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APPLES AND ORANGES

THE TOP 4 MISCONCEPTIONS ABOUT LIFE INSURANCE

LIMRA conducts regular barometer studies to track adult consumers' financial perceptions,attitudes, and behaviors. In their most recent update, they identified four widely held misconceptions that keep many Americans from achieving the financial security that life insurance can help provide. In fact, views are so far from reality, it's like comparing apples and oranges.

IT'S TOO EXPENSIVE

More than half of Americans overestimate the cost of life insurance by as much as three times. This is especially true for younger generations. The cost of term life insurance for a healthy 30-year-old is around $160 per year. Yet, **44% of Millennials** estimate it to be more than **six times higher** — at a costly $1,000. This misperception about cost, coupled with prioritizing other financial needs, puts families needlessly at risk of financial hardship should a wage earner die unexpectedly.

WORKPLACE COVERAGE IS ENOUGH

29% of American workers believe the coverage they get through work is enough. The median life insurance coverage offered at the workplace is either a flat sum of $20,000 or one year's salary. More than half of U.S. households rely on dual incomes (54%), and, for many, losing one income could be devastating to the households' finances. According to the survey, 42% of families would face financial hardship within six months, and 25% would suffer financially within a month.

IT'S TOO DIFFICULT TO BUY

Nearly half of Americans (46%) say they have put off purchasing the coverage they know they need. This could be, in part, because they are intimidated by the process. The pandemic has accelerated the adoption of instant issue and accelerated underwriting. 48% of consumers say they are more likely to buy life insurance using simplified underwriting.

MY CLIENTS DON'T NEED IT.

Younger consumers who do not yet have a spouse/partner or dependents may believe they can put off buying life insurance. In reality, life insurance is significantly less expensive for the young and healthy. Buying a policy can protect their financial future and the financial security of their loved ones. **Nearly 4 in 10 insured consumers** wish they had purchased their policies at a younger age.

REACH OUT FOR GREAT IDEAS TO BRING YOUR PRACTICE TO LIFE.

Source: LIMRA, Life Insurance Barometer Study, 2021. An online panel of 3,000 adult consumers who are financial decision makers in their respective households were surveyed. Results weighted to represent overall USA demographics.