



Lenders Insurance Solutions Group LLC

Life Insurance: When they say they have “Enough”

How many times have we stated that most Americans are under insured? And how many times have you heard “*I have enough*”. Fact is, the life insurance gap in coverage continues to grow as the next generation begins to look toward their insurance needs. According to research, the most common reason given for not being adequately protected is that Americans have competing financial priorities. The second most common reason is they believe they can’t afford it. Many seniors are reducing and/or eliminating their life insurance because they believe it’s not important enough for the cost. Their mortgage and other debt are paid and many have pre-planned/pre-paid funerals. Let’s look at the shocking numbers behind the life insurance gap and some of the misconceptions*:

- ✓ 85% of people agree they need life insurance; yet only 62% have coverage; LIMRA’s Barometer Study
- ✓ 44% of households have life insurance (the lowest in 50 years); LIMRA Life Trends
- ✓ In 1960, 72% of Americans owned Life Insurance; in 1992 only 55% (note: it continues to decline); Genworth Lifejacket Study
- ✓ 70% of households with children under 18 say they would have trouble handling everyday living expenses after a few months if the primary wage earner died; LIMRA Household Trends
- ✓ 70% of Americans don’t understand life insurance; LIMRA

The Top 5 reasons for buying Life Insurance are: (1) Getting married; (2) Starting a family; (3) Buying a home; (4) Starting a business; (5) Supporting aging parents. The surprising element of the Top 5 is no one buys insurance to protect debt and leave their family in a comfortable financial position. This alone is reason to purchase Payment Protection.

We incur debt from the time we begin college until our retirement years; however, we don’t protect that debt (other than a mortgage). An affordable alternative and protection for the debt is Payment Protection. Don’t assume, when you hear “*I have enough*” that this is a clear representation of fulfilling families insurance needs. As the statistics above represent, most of your clients are not adequately protected even when they say they have “Enough”.

*excerpts from LifeHealthPRO (National Underwriter Life and Health)