

# Recession and Inflation Fears Fuel Growing Trend of Investment in Life Insurance Policies

LOUISVILLE, KENTUCKY, UNITED STATES, January 30, 2024 /EINPresswire.com/ -- As inflation falls nationwide, housing prices and the cost of consumer goods continue to remain at an all time high, leading to more cautious investment behavior by consumers. Americans are increasingly turning to life insurance to help protect their assets and ensure long-term security during uncertain economic times.

After nearly two years of Federal Reserve rate hikes, inflation has finally come down from the four-decade high of 9.1% that it hit in 2022. Encouraged by this progress, the Fed has signaled it expects to cut rates three times this year, which could in turn translate to lower rates on everything from mortgages to credit cards.(1)

High interest rates also meant a grim outlook on Wall Street as investors strapped in for a recession in 2023. Yet, despite unanimous predictions, the S&P 500 index soared to 24%, the Dow Jones Industrial Average gained 14% and the Nasdaq Composite popped a whopping 43%.(2)

While economists insist that the economy will improve in 2024, Americans continue to believe a recession is still looming as personal finances like groceries, gas, vehicles, rent and home mortgages continue to pinch monthly budgets. Furthermore, an unpredictable stock market and looming presidential election are continuing to have a major impact on Americans' willingness to take risks on new investments in 2024.

Consumers are beginning to turn to life insurance as a guaranteed way to invest in their futures. According to MIB Group, a membership corporation owned by approximately 430 member insurance companies, applications for life insurance were up 6.5% in December 2023, representing the second highest year-over-year growth rate on record for the month of December. Furthermore, application activity for US life insurance policies grew nearly 3% in 2023, showing the first uptick in almost four years.(3)

"We are seeing a growing demand by consumers who want to secure life insurance in order to help prepare for an uncertain economic future," says Bryan Simms, Co-Founder and President of Mammoth Life and Reinsurance Company (MLRC). "Whole life insurance policies can also provide an opportunity to build cash value, which can help aid future investments."

Whole life insurance policies provide permanent coverage for the duration of a person's life. Most consumers only associate life insurance with death benefits, or money that is guaranteed after passing. However, just like a 401K or IRA, Americans can use life insurance as a way to prepare for retirement by accumulating tax-deferred cash value, which can help protect current and future assets.

As Americans age, unexpected illnesses and long term care can be covered by living benefits. Consumers can also withdraw money or take out loans against the accumulated cash value of a life insurance policy in order to help pay for unexpected bills, make investments, or even save existing businesses. Household names like McDonalds and Disneyland exist today because their founders funded growth by borrowing against the cash values of their individual life insurance policies.

"Life insurance is a smart way to safely build capital and protect assets," says Simms. "While it's important to diversify your portfolio; cryptocurrency, stocks, and collectibles will always come with a high level of volatility. With life insurance, you have a defined way to insulate your future and ensure your family is taken care of."

[Mammoth Life & Reinsurance Company](#) was founded in 2021 as an inspired brand, reviving the legacy established by Mammoth Life and Accident Insurance Company, which was established in 1915 in Louisville, Kentucky by former slaves who pooled resources to self-insure after being marginalized and rejected by mainstream insurance markets. Mammoth Life's mission is to deliver accessible and inclusive insurance products and solutions to the market aimed at the uninsured and underinsured life insurance demographics. MLRC is an agile, data-driven distribution company that achieves its mission by leveraging its unique and proprietary product engineering expertise, consumer engagement technology, and use of modern data science tools.

Sources:

1. <https://apnews.com/article/inflation-federal-reserve-consumer-spending-incomes-bc386c513bbe3cd392360c8bc9283016>
2. <https://www.cnn.com/2024/01/05/investing/premarket-stocks-trading-2023-wrong-right/index.html>
3. <https://insurancenewsnet.com/inarticle/life-insurance-applications-up-3-in-2023-first-rise-in-nearly-4-years#:~:text=Application%20activity%20for%20U.S.%20life,life%20and%20health%20insurance%20companies.>

Daniel Mutter  
MutterWorks  
+1 305-926-1792  
[email us here](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/684605055>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.