



# Black American Life Insurance Ownership Increases

LIMRA's annual *Insurance Barometer* study tracks the perceptions, attitudes, and behaviors of adult consumers related to financial behaviors, with a focus on life insurance.

## Ownership and the Need for Coverage



Black American life insurance ownership increased during the pandemic. The majority of Black Americans (**56%**) own life insurance, up three percentage points from 2020. However, **46%** of Black Americans — an estimated 20 million — believe they need (or need more) coverage.

## Financial Concerns



Black Americans report a higher level of financial concern than the overall U.S. population. The prevalence of these concerns, coupled with the disproportionate impact of COVID-19 on Black Americans, is influencing their likelihood to buy life insurance in the next year.

**6 in 10 Black Americans plan to purchase coverage this year!**

## Top Three Reasons for Owning Life Insurance



1. Pay for burial costs and final expenses — **66%**
2. Wealth transfer — **39%**
3. Supplement retirement income — **33%**

## Top Three Reasons for Not Buying Life Insurance



1. Too expensive — **31%**
2. Other financial priorities — **30%**
3. Not sure how much I need/what type to buy — **22%**

## Lack of Knowledge Plays a Role in Coverage Gap



- **75%** of Black Americans overestimate the cost of life insurance. The average annual cost of a 20-year term policy for a healthy 30-year-old man is \$165.\* Half of Americans overestimate this cost threefold.
- Fewer than **4 in 10** Black Americans feel very knowledgeable about life insurance, in line with the general population.

## Greater Interest in Working With a Financial Planner



Today, 43% of Black Americans report working with a financial professional, consistent with the national average. However, Black Americans are more likely than the general population to be looking to engage a financial professional (30% versus 25%).

\*<https://www.term4sale.com/> (accessed June 15, 2021)

## METHODOLOGY

In January 2021, LIMRA and Life Happens engaged an online panel to survey adult consumers who are financial decision makers in their households. The survey generated 3,007 responses, including an intentional oversample of Black Americans. This supplemental report focuses on responses from the 346 Black American respondents.