

CONSUMER INSIGHTS RESEARCH

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.

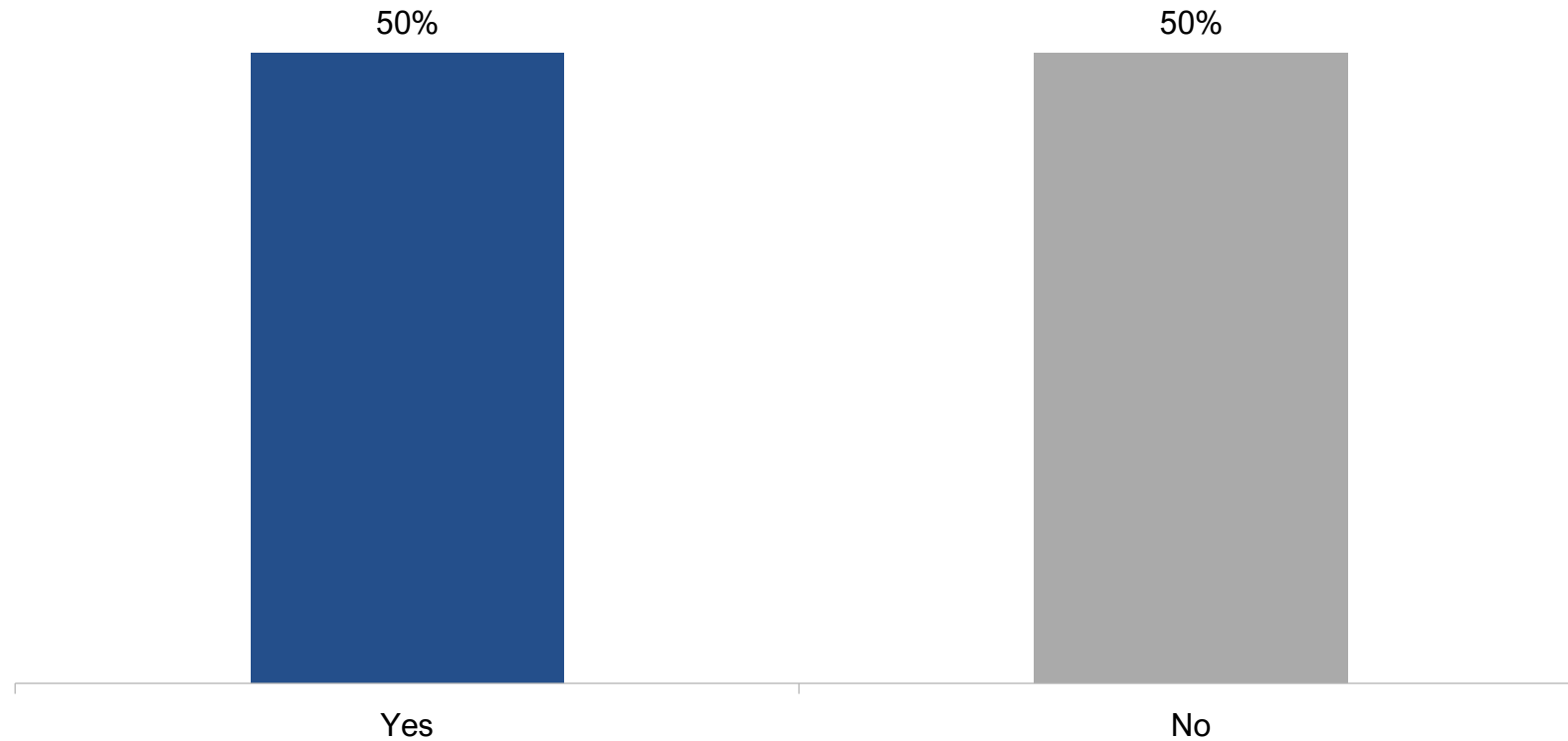
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Key Takeaways

- **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

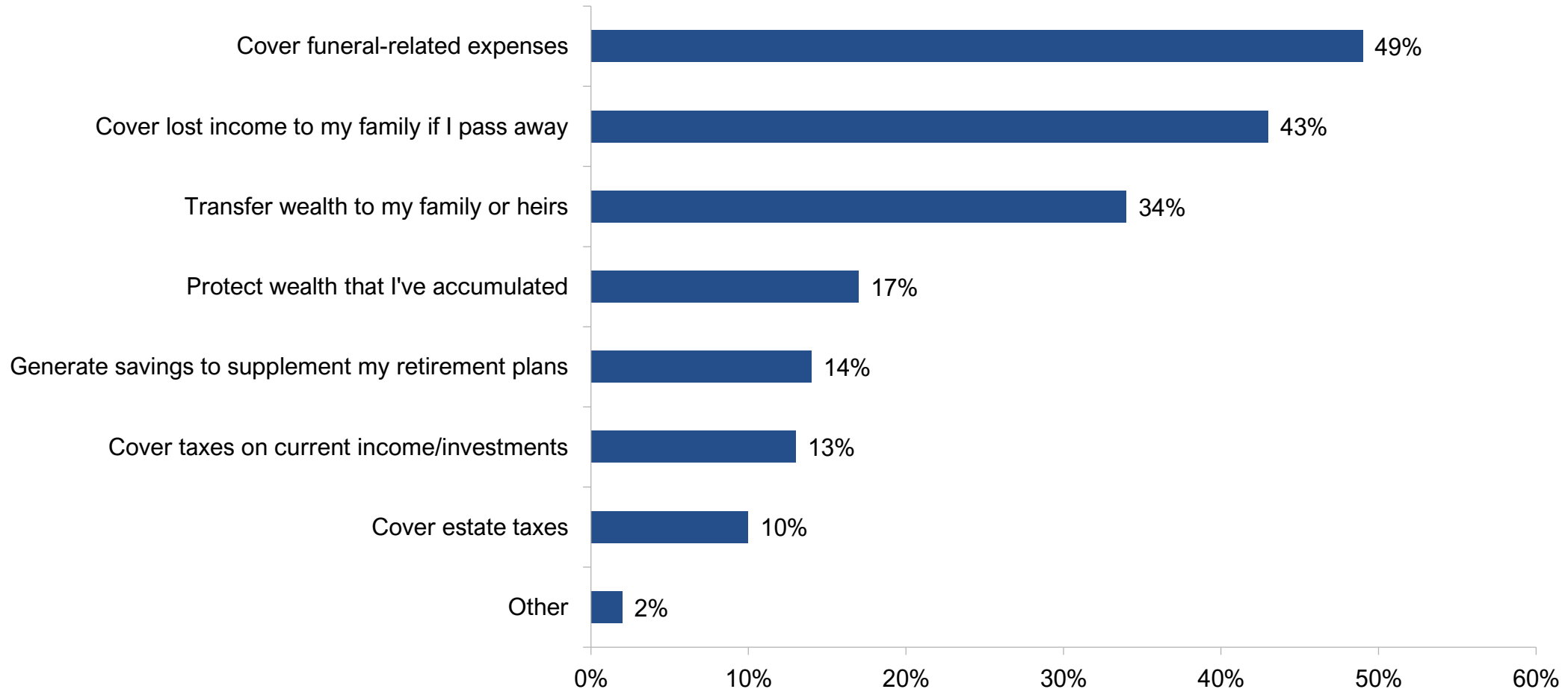
Do you currently own a life insurance policy?



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

The primary reasons consumers buy life insurance are to cover final expenses and lost income

What are the primary reasons you own life insurance?



[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

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

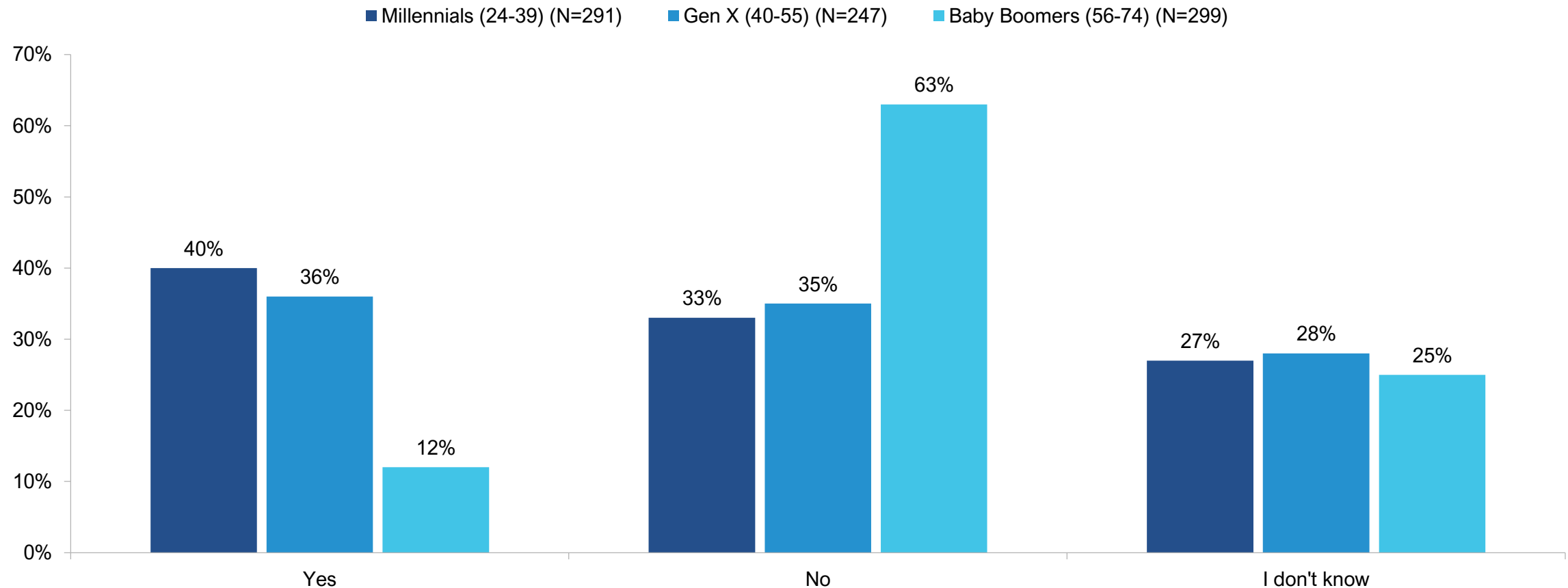
[Base = (Total Respondents) Total: N = 1004]

Source: Lincoln Financial Group / Engine Insights, Life Insurance Awareness Month Survey, July 17-19, 2020

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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



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

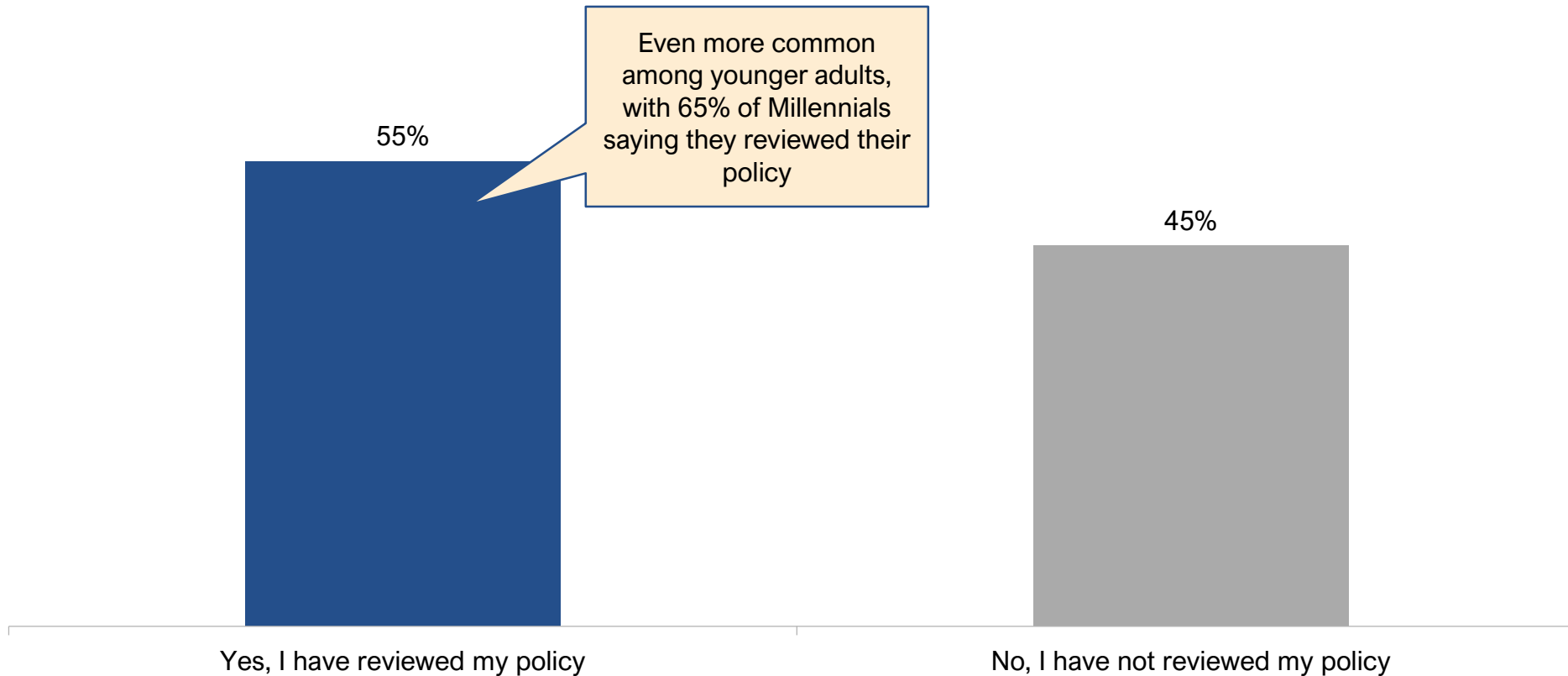
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Over half of life insurance owners surveyed reviewed their policies as a result of COVID-19

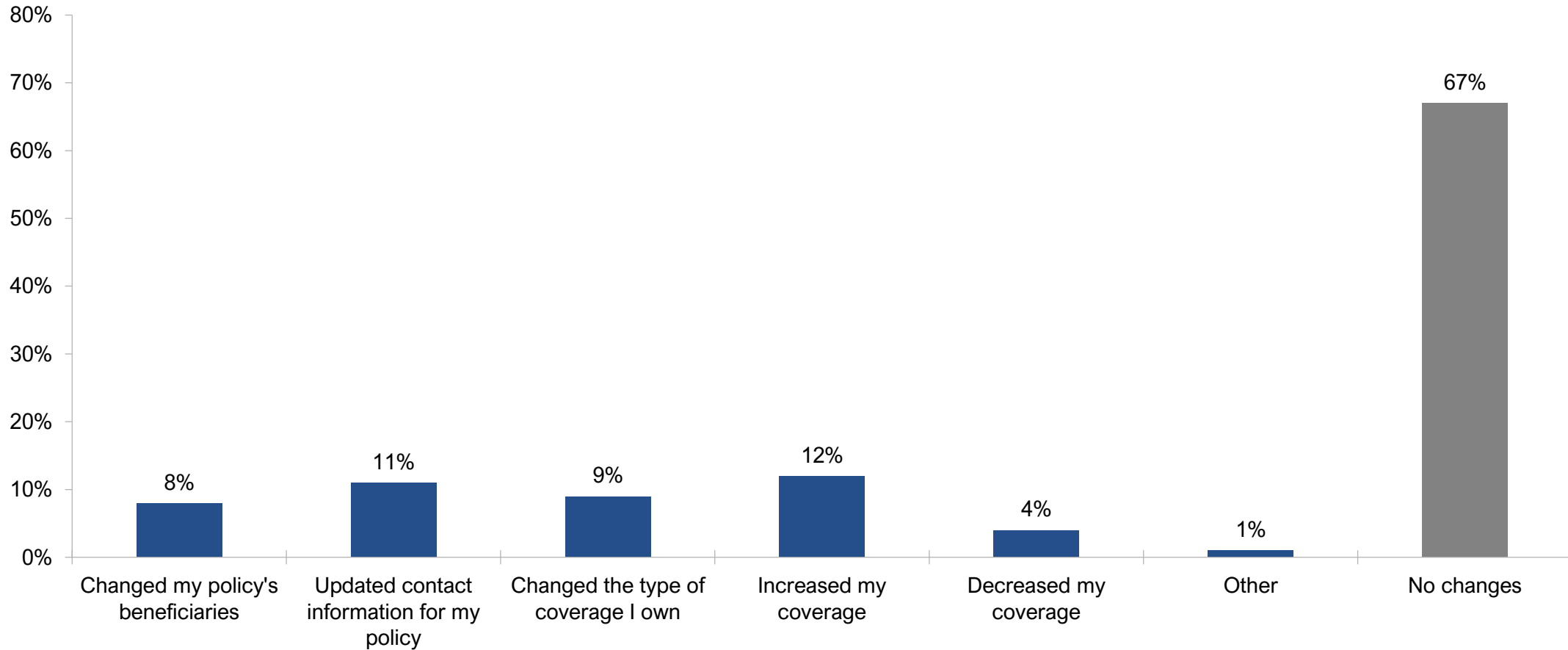
As a result of the COVID-19 pandemic have you reviewed your life insurance coverage to ensure it's up to date and meeting your needs?



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

1 in 3 decided to make some change to their policy

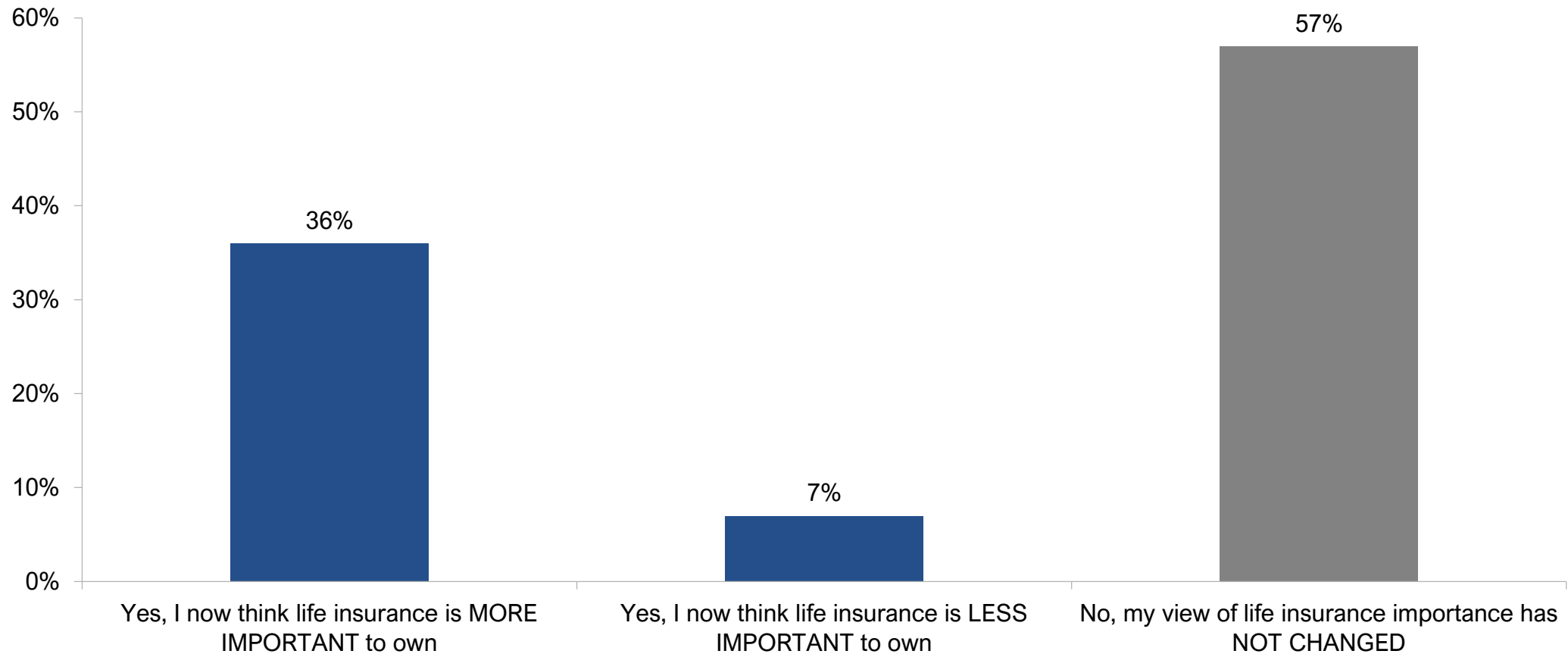
As a result of the COVID-19 pandemic have you made changes to your life insurance policy?



[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

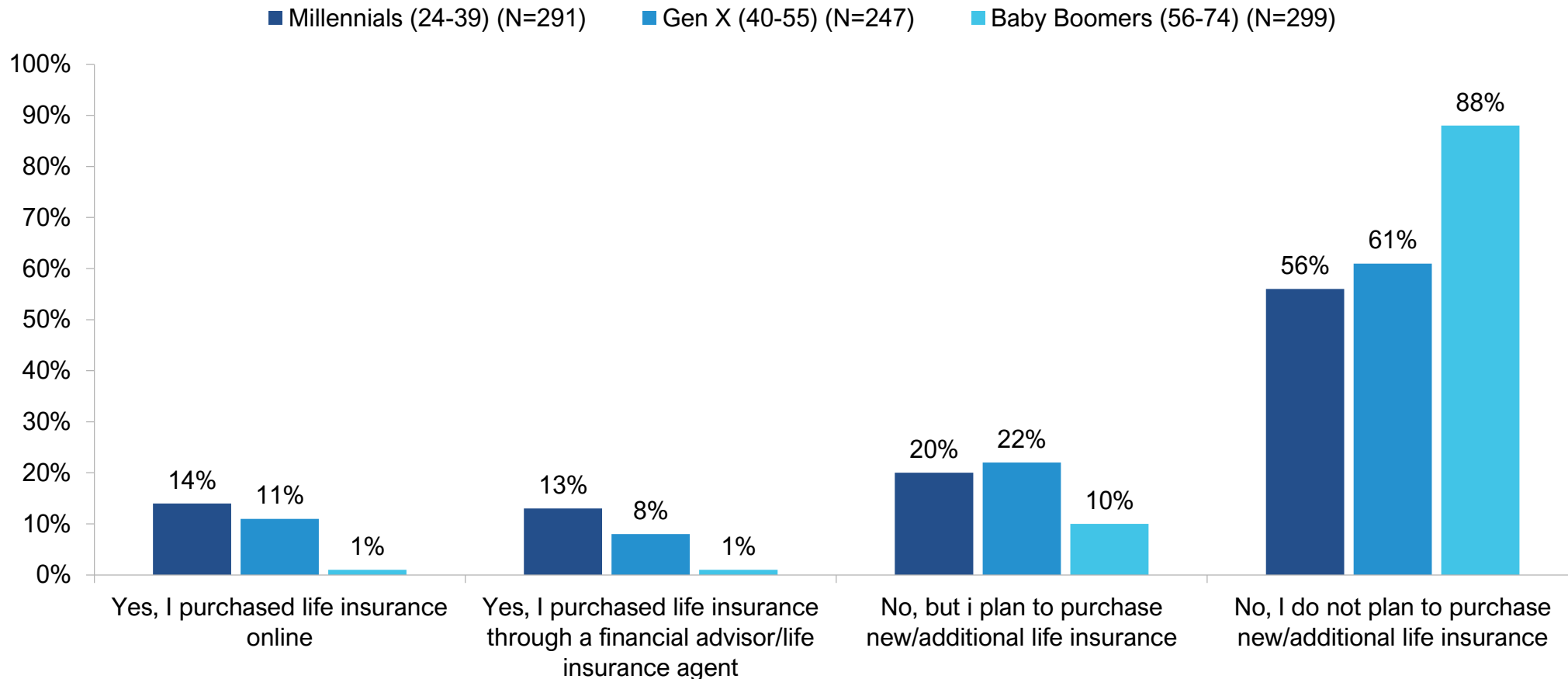
Has the COVID-19 pandemic changed your view on the importance of life insurance?



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

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

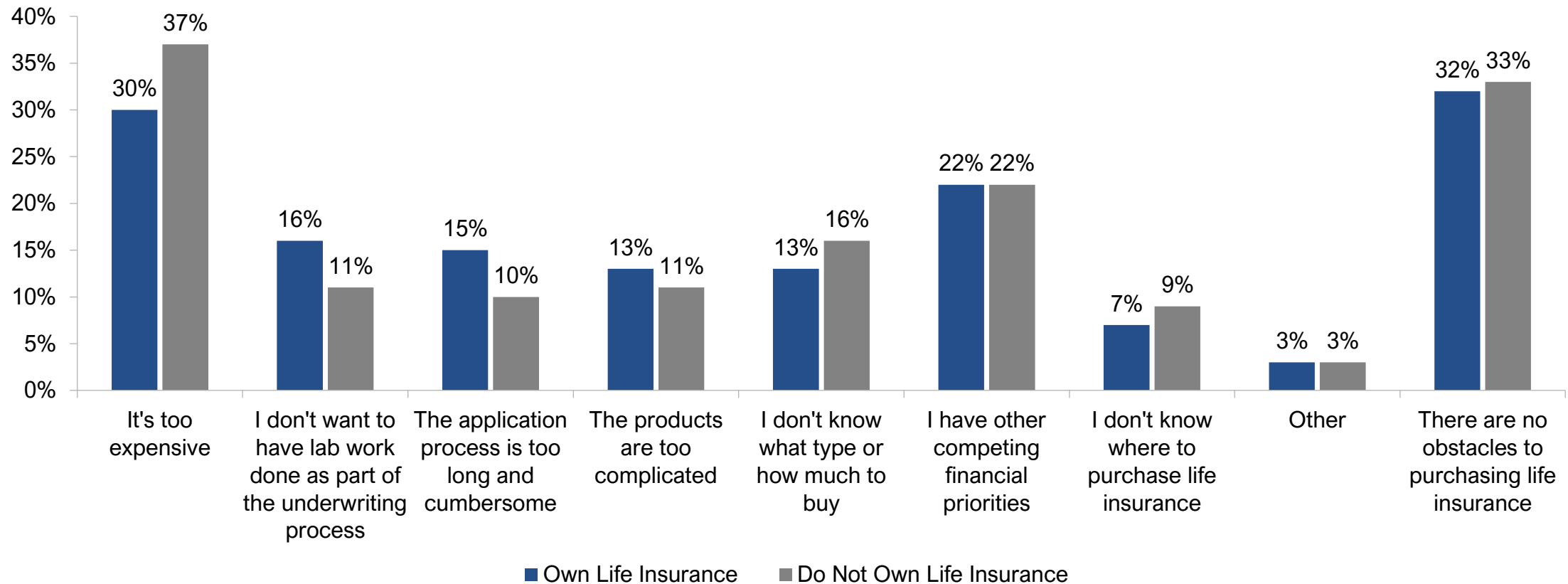
As a result of the COVID-19 pandemic, have you purchased new/additional life insurance coverage?



[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?



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

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