



LIFE GOES ON

Life Insurance and the Pandemic

One of the themes we'll explore in 2022 is "LIFE Goes On," an examination of the pandemic's continued effect on the life insurance industry. Since early 2020 we have seen numerous changes to products and pricing, along with a shift in the way business is conducted, with an acceleration in the creation and adoption of electronic application tools. Over the course of the year, we'll provide an analysis of what changes are yet to come, and what may be permanent. One thing is clear: the pandemic has brought a heightened awareness and belief in consumers of the value of life insurance, which presents a big opportunity to financial professionals whose clients are largely more open to the discussion and purchase of life insurance.

LIFE INSURANCE AND CONSUMER PERCEPTION



LIFE INSURANCE OWNERSHIP IS UP

At the beginning of 2021, just 52% of consumers reported owning life insurance, but sales in the first 9 months of 2021 were up 18%, the largest increase in 25 years.



THE PANDEMIC INCREASED AWARENESS

COVID-19 has impacted consumers' perceptions about life insurance. Six in 10 consumers said they had a heightened awareness about the value of life insurance and 31% said they were more likely to buy coverage due to the pandemic.



COMMON OBJECTIONS CONTINUE

There is a continued lack of knowledge surrounding life insurance, which contributes to fewer consumers making the purchase. Many of the common objections aren't accurate, suggesting more education is needed.

MISCONCEPTIONS ABOUT LIFE INSURANCE

LIFE INSURANCE IS TOO EXPENSIVE

TRUTH: More than half of Americans overestimate the cost of life insurance by as much as threefold. Life insurance can be affordable.

MY WORKPLACE LIFE INSURANCE IS ENOUGH

TRUTH: Median workplace coverage averages either a flat sum of \$20,000 or one year's salary. 42% of families would face financial hardship within 6 months.

IT IS TOO DIFFICULT TO BUY LIFE INSURANCE

TRUTH: The pandemic has accelerated the adoption of simplified and electronic processes, such as eDelivery, accelerated underwriting and more!

I DON'T NEED LIFE INSURANCE UNTIL I AM OLDER

TRUTH: Life insurance is significantly less expensive for the young and healthy. A policy can protect their financial future and the security of their loved ones.

WHAT THIS MEANS FOR YOU

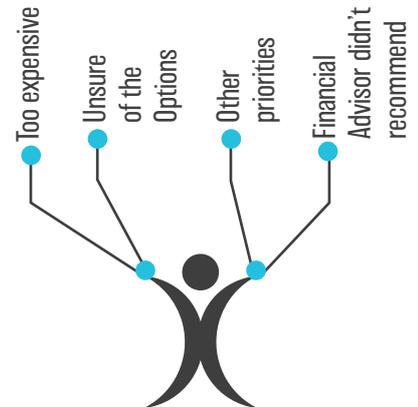
Sales of life insurance policies have risen since the beginning of the pandemic, yet many Americans remain uninsured or underinsured, which means there is still a big opportunity for increased sales for you. Take advantage of the opportunity and talk to your clients, educate them on the facts, and show them the value of life insurance. **DBS can help - contact us today!**

For the education of financial professionals only. Not for the general public. Sources: "Top Misconceptions about Life Insurance," 2021, LIMRA. "Facts about Life 2021," 2021, Published as part of the Help Protect Our Families Campaign, a joint effort of 8 industry trade associations.

REASONS PEOPLE BUY INSURANCE



REASONS PEOPLE DON'T BUY



LACK OF KNOWLEDGE CONTRIBUTES TO COVERAGE GAP

Just 31% of Americans say they are very or extremely knowledgeable about life insurance. Consumers with higher knowledge are 30% more likely to have adequate life insurance coverage.



A third of consumers believe they would have to pay taxes on a life insurance death benefit; 4 in 10 aren't sure.



About 30% of consumers view life insurance only for burial and final expenses.

