

Financial Insights

from Quinn+Cardy Wealth Management
of BMO Nesbitt Burns

Insurance & Women: The Gender Gap

According to recent statistics, there continues to be a gender gap when it comes to life insurance: men are better protected than women.

In the U.S., 58 percent of men have coverage, whereas only 47 percent of women do, and that gap further increases for minorities and younger women. Over the past five years, the life insurance rate for women has dropped by 10 percentage points.¹ Insurers in Canada suggest that this gap exists here at home.²

At the same time, the number of women who are household breadwinners continues to grow, with some statistics suggesting that half of dual-income households have women who earn the same or more than their spouses.³ Back in 1976, it was suggested that women were the breadwinners in only around 17 percent of households.⁴

The Need for Life Insurance: Important for Women

With the rise in women as breadwinners, life insurance considerations should be even more important to provide financial security to loved ones in the event that something were to happen. For single parents or those women who are the sole earner in the household, life insurance is equally important. Even if you have insurance at your workplace, perhaps the coverage may not be enough to provide a secure financial future for your dependents.

For women who don't bring home a paycheque, life insurance may be equally important. Many women are caregivers to children or aging parents, more so than men. The latest reports suggest that women accounted for 54 percent of caregivers, with almost two-thirds of caregivers providing more than 20 hours of care per week — and often unpaid.⁵ In the absence of this substantial support, life insurance can help to pay for childcare, nursing care or home support, which would be needed if the caregiver is no longer able.

Life Insurance: Less Costly for Women

An interesting observation is that, on average, women pay less than men for life insurance, based on similar age and health



profiles. Since the price of life insurance is based on actuarial data, the statistics are in a woman's favour. Women tend to live longer than men and are more likely to live past a term length.⁶ Since life insurance companies are more likely to have to pay out claims to men sooner, they are likely to have higher premiums to account for the higher risk.

Are there Gender Differences in Financial Priorities?

According to recent studies, there are two main reasons why women don't pursue life insurance coverage: lack of knowledge and concerns over being taken advantage of when purchasing insurance. Many also believe that it is too expensive — yet, 8 in 10 women overestimate its cost.¹

Understanding these obstacles, and given our familiarity with working with individuals and their financial positions, if you are in need of insurance or know those seeking support, please don't hesitate to reach out. An important focus should be on ensuring that individuals, regardless of gender, are protected with a financial safety net for their loved ones if something were to happen.

1. www.limra.com/en/newsroom/industry-trends/2022/lack-of-knowledge-and-confidence-deter-women-from-purchasing-life-insurance/; 2. www.cpp.ca/blog/life-insurance-for-women/; 3. ca.finance.yahoo.com/news/more-women-household-breadwinners-changing-130000206.html; 4. www.sunlife.ca/en/tools-and-resources/money-and-finances/understanding-life-insurance/why-is-life-insurance-so-important-for-women/; 5. www150.statcan.gc.ca/n1/daily-quotidien/220114/dq220114c-eng.htm; 6. www.forbes.com/advisor/life-insurance/what-women-should-know/



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