

# WELCOME TO The CIPR Spring Event

## Insurance to Improve Quality of Life – Understanding and Addressing Barriers to the Financial Inclusion of Insurance

March 17, 2024

### IN-PERSON ATTENDEES

Wi-Fi Network: NAIC2024; Password (case sensitive): Spring2024

### VIRTUAL ATTENDEES

- Audio will be muted upon entry
- If virtual attendees would like to speak, please use the "Raise Hand" feature and we will alert the Chair
- Enter with video on or off (your choice)
- Use the "Chat" feature for questions, comments, or assistance
- If you have joined by phone, press \*6 to mute and unmute your line
- For additional help, please contact NAIC Technical Support team at [help@naic.org](mailto:help@naic.org) or call 816-783-8500.

We will be using Slido for Q&A. Join by going to Slido.com and enter #cipr or scan the QR code below:





**NATIONAL MEETING**  
**SPRING / PHOENIX**

**Insurance to Improve Quality of Life –  
Understanding and Addressing Barriers  
to the Financial Inclusion of Insurance**

**Karl Hersch, Deloitte**

**Kristi Rodriguez, Nationwide Retirement  
Institute**

**Brenda Cude, NAIC Consumer Representative**

March 17, 2024



# Financial Inclusion and Barriers to Insurance

## An Overview and Preliminary Findings

**Florent Nkouaga, Ph.D.**  
**Jeffrey Czajkowski, Ph.D.**  
**Kelly D. Edmiston, Ph.D.**

3/17/2024



# Disclaimer

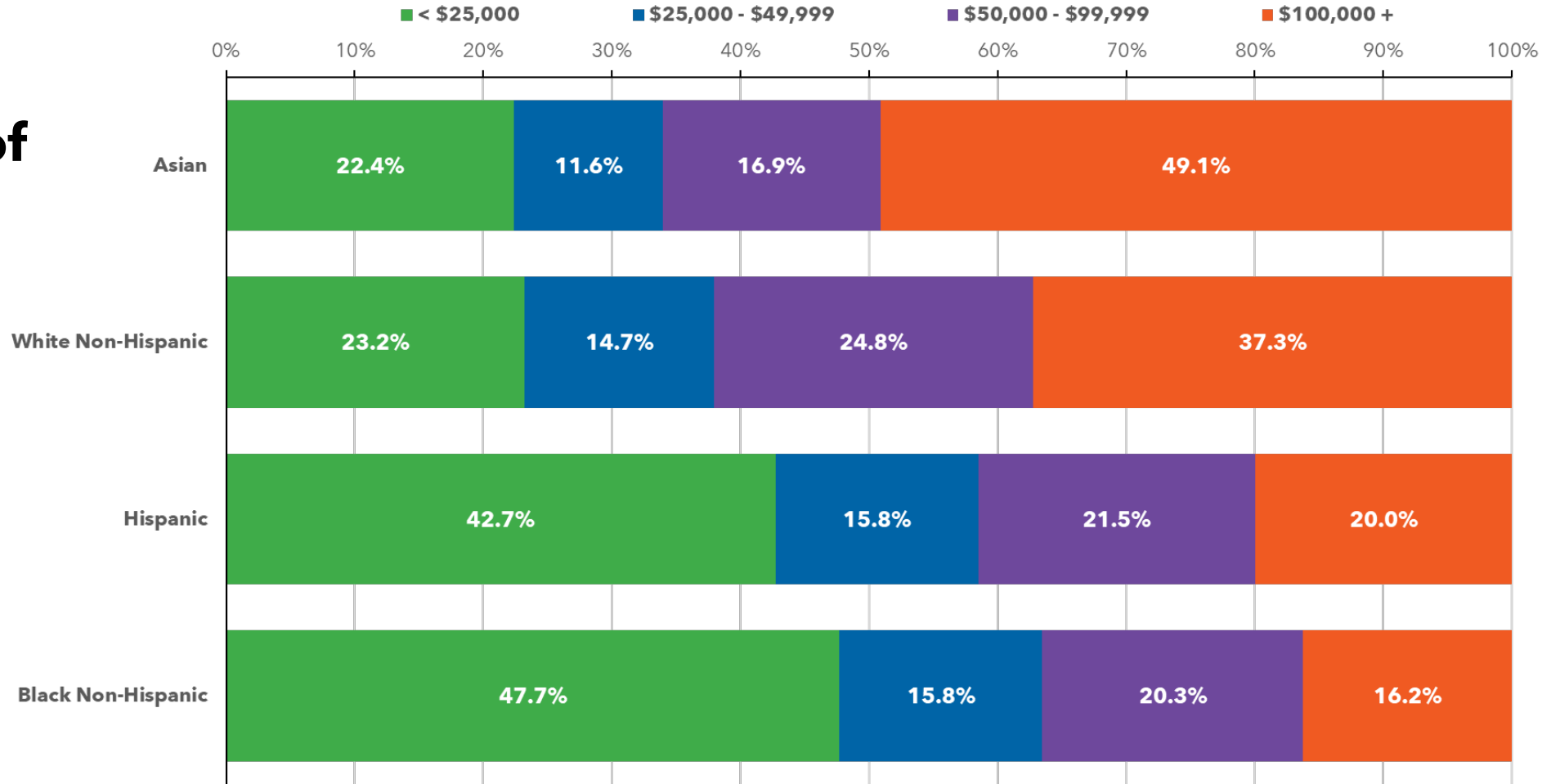
Any remarks should be considered the views of the speaker and not necessarily those of the National Association of Insurance Commissioners or its staff.

Some numbers and graphics in this presentation are ***preliminary*** results from a CIPR/NAIC survey that remains out in the field. Please do not quote any data from these survey results.



The United States is characterized by significant disparities in income and particularly wealth.

# Distribution of Income

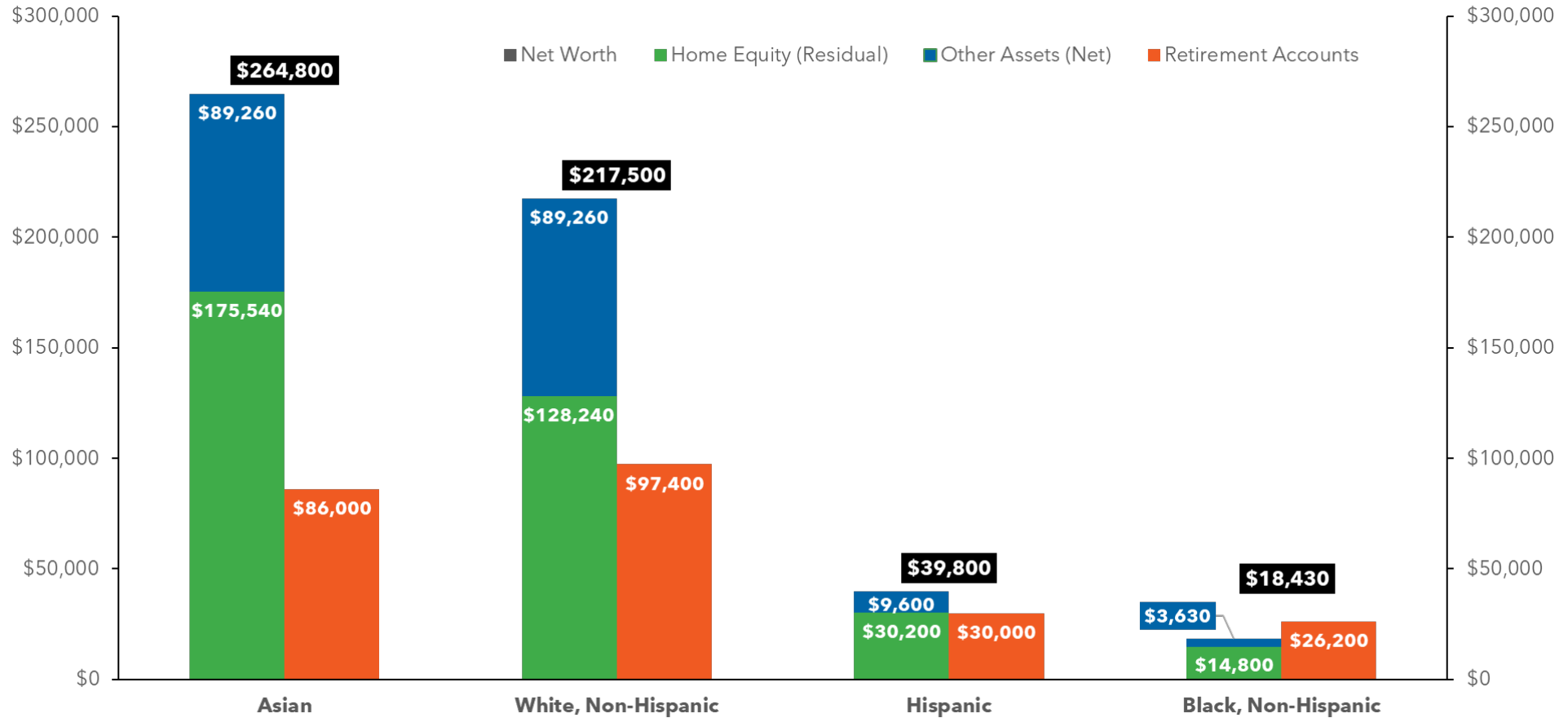


Source: CIPR  
Data Source: Federal Reserve System, Survey of Household Economic Dynamics (SHED) 2022



The United States is characterized by significant disparities in income and particularly wealth.

# Distribution of Wealth

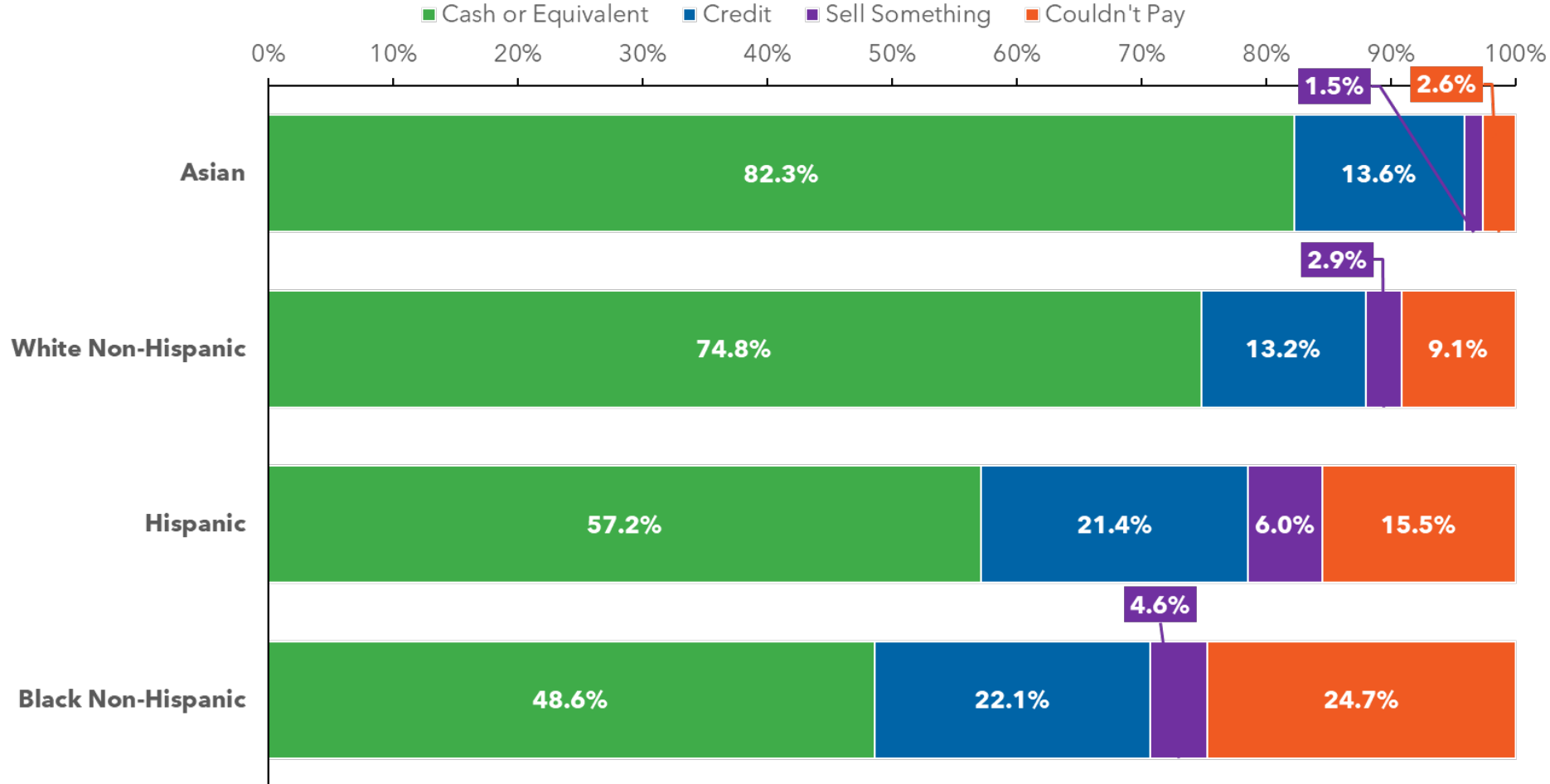


Source: CIPR  
Data Source: U.S. Census Bureau, "Wealth, Asset Ownership, & Debt of Households Detailed Tables: 2020" (Survey of Income and Program Participation) [datafile]



Black and Hispanic households live disproportionately fragile economic lives.

### How would you pay for an unexpected \$400/\$500 expense?



Source: CIPR  
Data Source: Federal Reserve System, Survey of Household Economic Dynamics (SHED) 2022



# CIPR's Financial Inclusion Research Agenda

- **Financial inclusion** is critically important to **close these gaps** in income and wealth.
- CIPR has an **ongoing research agenda** on **financial inclusion**, particularly around insurance products and services.
- **Insurance** is an essential component for financial inclusion.
- Insurance is a critical tool for **managing economic fragility** and can be an important means for **building wealth**, particularly intergenerational wealth.
- The primary components of financial inclusion are
  - **access** to high-quality, relevant, and affordable financial products, including insurance
  - **financial literacy** → **risk and insurance literacy**





# CIPR's Financial Inclusion Research Agenda

**what we know**

**what we want to know**

Collecting information from existing research and data

Analyzing existing datasets (SCF, SHED, ACS, CPS, SIPP)

CIPR Financial Inclusion Survey



# CIPR's Financial Inclusion Research Agenda

- CIPR's financial inclusion efforts are focused on
  - Health Insurance
  - Life Insurance
  - Retirement Planning and Security



# Two Layers of Financial Inclusion

- We know there is a **coverage gap** in insurance
  - health insurance coverage
  - amount of life insurance coverage
  - property & casualty insurance coverage
  - retirement planning and security
- But there is a **second layer** to financial inclusion as applied to insurance:
  - **Access** to appropriate, high-quality insurance products
  - **Utilization** of insurance products
  - **Quality/Satisfaction** of/with insurance products
- We seek to better understand the “why’s” around these coverage gaps.

# Disparities in Health Insurance

Financial Inclusion and Barriers to Insurance:  
An Overview and Preliminary Findings



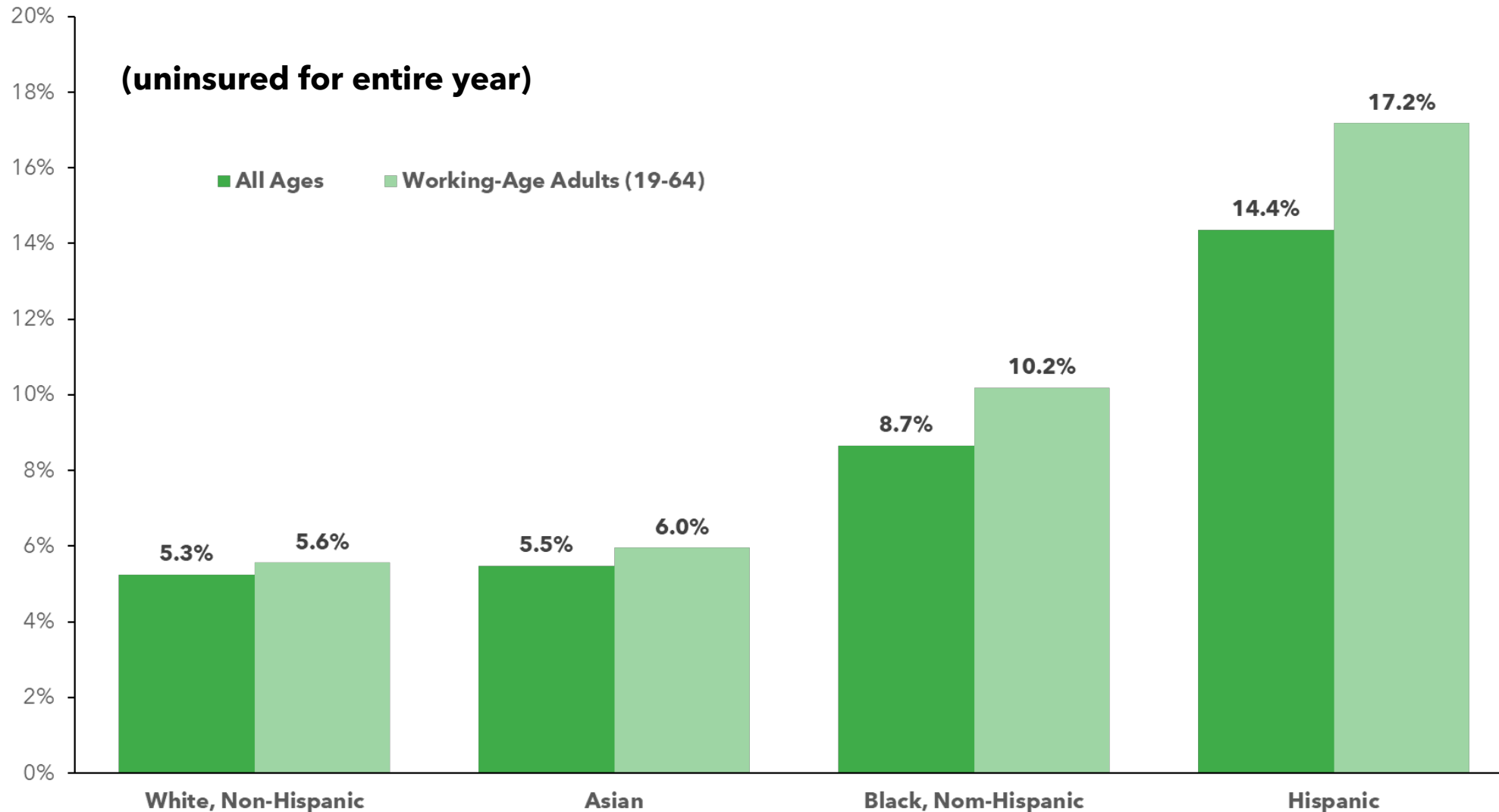


# Health Insurance, Key Takeaways

- ***Black and especially Hispanic individuals are less likely to be covered by health insurance than White and Asian individuals.***
  - Cost is the primary reason for not having health insurance across racial and ethnic groups.
  - Almost one-quarter of Asians state “no need” for Health insurance.
  - Black individuals are modestly more likely to be dissatisfied with their health insurance.
- ***A significant share of the uninsured population would be unable to pay for medical care or do not know how they would pay.***
  - This problem is most pronounced for Hispanic consumers.
  - Black households are more likely to carry medical debt; Asian households the least likely.
  - Postponement of care is no more likely for any group.
- ***Satisfaction and utilization are similar across racial and ethnic groups.***



# Percent Uninsured by Race/Ethnicity (2022) (Access)

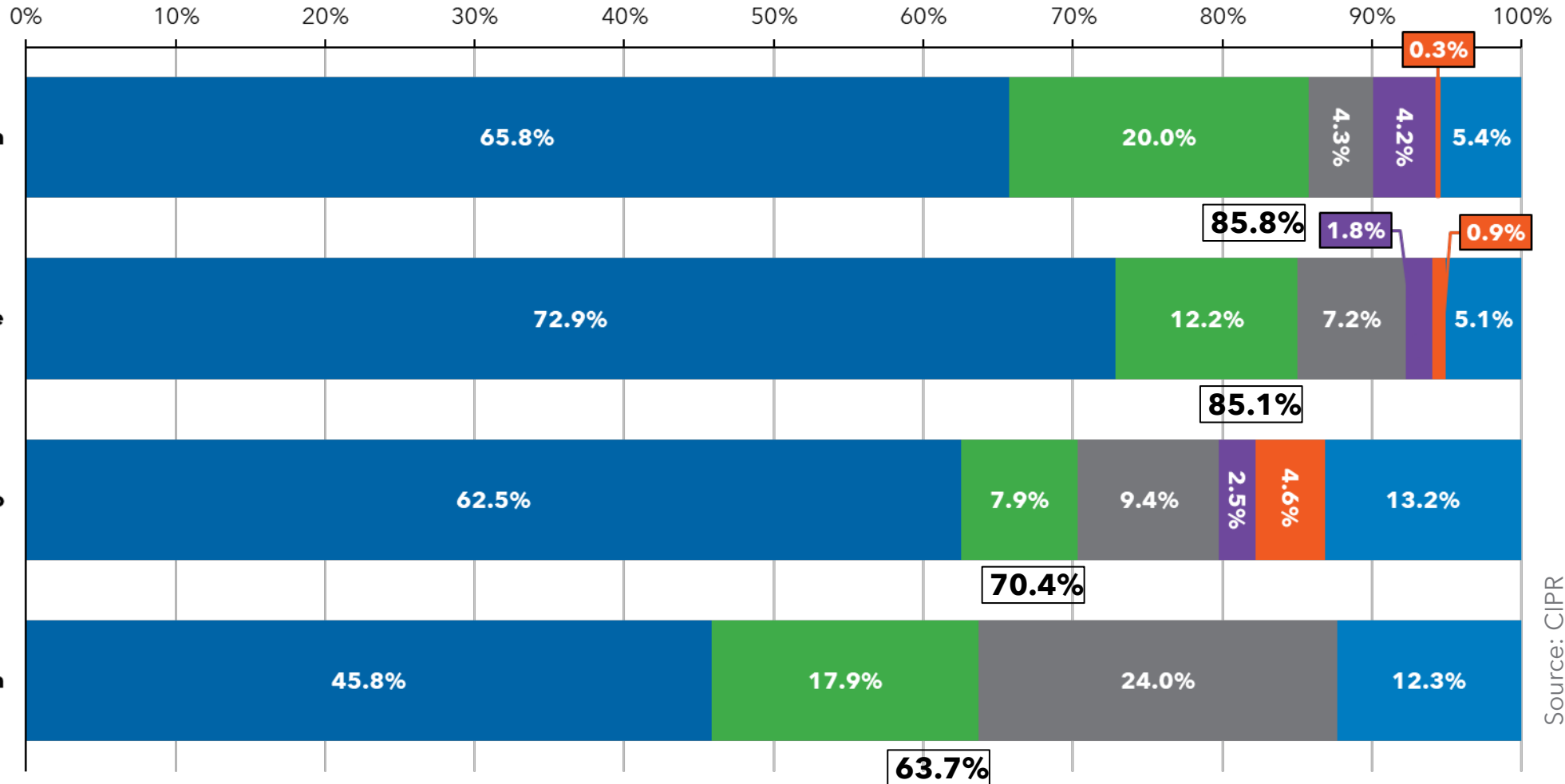


Source: CIPR  
Data Source: U.S. Census Bureau, American Community Survey (ACS) 1-Year Estimates (2022)



# Why do you not have health insurance? (Access)

■ Too Expensive ■ Employment-Related ■ No Need ■ Dissatisfied with Prev. Ins. ■ Don't Believe in Health Ins. ■ Other

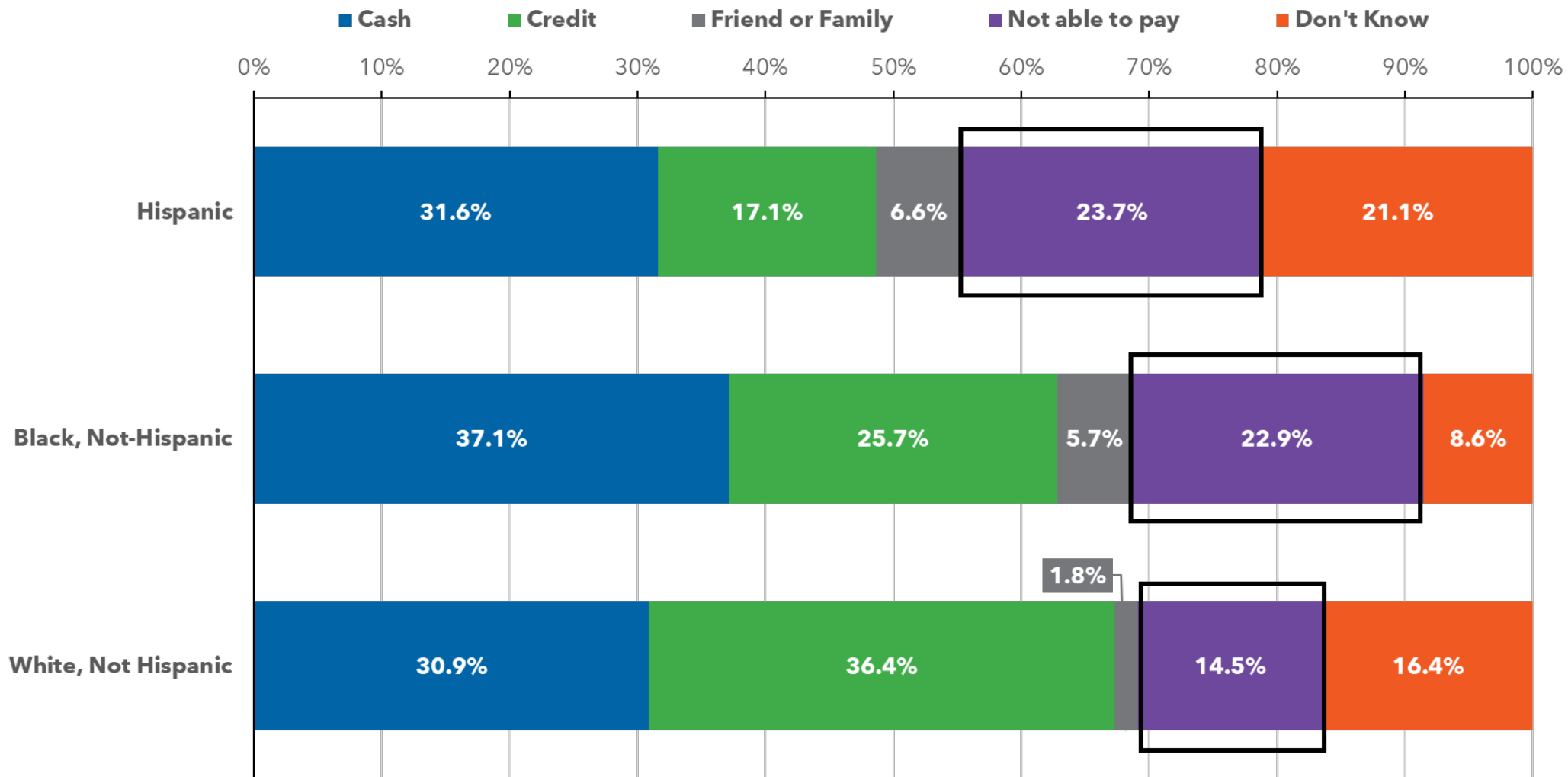


Source: CIPR  
Data Source: Federal Reserve System, Survey of Consumer Finances (2022)



# Health Insurance Disparities (Access)

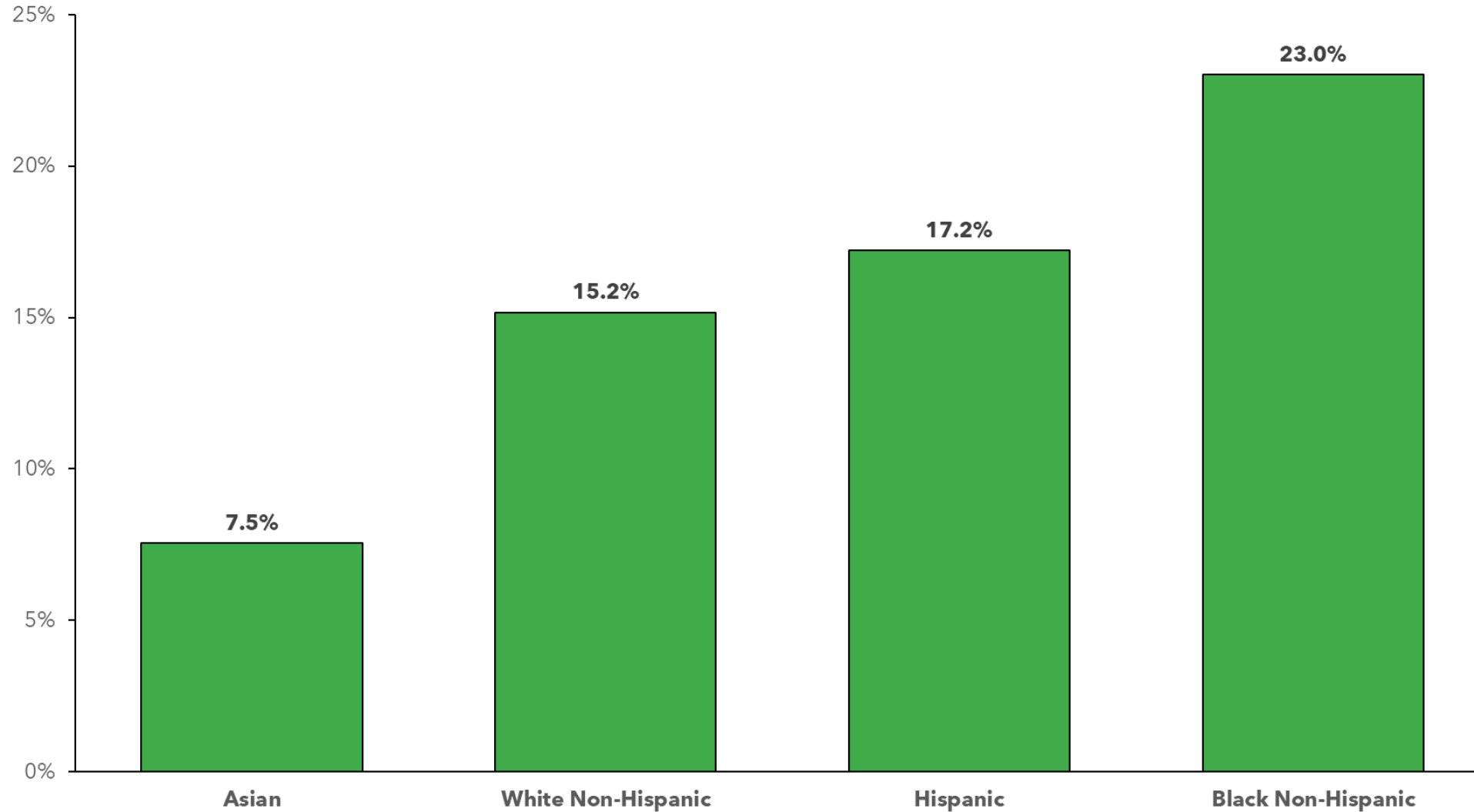
(if answered "no" to having health insurance) How would you pay medical expenses?







# Share with Medical Debt

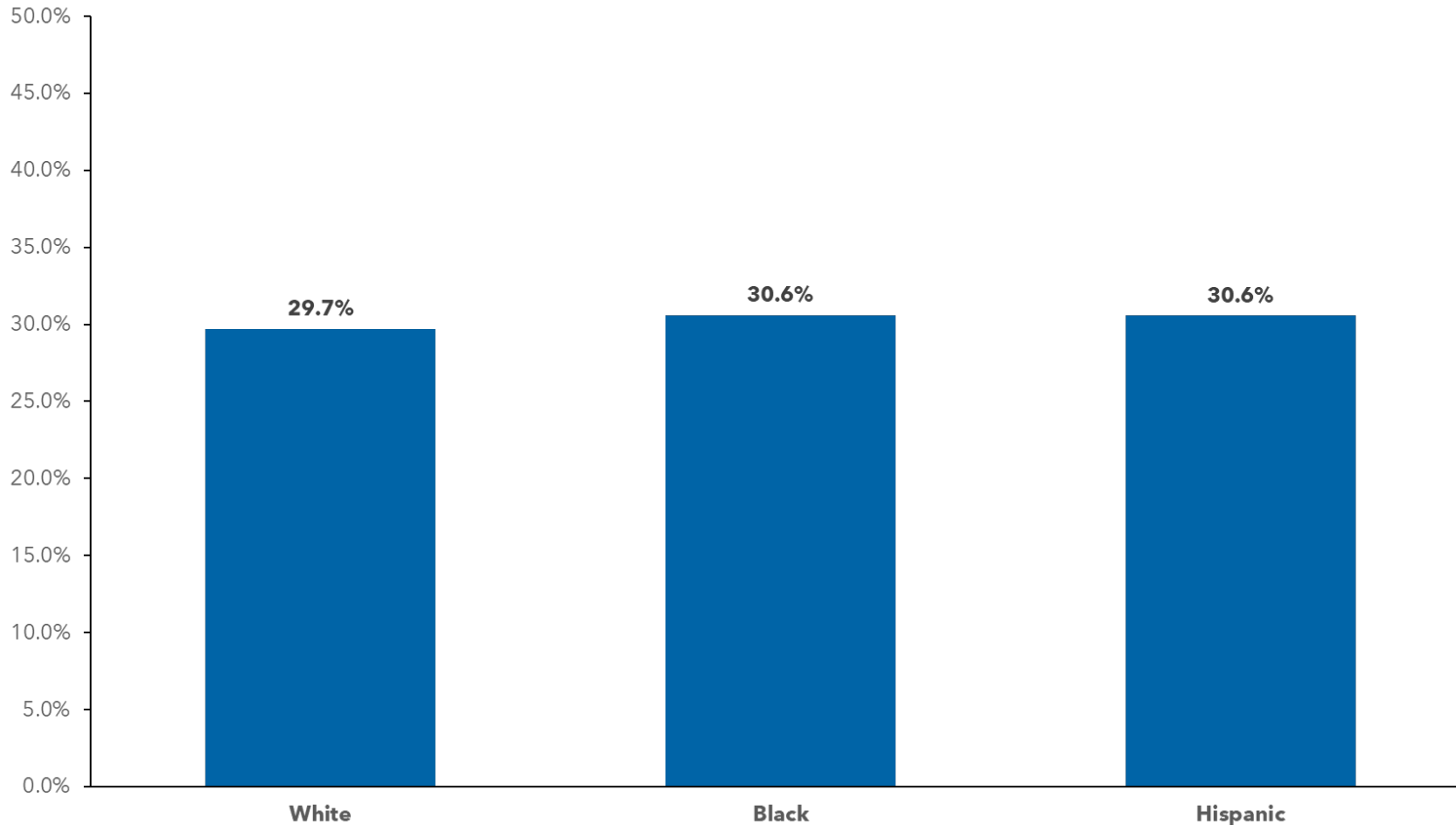


Source: CIPR  
Data Source: Federal Reserve System, Survey of Household Economic Dynamics (SHED) 2022



# Health Insurance Disparities (Access)

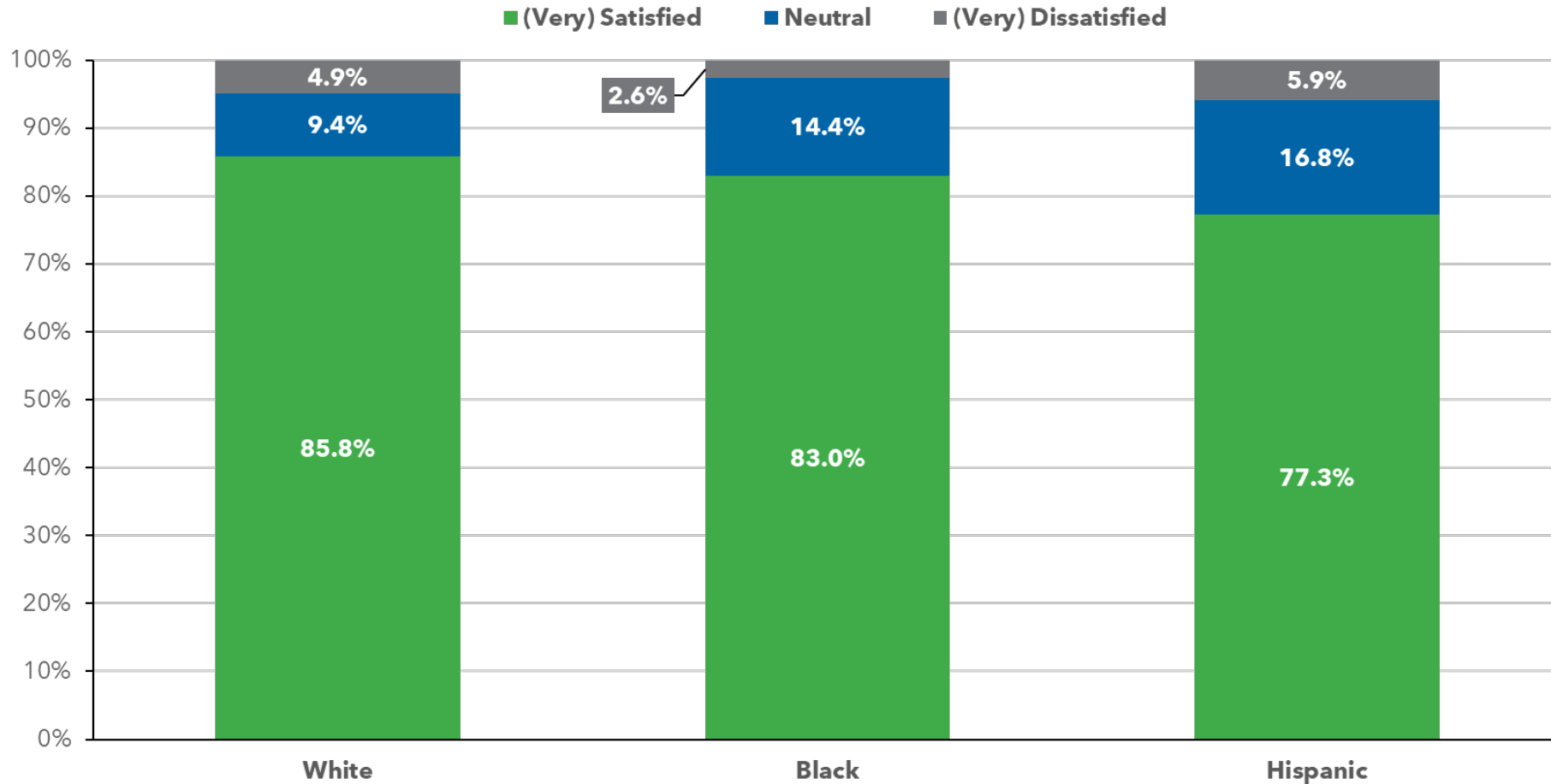
In the past 12 months, did you or anyone in your household postpone getting the healthcare you needed because of the cost?





# Health Insurance Disparities (Quality)

## How satisfied are you with your health insurance plan?

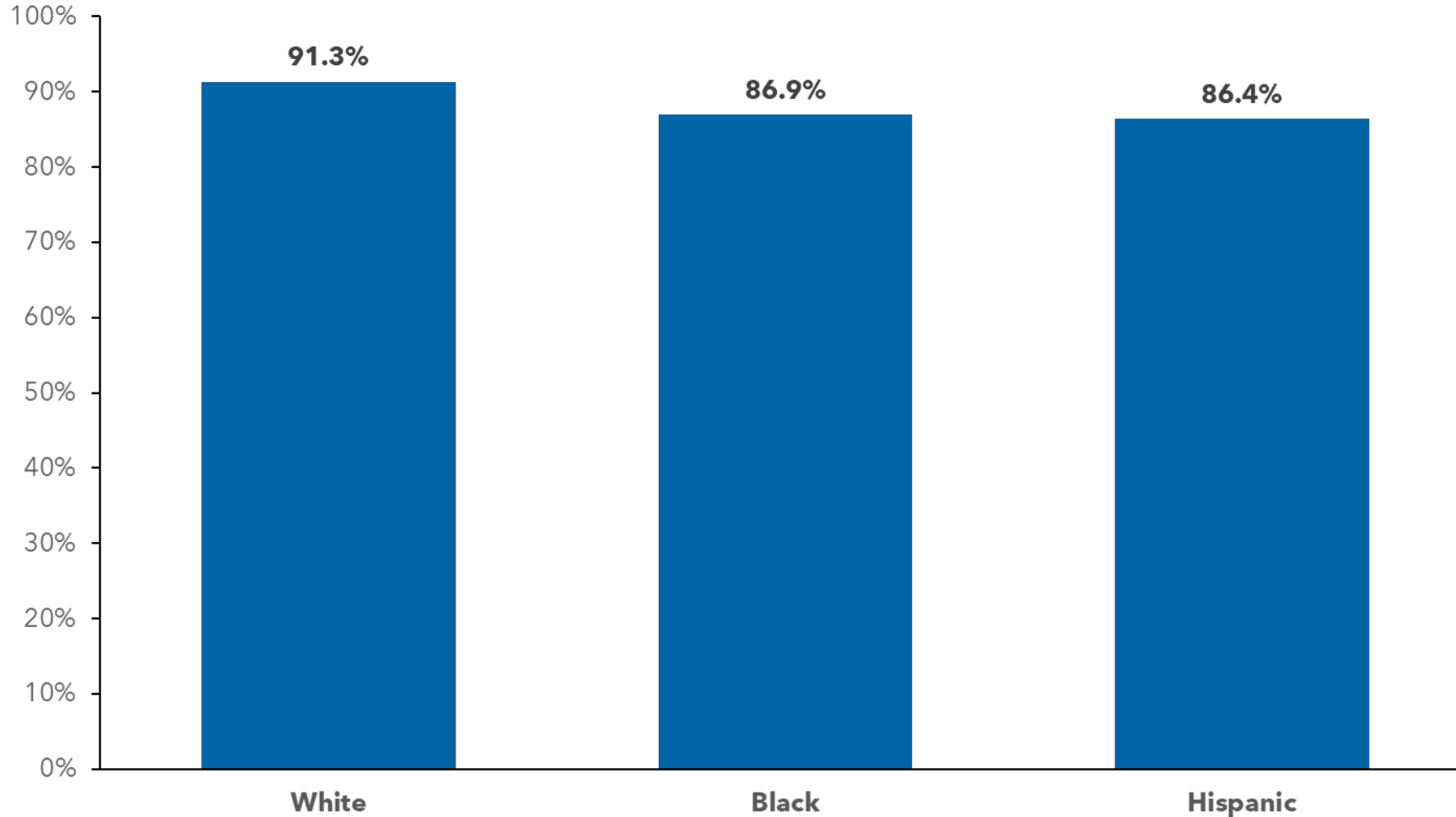


Preliminary Results, CIPR Financial Inclusion Survey, 2024



# Health Insurance Disparities (Quality)

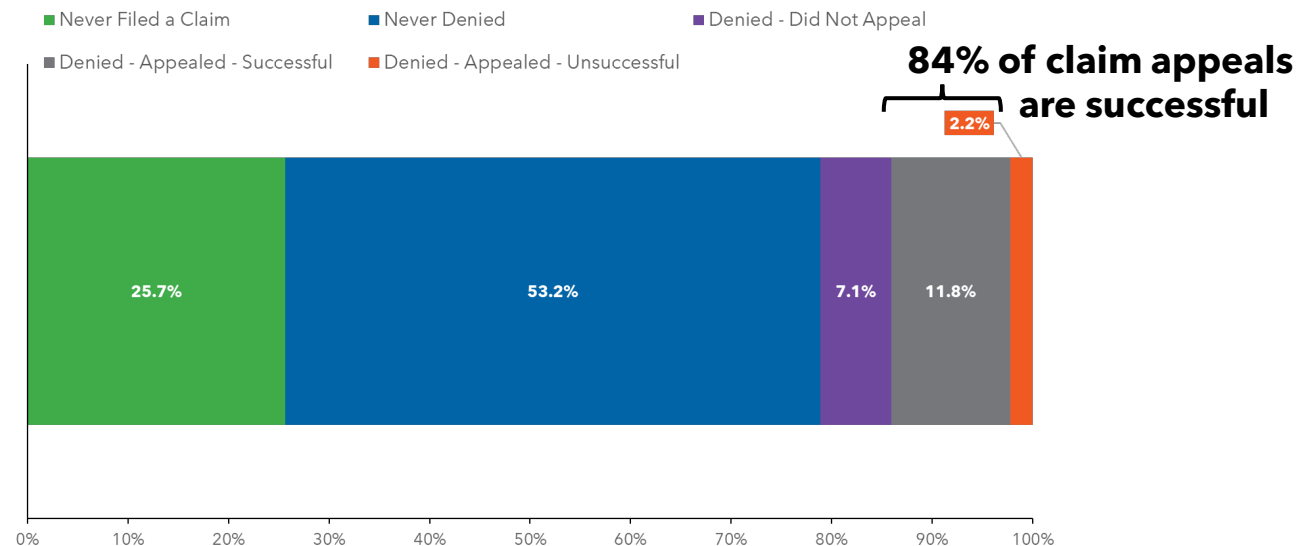
Are you able to find a network provider with whom you are comfortable / understands your needs?





# Health Insurance Disparities (Quality)

## Claims Denials

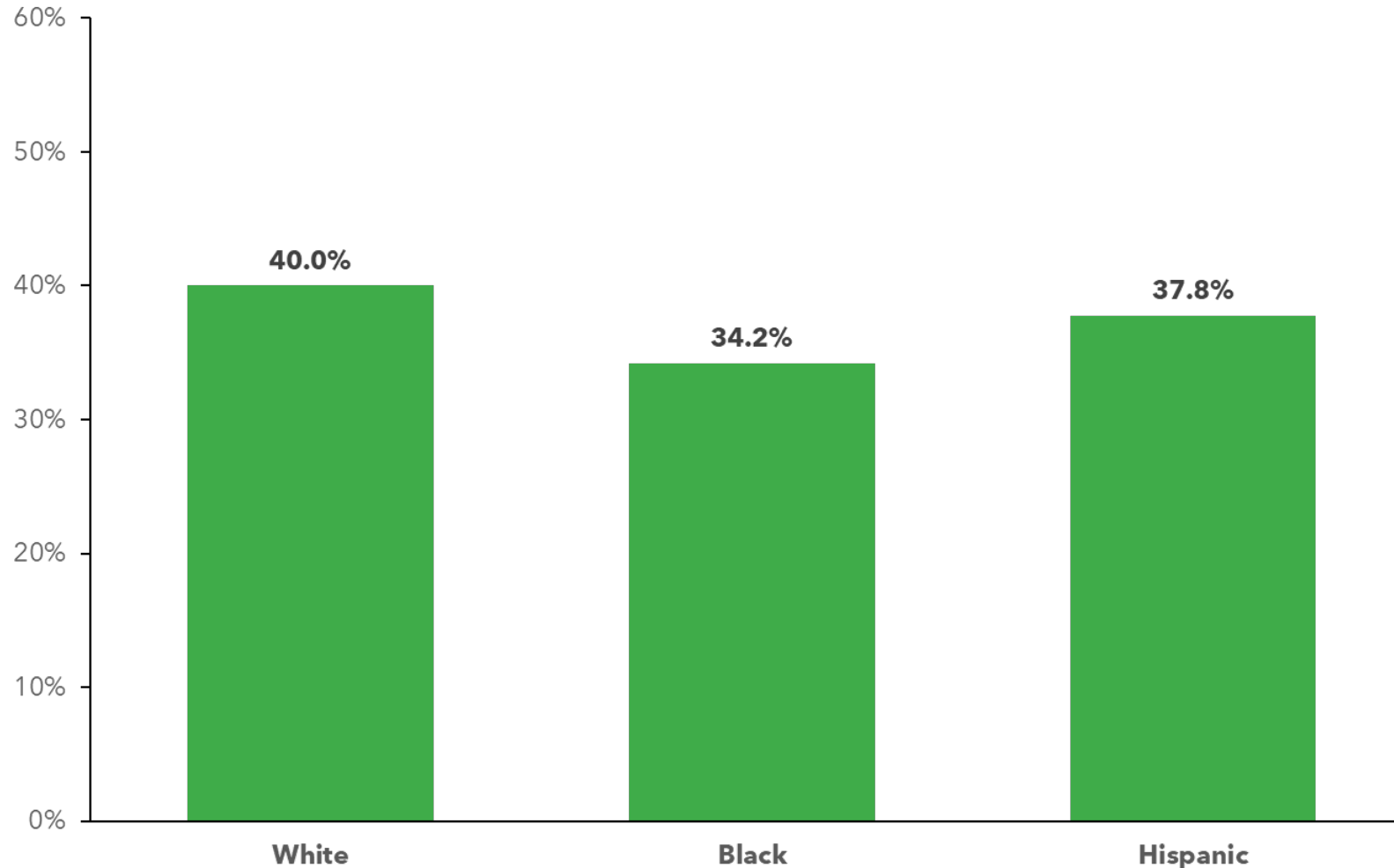


	Black	White	Hispanic
Ever had a medical claim denied	19.6%	25.3%	19.0%
Percent of denials appealed	70.0%	71.2%	62.0%
Percent of appeals successful	90.5%	86.5%	77.3%
(appealed claim and were successful)	<b>63.3%</b>	<b>61.6%</b>	<b>47.9%</b>



# Health Insurance Disparities (Utilization)

## Have you received preventative care in the last 12 months?



# Disparities in Life Insurance

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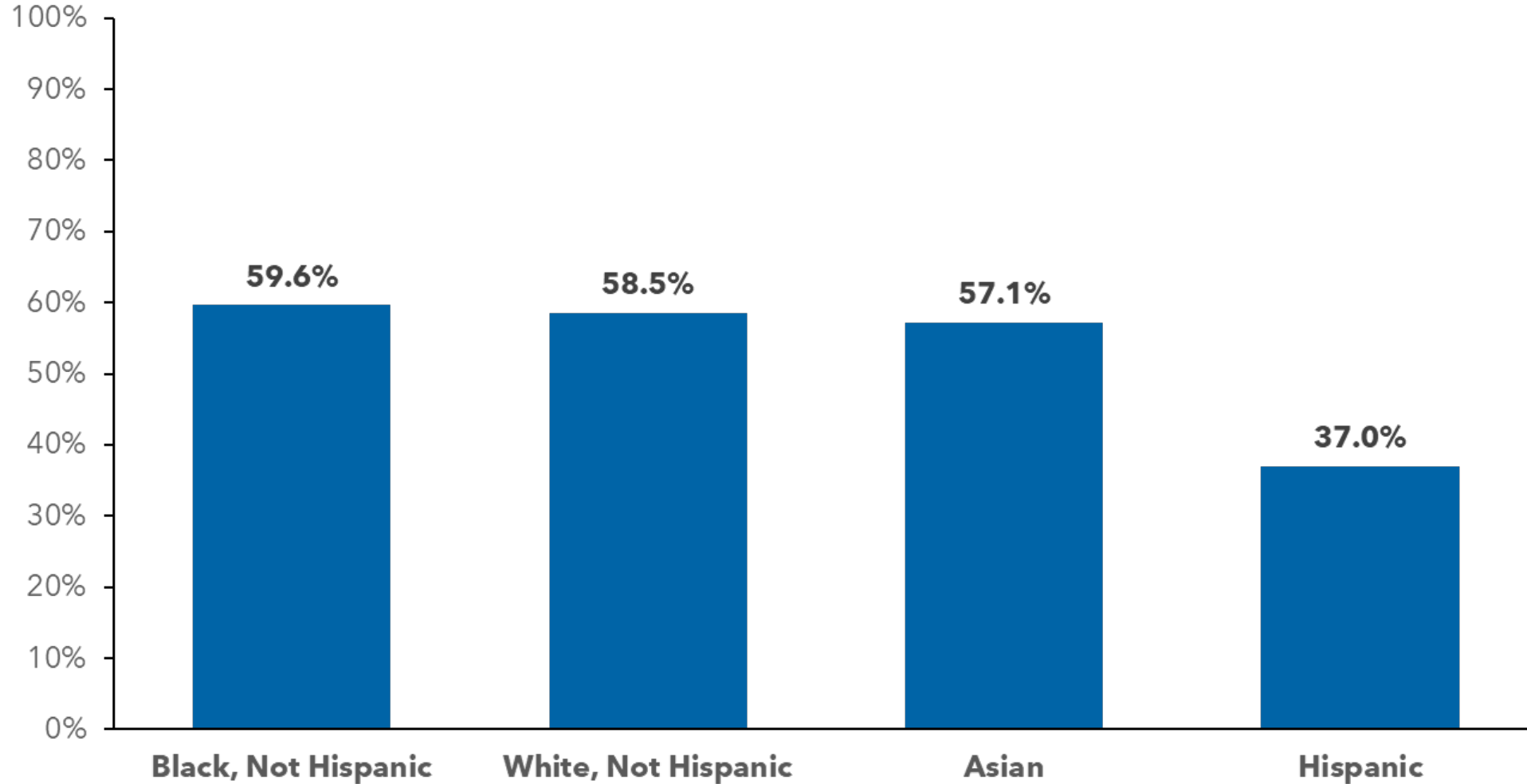
# Life Insurance, Key Takeaways

- ***White, Black, and Asian consumers have life insurance in roughly equal proportions (Hispanic consumers are much less likely to be covered).***
  - However, Black policyholders have substantially lower coverage amounts (face value payable upon death) than white policyholders.
- ***Cost is the most significant factor in having no life insurance across race and ethnicity***, but Black consumers without life insurance typically do not find it to be unaffordable.
- Black consumers are modestly more likely to have a life insurance application denied than White consumers. Hispanic consumers face a comparatively low denial rate.





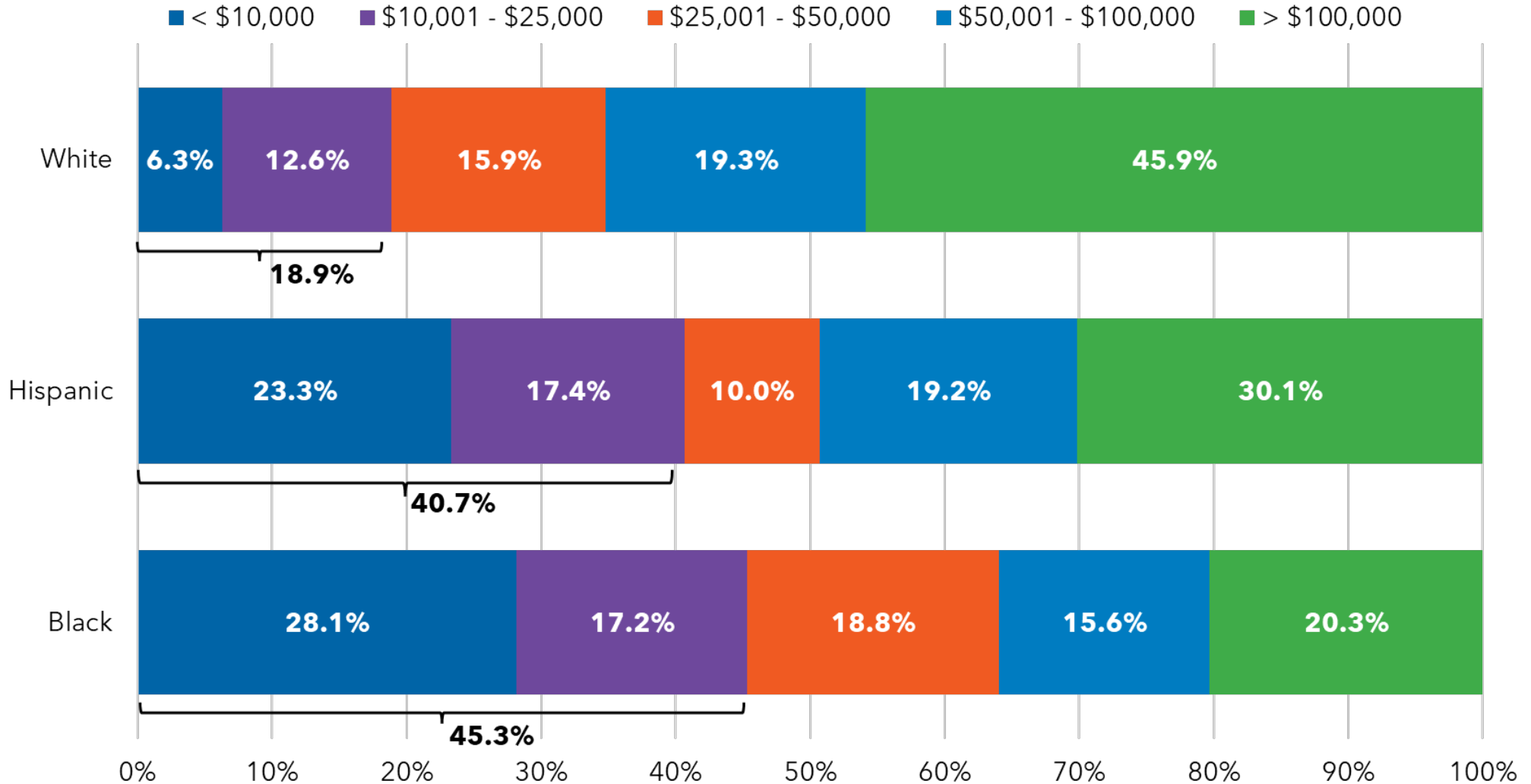
# Life Insurance, Percent with Coverage (Access)



Source: CIPR  
Data Source: Federal Reserve System, Survey of Consumer Finances (2022)

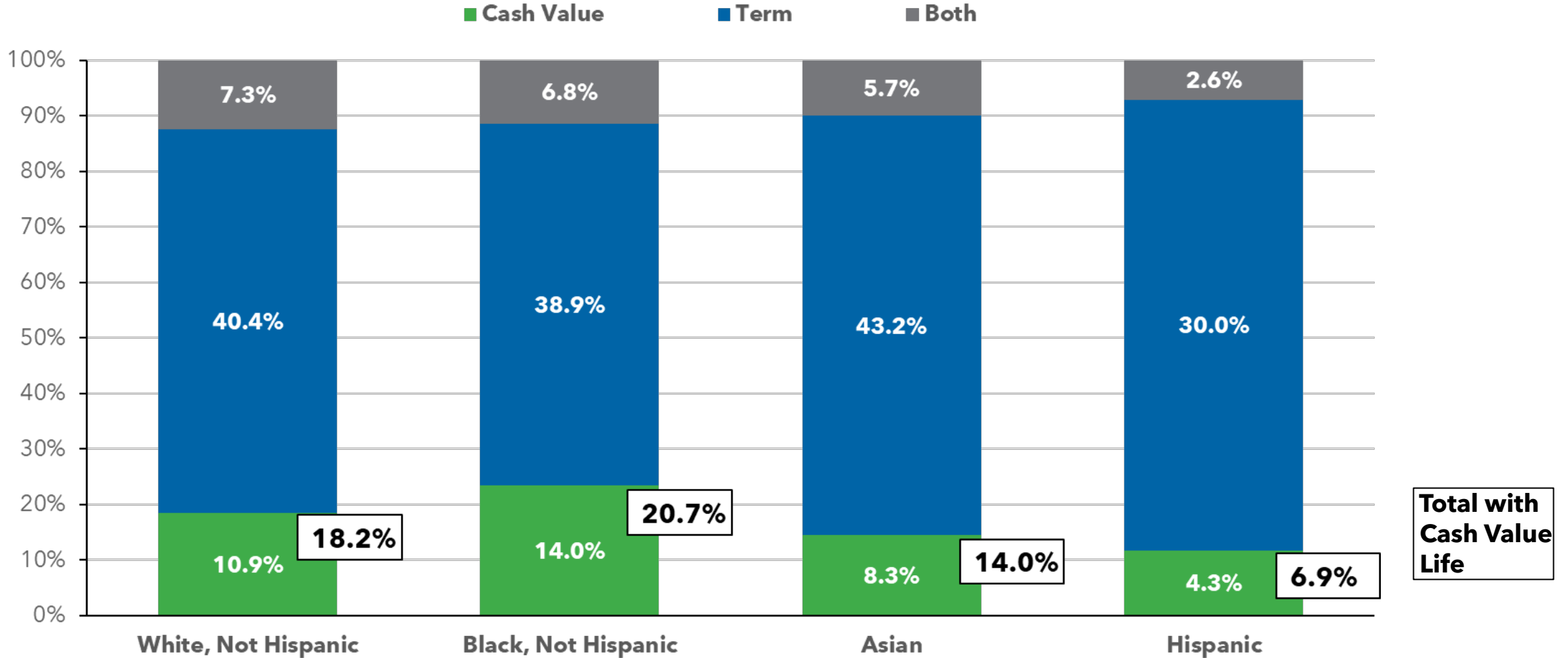


# Life Insurance, Aggregate Coverage Amount





# Life Insurance, Types of Coverage

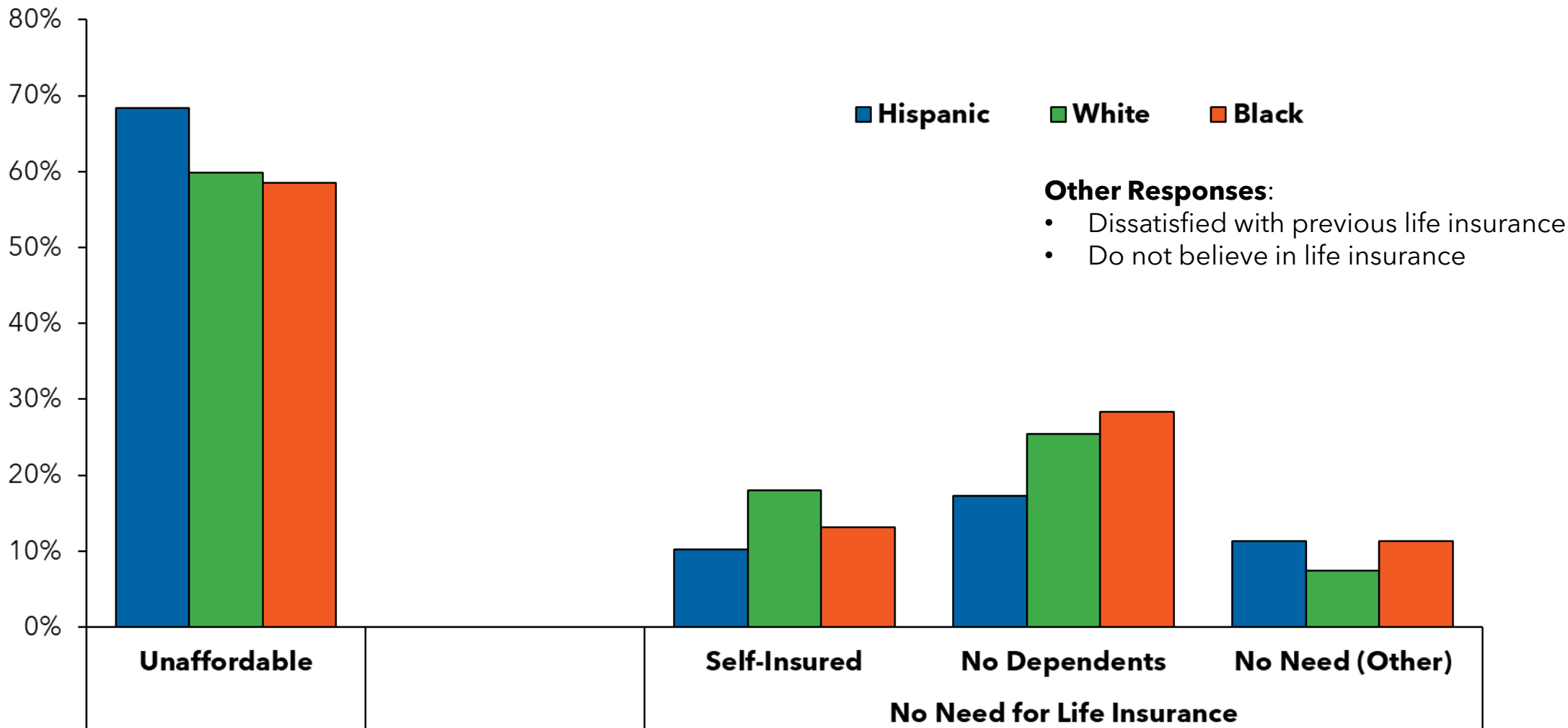


Source: CIPR  
Data Source: Federal Reserve System, Survey of Consumer Finances (2022)



# Life Insurance (Access)

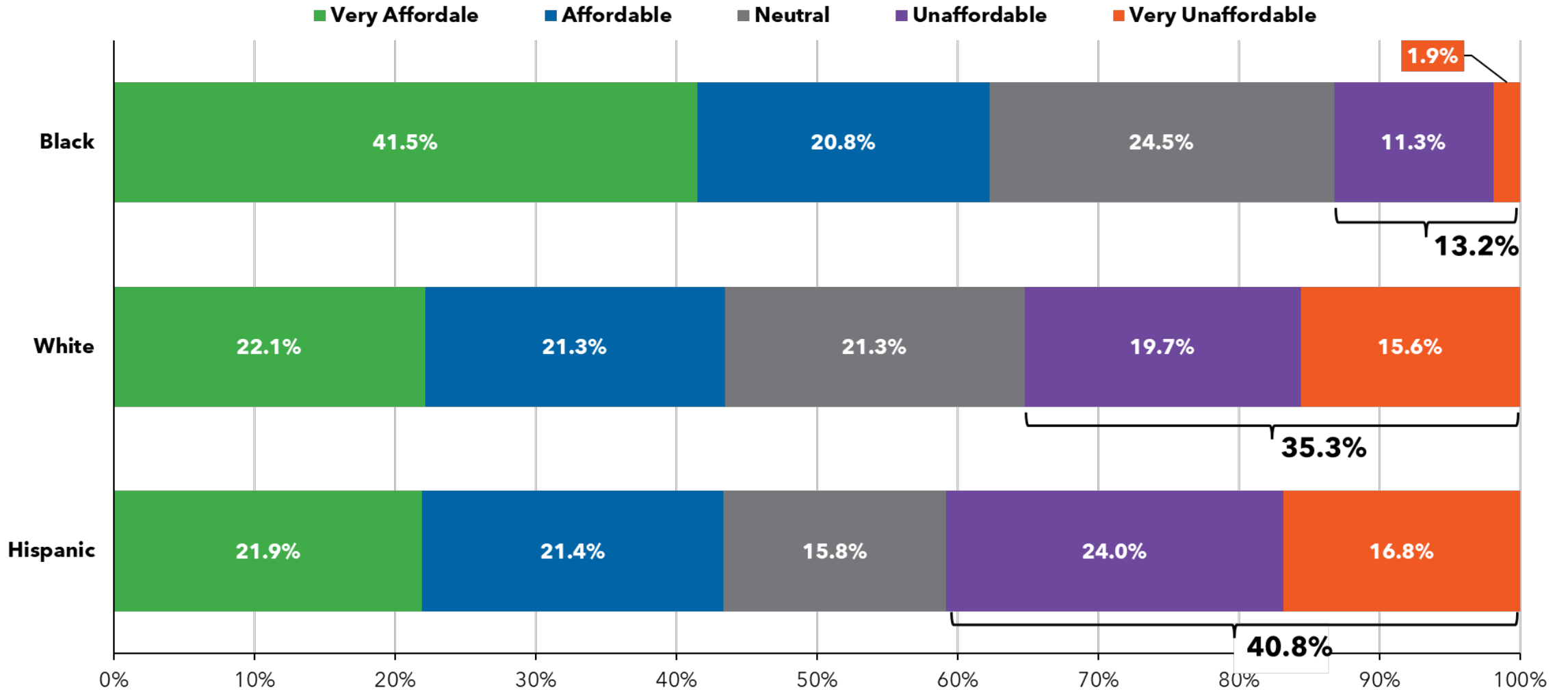
(for those without life insurance) What are the reasons why you have not purchased life insurance?





# Life Insurance (Access)

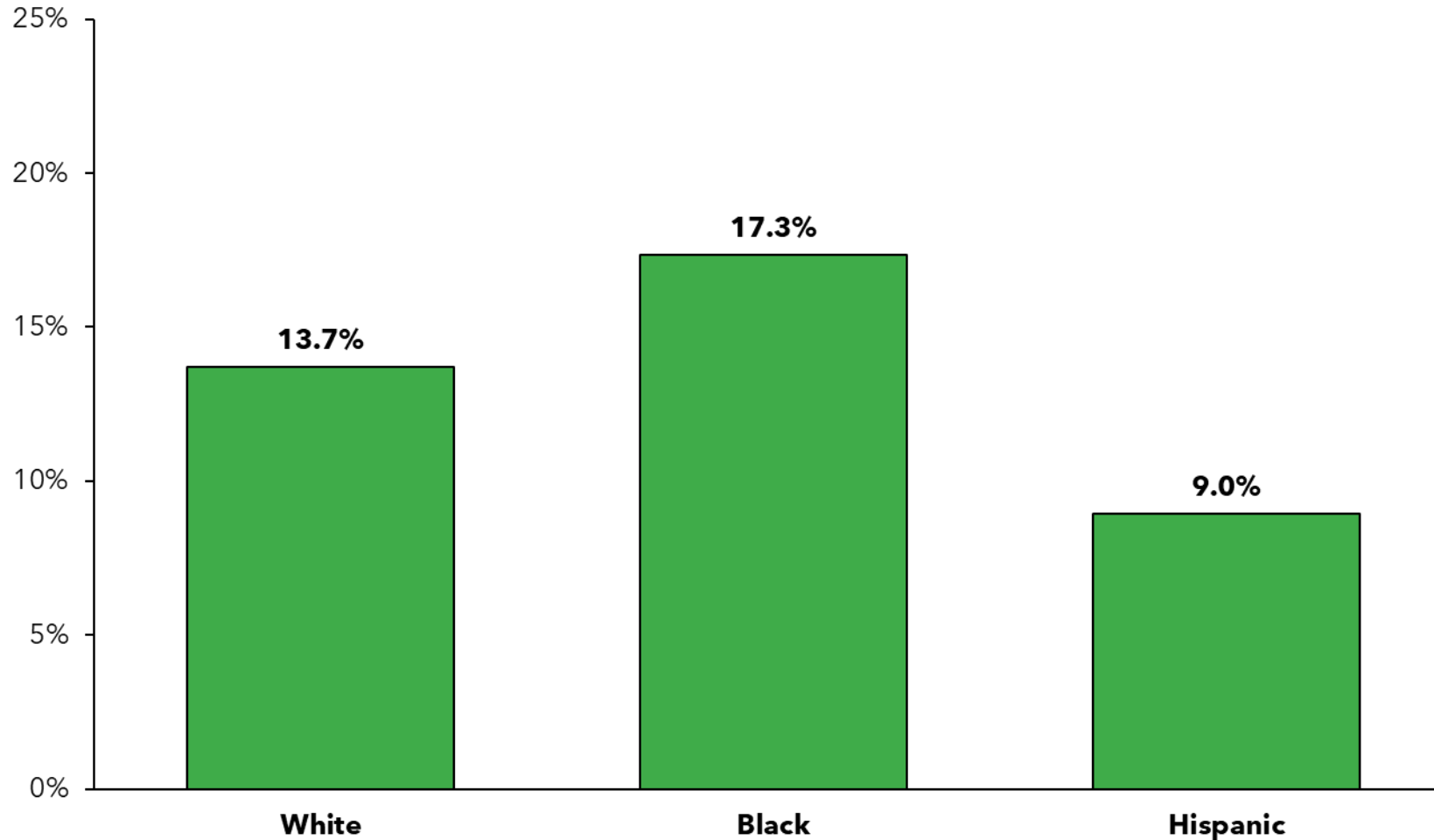
(for those without life insurance) How affordable is life insurance?





# Life Insurance (Access)

## Have you had a life insurance application denied?



# Disparities in Retirement Savings

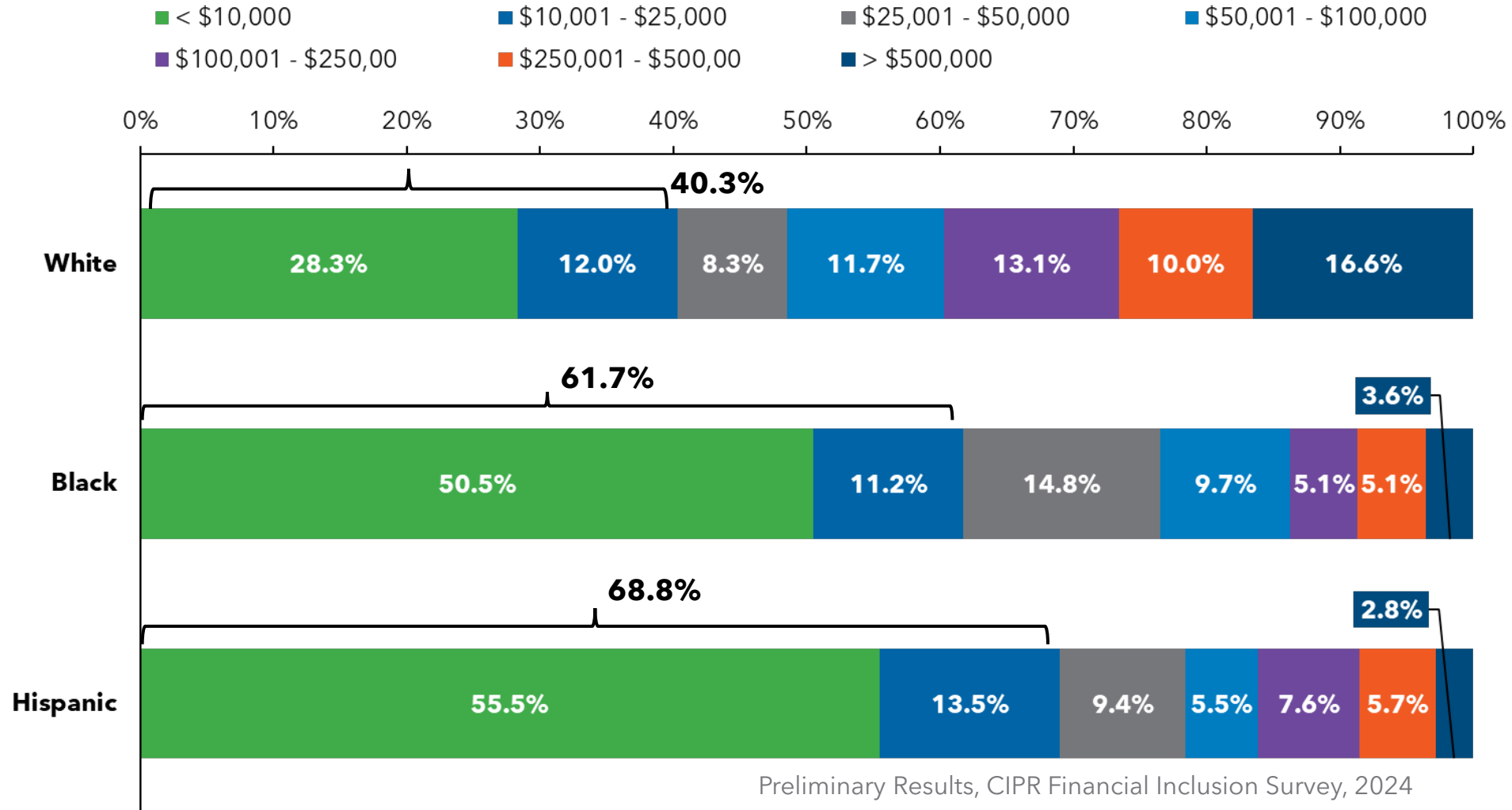
Financial Inclusion and Barriers to Insurance:  
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# Retirement (Utilization)

## How much do you currently have saved for retirement?

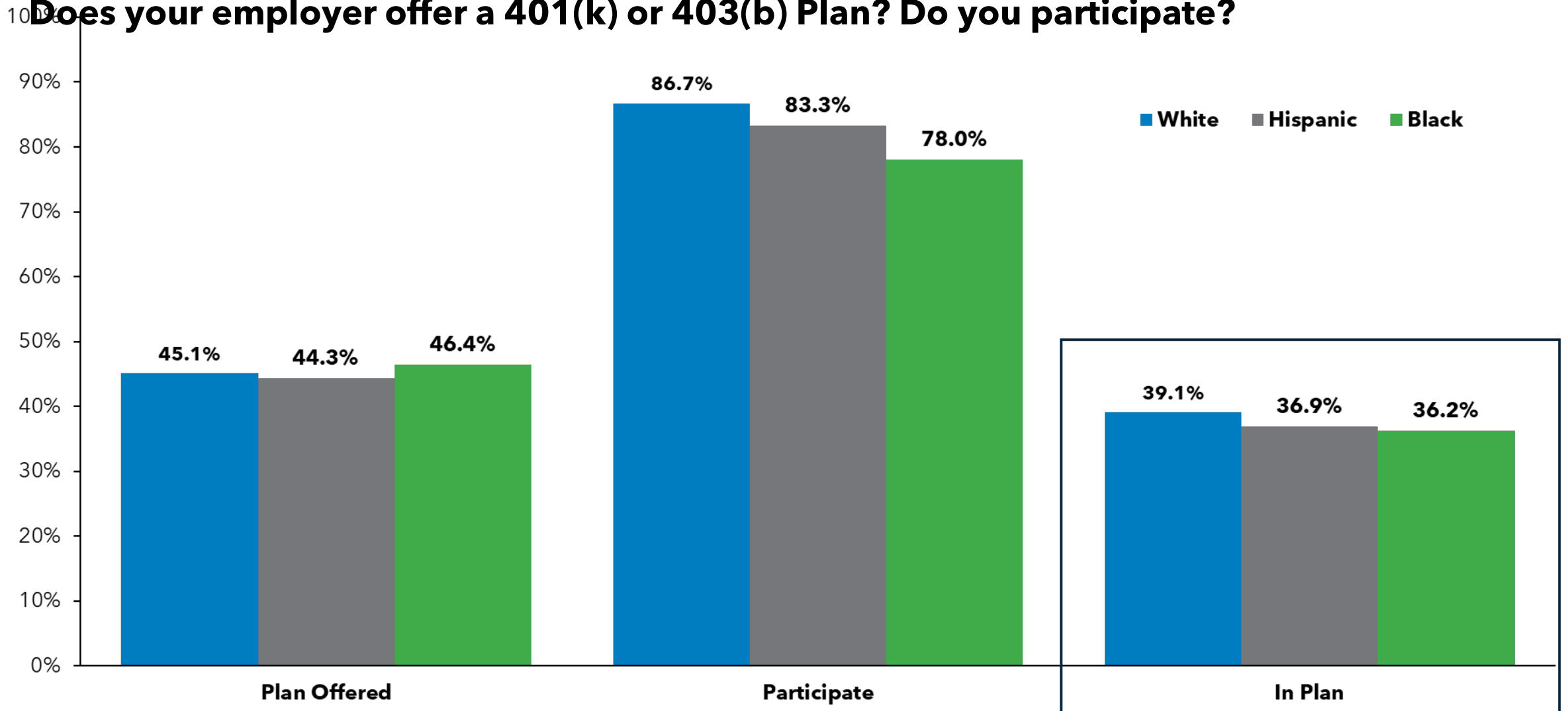






# Retirement (Access and Utilization)

## Does your employer offer a 401(k) or 403(b) Plan? Do you participate?



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Providing actionable insights and protection strategies for life's most important moments



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