Life Insurance Through the Consumer Lens: What They Expect From Modern Life Insurance

Complexity Remains a Core Barrier

Life insurance remains one of the least understood financial products. Consumers report greater understanding of nearly every other major financial product. Confusion — not lack of interest — continues to limit coverage, reinforced by widespread overestimation of cost. This disconnect influences coverage gaps, ownership patterns, and expectations for what life insurance should deliver today.

Understanding Gaps Drive Unmet Need

Limited understanding and cost misperceptions contribute to a significant life insurance need gap,[1] even as premium growth continues.

Key indicators

38% of Americans say they need life insurance or more of it.

29% say they don't own and **need** life insurance.

9% say they need **more** life insurance coverage.

The persistence of this gap suggests a structural challenge rather than a temporary one.

Consumers Wish for More — and Value They Can Use Today

Consumers increasingly expect life insurance to deliver more than a death benefit. They would like coverage that adapts to life changes and supports broader financial security.

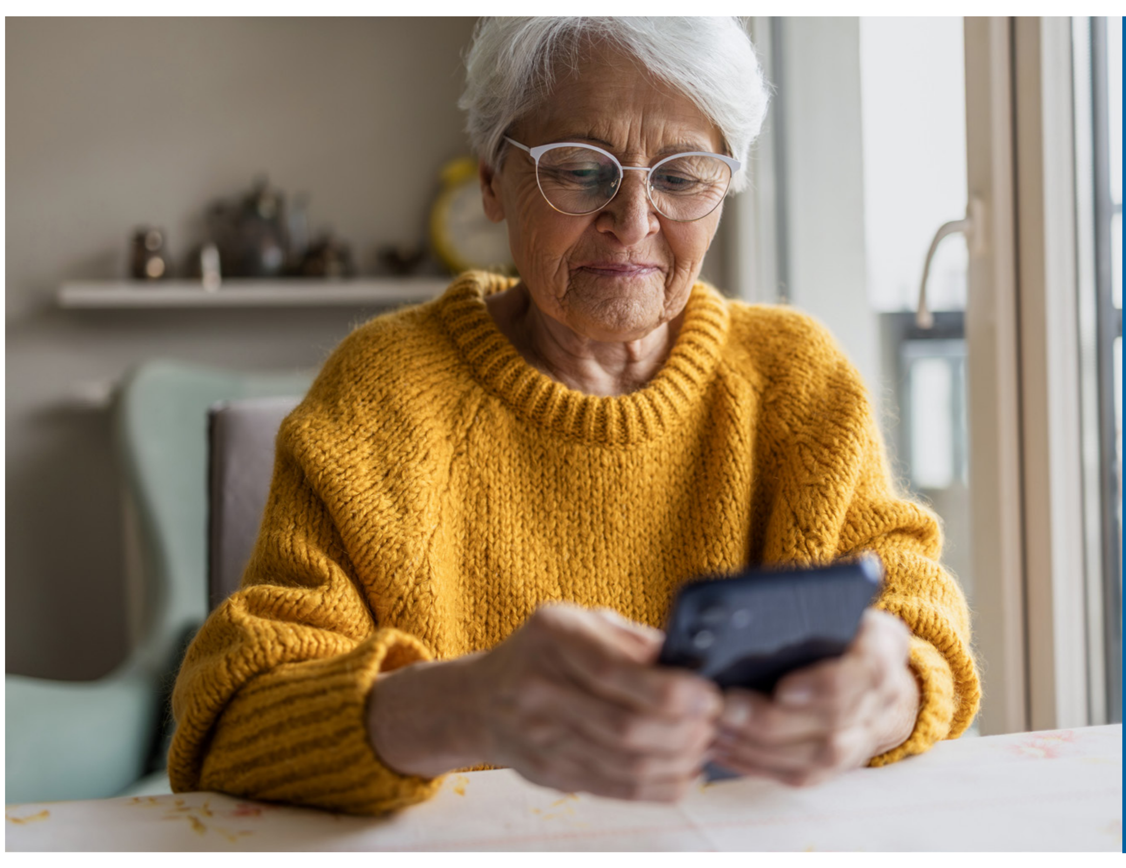
Key features that are in demand

49% want the ability to customize coverage based on life events.

33% want financial planning or budgeting support.

32% want access to mental health, substance use, and wellness services.

26% want cash benefits for home purchase/improvement.



When asked about benefits and features, consumers consistently prioritize immediate, tangible value:

- **Final expense coverage**
- **Income during retirement**
- **Long-term care and critical illness protection**

What consumers prioritize:

- A majority of life insurance owners want their policy to provide retirement income.
- **78%** find long-term care or critical illness coverage appealing.

Across age and income groups, simplicity, flexibility, and practical value remain top priorities.

Financial Concerns Are Increasing

The percentage of consumers that are concerned about having enough money for a comfortable retirement has increased from 39% in 2025 to 41% in 2026.

Financial concern is elevated — particularly among Gen X[2]— who report higher anxiety related to:

- Long-term care funding
- Disability and income protection
- Retirement income
    - **48%** of Gen X are concerned about having enough money for a comfortable retirement in 2026 — up 5 percentage points from 2025.

Many are navigating their own aging-related risks while supporting children and parents, contributing to increased concern even as ownership rises.

The Path Forward: Connecting With Consumers in a Meaningful Way

Simplicity and clarity are key: Confusion, not lack of interest, remains a barrier.

Clearly communicate value: Consumers expect more practical, immediate value.

Elevate and explore flexible solutions: Deliver protection consumers can use today.

[1] Percentage of American adults who are nonowners who say they need life insurance plus owners who say they need more.
[2] Expressed the highest level of financial concern across all generations on three of the fifteen categories in the survey.

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