

WHY REVIEW YOUR LIFE INSURANCE?

By Insurance Brokers of Minnesota

As a boomer myself, I see and realize how important it is in today's world to plan ahead. To provide good advice to clients in the proper approach to life insurance. Read these interesting facts below.

Generations at Risk

Facts LIMRA International's life insurance consumer studies.

Facts About Life 2008

Many U.S. Households Continue to be Underinsured.

- One third of adults in the United States carry no life insurance at all.
- More than 1 in 4 men have no life insurance coverage at all and almost two thirds of men age 18 to 24 have no life insurance.
- Overall, women are more likely to own life insurance today than they were in 1998 but almost 1 in 3 women have no life insurance coverage at all and about half of women age 18 to 24 have no life insurance.
- Today, insured adults are more likely to have only group life insurance obtained through the workplace. Adults with only group coverage carry the lowest amounts of life insurance.

Boomers Heading Towards Retirement.

- There are approximately 77.8 million baby boomers (1946–1964) aged 45 to 62 years old.
- On average, three-quarters of baby boomers own some sort of life insurance — half owning individual life insurance policies and the rest having group policies.
- While an average of 78.5 percent of men in this generation have life insurance, less than 70 percent of women have any life insurance.
- Baby boomers primarily rely on face-to-face interaction for their financial planning.

Generations X and Y Planning for the Future.

- Combined, Gens X (1965–1980) and Y (1981–1995) represent more than 126 million Americans.
- 41 percent of Gen Xs own individual life insurance while only 22 percent of adult Gen Ys have individual life insurance policies.
- Equal numbers of Gens X and Y men and women have some form of life insurance coverage — about 7 in 10.
- Parents are key purchasers of term life insurance, which represents 45 percent of all policies sold. The availability of low-cost level-premium term insurance appears to be attractive to single parents and young families, who typically have less discretionary income.

Marketing to Gen X and Y.

Gen Xs and Gen Ys often differ from baby boomers and from each other when it comes to online activities and information seeking. Relationship building, personalized service 24/7, easy access to information online, convenience, and brief, targeted product information are key to reaching these consumers.

Parents are more influential to Gen Ys (83 percent) who are seeking financial advice than Gen Xs (59 percent).

- As compared to boomers who are more likely to have experience with life insurance and companies that sell it, Gens X and Y rely on word of mouth and a company's reputation when deciding where to buy life insurance.
- The workplace is the second most common place to buy life insurance for all generations. Gen Ys are twice as likely to buy life insurance at work as boomers. Gen Ys cite convenience and confidence in the company based on a perceived "employer approval" for that company's offerings.
- Surprisingly, price is not the most important factor when buying life insurance online for Gens X and Y. Knowing and understanding the product rank highest while company accessibility (personal contact, answering questions and service) and price come in second.

Unless otherwise noted, all facts are from LIMRA International's life insurance consumer studies. Fact Sheets may be reproduced in whole or in part if attributed to LIMRA International.

Demographics of Internet Users, Pew Internet & American Life Project, December 2007.

Preparing for Their Future: A Look at the Financial State of Gen X and Gen Y, American Savings Council and AARP, March 2008.