Life Insurance Awareness Month Research

July 2020
Methodology

• This survey was conducted by ENGINE INSIGHTS—an independent third-party market research firm. ENGINE’S CARAVAN Omnibus Surveys are conducted three times a week among a demographically representative U.S. sample of 1,000 adults, 18 years of age and older. This survey was live on July 17-19, 2020.

• Respondents for this survey were selected from among survey panels of volunteers who participate in online surveys and polls. The data are weighted to reflect the demographic composition of the 18+ population. Completed interviews are weighted by five variables: age, sex, geographic region, race and education.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.
Key Takeaways

• Many life insurance owners are reviewing their policies in the wake of the COVID pandemic, but few are making changes.
  • Half of Americans surveyed currently own life insurance policies.
  • Among those owners, more than half (55%) reviewed their policies in the wake of the COVID pandemic.
  • Although most owners reviewed their policies, only one in three made a change.
    • Top changes included increasing coverage (12%) and updating contact information (11%).
    • 67% made no changes to their policy

• Death benefits continue to drive life insurance purchasing but living benefits that provide more flexibility to address future needs or emergencies drive likelihood to purchase.
  • Top reasons for purchasing include covering funeral related expenses (49%) and covering lost income to family if they were to pass away (43%).
  • While death benefits were top reasons to purchase, 45% said they would be more likely to purchase life insurance if it provided more than just death benefit protection, and you could use it for future needs or emergencies while you’re alive

• Digital options increased likelihood to purchase life insurance—especially among younger consumers.
  • Two out of five Millennials surveyed said they would be more likely to purchase life insurance if they could do so completely electronically

• More than a third of consumers surveyed think that life insurance is more important to own now, due to the COVID-19 pandemic
  • As a result of the pandemic, a third of consumers surveyed have or are planning to purchase new/additional life insurance
  • The biggest obstacle indicated to purchasing life insurance is cost (33%), but younger consumers (under age 45) also say that they don’t know what type or how much to buy.
  • Another third of consumers say there are no obstacles to purchasing life insurance (32%).

Currently, half of Americans surveyed have life insurance

Do you currently own a life insurance policy?
The primary reasons consumers buy life insurance are to cover final expenses and lost income

What are the primary reasons you own life insurance?

- Cover funeral-related expenses: 49%
- Cover lost income to my family if I pass away: 43%
- Transfer wealth to my family or heirs: 34%
- Protect wealth that I've accumulated: 17%
- Generate savings to supplement my retirement plans: 14%
- Cover taxes on current income/investments: 13%
- Cover estate taxes: 10%
- Other: 2%

[Base = (Own a life insurance policy) Total: N = 504]

Yet, nearly half say being able to use it for "living benefits" would make them more likely to purchase

<table>
<thead>
<tr>
<th>Would you be more likely to purchase new/additional life insurance if ...</th>
<th>Yes</th>
<th>No</th>
<th>I don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>You could do so completely electronically</td>
<td>29%</td>
<td>46%</td>
<td>26%</td>
</tr>
<tr>
<td>You could do so without having to complete lab tests as part of the underwriting practice</td>
<td>35%</td>
<td>44%</td>
<td>22%</td>
</tr>
<tr>
<td>It provided more than just death benefit protection, and you could use it for future needs or emergencies while you're alive</td>
<td>45%</td>
<td>32%</td>
<td>23%</td>
</tr>
</tbody>
</table>

[Base = (Total Respondents) Total: N = 1004]

Digital options are more appealing to younger consumers...

with 40% of Millennials surveyed saying they would be more likely to purchase if they could do so completely electronically.
Over half of life insurance owners surveyed reviewed their policies as a result of COVID-19

As a result of the COVID-19 pandemic have you reviewed your life insurance coverage to ensure it's up to date and meeting your needs?

Even more common among younger adults, with 65% of Millennials saying they reviewed their policy.
1 in 3 decided to make some change to their policy

As a result of the COVID-19 pandemic have you made changes to your life insurance policy?

[Base = (Own a life insurance policy) Total: N = 504]

More than a third of consumers surveyed think life insurance is more important as a result of the pandemic

Has the COVID-19 pandemic changed your view on the importance of life insurance?

36% Yes, I now think life insurance is MORE IMPORTANT to own
7% Yes, I now think life insurance is LESS IMPORTANT to own
57% No, my view of life insurance importance has NOT CHANGED

[Base = (Total Respondents) Total: N = 1004]

Younger consumers were more likely to purchase or plan to purchase life insurance coverage because of COVID-19

As a result of the COVID-19 pandemic, have you purchased new/additional life insurance coverage?

[Base = (Total Respondents) Total: N = 1004]

A third of all consumers surveyed say there are no obstacles to purchasing life insurance

What are the biggest obstacles to purchasing life insurance?

- It's too expensive
- I don't want to have lab work done as part of the underwriting process
- The application process is too long and cumbersome
- The products are too complicated
- I don't know what type or how much to buy
- I have other competing financial priorities
- I don't know where to purchase life insurance
- Other

[Base = (Total Respondents) Total: N = 1004]