Brand Perception Important amid Surging Interest in Life Insurance, J.D. Power Finds

Confidence in Long-Term Viability of Brand is Top-Rated Attribute among Life Insurance Shoppers, Creating Challenges for Upstarts and New Brands

TROY, Mich.: 9 Nov. 2021 — The combination of a lingering pandemic and a new federal tax code change that makes it possible for policyholders to build more cash value in their plans has driven a surge in consumer interest in life insurance policies. According to the J.D. Power 2021 U.S. Life Insurance New Business Study,SM released today, insurer brand perception—specifically the impression of long-term viability of the insurer—is the No. 1 attribute influencing life insurance shoppers to choose one brand over another.

“Life insurance, unlike other forms of insurance, is a very long-term purchase, and while traditional factors such as price definitely matter, the brand attribute with the biggest influence when purchasing is confidence in the long-term viability of the brand,” said Robert M. Lajdziak, director, global insurance intelligence at J.D. Power. “This creates challenges for younger brands or companies that have re-branded and are competing in a marketplace with companies such as New York Life, which just celebrated its 175th anniversary. Challenger brands need to differentiate themselves with tailored offerings, smart marketing and easy access.”

Following are some key findings of the 2021 study:

- **Quote and buy conversion rates increase in 2021**: Reversing a 30-year trend in declining life insurance ownership, quote rates industry-wide have increased four percentage points year over year and buy rates have increased four percentage points as more customers have started seriously shopping for policies.

- **Marketing matters**: It is no accident that the life insurance brands with the highest unaided brand awareness—State Farm, Allstate and Prudential—all have advertising jingles, taglines or logos that consumers can easily recognize and recall. Life insurers have been increasing their ad spend in recent years and trends in overall brand awareness clearly reflect those investments.

- **Application process is key component in sales funnel**: Insurers with the highest overall customer satisfaction scores in the application process also have strong performance in the acquisition funnel. Speed of executing the policy is the most important component of the process.

- **Price is top barrier to purchase**: While brand perception is the top driver of purchase decisions, the No. 1 barrier to purchasing a life insurance policy is price. In 2021, 38% of life insurance shoppers say they did not make a purchase because it was too expensive, up from 28% in 2020.

The 2021 U.S. Life Insurance New Business Study measures the experiences of shoppers of the largest life insurance companies in the United States. The study measures overall customer satisfaction based on the application process, and shoppers are able to convey their experiences in the application and quote processes with up to five brands—although only one brand is required.

The study is based on responses from 5,444 consumers who shopped for individual life insurance in the past 12 months and was fielded in June-July 2021.

To view the online press release, please visit http://www.jdpower.com/pr-id/2021151.

**About J.D. Power**

**J.D. Power** is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit JDPower.com/business. The J.D. Power auto shopping tool can be found at JDPower.com.

**Media Relations Contacts**

Geno Effler, J.D. Power; West Coast; 714-621-6224; media.relations@jdpa.com
John Roderick; East Coast; 631-584-2200; john@jroderick.com


# # #