

As Racial Wealth Divide Increases Nationwide, Americans Embrace Life Insurance to Secure Financial Futures

LOUISVILLE, KENTUCKY, UNITED STATES OF AMERICA, February 13, 2024 /EINPresswire.com/ -- While Black wealth is on the rise, the racial wealth divide continues to increase nationwide. Growing increases in life insurance coverage are providing new opportunities for Black Americans to grow generational wealth and close the racial wealth divide.

According to the Federal Reserve's Survey of Consumer Finances, the most comprehensive survey on household wealth in the United States, during the COVID-19 pandemic, median wealth increased by \$51,800 but the racial wealth gap increased by \$49,950. This adds up to a total difference of \$240,120 in wealth between median white households and median Black households.(1)(2)

Higher infection and mortality rates due to COVID-19 led Black Americans to purchase more life insurance than ever before. According to the Life Insurance Marketing and Research Association (LIMRA) and Life Office Management Association (LOMA), more than 56% of Black Americans now own life insurance.(3) But despite this increase, over 15 million are still left without life insurance coverage.

Insurance companies are scrambling to decrease the coverage gap, yet, institutional biases and a lack of representation continue to exclude Black Americans from obtaining essential life insurance coverage.

Black consumers want to do business with companies that they can identify with and who can help understand and meet their specific insurance needs. According to the US Bureau of Labor Statistics, in 2022, only 14.9% of Americans employed by insurance carriers were Black or African American. This pales in comparison to nearly 75% of the insurance workforce, which is made up of white Americans.(4)

"Life insurance provides an important pathway to both balance sheet liability insulation and securing generational wealth for Black families," says Bryan Simms, Co-Founder and President of Mammoth Life and Reinsurance Company. "Pursuing asset protection strategies concurrent with generational wealth building strategies can help decrease the racial wealth divide and create better financial opportunities for future generations."

[Mammoth Life & Reinsurance Company](#) (MLRC), the only Minority Business Enterprise (MBE) certified Life and Reinsurance company in the US, launched in Kentucky in 2021 to help empower and educate underserved Americans about the value of investing in life insurance and to design and distribute modern, accessible, and affordable life insurance products.

MLRC has launched an agency practice that collaborates with Black agents and agency owners working together to educate the Black community on the importance and benefits of proper insurance coverage – partnering with agencies nationally to provide access to life insurance and financial services solutions to over 3,000 Black insurance agents. This is a vital step in providing greater opportunities for increased representation in the insurance industry.

“We are excited for the opportunity to work with one of the most overlooked segments in the insurance industry. Mammoth is focusing on providing greater opportunities to educate uninsured Americans about the importance of investing in their futures with life insurance,” says Simms. “These agents understand the unique needs and challenges of more diverse communities that are looking for security during these uncertain economic times.”

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:

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