

Policy Evaluation Program

life insurance facts and figures from LIMRA



Finding New Customers: Who is Buying Individual Life and Why?

- The main reason buyers purchase life insurance is for income replacement, regardless of income or age. Other factors, such as paying final expenses or a mortgage, become more or less important in higher age or income groups, but no other reason approached the level of importance of providing an income for surviving dependents.
- Consumers want guarantees. Nearly 8 in 10 buyers feel that it is very important that their premiums don't change. 7 in 10 want premium and death benefit guarantees. Even more interesting, 70% of universal life buyers want premium and death benefit guarantees. Many companies are offering guaranteed universal life products, and this suggests that they are responding to a strong desire from consumers for this type of protection.

Source: LIMRA; Highlights from *Finding New Customers*, June 2005

Trillion Dollar Baby: The Sales Potential of the Underinsured Life Market

- Life insurance remains an unmet financial need for many consumers — 3 in 10 U.S. households have no life insurance protection at all.
- Opportunities still exist in the life insurance market — 50% of U.S. households believe that they need more life insurance.
- More consumers are considering life insurance — 25% of U.S. households plan to buy life insurance in the next 12 months.
- There is a large gap in coverage between the amounts of life insurance consumers actually own and what they believe they need. The report quantifies how much the industry could add to their coffers if consumers bought the amount of insurance that they say they still need.

Source: LIMRA; Highlights from *Trillion Dollar Baby*, August 2011

After the Sale: What New Buyers Want From Their Insurers/Agents

- Recent buyers want continued contact with their producer through a periodic financial review, most within two years of purchase.
- People who purchase their life insurance policy from a producer or broker are much more likely to express interest in having a periodic financial review than those who purchase directly from an insurance company.

Source: LIMRA; Highlights from *After the Sale*, December 2005

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