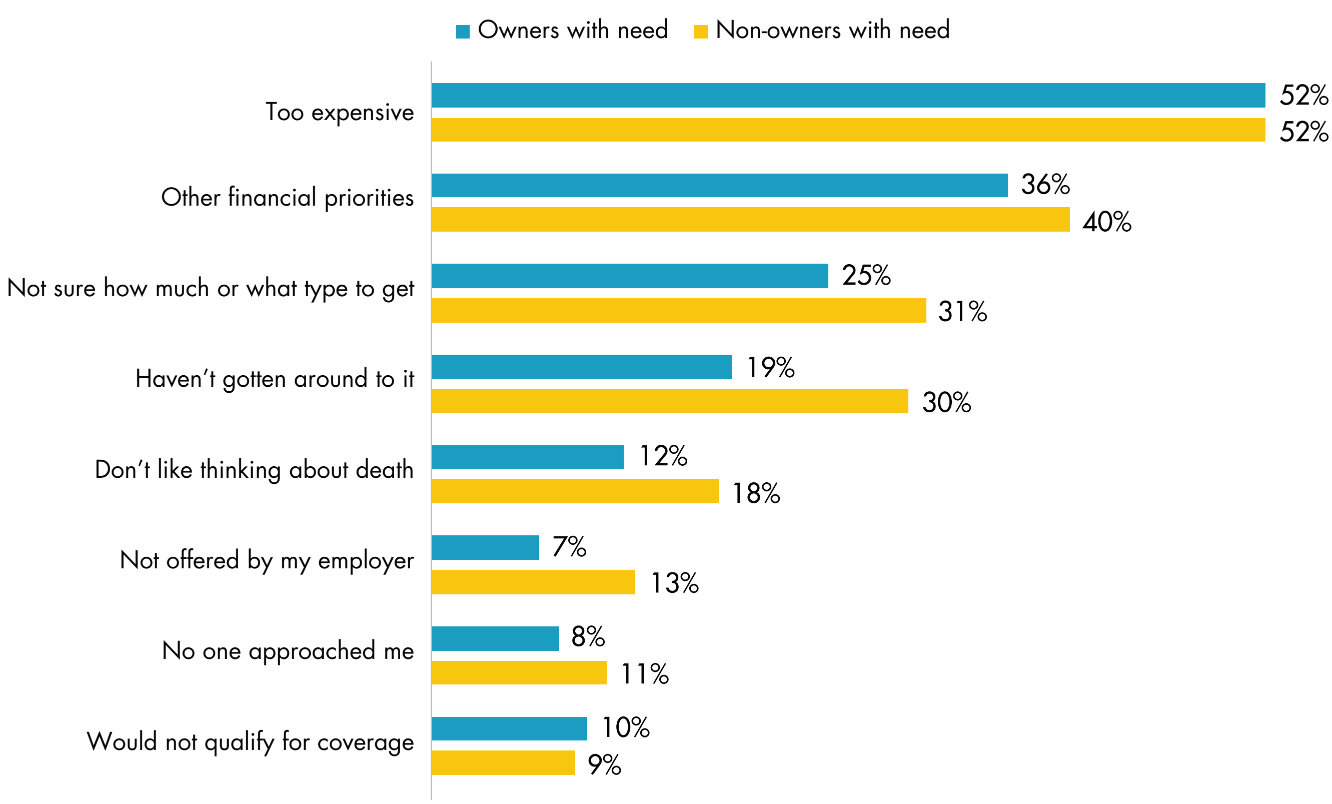
Reasons for Having a Life Insurance Need-Gap

Those consumers who do not have life insurance yet state they need it, as well as those who do not have as much coverage as they want, were asked about their reasons for this gap. On average, those with a need-gap cite at least two reasons for not having the coverage they need. Figure 2 illustrates the popularity of different reasons for living with a need-gap; the top three reasons are the same for uninsured and underinsured:

1. They perceive it as too expensive.
2. They say they have other financial priorities.
3. They are not sure how much they need/what type to buy.

Many of the reasons identified are common impediments to obtaining coverage. The information is helpful to understand how often industry professionals will encounter different barriers and adjust sales tactics to address the objections up front.

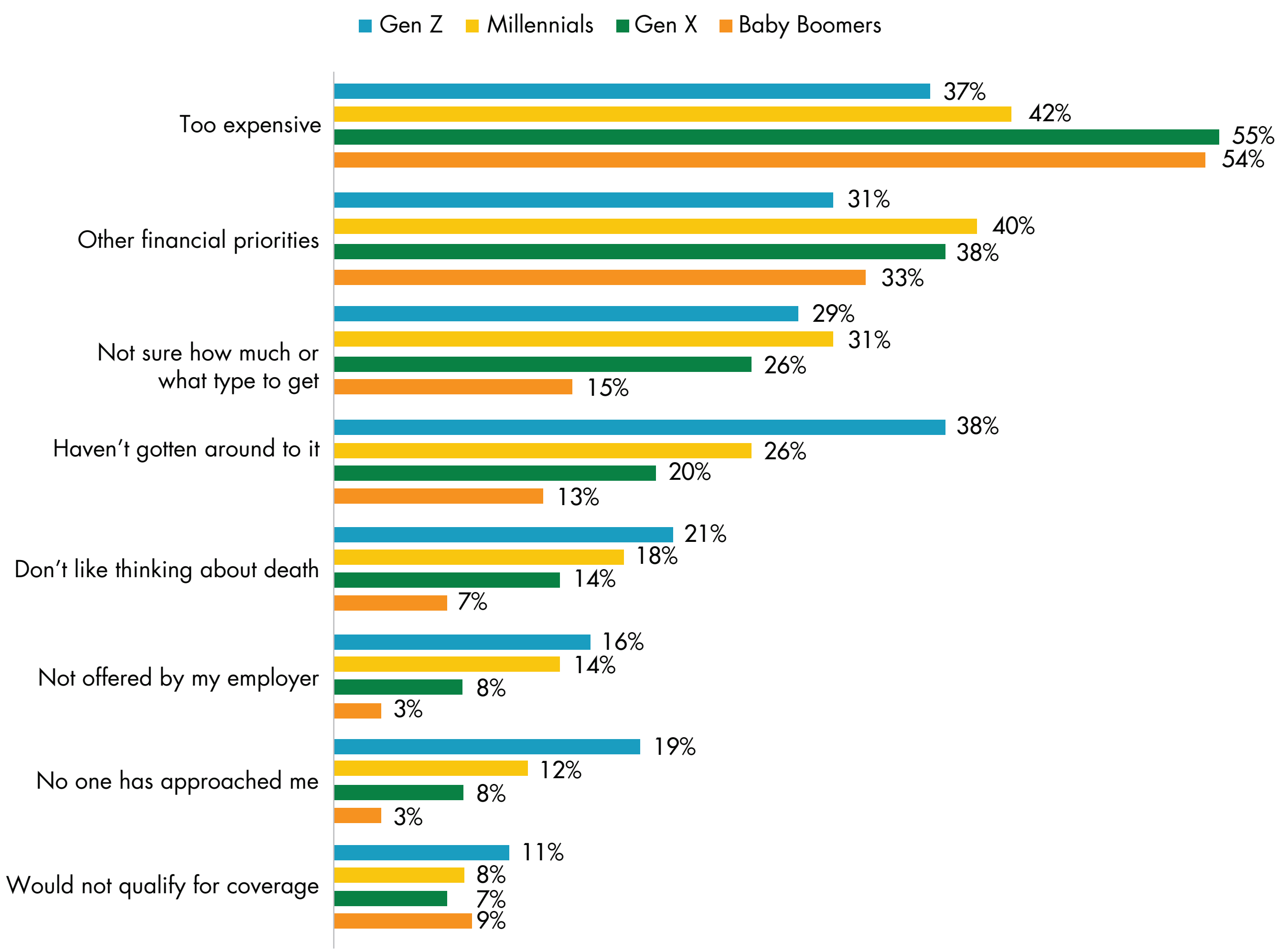
FIGURE 2: Reasons for Not Having (More) Life Insurance, by Need Gap Segment



There is consistency in reasons for not obtaining coverage across demographic groups. The top two reasons across the need-gap segments have remained consistent for the last several years of the Barometer Study.

Looking at these reasons through the generational lens, it is interesting that Gen Z and Millennials do not cite expense as often as older generations, but the majority overestimate the true cost of life insurance (Figure 3). Gen Z's top reason of simply "haven't gotten around to it" is fair enough for those in their early twenties. However, while they may not be shopping for a policy to protect a family that does not yet exist, since the data show an awareness of life insurance products, it is in a marketer's best interest to "plant the seed," so to speak.

FIGURE 3: Reasons for Not Having (More) Life Insurance, by Generation



Addressing the Need-Gap

For many consumers, this self-reported need for life insurance is merely aspirational; they recognize the need and will agree that they should purchase a policy but face a multitude of barriers. However, there are millions of Americans who can afford protective life insurance and have not yet begun the process to purchase.

Continued elevated awareness, spurred by the pandemic, may correlate to the 2023 increase in individual life insurance annualized premium and a 4 percent increase in sales over the same period in 2022,[3] which saw a drop off in sales from the height of the pandemic.

Life insurance can often provide a guaranteed return on investment thereby protecting families. Many consumers are aware of the benefits of a life insurance policy but aren't making their way all the way through the purchase process.

[3] *LIMRA: 2023 Marks Third Consecutive Year of Record Sales for U.S. Individual Life Insurance*, LIMRA, 2024.

Life Insurance Ownership Trends

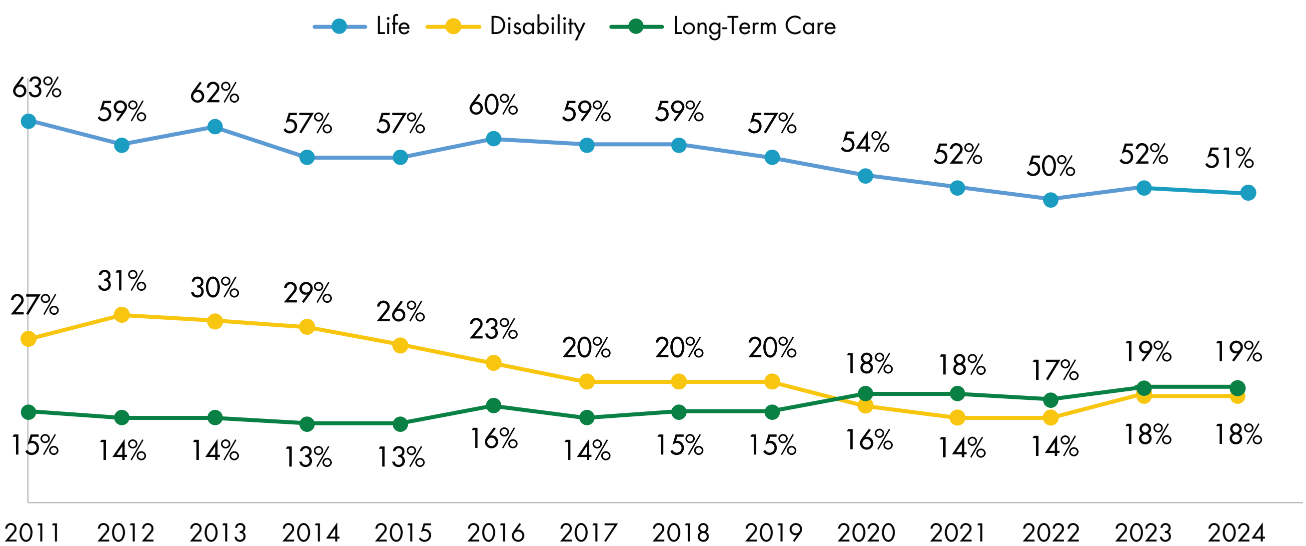
The Insurance Barometer tracks the types of insurance products consumers report they have, which helps the industry see trends over time. This is important information, but readers should understand that many consumers are not entirely knowledgeable about insurance products.

To their credit, consumers are aware of their lack of knowledge. Among this year's respondents, 44 percent say they are somewhat or not at all knowledgeable about life insurance. Regarding other products and self-reported lack of knowledge, 67 percent admit the same regarding annuities, 60 percent for long-term care insurance, and 59 percent for disability insurance.

While the sample contains a mix of subject matter expertise, all respondents are involved in their household's financial decision-making.

Figure 4 shows that consumers reported similar levels of life insurance ownership between 2011 and 2018. Market penetration fluctuated each year, but the trend line reflects generally stable market conditions. Starting in 2019, the trend line indicates a slow decline in the proportion of respondents who say they have life insurance coverage. While year-to-year fluctuations do not reflect significant changes, the consistent trend until 2022 suggests a smaller percentage of Americans say they own life insurance.

FIGURE 4: Estimated Market Penetration, by Product* 2011 – 2024



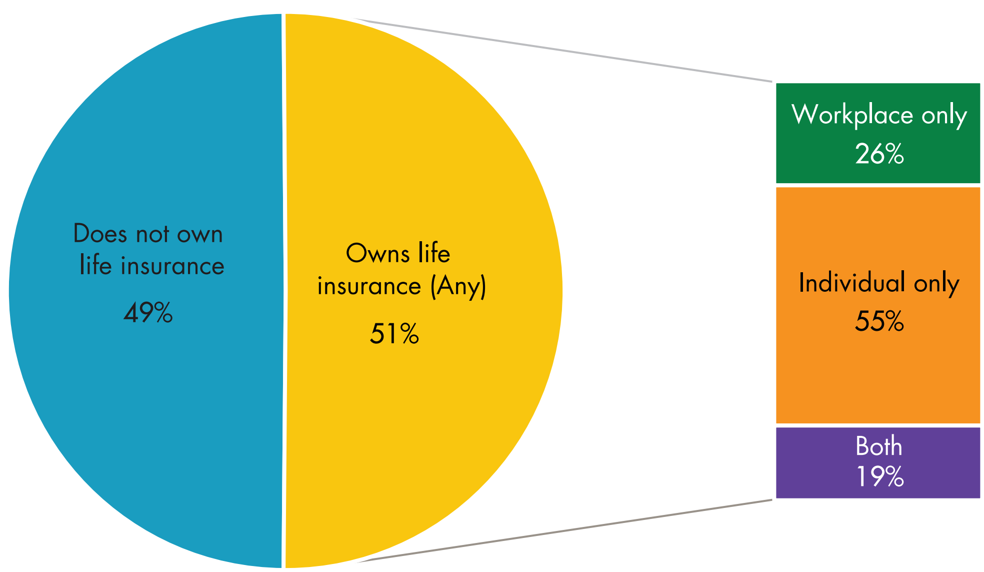
Disability income coverage refers to the retail market; it does not include workplace coverage.

Despite their best efforts, survey respondents are sometimes confused about individual disability and long-term care insurances (LTCIs) and therefore may suggest that they are owners when they are not. LIMRA estimates that between 3 percent and 4 percent of Americans have LTCI and around 2 percent have individual disability insurance, demonstrating a lack of product understanding.

Life Insurance Ownership by Source

In 2024, just over half (51 percent) of Insurance Barometer respondents say they have some type of life insurance coverage. Of insureds, 55 percent indicate they have only individual coverage (i.e., purchased in the retail market), 25 percent say they exclusively have workplace coverage (i.e., obtained as a benefit of employment), and 19 percent indicate they have both sources of coverage (Figure 5).

FIGURE 5: Life Insurance Ownership by Type



A consumer survey of the general population will never be the most accurate source for these data. For example, more Americans own workplace life insurance than is reported here. Some reasons for this discrepancy may be:

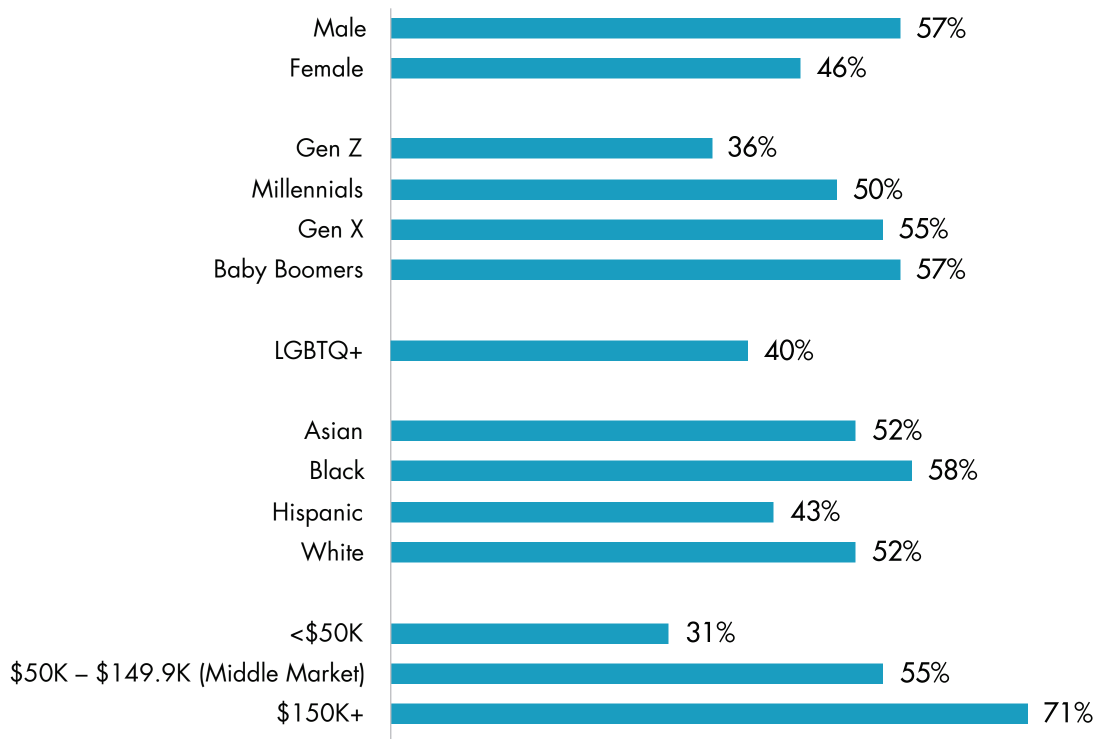
- Awareness of this type of coverage has lessened over the last decade
- There are fewer benefits fairs with more remote workers
- More passive enrollment of employer-paid life insurance

Life Insurance Ownership by Market Segment

The incidence of having life insurance coverage varies across market segments. Figure 6 illustrates the likelihood of having coverage among different demographic segments. The data show that life insurance coverage is significantly more common in these market segments:

- Men
- Older generations
- Incomes of $150,000 or more

FIGURE 6: Life Insurance Ownership by Demographic Segment



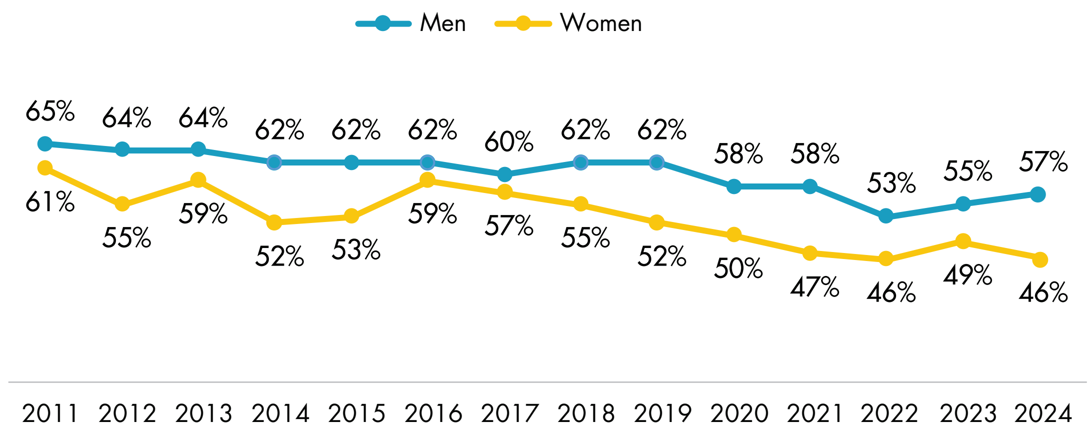
Gender Gap — Women are less likely than men to say they have life insurance coverage. The 11-point gender gap is a statistically significant difference and identifies marketing opportunities for the industry among women. It matches the largest reported gap over the 14-year history of the Barometer Study. Among life insurance owners, a slightly higher percentage of men (46 percent) say they own life insurance obtained through an employer than women (43 percent).

These differences are not large, but considering women now make up 48 percent of the workforce,[4] they are certainly a large potential market for life insurance. LIMRA and Life Happens continue to address the need among women through various efforts and publications.

[4] *Labor Force Participation Rate – Women*, U.S. Bureau of Labor Statistics, April 3, 2023.

The life insurance ownership gender gap has persisted over the course of the Barometer Study's history (Figure 7). Many factors contribute to this persistent gap. Fluctuations in consumer studies are the norm, but the consistent gap in ownership between men and women is a trend the industry would like to address.

FIGURE 7: Life insurance Ownership by Gender, 2011 – 2024



Generational Impact — The likelihood of having life insurance is higher among older generations. Significant changes in reported ownership occur between each age cohort. The ownership rate among Baby Boomers currently leads the industry's market penetration rate. Yet, as the Baby Boomer generation ages, that rate will decline due to the Barometer Study's age cut-off of 75.

As the younger generations mature and reach life stage milestones, their participation in the life insurance market will increase. With new and evolving distribution and marketing methodologies available, it is imperative that life insurers adapt and continue efforts to reach Millennials and Gen Z.

Race & Ethnicity — The likelihood of having life insurance is even among respondents who identify as Asian or white (52 percent). Those identifying as Hispanic report a much lower level of ownership (43 percent) in 2024. The Hispanic market seems to have been more affected by the pandemic; in 2021, 51 percent of Hispanic respondents said they had life insurance which then dropped to 41 percent in 2022. The slight rebound in 2024 is a good sign, but there is certainly an opportunity in the Hispanic market.

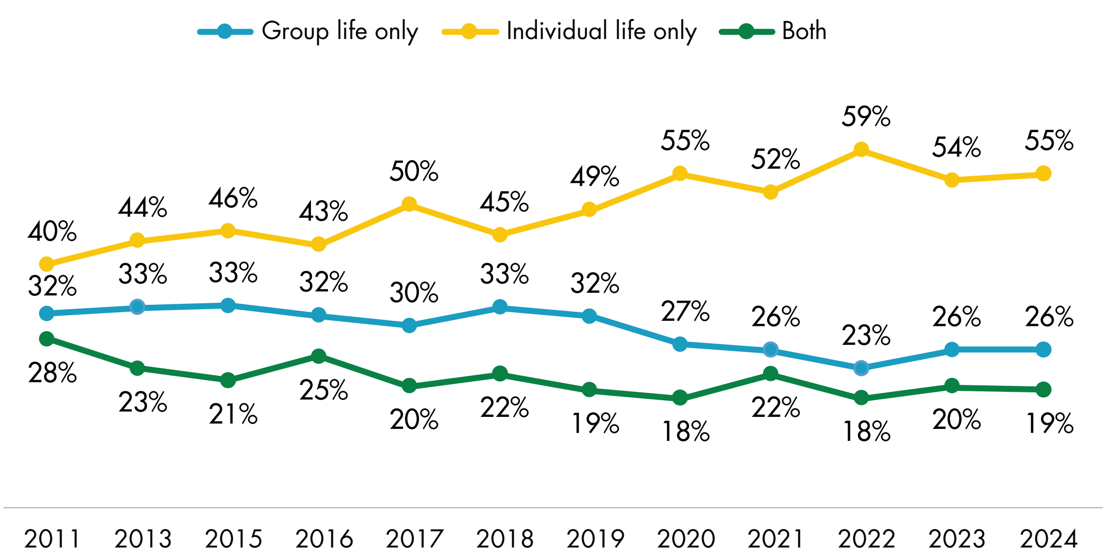
Black Americans report a 58 percent ownership rate, which follows the historic trend; that is, Black Americans own life insurance at a higher rate than other racial and ethnic groups. Still, there is a large opportunity among the community with a 49 percent reported need-gap as compared to 37 percent for white Americans. Despite higher ownership, it is clear that many Black Americans do not feel they have enough coverage to protect their loved ones.

Overlapping Coverage Sources

In general, consumers who have individual life insurance and workplace coverage usually have the best financial security. They tend to have higher levels of coverage, and they are less vulnerable to losing it due to a change in employment status.

After a reported rise in overlapping coverage in 2021, the likelihood of insureds having both individual and workplace coverage has hovered just under 2 in 5 since the height of the pandemic (Figure 8). Again, there seems to be a lack of awareness by employees with employer-paid life insurance, so the reality is likely that there are more workplace owners than these data suggest.

FIGURE 8: Overlapping Coverage Among Insureds, 2011 – 2024



The proportion of insureds with both individual and workplace life insurance has not changed significantly since 2016, when 1 in 4 insureds had overlapping coverage.

The likelihood that insureds have only individual life coverage has dipped since a post-pandemic high in 2022. While the 14-year trend is up overall, some pandemic sales may have resulted in surrendered policies after only one or two years. However, there is reason for some optimism with an improved economy and employment situation.

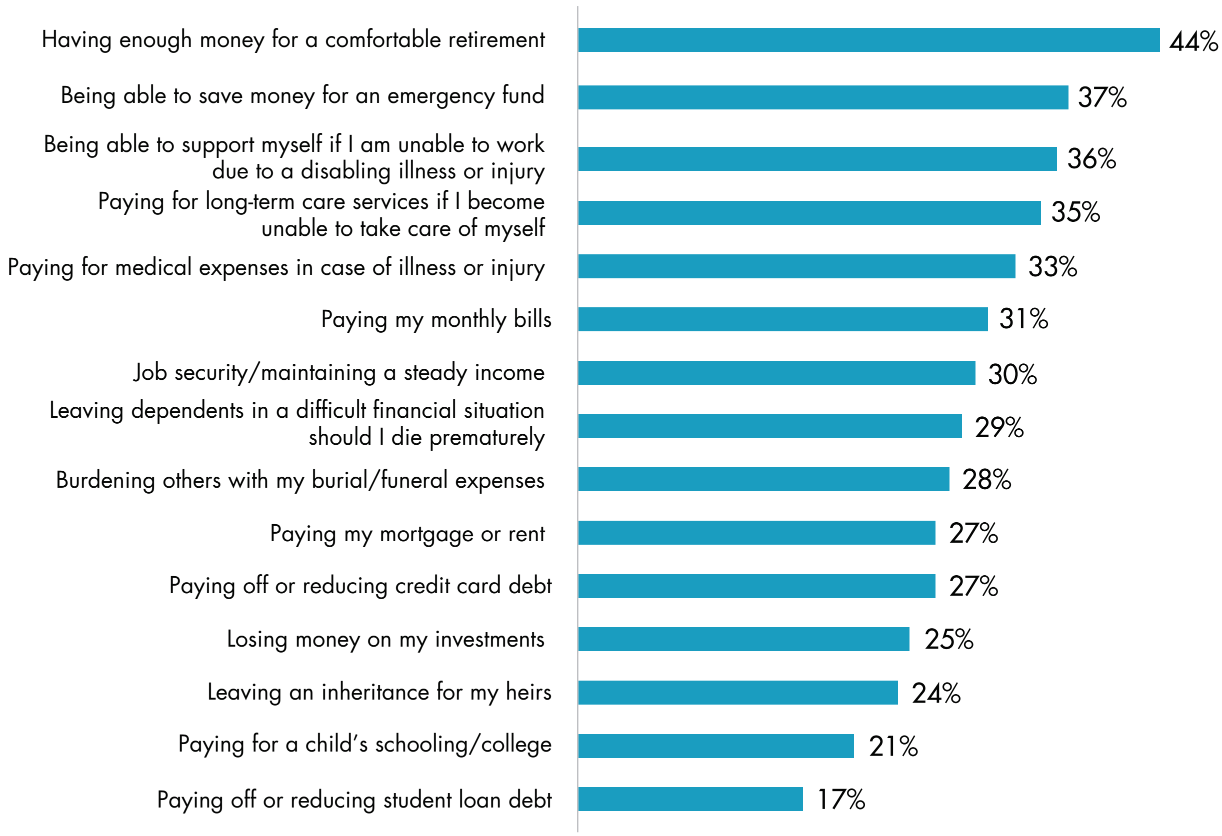
Financial Concerns

One way to gauge how a life insurance policy might fit into a household's budget is through an understanding of the most pressing financial concerns (Figure 9).

The Insurance Barometer Study examines these in an effort to understand the relative importance of competing consumer financial priorities and how they may relate to life insurance decision making.

With the pandemic now in the rear-view mirror for many, the focus has turned towards the economy and global politics. There is an ever-increasing political lens through which much of the world is viewed, but regardless of that, the 2024 economy and jobs market are both strong.

FIGURE 9: Financial Concerns*



**Percent saying "extremely" or "very" concerned.*

There is very little change from 2023 levels of concern, and as is always the case, Americans are most concerned about having enough money for retirement.

The top five financial concerns have remained consistent but have often traded places year over year. Paying for long-term care, saving for an emergency fund, and supporting oneself if disabled or too sick to work, and paying for emergency medical expenses round out the top five concerns — year over year.

Financial Concerns by Generation

Understanding the varying levels of financial stress at different life stages for generations (Figure 10) is important for aiding and educating prospective life insurance buyers. The Millennial generation has the highest overall level of financial concern (36 percent) when looking at all 15 concerns listed on the survey. This almost certainly relates to life stages. At ages 28 to 43, Millennials are in the midst of their family-formation and career-development years. This is also often when one begins thinking about retirement funding.

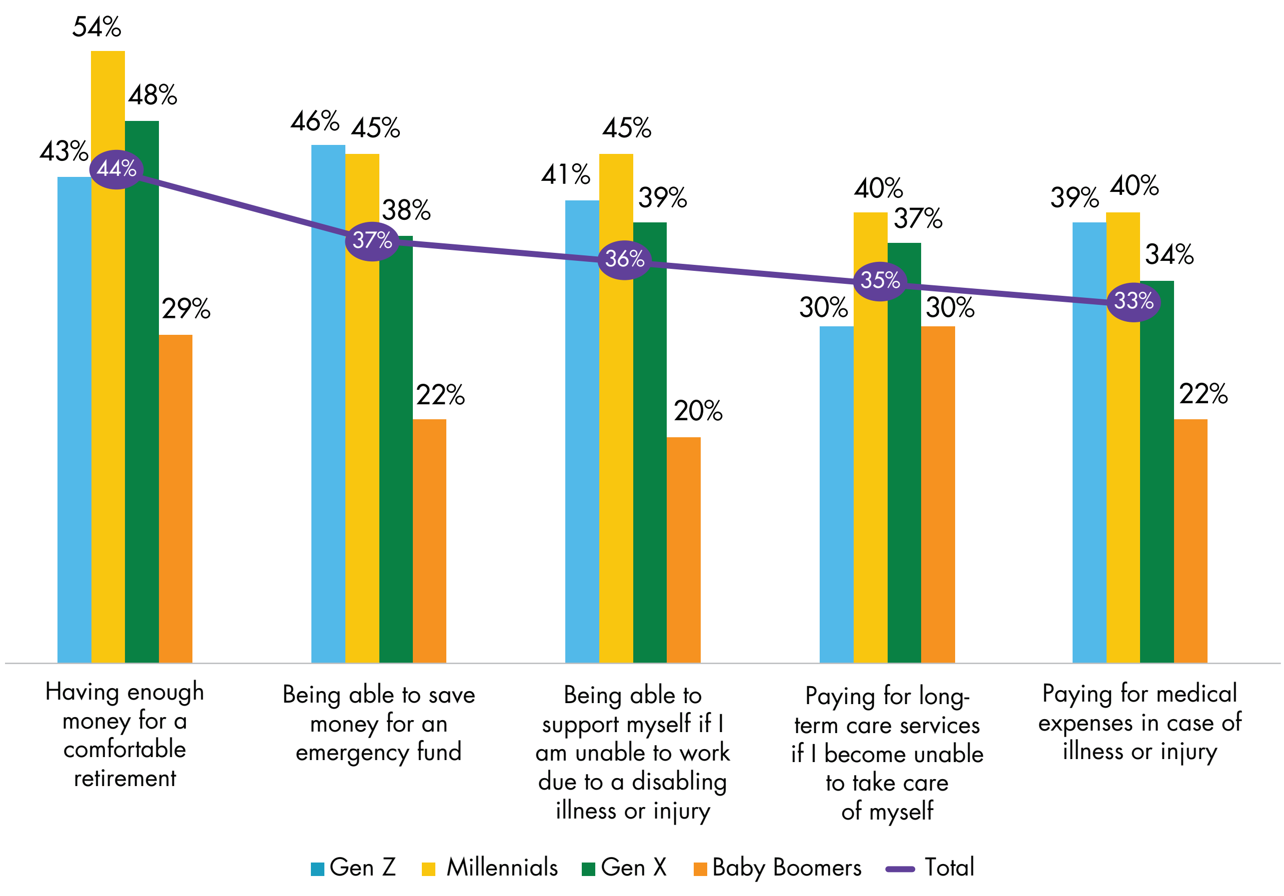
For the second consecutive year, Millennials express the highest level of concern on 9 of the 15 specific financial matters in this study. Just two years ago, Gen X was "most concerned" on 14 of the 15. A generational shift is clearly underway.

On average, older Americans express lower financial concerns. For 48 percent of Gen X consumers, ages 44 – 59, retirement funding is still a top concern. This is somewhat alarming considering older Xers are within five or six years of traditional retirement age.

Retirement and health considerations loom large for the older segment of Gen X; concerns over disability related expenses, long-term care, and emergency savings are important. Marketers of individual disability and long-term care insurance products can leverage this information, and life marketers can acknowledge the concern for emergency savings as a reason to consider permanent products with cash build-up features.

Baby Boomers have the lowest level of financial concern among these generations by a significant margin, which relates to their overall financial status. Many Boomers have already retired, with most others quickly approaching that milestone, having gained equity that younger generations are having difficulty securing.

FIGURE 10: Financial Concerns by Generation*



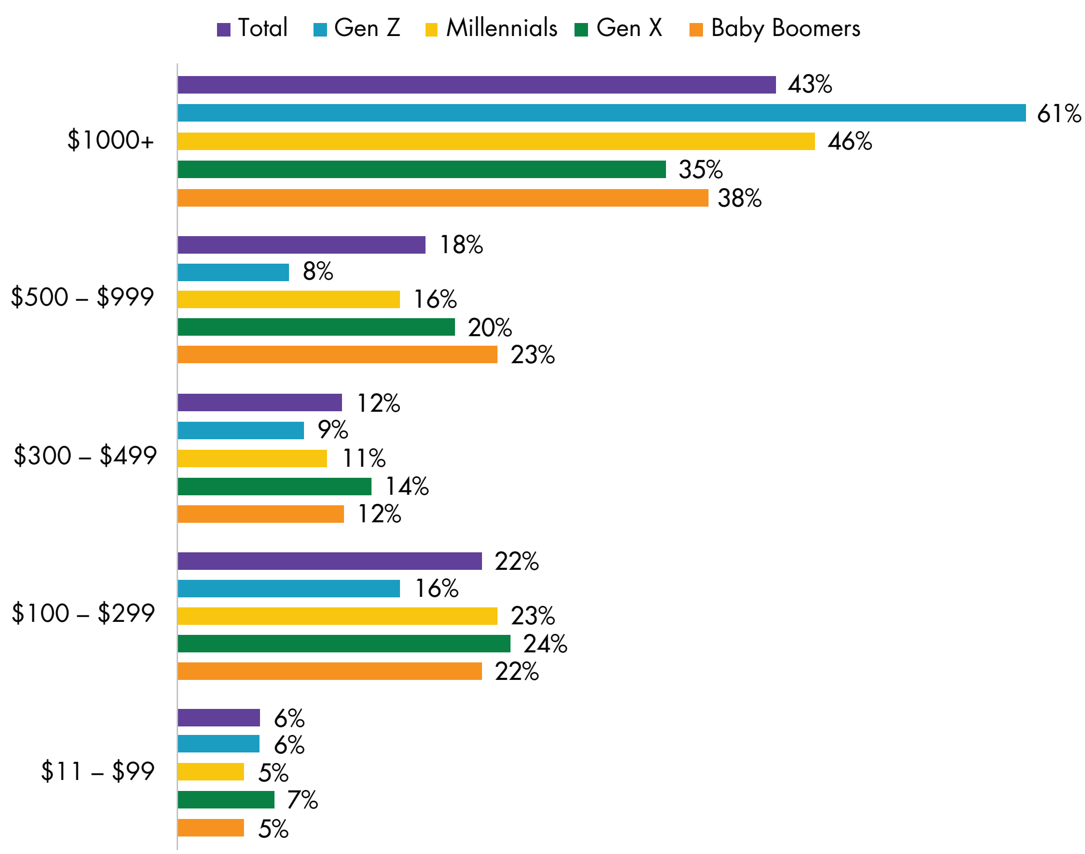
*Percent saying "extremely" or "very" concerned.

Perceptions About Life Insurance

The cost of life insurance is difficult for many consumers of all ages and backgrounds to estimate (Figure 11), and expense is the top referenced rationale for not purchasing life insurance. In 2024, only about a quarter of all respondents correctly estimated the cost of a 20-year, $250,000, level-term life insurance policy for a healthy 30-year-old.

Over half (61 percent) of the respondents say the policy would be $500 per year or more. The average cost of such a policy is around $200 per year, suggesting more than half the population thinks term life insurance is two and a half times more expensive than it is.

FIGURE 11: Estimated Cost of Term Life Insurance*



*Estimated yearly cost for a $250,000 20-year term-life policy for a healthy, nonsmoking 30-year-old.

Since the Barometer Study began including them in 2023, Gen Z drives some of the skewed perception here, as many have not entered the life insurance marketplace yet. The distribution across race, ethnicity, and gender yields no significant differences.

A follow-up question was posed in 2024, asking for the basis of their estimate. With certain types of final expense policies, price is the attention-getter in advertising. However, as policies become a bit more complicated and involved beyond final expenses, price becomes more of an unknown to consumers. Marketers and social media content creators should attempt to address the widely held cost misperception.

TABLE 3: Basis for Life Insurance Price Estimates

Estimate Basis	Total	Generation Z	Millennials	Generation X	Owns Individual Life	Does Not Own Individual Life
Wild guess	35%	30%	31%	36%	28%	40%
Gut feeling	19%	18%	16%	20%	14%	22%
Online research	11%	14%	15%	10%	12%	12%
Discussions with friends and family	7%	13%	9%	7%	7%	7%
Personal knowledge of my own life insurance policy/policies	10%	3%	8%	13%	22%	N/A
Discussions with financial/ insurance professional	7%	5%	11%	6%	8%	7%
Other	11%	17%	11%	9%	8%	8%

Across the total population, over half (54 percent) say they based their estimate on a "wild guess" or "gut instinct." Even among the youngest three generations, all three hover at just under half with those reasons for their estimates. Over a quarter of individual policy owners took a wild guess.

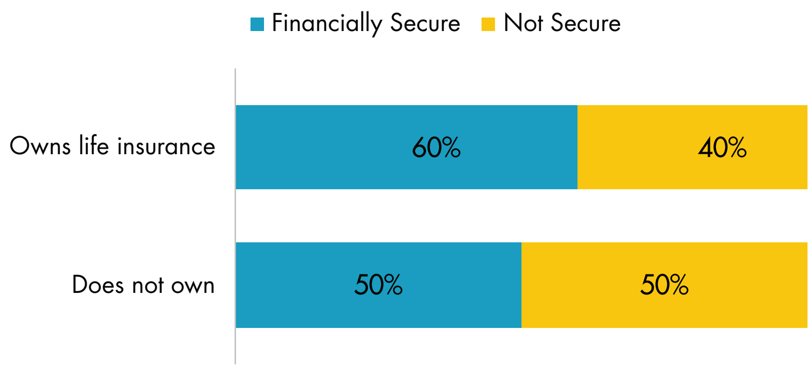
There are few other products that consumers overestimate by such a large margin, representing a major obstacle to overcome for the industry. This has been the case every year since the beginning of the Barometer Study. With the guaranteed payouts the life insurance policies provide, perhaps many consumers think that the advertised prices (e.g., "for the price of a cup of coffee a day") are "too good to be true."

Financial Security and Life Insurance

Financial insecurity, largely caused by the financial concerns above, pervades all demographic groups. Almost two thirds (62 percent) of life insurance owners report that they feel financially secure compared to a statistically significant difference of 46 percent of non-owners. It can be difficult to determine how much financial security is correlated with life insurance ownership, but by focusing on middle-income Americans, we can perhaps gain some insight into the ownership/security relationship.

For those earning a household income between $50,000 and $150,000 per year, those who own life insurance are 20 percent more likely to feel secure than those who do not (Figure 12).

FIGURE 12: Financial Security and Life Insurance Ownership for Middle Income Households

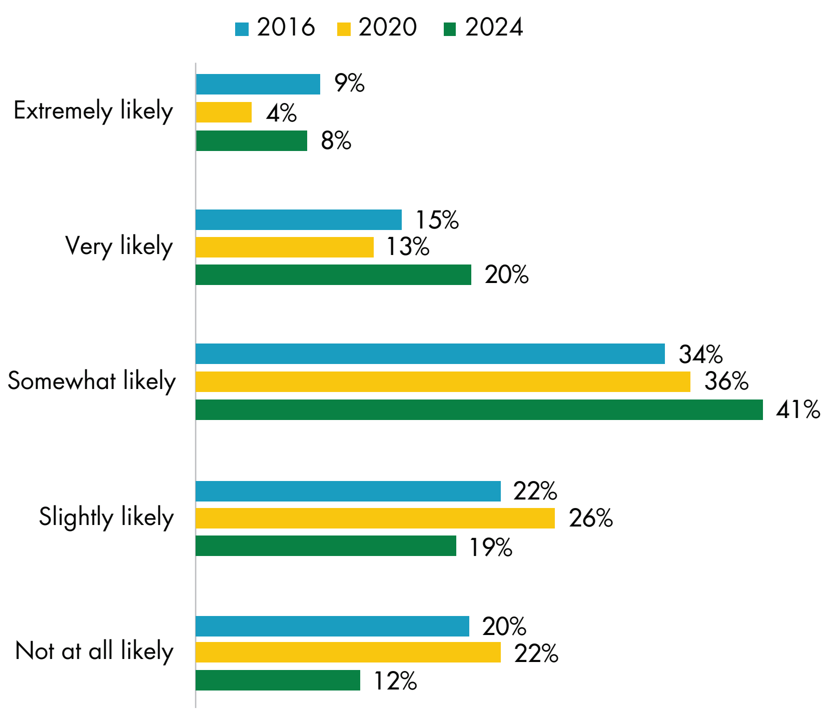


As this finding indicates, if consumers want to feel more secure, having life insurance may help them. Consumers need to be comfortable with the amount of life insurance being offered to them and understand the guaranteed nature of most policies. While entering the shopping and purchase process can seem daunting for even the most informed consumer, convincing them — especially those who may not have an excess of discretionary income — of the security it will instill could be an effective tool to move them along in the process.

Combination Life/Long-Term Care Products

There has been a recent focus on combination life products; and data suggest interest in them has increased after lagging a bit in 2020. The Barometer Study asked respondents to assume they were in the market for life insurance and how likely they would be in purchasing a life/long-term care combination product (Figure 13). Consumer perceptions and attitudes towards these products have a strong influence on the market.

FIGURE 13: Likelihood to Buy a Life Combination Product, 2016, 2020, and 2024



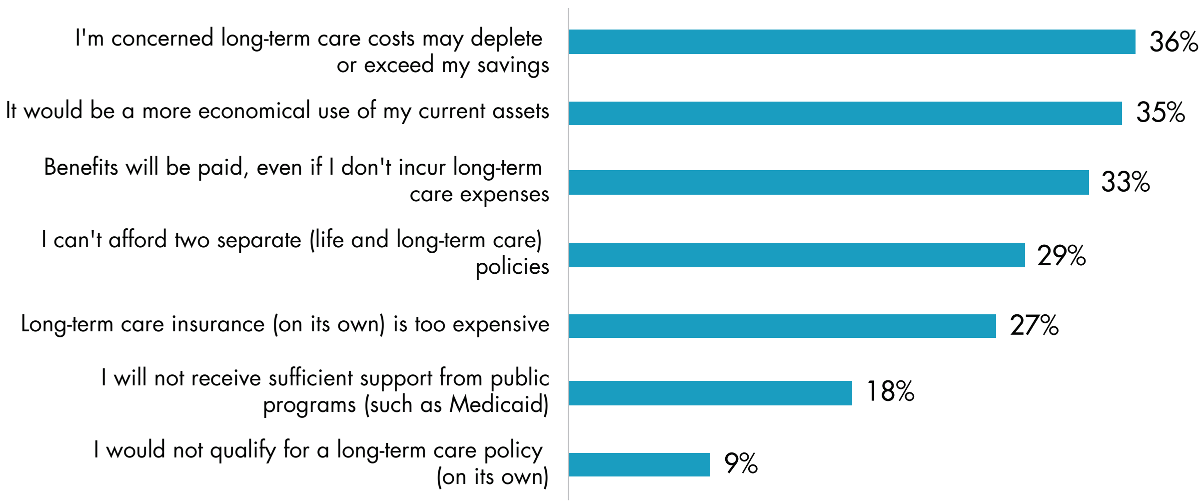
This information suggests the appeal of combination life products is improving among average consumers. The most likely to say they would be interested in such a purchase are the Millennial generation (39 percent extremely or very likely), as compared to Gens Z and X (28 percent). This increase in the likelihood to buy may portend an increase in market demand, but only if the current trends continue for several more years.

Reasons to Buy Combination Life Products

The Insurance Barometer measures the relative appeal of combination product features, to help marketers identify the most important factors. It is important to focus on the most appealing benefits of these products and ensure the consumer understands how these benefits apply to them during their lifetime.

The top reason people would buy a combination life product is anxiety over long-term care (LTC) expenses. Over one third of the population cite the potential for LTC expenses to deplete their savings as a reason to buy (Figure 14).

FIGURE 14: Reasons to Buy a Combination Life Product



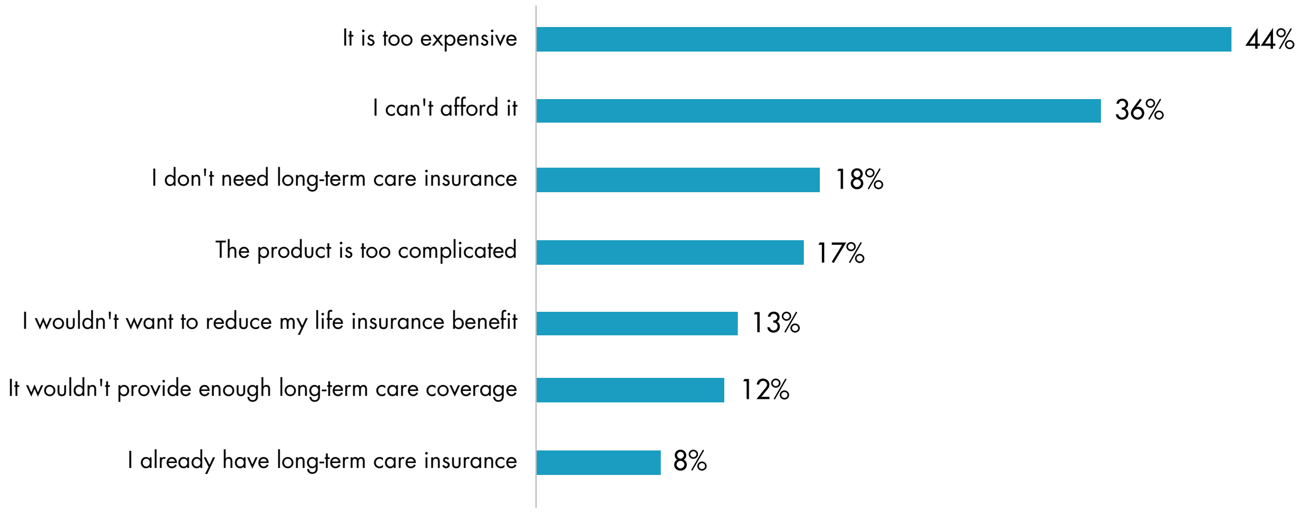
Knowing the most prevalent reasons consumers cite for a potential combination life/LTC product purchase will be helpful when introducing them to clients, particularly since these products may be unfamiliar to many best positioned to take advantage of them:

- **Living benefits** — Many consumers think of life insurance as a product that benefits other people, not themselves. Thus, living benefits represent an entirely new dimension of life insurance to many consumers.
- **Economy** — Some consumers view combination products as a smart financial choice. The flexibility of the product is a better way to leverage their current assets. Buying a combination life product can address many needs simultaneously, saving the expense associated with separate policies.
- **LTC coverage expense** — Over a quarter (27 percent) of consumers find LTC products expensive and believe the benefits they receive from a combination product to be a better value.

Reasons Not to Buy Combination Life Products

The data in Figure 15 suggest there are only a few commonly held objections to buying combination life products. It should not be surprising to learn that the most common objections here are also the most common reasons given for not buying all types of life coverage, as well as other insurance products in general.

FIGURE 15: Reasons Not to Buy Combination Life Products



The two top reasons for not buying combination life products appear related:

- **Perceived cost** — As the most common reason cited for not owning insurance coverage, this is not unique to combination products. Marketers need to address concerns over cost by emphasizing the benefits most important to the consumer.
- **Affordability** — One third of the population say they simply cannot afford a combination policy. In these instances, marketers need to be certain that prospective buyers understand the true cost of coverage, as most consumers overestimate the cost. There must be alignment between proposed product solutions and household budgets from the outset.

This information suggests the appeal of combination life products is growing among average consumers. This increase in likelihood to buy may portend an increase in market demand, but only if the current trends continue for several more years.

LGBTQ+ and Life Insurance

In prior iterations, The Barometer has provided the industry insights on demographic segments including generational, gender, income, and race and ethnicity.

This year, LIMRA and Life Happens have added to that by surveying 454 self-identified LGBTQ+ community members regarding their collective attitudes and behaviors when it comes to life insurance. Over 7 percent of the U.S. population now identifies as part of the LGBTQ+ community and has been growing steadily over recent decades. With marriage equality now firmly entrenched in many parts of the country, the perceived need for life insurance may increase in this population.

The Barometer sample of LGBTQ+ respondents trends young, which follows a recent Gallup Poll[5] and unsurprisingly, the self-reported life insurance need gap for this population mirrors that of the younger generations. The 40 percent life insurance ownership rate slots right in with Gen Z (36 percent) and Millennials (50 percent). However, there are some differences with regard to barriers to purchase and perceptions regarding the industry and products.

The Perceived Need for Life Insurance

Attitudinal data suggest LGBTQ+ Americans are just as likely (68 percent) as the overall population to say they need life insurance (69 percent). With recent Gallup findings[6] showing that over 1 in 5 Gen Z and over 1 in 10 Millennials identifies as LGBTQ+, this market appears to be increasing in number.

Yet a relatively large 46 percent life insurance need-gap exists. This represents nearly 8 million LGBTQ+ adults with a stated need for life insurance.

What Is Unique About This Market?

An effort was undertaken to ensure that the LGBTQ+ data was not just a reflection of their relative youth to the full survey sample. While it is true that over half of our LGBTQ+ respondents are either Gen Z or Millennials, there are enough differences among the demographic splits to apply some meaningful findings.

Figure 16 shows financial concerns that differ for LGBTQ+ from either the younger generations, the full sample, or both. These are not necessarily the top concerns of the cohorts, but rather those for which some targeted discussions or marketing efforts may make more sense with the LGBTQ+ community.

It is difficult to determine specific reasons for these differences, but even as acceptance and marriage equality prevails in much of the U.S., there are still many areas where that is not the case. The difficulties marrying in some places could contribute to greater worry about retirement and emergency funding.

[5] *LGBT Identification in U.S. Ticks Up to 7.1%*, Gallup, 2022.
[6] *The number of LGBTQ-identifying adults is soaring*, Gallup, 2022.

FIGURE 16: LGBTQ+ Financial Concerns*

**Percent saying "extremely" or "very" concerned.*

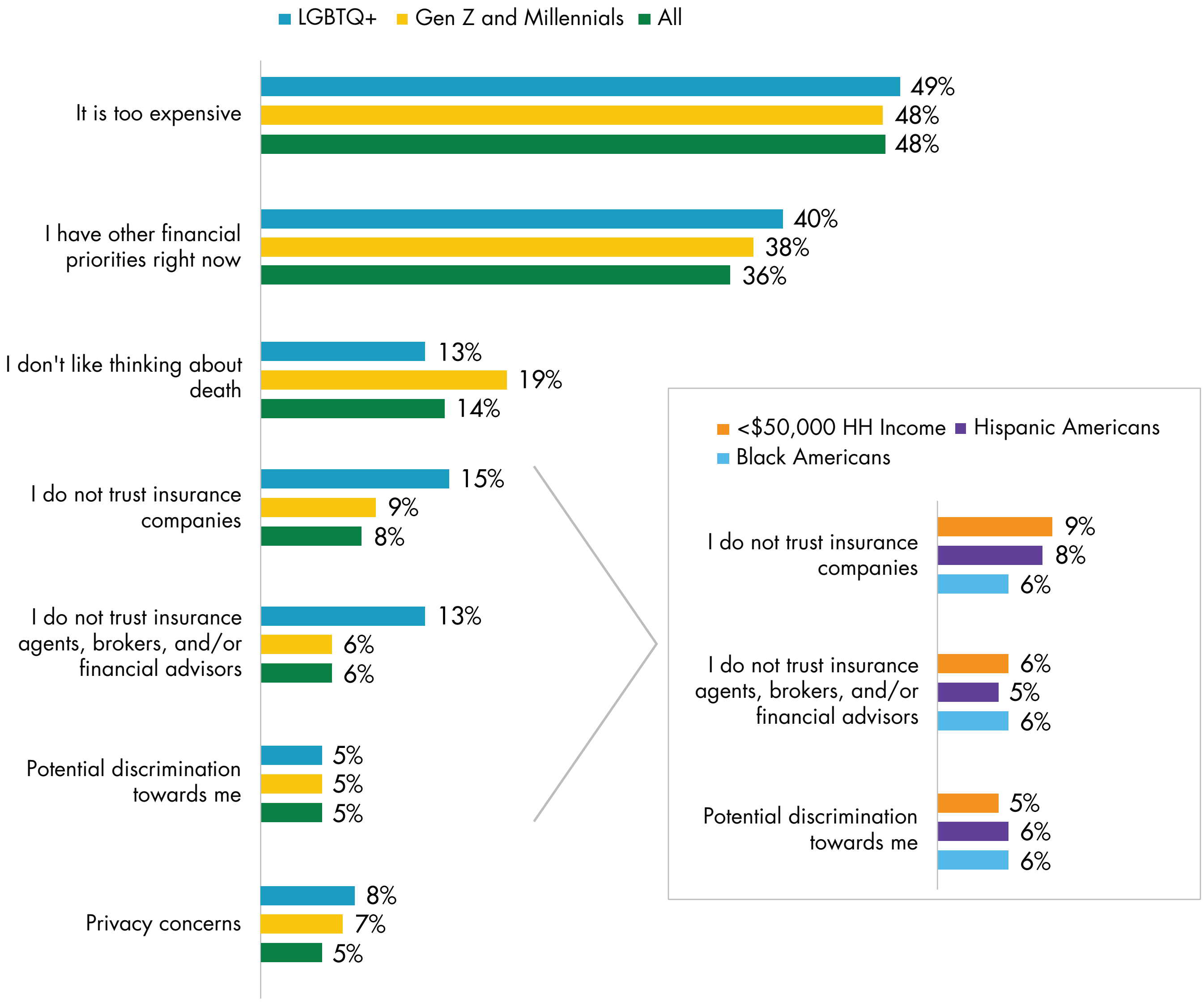
Some Americans share negative perceptions about life insurance and the industry. This year, we asked about thoughts on fairness, equity, and any discrimination they feel they may face when purchasing a life insurance policy.

It is inappropriate to ask applicants questions about their race, religion, and sexual orientation. However, there is still a perception that some form of discrimination may exist. When asked how much respondents agree with the statement, "Life insurance companies prioritize fairness and equality in their practices," only 28 percent of the LGBTQ+ sample agreed or strongly agreed, as compared to 37 percent of those aged 18–35. (Baby Boomers were less inclined to agree at 20 percent.)

Interestingly, when asked if they thought life insurance companies discriminated against them, there was much more agreement across LGBTQ+, young adults, and the total sample. One thought is that many consumers are aware of anti-discrimination legislation and therefore say they aren't necessarily "discriminated" against, but that doesn't preclude the idea that companies may lack fairness and equity in their company culture or decision making.

In Figure 17, we see that the LGBTQ+ community does not feel more discriminated against than young adults, Blacks, Hispanics, or lower income households, but there seems to be a greater lack of trust towards agents and insurance companies than any other group.

FIGURE 17: LGBTQ+ Reasons to Not Own or Own More Life Insurance



Some market segments have been historically marginalized. Because of this, some still feel that working with an agent directly may result in some lack of fairness or mistrust.

It is only through the efforts of agents and insurers that these perceptions can fade over time. In 2024, according to Barometer data, the LGBTQ+ community is not necessarily looking for LGBTQ+ agents any more than any other demographic is looking for people who share their race, ethnicity, or gender. As with everyone else, experience, trusted recommendations, and areas of expertise are paramount when selecting an advisor to work with. Sharing sexual orientation or being an ally is firmly at the bottom of the list of attributes LGBTQ+ Americans are looking for when seeking a financial professional or agent.

Rather than going "over the top" in outreach efforts, companies displaying equality and fairness across all media and through conversations may be the best approach. Sexual orientation is not a question when underwriting a new policy, but it may come up with an advisor when discussing any financial or end-of-life planning.

Wellness Programs, Social Media, and the Future

The second report in the 2024 Insurance Barometer Study series will provide deeper insights and focus on the topics of social media direct-to-consumer online education and sales, incentivized wellness programs for life insurance owners, and other related subjects.

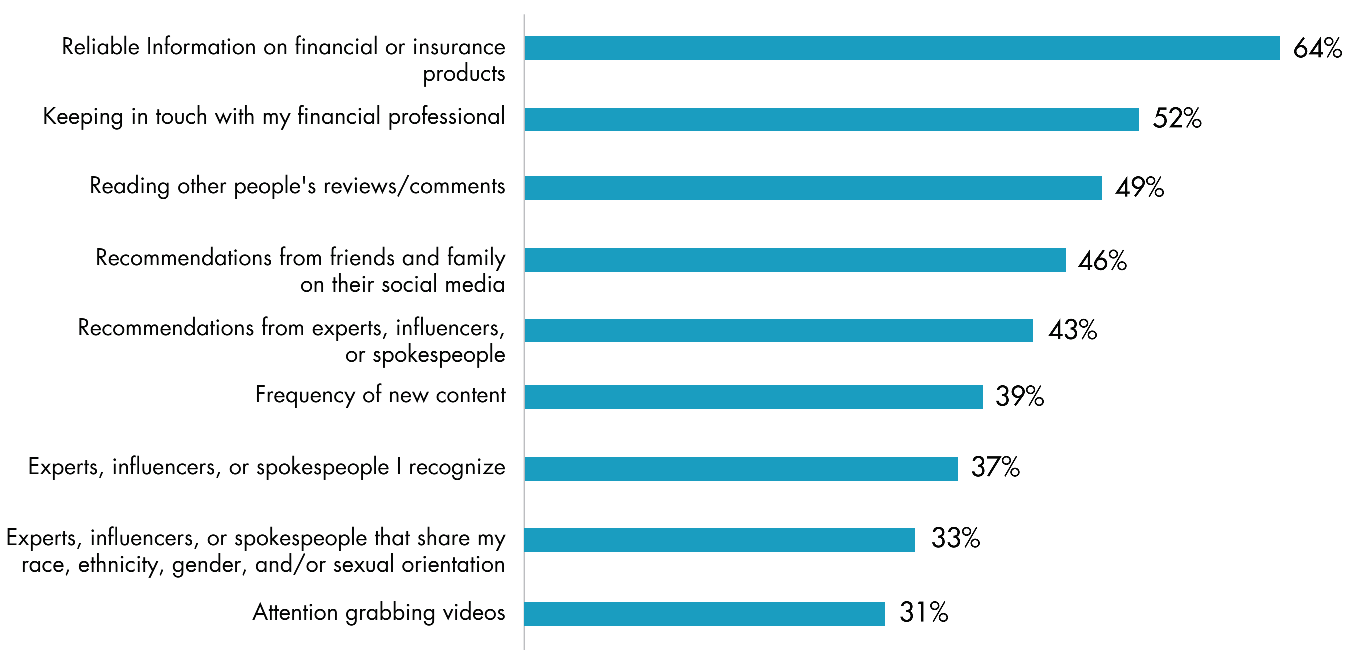
Social Media

The Barometer Study has been tracking the rise and use of social media within the context of life insurance information and education and has reported on the shift to the need for more personalized content to reach today's consumers. For many social media has become "the internet." In 2024, 59 percent of Barometer respondents report that they use some form of social media for gathering information related to financial/ insurance topics, looking for an advisor or products, or interacting/commenting.

YouTube and Facebook are the most often cited platforms for this type of information gathering among American adults. When asked to estimate usage between social media and traditional company websites, a third (32 percent) of those who use social media in this context say they use it over 50 percent of the time versus traditional websites. Gen Z is the outlier, using social media more than traditional websites. The question is, will they will "dial back" their social media uses as they age?

A high-level view of what social media users consider most important to them reveals that all aspects of the medium are relatively important, with the lowest ranking attribute still being important to a third of users (Figure 18).

FIGURE 18: Importance of Social Media Attributes*



**Percent saying "extremely" or "very" important.*

Activity Trackers, Wellness Programs, and Incentives

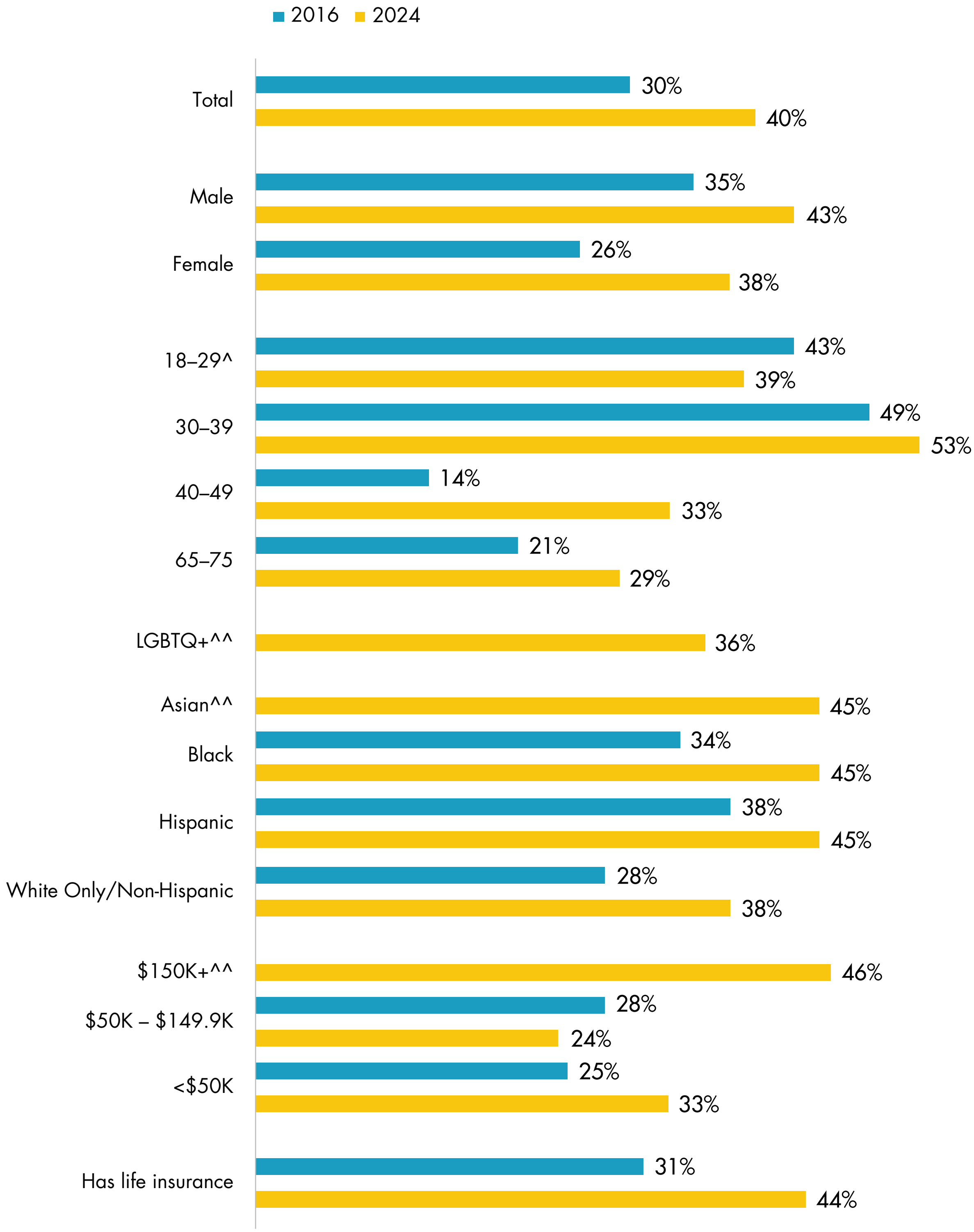
Many marketing efforts across different industries have explored and promoted various types of incentives for their customers. Health and life insurers have pursued different wellness programs with mixed success over the years. Sharing personal health information, shopping choices, and healthy shopping and activities with insurance companies has proven to be difficult — even when providing direct financial incentives to do so.

However, such incentive programs have been successful in global markets, so the 2024 Insurance Barometer Study sought to gauge consumer attitudes towards the idea. It has been eight years since we first posed these questions, and data suggest that consumers are more receptive in 2024 than they were in 2016.

The second Barometer report in this series will take a closer look at consumers' attitudes towards data-sharing and these types of incentivized programs, but at a high level, it seems clear that they may gain more traction now than in the past.

When asked about the likelihood of wearing an activity tracker to report back to a life insurer to be rewarded for healthy behaviors and receive incentives, almost all demographic groups reported a significant increase in likelihood over 2016 (Figure 19).

FIGURE 19: Likelihood of Incentivized Activity Tracking for Wellness Program 2016 vs. 2024*



*Percent saying "extremely" or "very" concerned.
^Small sample size in 2016.
^^Not enough sample to report in 2016.

What We Can Do

The COVID-19 pandemic was declared over well before the 2024 Insurance Barometer Study was fielded. One of the lasting societal effects seems to be a realization that end-of-life planning is important to everyone at all ages. The life insurance need-gap has remained elevated since 2020, despite COVID-19 not being in the news for quite some time.

Life insurance is a unique product. It can be overwhelming and difficult, as it involves end-of-life discussions. Many Americans say that they have a need for it. Many who don't own yet — or wish to own more — say they plan to obtain it in the near future, but often don't follow through.

With so many Americans saying they need life insurance yet not taking the necessary steps to procure it, the focus has to be on education and awareness. Most policies are nowhere near as expensive as perceived, and many now include accelerated underwriting and the process is fairly easy.

For many, wellness programs tied to their policies could provide the incentive needed to purchase a policy to protect their families. As Gen X and Millennials experience the expense often involved in long-term care for their aging parents, combination life/LTC products can be a more affordable type of policy.

By acknowledging the different needs and concerns of different demographic groups, those working with potential clients can build trust. As traditional families are redefined, all marketing and selling efforts must adapt or be left behind. The number of LGBTQ+ families are growing every year, and more women are heads of households.

Life insurance has existed for well over a century and has adapted to many societal changes in that time. Marketers, agents, educators, and anyone else involved with promoting the products and policies should be aware of demographic differences and work cohesively to bridge some of the ownership and need-gaps.

Methodology

The Insurance Barometer is an annual study that tracks the perceptions, attitudes, and behaviors of adults aged 18 – 75 in the United States who are at least partly responsible for financial decision making in their households.

The findings are available in two publications 2024.

In January 2024, LIMRA and Life Happens engaged an online panel to survey adult consumers who are financial decision makers in their households. The survey generated 4,934 responses.

Models used in the sample development include a propensity model to adjust for sample selection error and weighting models to adjust for sample response error. In addition, please note:

- Some consumers do not participate in online panels, creating selection bias in survey samples. A propensity-score adjustment corrects for selection biases inherent in internet panels.
- The response sample has a weighting adjustment along age, gender, race, ethnicity, region, and income dimensions. The weight helps the demographic characteristics of the sample to align with the population.
- The margin of error in this study is +/- 3 percentage points.
- Respondents self-identified as Hispanic may also be members of any race (e.g., white, Black, Asian) whereas self-identified white, Black, and Asian respondents are of that race only.
- Respondents include retired and unemployed adults.
- Several survey-question-response choices were collapsed in 2023, rendering trending and comparisons to previous years difficult beyond one year.

TABLE 4: U.S. Population and Survey Sample by Generation

Generation	Ages in 2023	U.S. Population Size (in millions)	Sample Size (weighted)	Percent of sample
Gen Z (1997 – 2012)	18 to 27	41.1*	672	14%
Millennials (1981 – 1996)	28 to 43	72.2	1,605	32%
Generation X (1965 – 1980)	44 to 59	65.8	1,391	28%
Baby Boomers (1946 – 1964)	60 to 75	67.5*	1,267	26%
Total	18 to 75	247	4,934	100%

**Full generation not eligible for survey.*

Source: https://www.statista.com/statistics/797321/us-population-by-generation.

Related Research

- 2023 Insurance Barometer Series, LIMRA and Life Happens.

- 2022 Insurance Barometer Series, LIMRA and Life Happens.

- *Life Happens* has a wide range of consumer-education information on lifehappens.org.

Navigate With Confidence

a nonprofit organization

0062-2024