

Life Insurance Buys vs. Needs: An Infographic

Feb 08, 2016 | By Warren S. Hersch

Fewer than half of respondents surveyed by LIMRA say they would buy life insurance for the benefit of loved ones. We've long tracked in this space the alarmingly high number of Americans who remain uninsured. Last September, LIMRA pegged the life insurance "coverage gap" — or the total of life insurance needs less life insurance in-force — at a whopping \$16 trillion. That's up from \$15 trillion in 2013.

One reason for the gap is the perception that Americans have about the cost of life insurance. As we noted in the prefacing text to an infographic we posted in August, many U.S. consumers overestimate the cost of life insurance: millennials by 213 percent; and Gen Xers by 119 percent.

Now comes new data from Life Happens, a 21-year-old organization that coordinates campaigns to raise consumer awareness about the value of life, disability income and long-term care insurance; that serves as a resource to agents and brokers who sell these products. Based on a September 2015 online poll of 1,022 U.S. adults conducted by KRC Research, the survey data points to a "wide disconnect between the values individuals hold, and the actions they take to meet those goals."

In respect to life insurance, the disconnect is particularly jarring. Whereas less than half of the survey respondents say they would buy life insurance for the benefit of loved ones in the event of their passing, more than 40 percent also acknowledge that surviving family members would "feel the financial impact" of their death within months.

<http://www.lifehealthpro.com/2016/02/08/life-insurance-buys-vs-needs-an-infographic?slreturn=1455215596>

See the infographic below for additional highlights from the September LifeHappens survey

The Reality of Life



How would your loved ones create new memories?

People are sentimental when it comes to their loved ones. They want them to treasure all the memories they've created and the valuables they've collected.



But

Less than
1/2

said they would leave money, in the form of a life insurance death benefit.

That's a stark reality given that...

MORE THAN 40%

say they would feel the financial impact of that death in just a matter of months¹

It's hard to make new memories with an empty bank account.

PLUS, everyone "gets" that we are all going to die—there's 100% certainty.

But that doesn't stop people from betting against the odds with things that do not have certain returns.

For example

When asked which provides the most valuable return for your money, people responded...

29%
Investing in the stock market

29%
Buying a life insurance policy

21%
"Flipping" a house / quick real estate investment

And while everyone understands that you need to protect your things, isn't it also worth protecting your loved ones against the 100% certainty of death?

So...which TYPES of insurance do people THINK they need to have?

71% Car insurance	63% Life insurance	57% Homeowners insurance	23% Credit card fraud insurance	21% Renters insurance
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This research was conducted by KRC Research from Sept. 7-9, 2015 via an online survey of 1,022 adults in the United States.

(1) 2015 Insurance Barometer Study, Life Happens and LIMRA

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A NONPROFIT ORGANIZATION