

INSURE YOUR LOVE

Facts from LIMRA

Americans Know they Need Life Insurance – the Trick Is Getting Them to Buy



According to LIMRA's research, almost 9 in 10 Americans view life insurance as a necessity. In addition, life insurance beat out all other sources of financial assets or income that Americans expect to use to help pay bills, and to maintain their lifestyle if the primary wage earner dies.

Only 6 of 10 Americans surveyed said they actually own some sort of life insurance and half of American households said they needed more life insurance.

How does the industry bridge this gap and help people protect their loved ones?

Over the past two years, only 22 percent of U.S. households seriously shopped for life insurance. Of those, 41 percent said life triggers — getting married, buying a home, having or adopting a baby, receiving substantial assets, or experiencing the death of a relative or close friend — were the reasons they began to shop for life insurance. LIMRA research found that less than two-thirds of shoppers prompted by life events bought life insurance.

Why aren't these people buying life insurance they feel they need?

Many don't know how much life insurance or what kind to buy. LIMRA has found that this indecision leads consumers to procrastination.

LIMRA research revealed four things producers can do to help shoppers become buyers:

- **Conduct a needs analysis with clients and prospects.** Consumers who get one are considerably "more likely to buy" than consumers who don't. What's more, producers who recommend an amount of insurance to buy ultimately sell more policies, at a 60 percent higher coverage level.
- **Meet directly with clients and prospects.** More than 7 in 10 life insurance shoppers who met with a producer face-to-face bought a policy.
- **Raise the issue.** One-quarter of life insurance shoppers consider life insurance only after a producer initiated the discussion.
- **Be persistent with follow-up.** More than one-third of shoppers said the producer should have followed up with them while they were still deciding whether to buy.

Buying life insurance is an act of love. Make sure your clients protect the ones they love by ensuring they have the appropriate amount of life insurance.

All facts are from LIMRA's life insurance consumer studies.