Interest in Life Insurance Is at an All-Time High

How Financial Institutions Can Lead the Life Insurance Surge

Life insurance premiums reached a record-breaking $16.2 billion in 2024.
The US individual new annualized premium rose 8% year over year to $3.94 billion in the first quarter of 2025. The number of policies sold increased 1% compared to the same period in 2024.

42% of American adults say they need life insurance, or more of it.

This isn't a post-pandemic fluke or a short-term market swing—it's a signal that consumers are rethinking their financial priorities.

For young people, money is a significant stressor, with 61% of consumers between the ages 18-35 experiencing financial anxiety and making financial choices to gain a better sense of security.

For financial institutions, the growing interest in life insurance reflects a broader shift in how consumers approach financial protection.

What's Driving the Boom in Life Insurance?

A few years ago, life insurance was often overlooked—until the pandemic reminded millions of Americans how financially vulnerable they are. But what began as a reactive spike in demand has evolved into something far bigger.

Here's what's fueling today's life insurance surge:

- Increased Consumer Awareness: Financial shocks from the pandemic and economic uncertainty have driven home the need for protection. In fact, 15% of individual life insurance owners say that the COVID-19 pandemic led them to purchase life insurance, and one-third of Gen Z say COVID-19 was a reason they bought life insurance.
- Demographic Shifts: Millennials and Gen Z are starting families and thinking long term, while Gen X and Boomers are more legacy-focused.
- Wellness Mindset: Financial wellness is now part of the overall wellness conversation, and insurance fits squarely into that narrative.

The result? A market that isn't just growing—it's accelerating.

Investor Confidence Is Sky-High

If you're wondering whether this growth is sustainable, just follow the money. Investors are pouring capital into the insurance space with long-term confidence.

According to PwC's Midyear 2025 Outlook:

- $30 billion in insurance deal value occurred in the six-month period ending May 15, 2025.
- 209 disclosed deals, with six over $1 billion, point to continued sector expansion.
- Insurance generally is being seen as durable, scalable, and recession-resistant—a rare trifecta in today's economic climate.

M&A activity shows that institutional belief in insurance's staying power is stronger than ever.

The Bancassurance Boom Is Just Beginning

Financial institutions are uniquely positioned to benefit from this surge—particularly through bancassurance, where banks and credit unions offer insurance directly to their customers.

- The global bancassurance market is valued at $1.05 trillion in 2024, with projections to hit $1.71 trillion by 2030.
- Consumers already trust their banks and credit unions. Pairing that trust with access to insurance offerings is a natural evolution.

As consumer expectations shift toward more holistic financial wellness, life insurance is becoming a natural part of that evolution—one that forward-thinking institutions are already embracing.

Embedded Insurance: The Future of Seamless Protection

The next evolution? Embedded insurance—delivering coverage directly within financial moments, with life insurance as an essential product within that offering.

Whether it's a new checking account, a mortgage approval, or a digital loan offer, embedded insurance can be offered in the flow of the consumer journey, without added complexity.

Forecasts project the embedded insurance market will grow from $210.9 billion in 2025 to $950.59 billion by 2030, making now the right time to implement it. Plus, more than half of U.S. adults prefer policies that can be adjusted online to match changes in their lives, a preference especially pronounced among younger consumers.

It's no longer about selling a product. It's about solving a need when it matters.

Who's Buying? A New Kind of Consumer

A significant portion of adults (42%) believe they do not have adequate life insurance coverage, creating a "need gap" that the industry is trying to address. This is particularly high among Gen Z (49%) and Millennials (46%).

Today's life insurance buyers are younger, digitally savvy, and proactive about their financial well-being. That includes:

- Working professionals and young families who want to protect loved ones.
- Gen Z and Millennials who are starting to think about legacy and resilience.
- Gen Xers focused on security as they approach peak earnings and retirement planning.

These are the same consumers already in your branch network, using your app, or interacting with your call center. You don't have to find them—they're already with you. For example, a recent study revealed that consumers want a simplified insurance experience.

- 29% share of consumers who say they are more interested in purchasing insurance through an FI than they were only three years ago.
- 43% share of high-income consumers who want FIs to provide for their insurance and financial needs.

Don't Just Offer Insurance. Be a Protection Partner

This isn't about adding one more product to your offerings. It's about stepping into a leadership role in your consumers' financial lives.