

Women Buying More Life Insurance, but Coverage Levels Still Lag

Women are closing the gap with men when it comes to life insurance ownership, but women's coverage level, on average, is only 69% of men's coverage, according to a life insurance study released by LIMRA on Wednesday.

Although record numbers of women are earning more than their husbands, life insurance coverage levels have not kept up accordingly.

LIMRA's study found that almost six out of 10 women owned some sort of life insurance in 2010, about the same as men's ownership. While overall life insurance ownership levels have declined since 2004, the decline was smaller for women.

“In our recent studies of women's sentiment toward life insurance, we found that women (70 percent) place more value on life insurance than men (62 percent),” said Cheryl Retzloff, senior research director, LIMRA markets research, in a statement. “We also know most modern U.S. households are dual-income households with more women working and contributing to the family's finances. Overwhelmingly, they are making or helping to make the financial decisions for their families. This is a great opportunity for our industry to redouble their efforts to reach out to women to ensure their families are adequately protected against the financial repercussions of the death of a wage earner.”

With 30% of women out-earning their husbands, according to Pew research, the need for women to have life insurance is even more critical now than ever. Yet, LIMRA found that wives' life insurance ownership has not increased along with their wages. In fact, LIMRA found that married households are less likely to buy individual life insurance for the women of the house than they are for the men.

This is where advisors come into the picture. **“Effectively connecting with women requires different approaches than with men,”** said Retzloff. **“Our research has found that women are more interested in developing a relationship with their advisor than men. They are more deliberate than men when making the decision to buy life insurance. Advisors should expect to spend more time answering questions and providing educational materials than they might with their male clients.”**

Meanwhile, a prior LIMRA study of women buyers of life insurance revealed that women place more value on referrals than men and they are more likely to provide referrals to their friends and family if they are happy with their advisor.

Advisors can help women make critical decisions about life insurance. “Our study shows that too many women are uninsured or underinsured, which leaves their families at risk,” Retzloff said. “Our industry can help women protect their families from the financial damage that premature or unexpected death can cause.”

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