



DEMAND FOR LIFE INSURANCE ON THE RISE

Nearly half of Americans believe they need more life insurance.

Do you think you need more life insurance? Are you ready to buy in the coming year? If you answered yes to these questions, you are part of a growing number of Americans who think the same thing.

According to a recent LIMRA International¹ survey, Americans are rediscovering the importance of life insurance and are ready to buy. LIMRA reported that 44 percent of U.S. households said they need more life insurance and 27 percent said they expect to buy life insurance in the coming year.

Term insurance, according to LIMRA International, was one of the most popular types of insurance, accounting for 43 percent of policies sold in 2004. Permanent life insurance policies accounted for about 37 percent of sales last year.

The research and consulting association conducted a broad survey of American households in 2004 focusing on two groups of consumers: those who own life insurance and those who actually bought life insurance in 2003.

LIMRA's survey revealed:

- The 30-year decline in household ownership of individual life insurance has ended. Although it's still far less than the 72 percent recorded in 1960, 50 percent of households surveyed owned some sort of individual life insurance, the same number as in the last survey conducted in 1998. Twenty-two percent of households have no life insurance.
- Term and universal life insurance lead in policy sales, accounting for 80 percent of policies sold. In the 2004 survey of individual life sales, term accounted for 43 percent of policies sold and universal life 37 percent.

An estimated 29 million households are primed to buy more life insurance in the coming year. The majority of those surveyed (66 percent) said replacing lost income of a deceased wage-earner was their primary reason for buying life insurance. And 75 percent of households agreed that life insurance is the best form of family financial protection against premature death of a primary wage-earner.

While most people consider life insurance for financial protection in the event of death, life insurance can also play a number of other roles in a comprehensive financial strategy. It can be a valuable business and estate planning tool, provide supplemental retirement income or provide a source of funds to help fund a child's college education.

Contact your financial representative to discuss individual life insurance and whether adding or increasing coverage is right for you.

¹Established in 1916, LIMRA International is a worldwide association providing research, consulting, and other services to nearly 850 insurance and financial services companies in more than 60 countries.



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