

LIFE INSURANCE

30 Percent Of Households In The U.S. ^{Do NOT} Have Coverage

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The number of American households with individual life insurance has hit a 50-year low, according to the Windsor-based trade research firm Limra.

Thirty-five million American households — or 30 percent of U.S. households — have no life insurance, according to Limra. The company conducts a “Trends in Life Insurance Ownership” study every six years. The study reveals a growing number of households that have neither group life insurance offered by an employer nor individual plans typically sold through an agent.

“The numbers tell a grim story,” said Robert Kerzner, president and chief executive of Limra. “Today there are 11

million fewer American households covered by life insurance compared with six years ago. A majority of families either have no life insurance or not enough, leaving them one accident or terminal illness away from a financial catastrophe for their loved ones.”

The study found that life insurance is less of a financial priority compared with paying off debt or saving for retirement.

Life insurers issued 9.4 million policies last year in the U.S., which is a million fewer than in 2004 and about half as many as were issued during the mid-1980s.

Among those surveyed for the study, more than 40 percent said they have other financial priorities right now. But half of the respondents said they need more life insurance.