

Americans' Attitudes Toward Life Insurance

Survey Findings (General U.S. Adult Population)

May, 2008

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Methodology

- Telephone survey of over 1,000 randomly-selected adults aged 18 and over nationwide created and conducted by Ipsos Public Affairs
 - National, randomly-selected sample representative of the general adult population residing in the United States
 - Most questions from 1,004 interviews conducted October 23-26, 2007
 - Additional questions from 1,006 interviews conducted January 7-11, 2008 to supplement the original survey
- The margin of sampling error with a 95% confidence level for results based on all respondents is +/-3.1%.
- The data was weighted to ensure the sample's regional and age/sex composition reflects that of the actual U.S. population according to Census data.
- Sums of percentages do not always add up to exactly 100% because of rounding
- Generations are defined as follows:
 - Pre boomers - born between 1901- 1945 (ages 62+)
 - Baby boomers - born between 1946- 1964 (ages 43-61)
 - Generation X - born between 1965- 1974 (ages 33-42)
 - Generation Y - born after 1974 (ages 18-32)

Key Findings

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- One's death or the death of one's spouse ranks third among 15 situations in terms of having an extremely or very negative impact on one's family's financial health and financial future.
 - Identity theft or fraud and a serious illness or disability are the only two scenarios that rank higher in having a highly negative impact.
- Two thirds of Americans (67%) say that their death or the death of their spouse would have an extremely or very negative impact on their families' financial health and financial future.
 - Fewer than half of Americans say that an economic recession, higher interest rates on their loans or mortgage, a stock market crash, becoming responsible for an ailing or elderly adult, or falling home prices would have an extremely or very negative impact on their families' financial well-being.
- Seven in ten adults say life insurance is something they would not do without, reflecting the proportion of adults who say they have life insurance (71%). However, nearly nine in ten say that someone in their situation *should* have life insurance.
 - Almost a quarter (22%) of those who believe that someone like them should have life insurance do not have any.
 - Many of those who do not think they need life insurance say they already have enough saved or that they do not have any beneficiaries.
- Life insurance is most widely associated with money for loved ones and for covering funeral costs when one dies.

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- Contacting an agent – either through a referral from a friend or family member, calling directly, or using the Yellow pages – are the top three things that adults say they would do first if they were interested in obtaining life insurance.
 - Some of the most important factors when purchasing life insurance are using an agent one can trust who clearly answers all questions and being treated like a valued customer. Assurance that one is getting a good value is also a top factor.
 - When deciding how much life insurance is needed, Americans most often turn to their insurance agent or financial advisor, their friends or family, or just choose the standard option offered by their employer.
 - Among those who have life insurance, 67% purchased some through an insurance company or agent, nearly as many (66%) get their insurance through their employer or union, and nearly half (46%) purchased some through a group or association of which they are a member.
 - Among those who get life insurance through an employer or a union, 46% say it is paid in full by the employer or union, 28 % pay for it themselves and 26% say that both they and their employer or union pays for some of it.
 - Among those who purchased life insurance through an agent or company, 56% have a permanent policy and 55% have a term policy.

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- Among those who purchased life insurance through an agent or company, 52% asked for a certain type when they went to purchase it while 44% only asked for life insurance in general.
 - Americans tend to find electronics easier to figure out than financial matters. More say they find life insurance policies difficult to figure out (41%) than say so of DVD recorders (23%) and cell phone plans (35%).
 - Talking about life insurance with an agent is challenging for most Americans, as just 17% would choose this over other potentially uncomfortable situations, including bungee jumping, having a performance review at work and taking out a mortgage.
 - Fitting general perceptions of life insurance, majorities say that they would need their funeral costs, a year or two of household expenses, and their children's future education costs to be taken care of should they die suddenly.
 - Younger Americans tend look to life insurance for taking care of a wider range of needs compared with older Americans, including funeral costs, children's future education costs, and several years of household expenses

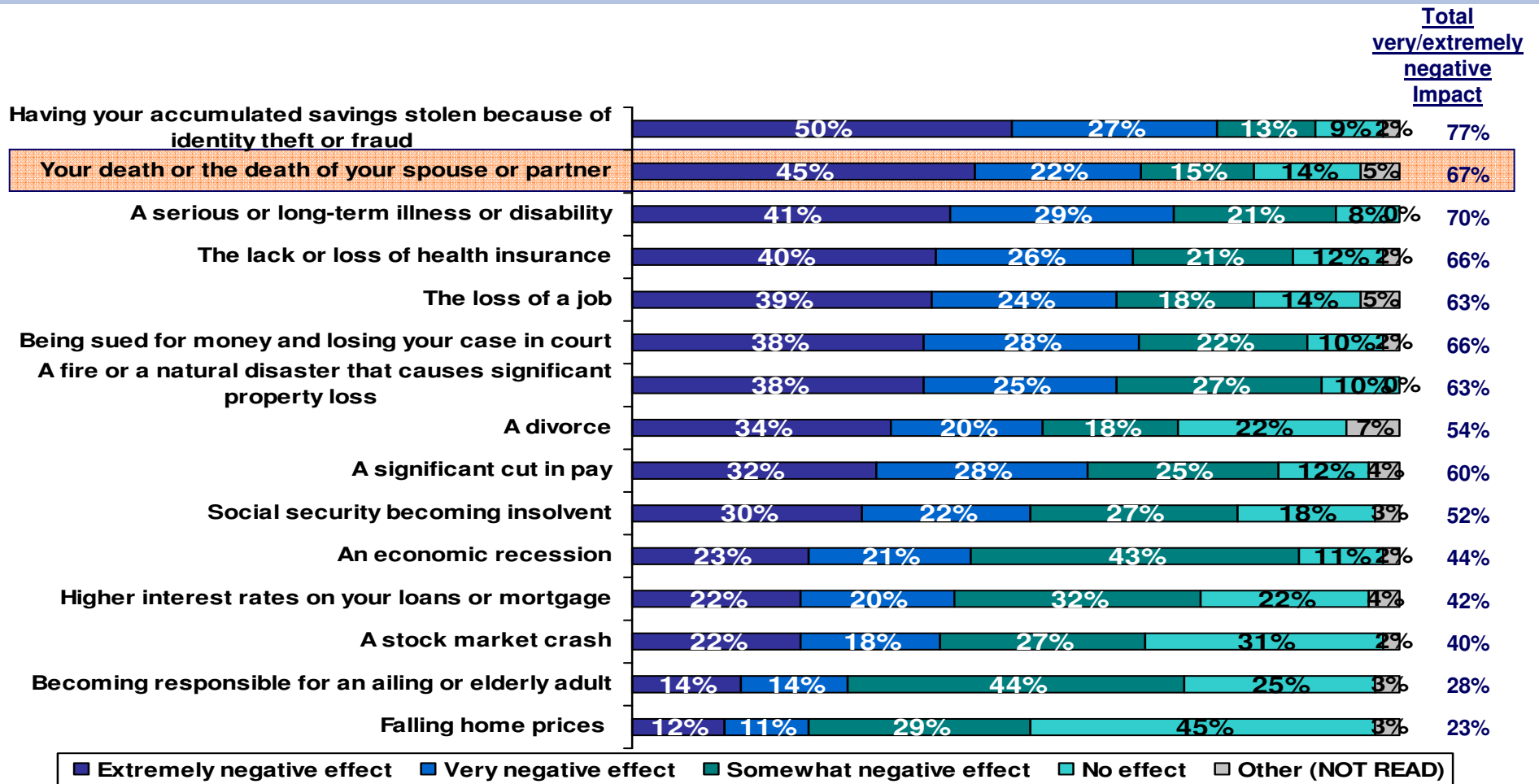
Perceptions of Financial Health

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45% of Americans say that their death or the death of their spouse or partner would have an extremely negative effect on their family's financial health and future, second only to identity theft.

Asked in January 2008



2. I am going to mention to you various hypothetical situations or events. For each one of them, please tell me whether it would have a very negative effect, a somewhat negative effect or no effect at all on your family's financial health and financial future if you were to face it?

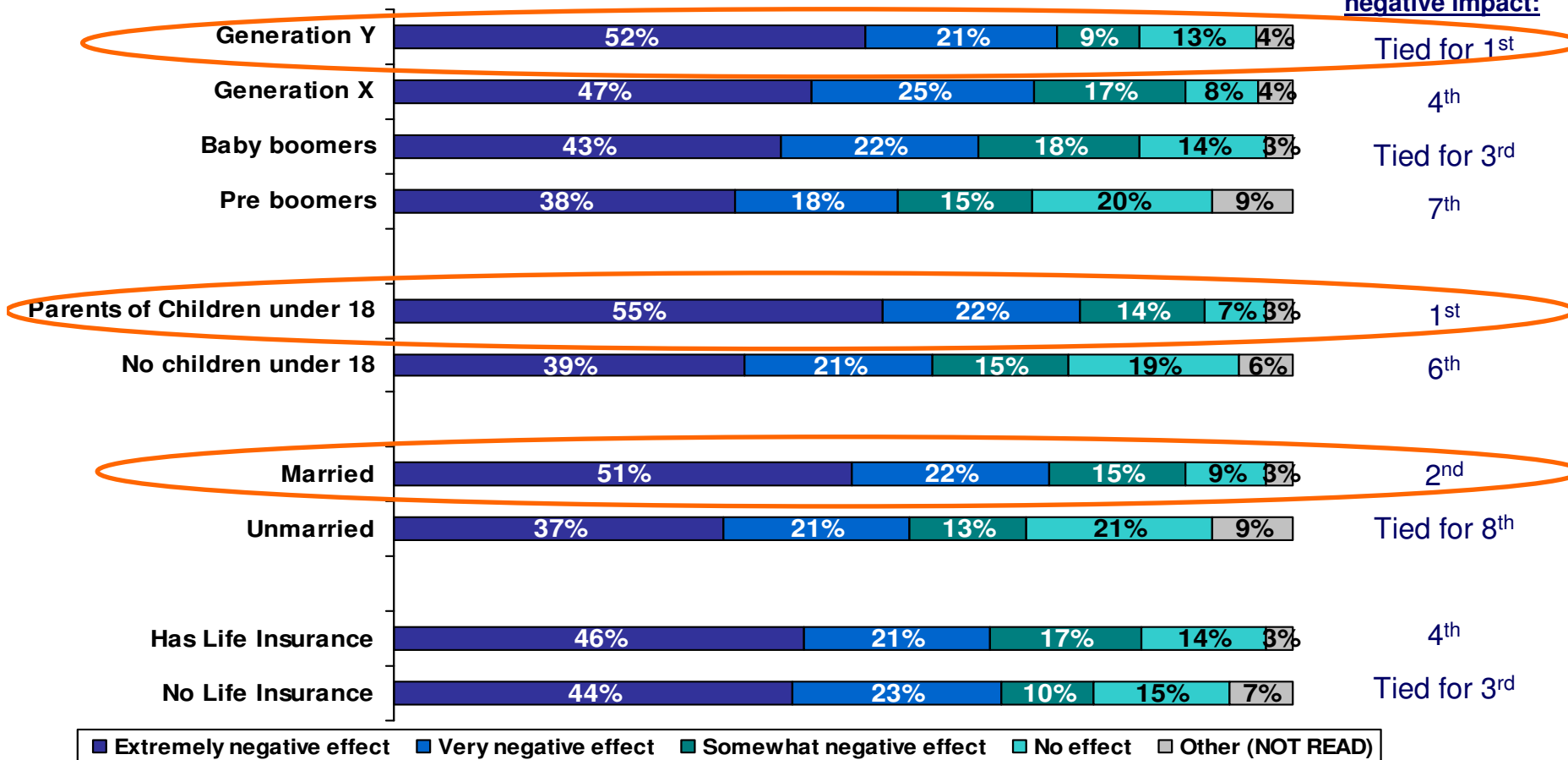
Base: All adults (national sample) n=1,006



One's death or the death of a spouse or partner is more likely to have a negative financial impact of younger Americans and parents. Those with life insurance are slightly more likely than those without life insurance to think it would have a negative impact.

Asked in January 2008

Rank among 15 situations as having an extremely or very negative impact:



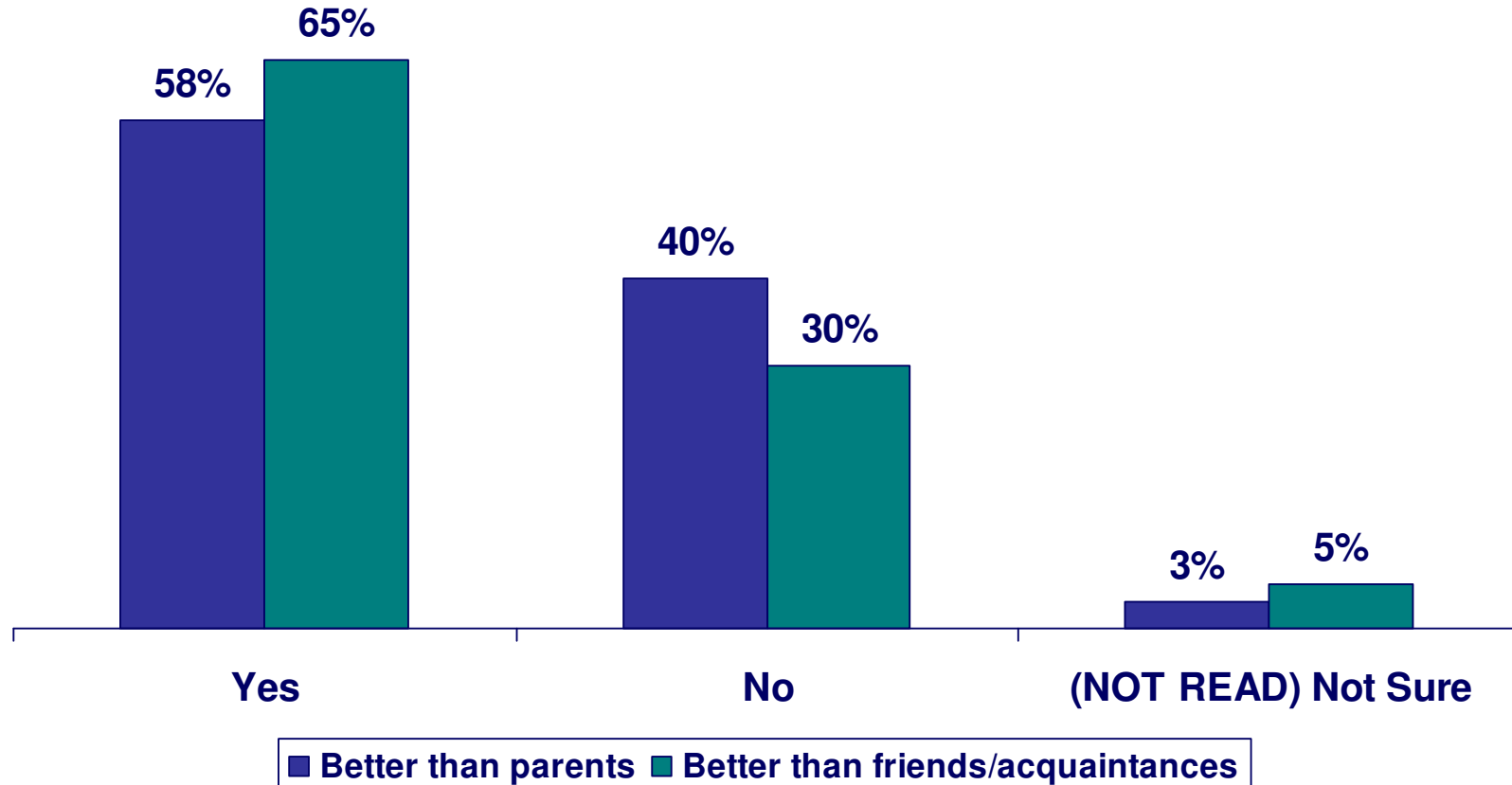
2. I am going to mention to you various hypothetical situations or events. For each one of them, please tell me whether it would have a very negative effect, a somewhat negative effect or no effect at all on your family's financial health and financial future if you were to face it?

Base: All adults (national sample) n=1,004



A majority of Americans think that they do a better job saving and protecting their money than their friends and their parents.

Asked in January 2008



3. In general, do you think you do a better job saving and protecting your money than your parents do or did?

4. In general, do you think you do a better job saving and protecting your money than your friends and acquaintances do?

Base: All adults (national sample) n=1,006



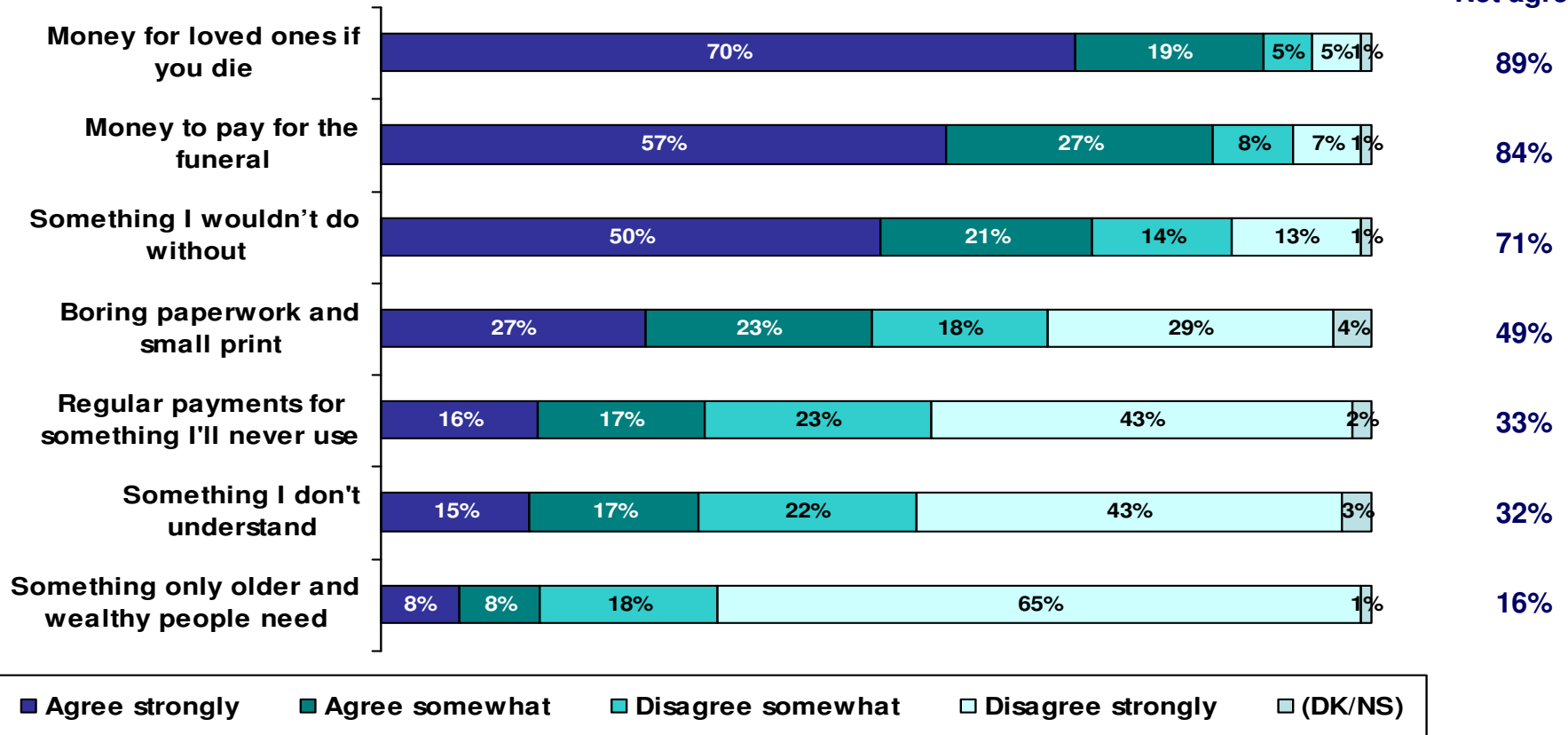
Perceptions of and Need for Life Insurance

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Nine in ten Americans agree that life insurance is “money for loved ones if you die.” Seven in ten agree that it is “something they would not do without.”

Net agree:

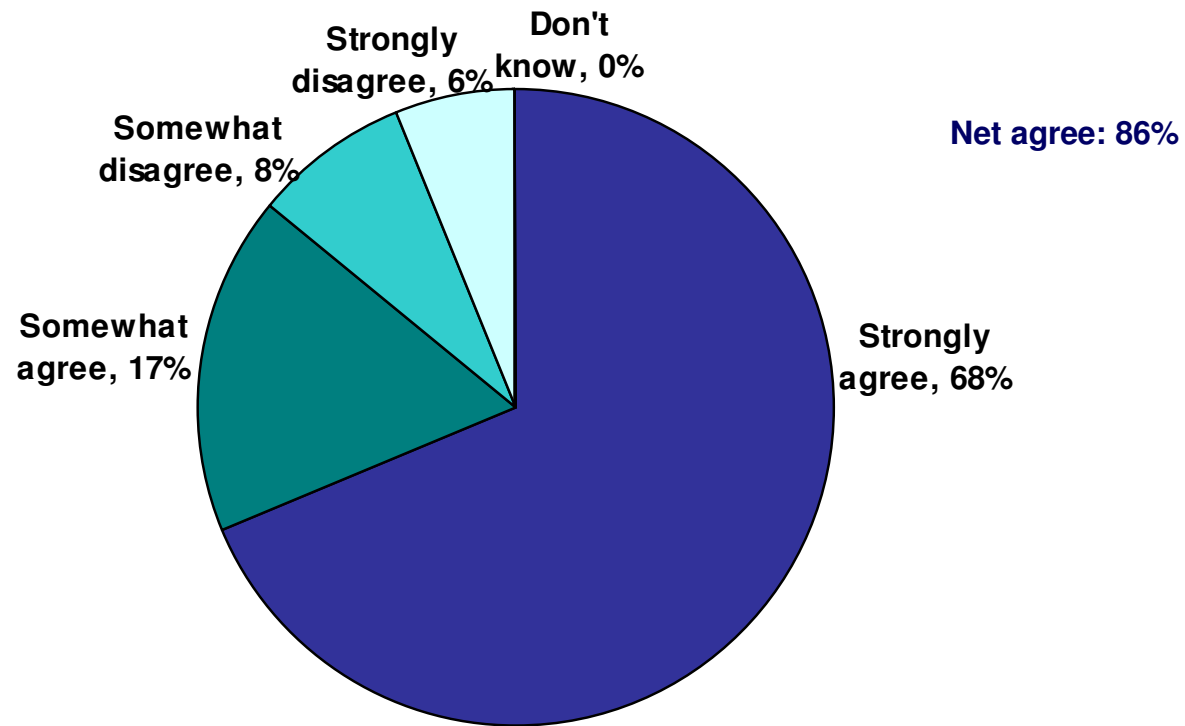


1. Life insurance brings to mind different things to different people. So, tell me if you agree or disagree if the following phrases apply to the words "life insurance." How about...

Base: All adults (national sample) n=1,004



Over two thirds strongly agree that a person in their current or family situation should have life insurance.



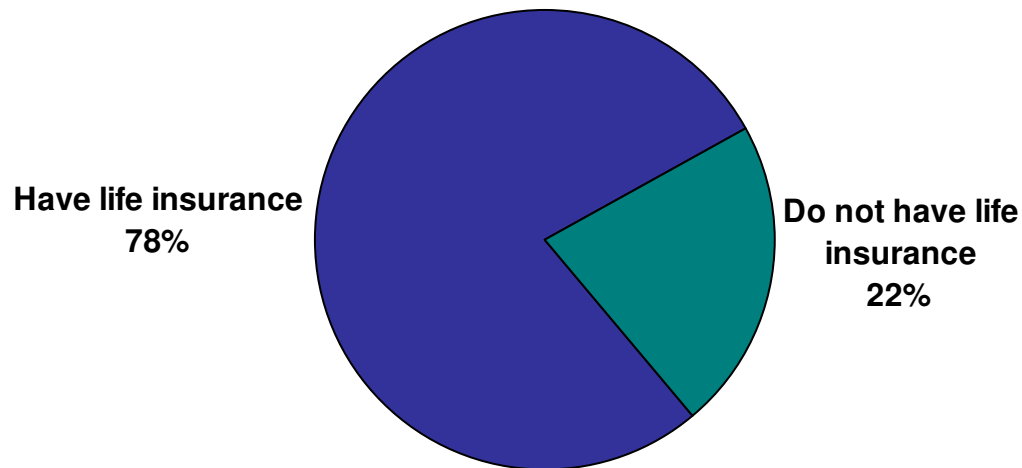
2. Thinking about your current or family circumstances, how much do you agree or disagree that a person in your situation should have life insurance?

Base: All adults (national sample) n=1,004



Nearly a quarter of those who agree that someone like them should have life insurance do not have any.

Among those who agree someone in their situation should have life insurance:

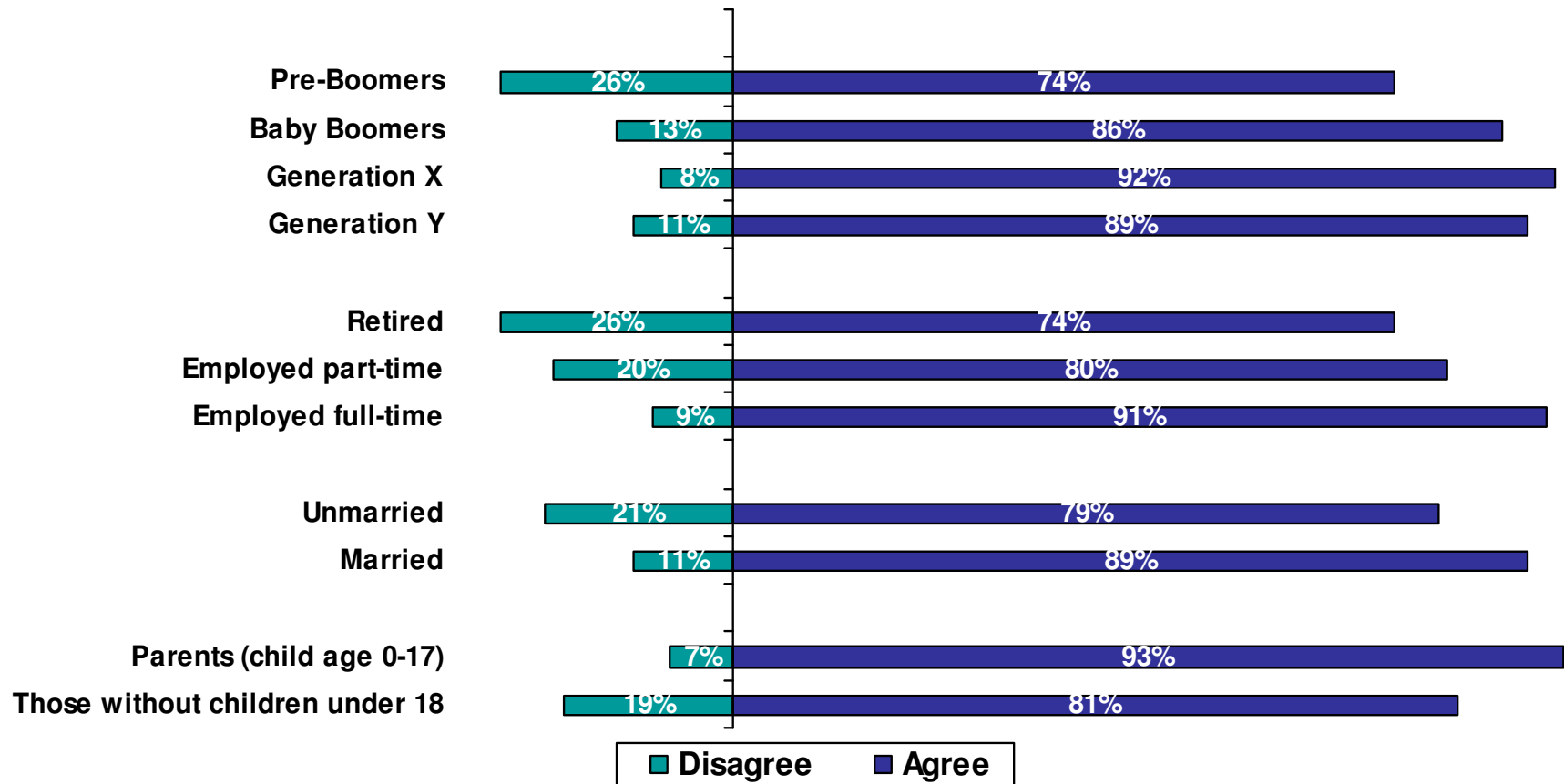


- 2. Thinking about your current or family circumstances, how much do you agree or disagree that a person in your situation should have life insurance?
- 5. Do you have any life insurance, whether through your employer or from an insurance company/agent?

Base: All adults (national sample) who agree someone in their situation should have life insurance n=843



Younger adults, full-time workers, parents and spouses are most likely to agree that someone in their situation should have life insurance.

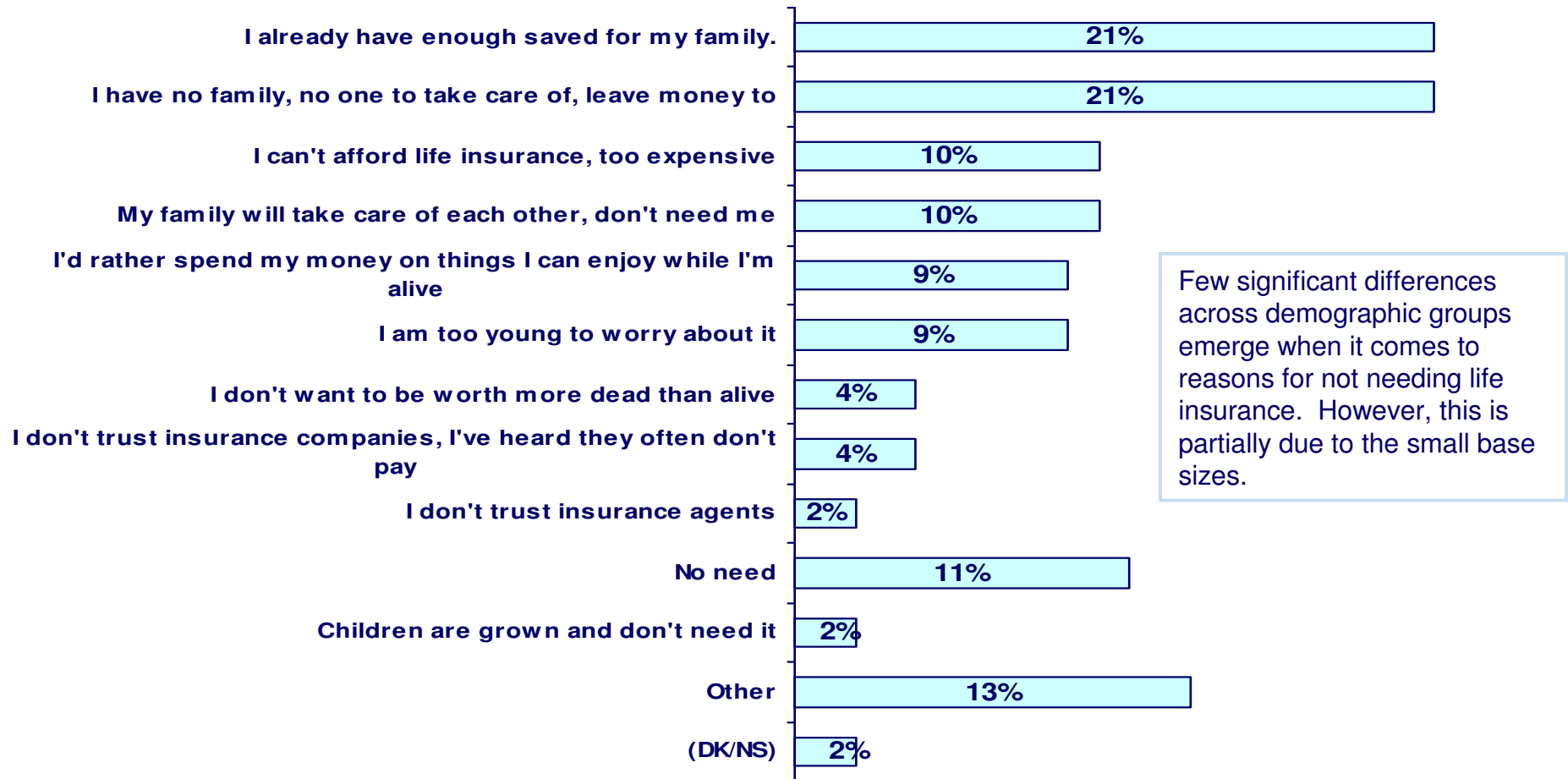


2. Thinking about your current or family circumstances, how much do you agree or disagree that a person in your situation should have life insurance?

Base: All adults (national sample) n=1,004



Already having enough saved and not having anyone to leave money to are the top reasons for not needing life insurance.

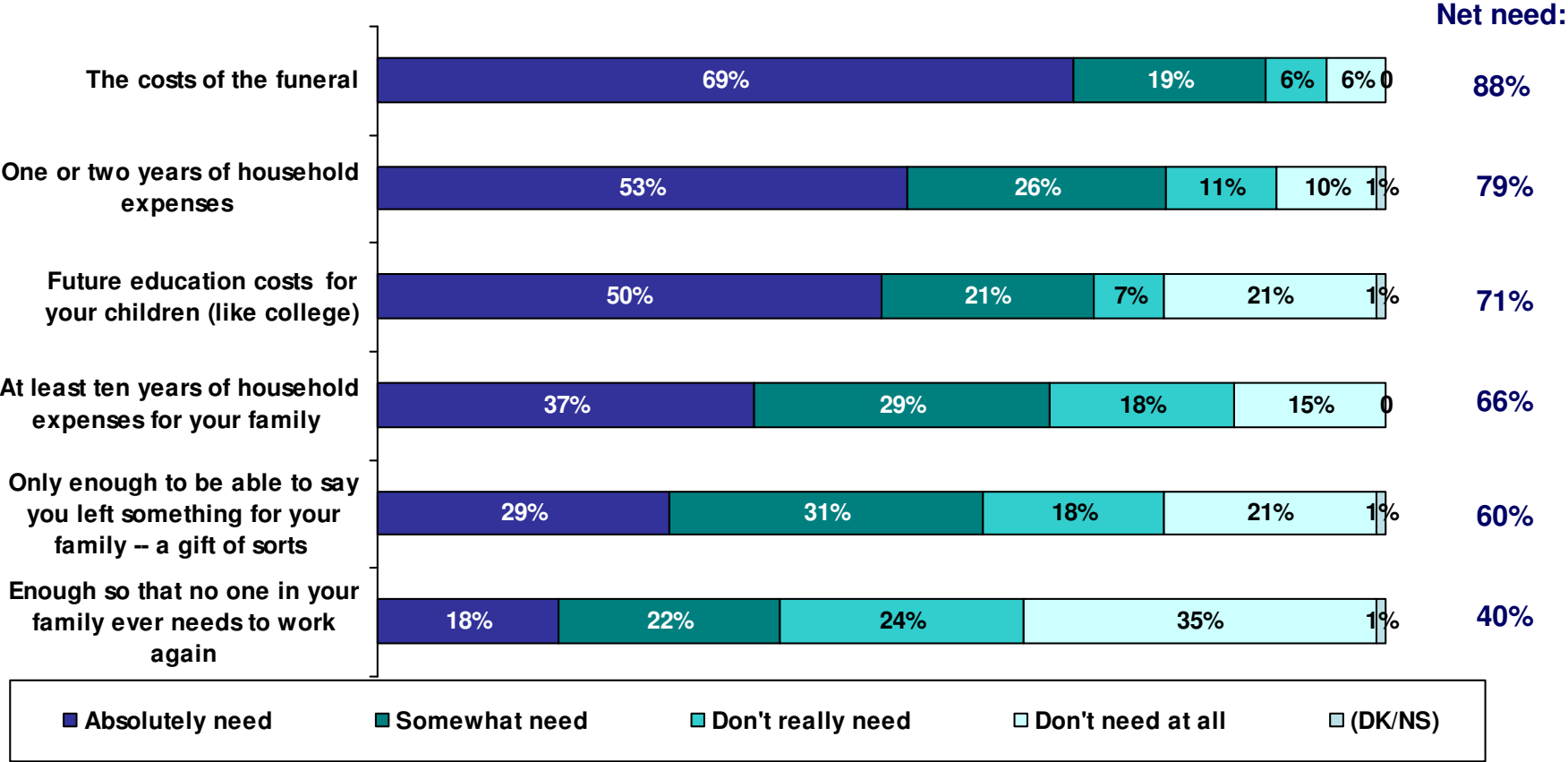


3. Why do you disagree that someone in your current or family circumstances should have life insurance?

Base: All adults (national sample) who disagree someone in their situation should have life insurance in Q2 n=157



Funeral costs, household expenses and children’s education are the top reasons for needing life insurance.

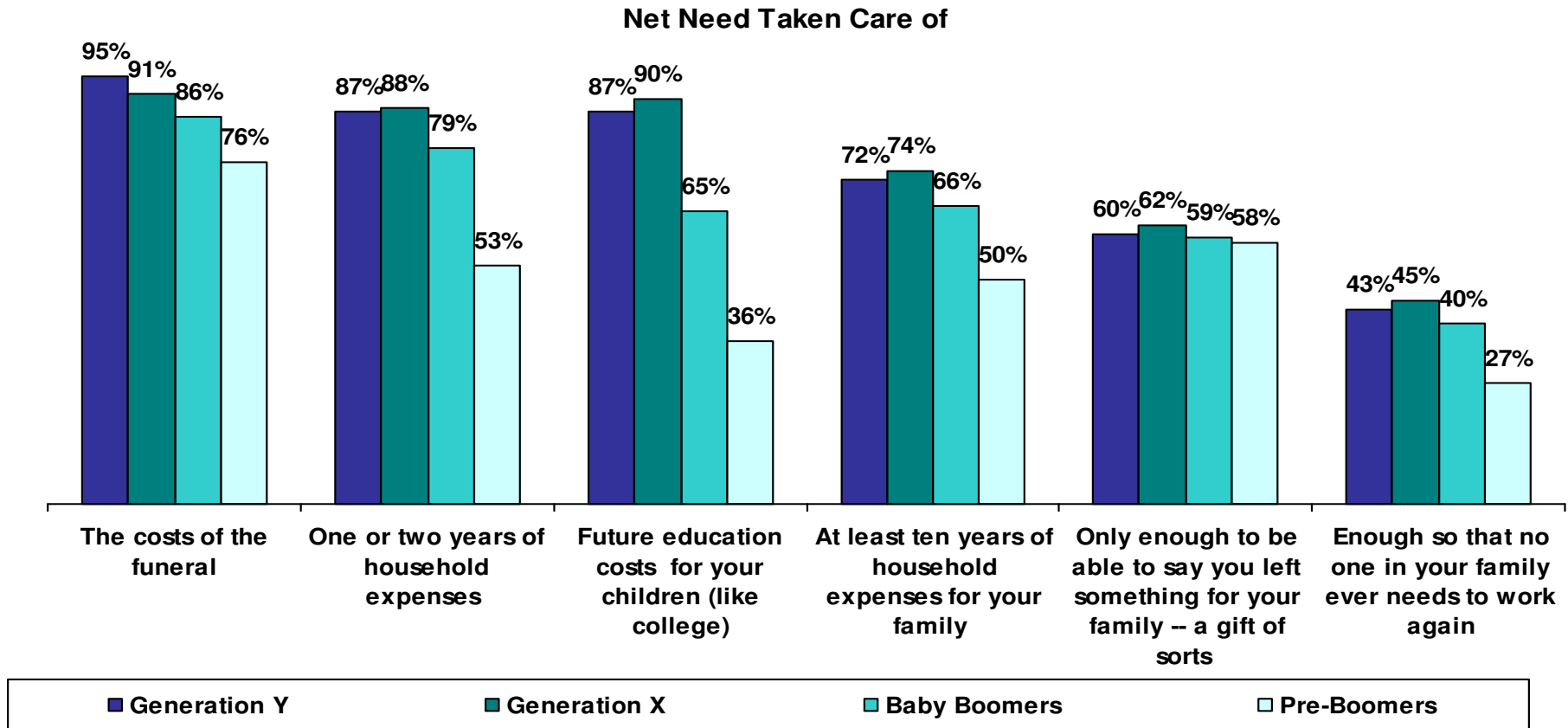


4. Thinking about your own circumstances, I'm going to read you a list of things that a life insurance policy could pay for if you die suddenly and I want you to tell me if you absolutely need to have this thing taken care of, somewhat need this taken care of, don't really need to have this taken care of or don't need to have this taken care of at all?

Base: All adults (national sample) who agree someone in their situation should have life insurance in Q2 n=843



Gen Y'ers and Gen X'ers are more likely than Boomers, and especially Pre-Boomers, to have a variety of needs that life insurance would take care of.



4. Thinking about your own circumstances, I'm going to read you a list of things that a life insurance policy could pay for if you die suddenly and I want you to tell me if you absolutely need to have this thing taken care of, somewhat need this taken care of, don't really need to have this taken care of or don't need to have this taken care of at all?

Base: All adults (national sample) who agree someone in their situation should have life insurance in Q2 n=843

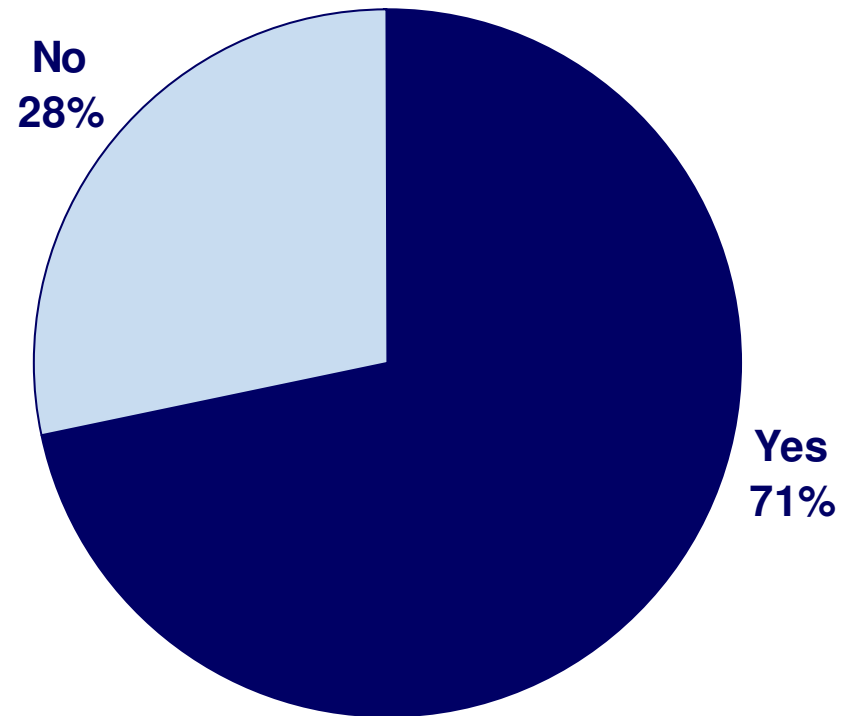


Who Has Life Insurance?

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Seven in ten adults report having life insurance.

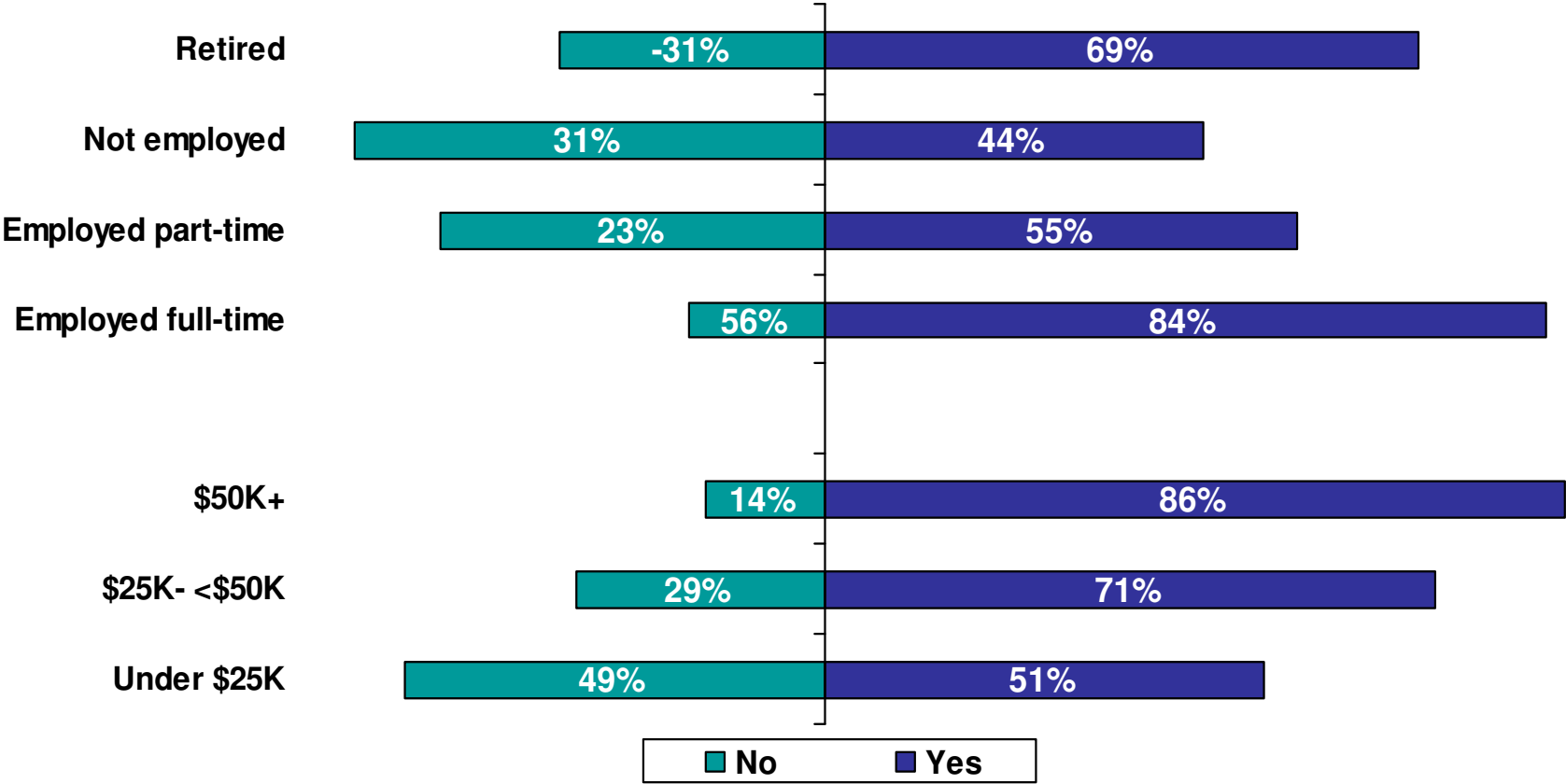


5. Do you have any life insurance, whether through your employer or from an insurance company/agent?

Base: All adults (national sample) n=1,004



Upper income Americans, full-time workers and retirees are among those most likely to have life insurance, while the unemployed and those with a household income of under \$25,000 are among the least likely.

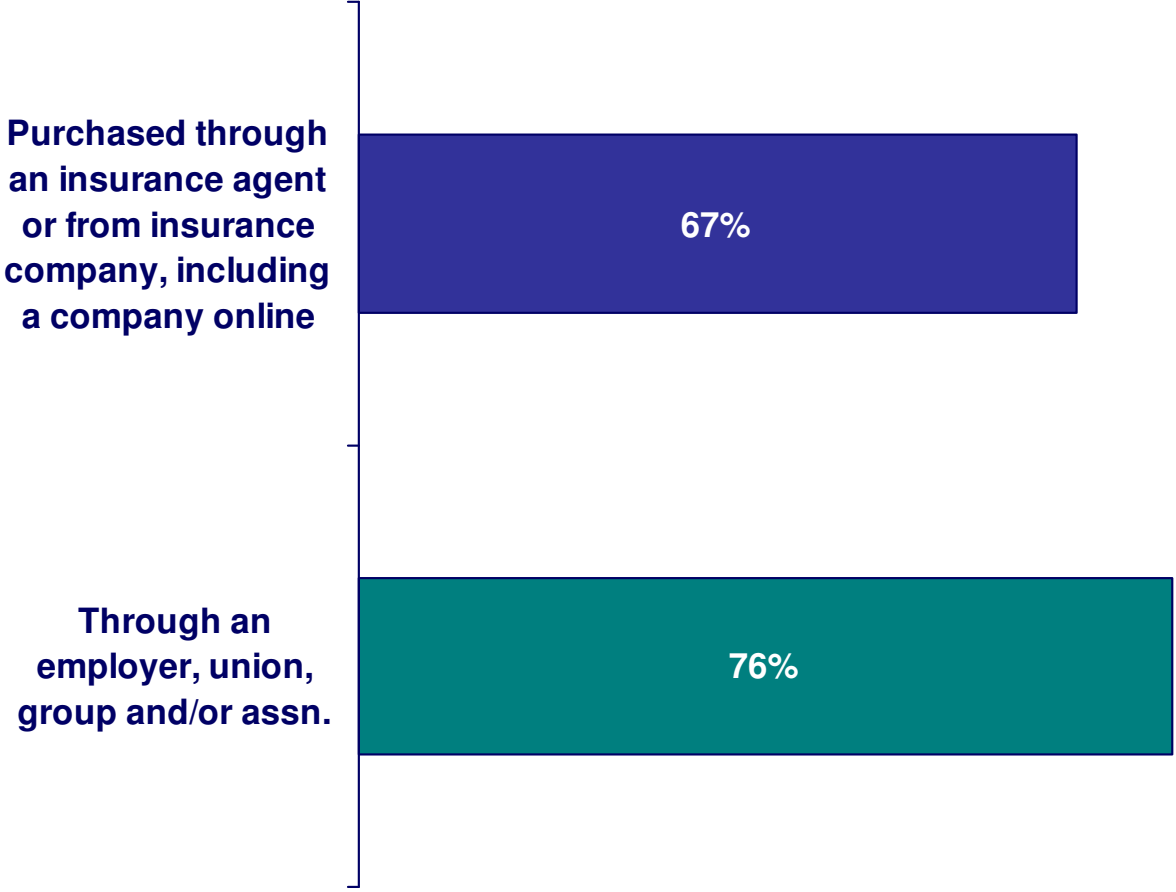


5. Do you have any life insurance, whether through your employer or from an insurance company/agent?

Base: All adults (national sample) n=1,004



Two in three report obtaining their life insurance through an insurance agency or company. Three in four report obtaining life insurance through an employer or union.

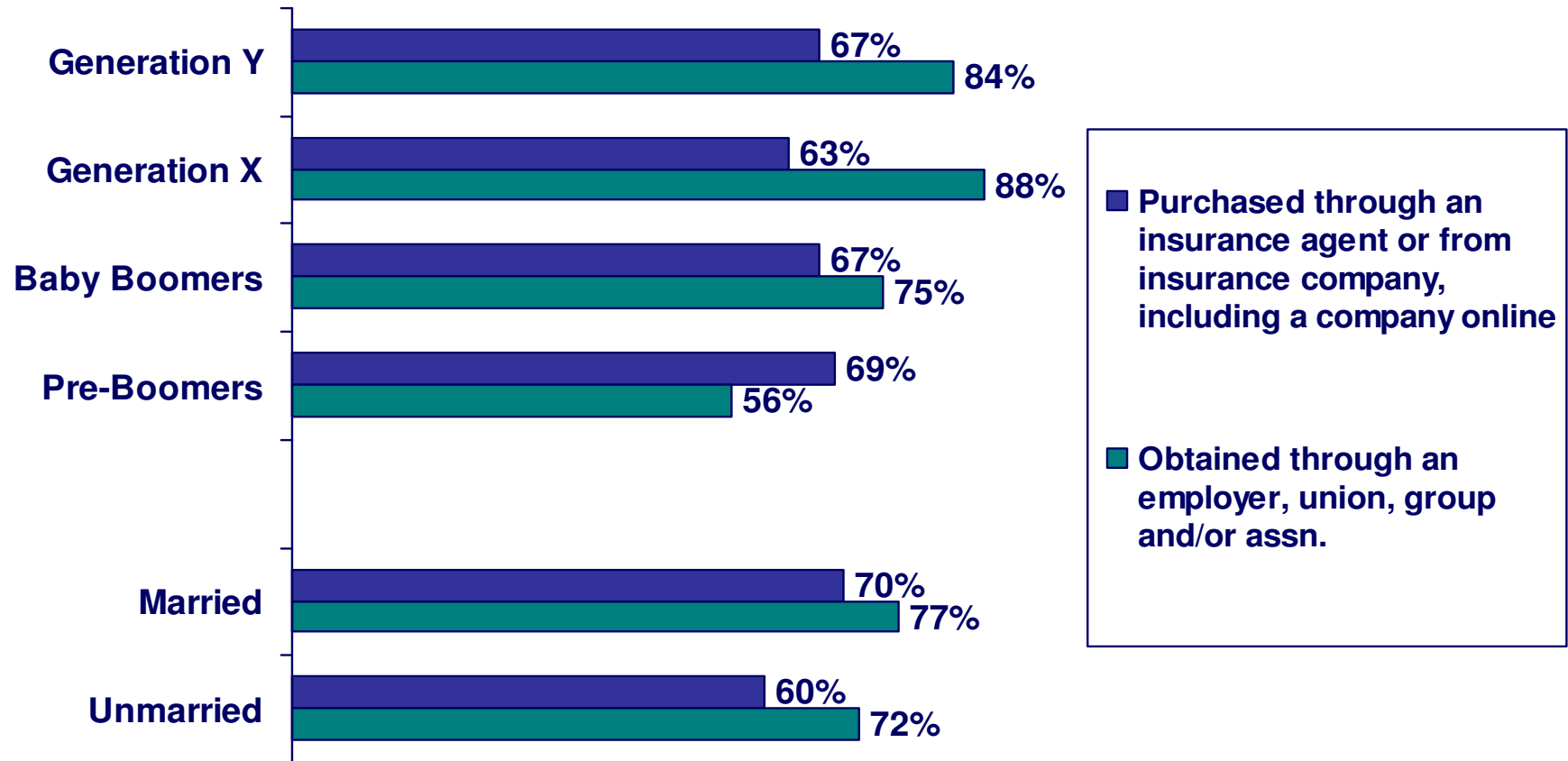


6. Do you have your life insurance...

Base: All adults (national sample) who have life insurance n=754



Gen X policyholders are more likely than others to get their life insurance through work and less likely (along with those who are unmarried) to have purchased it through an agent or company.

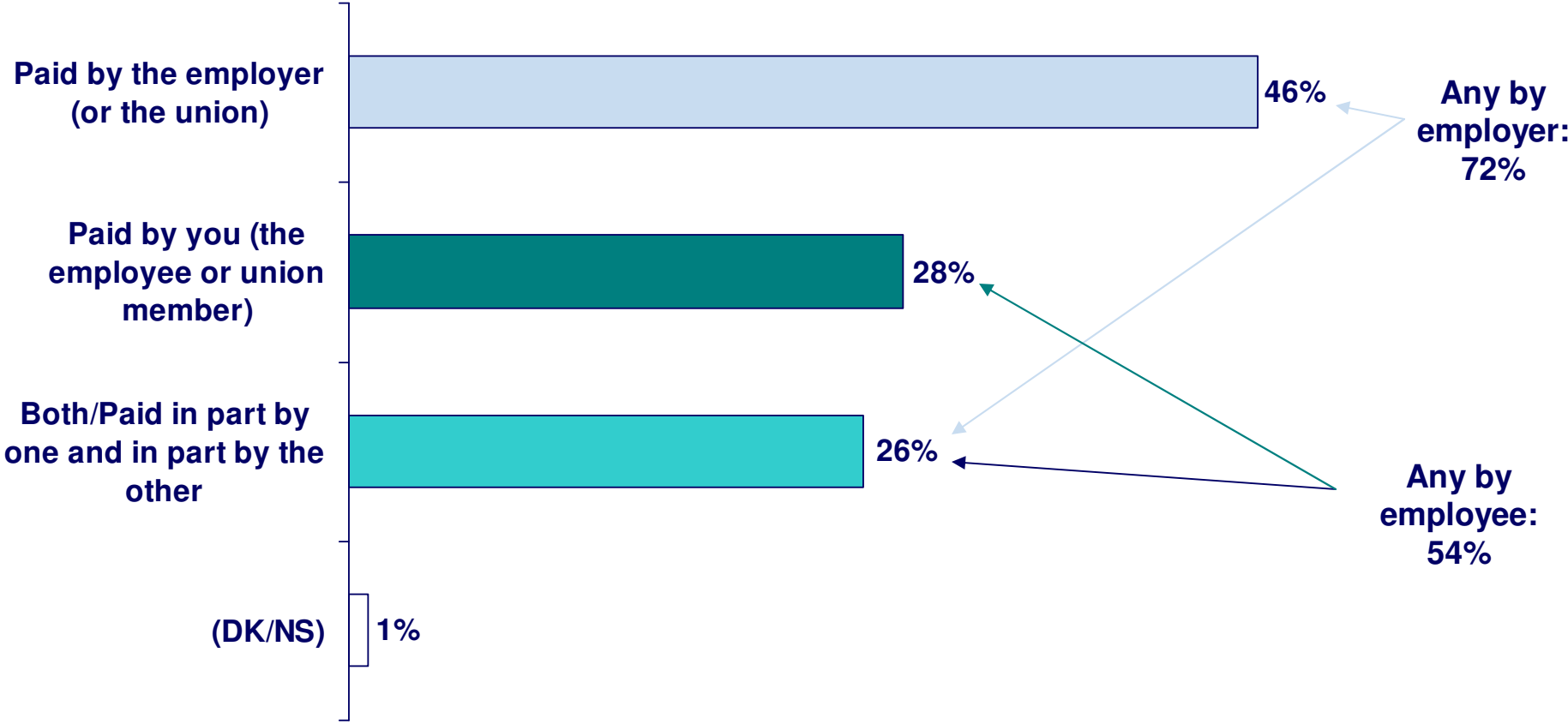


6. Do you have your life insurance...

Base: All adults (national sample) who have life insurance n=754



Among those who have life insurance through an employer or a union, nearly half say their employer or union pays for all of it, one quarter pay all of it themselves, one quarter say they pay some.

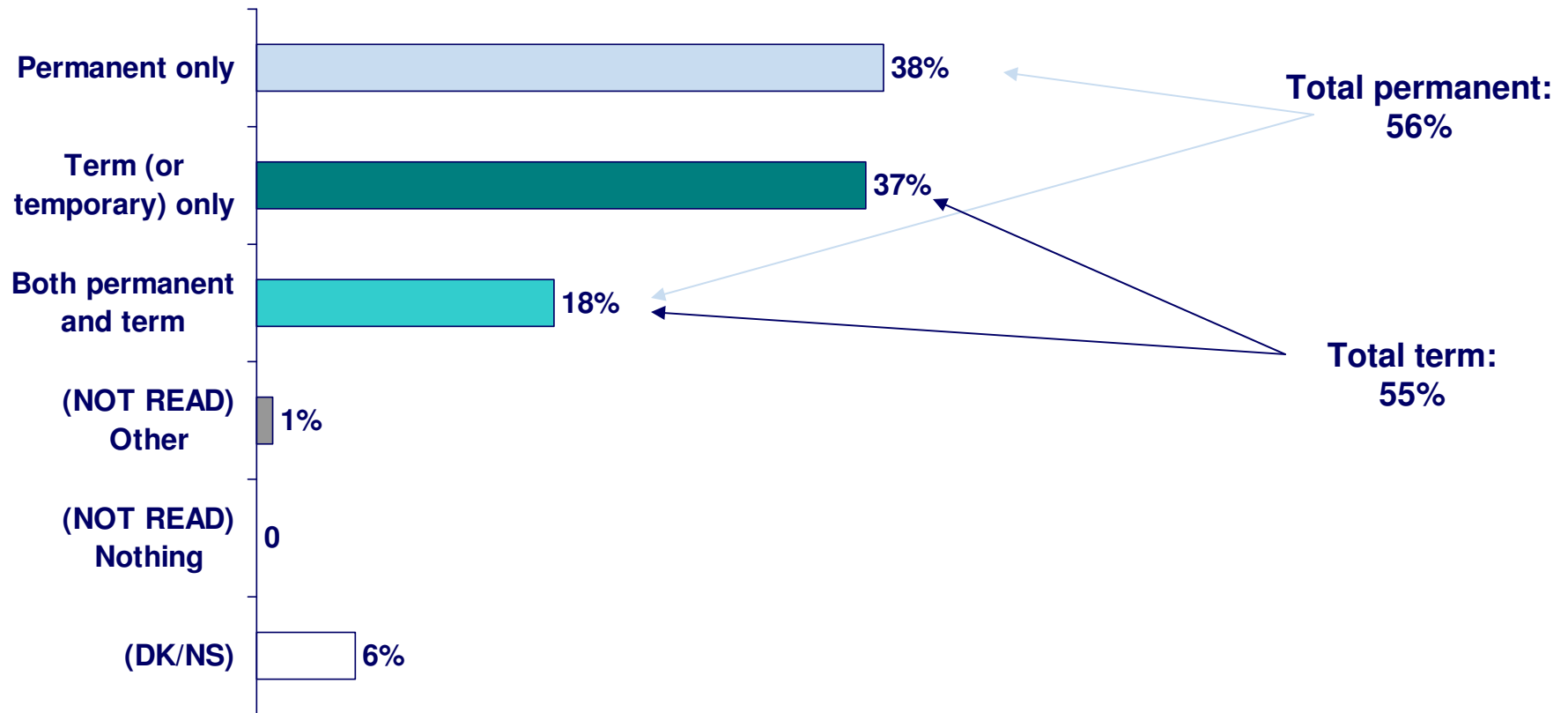


6a. Is the life insurance that you have through an employer or a union...?

Base: All adults (national sample) who have life insurance through an employer or a union
n=494



Among those who obtained life insurance through an agent or company, as many have a permanent as have a term policy. Nearly one in five report having both types.

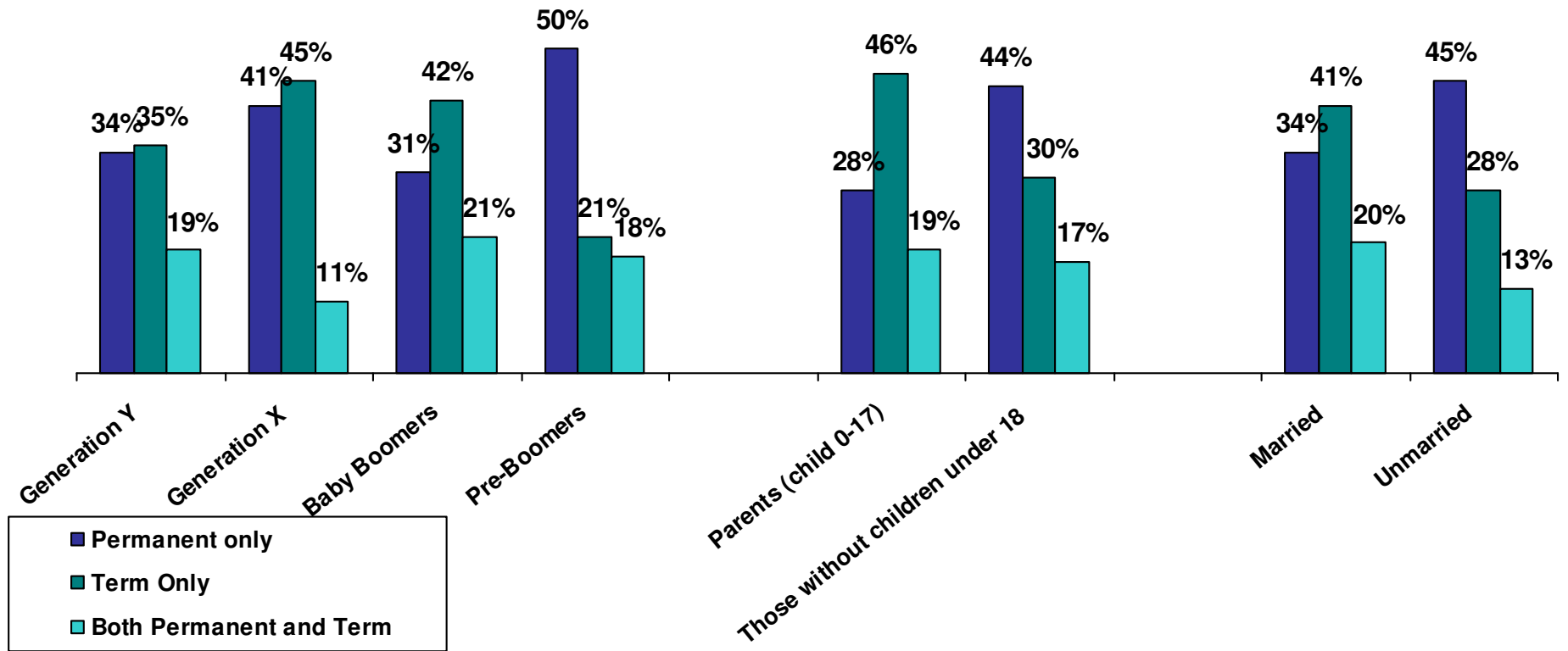


8. There are two main types of life insurance policies. One is “permanent” insurance, such as whole or universal life insurance, which builds a cash-value over time like an investment or savings account. The other is “term” insurance, which provides life insurance coverage for a certain period of time, generally, 15, 20 or 30 years, and does not have any cash value. Which kind of life insurance do you have?

Base: All adults (national sample) who have purchased their life insurance through an insurance company or agent n=513



Permanent policies are most prevalent among Pre-Boomers while Boomers, Gen X'ers and parents are those most likely to have a term policy.



8. There are two main types of life insurance policies. One is “permanent” insurance, such as whole or universal life insurance, which builds a cash-value over time like an investment or savings account. The other is “term” insurance, which provides life insurance coverage for a certain period of time, generally, 15, 20 or 30 years, and does not have any cash value. Which kind of life insurance do you have?

Base: All adults (national sample) who have purchased their life insurance through an insurance company or agent n=513

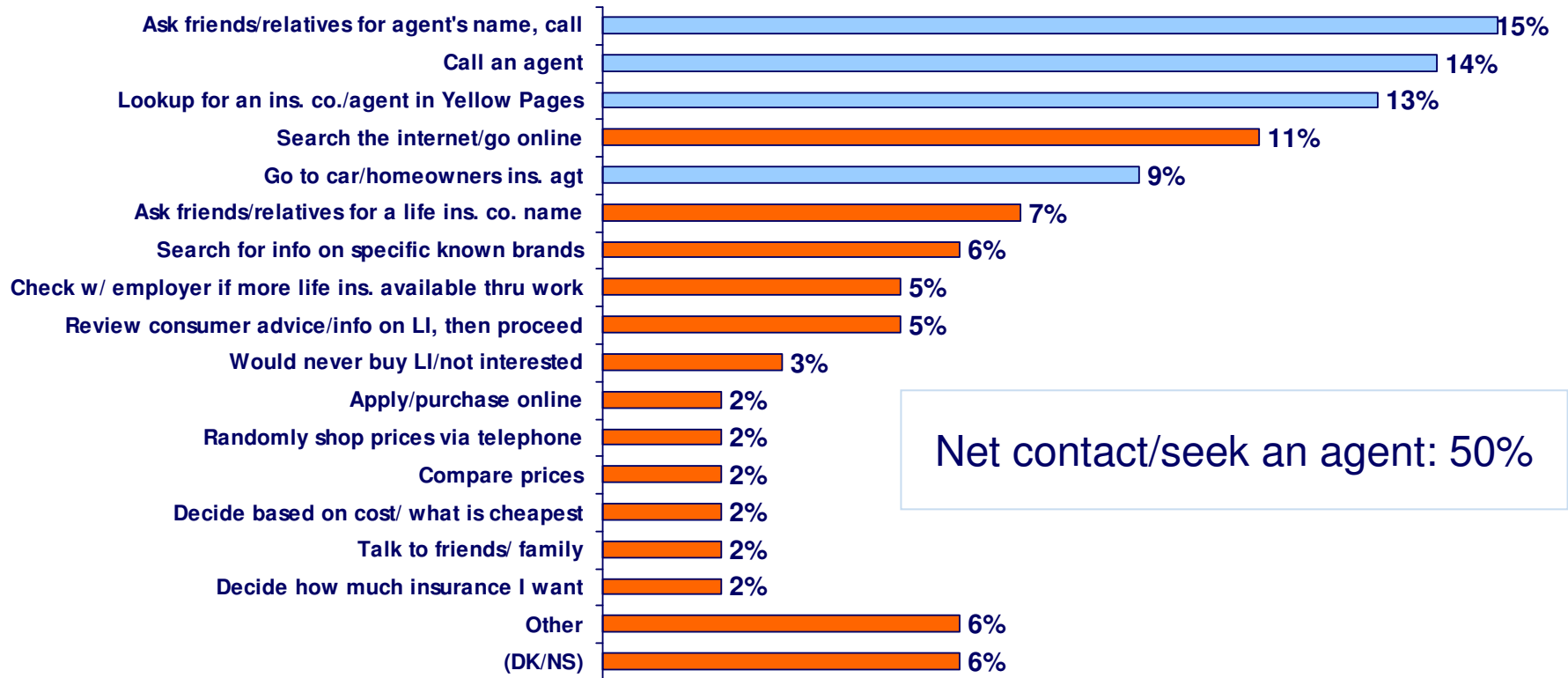


Obtaining Life Insurance

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To buy life insurance, Americans first tend to ask friends or family to refer an agent, call an agent directly, or look up an agent in the phone book or online. Altogether, one in two seek contact with an agent one way or another.



13. I realize you may or may not want or need to buy life insurance now, but let's just suppose you did. If you were interested in purchasing life insurance—or extra life insurance—what is the first thing you would do?

Base: All adults (national sample) n=1,004



Pre-boomers and Boomers are those most likely to call an agent or look in the Yellow Pages. Younger adults are those most likely to check with their employer and to go online.

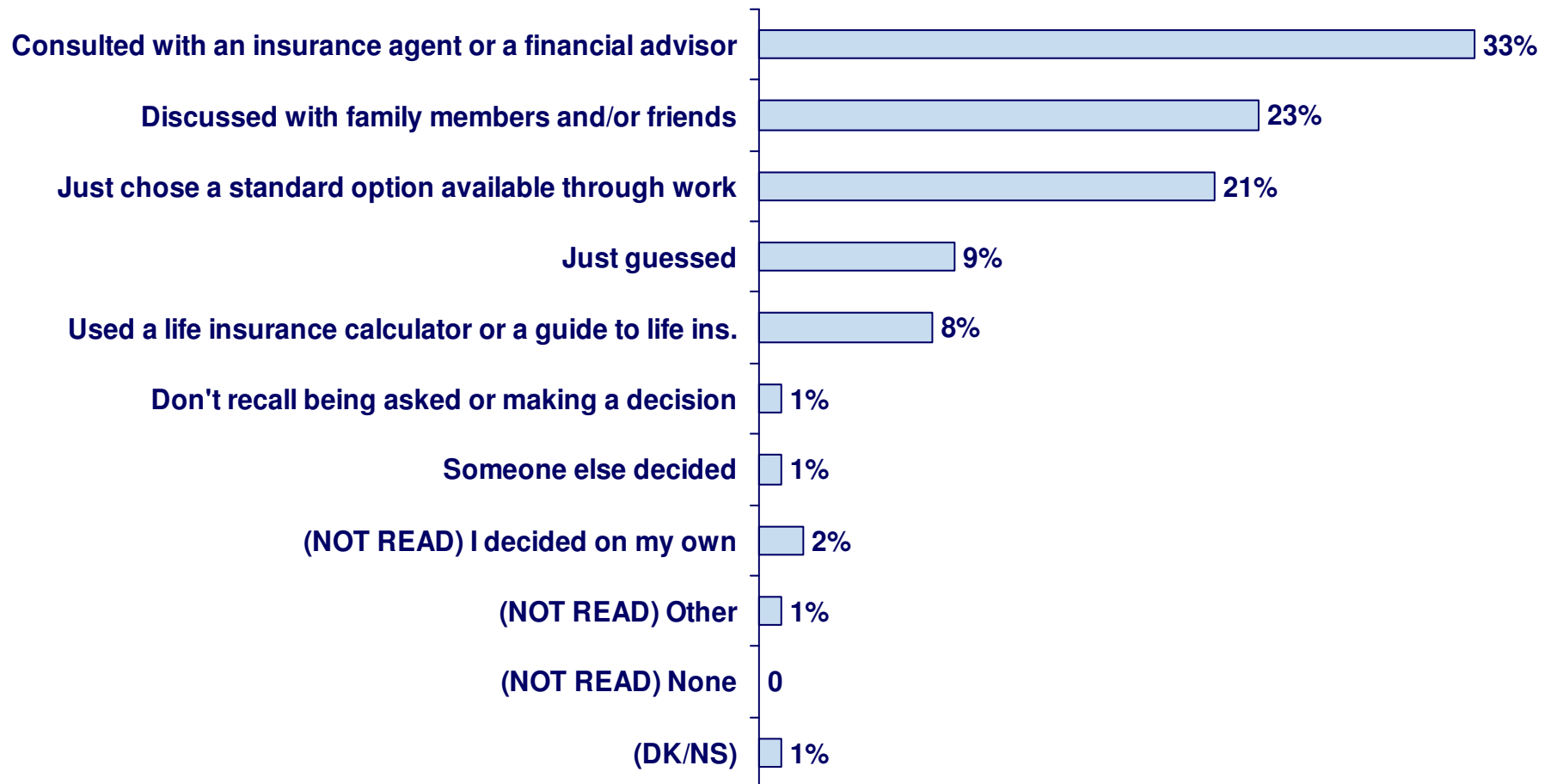
- Those in the Northeast (22%) and college graduates (19%) are more likely than others to **ask friends or relatives for an agent's name**, and then call that agent
- Those in the Midwest (21%), Pre-Boomers (19%), Baby Boomers (16%), those aged 55+ (18%) and whites (16%) are more likely than others to **call an agent directly**
- Generation Y'ers (11%), those with a household income of \$50,000 or more (8%), college graduates (9%), and those aged 18-34 (9%) are more likely than others to **check with their employer and learn whether more life insurance is available through work**
- Those aged 35 to 54 (15%), Southerners (15%), those with a household income under \$25,000 (16%), Pre-Boomers (17%) and Baby Boomers (15%) are among those more likely to **look for an insurance company or agent in the Yellow Pages**
- Generation Y'ers (11%) and Gen X'ers (9%) are tend to **ask friends or relatives for a life insurance company name** more than others
- Generation Y'ers (16%) are also more likely to **search the internet** than others
- **Not knowing what they would do** is more prevalent among those with a household income under \$25,000 (11%), those who are not employed (11%), those with a high school education or less (10%), those without life insurance (9%), in the West (10%) and in the Northeast (9%).

13. I realize you may or may not want or need to buy life insurance now, but let's just suppose you did. If you were interested in purchasing life insurance—or extra life insurance—what is the first thing you would do?

Base: All adults (national sample) n=1,004



One third of Americans who have life insurance consulted with an insurance agent or financial advisor to decide how much coverage they needed.

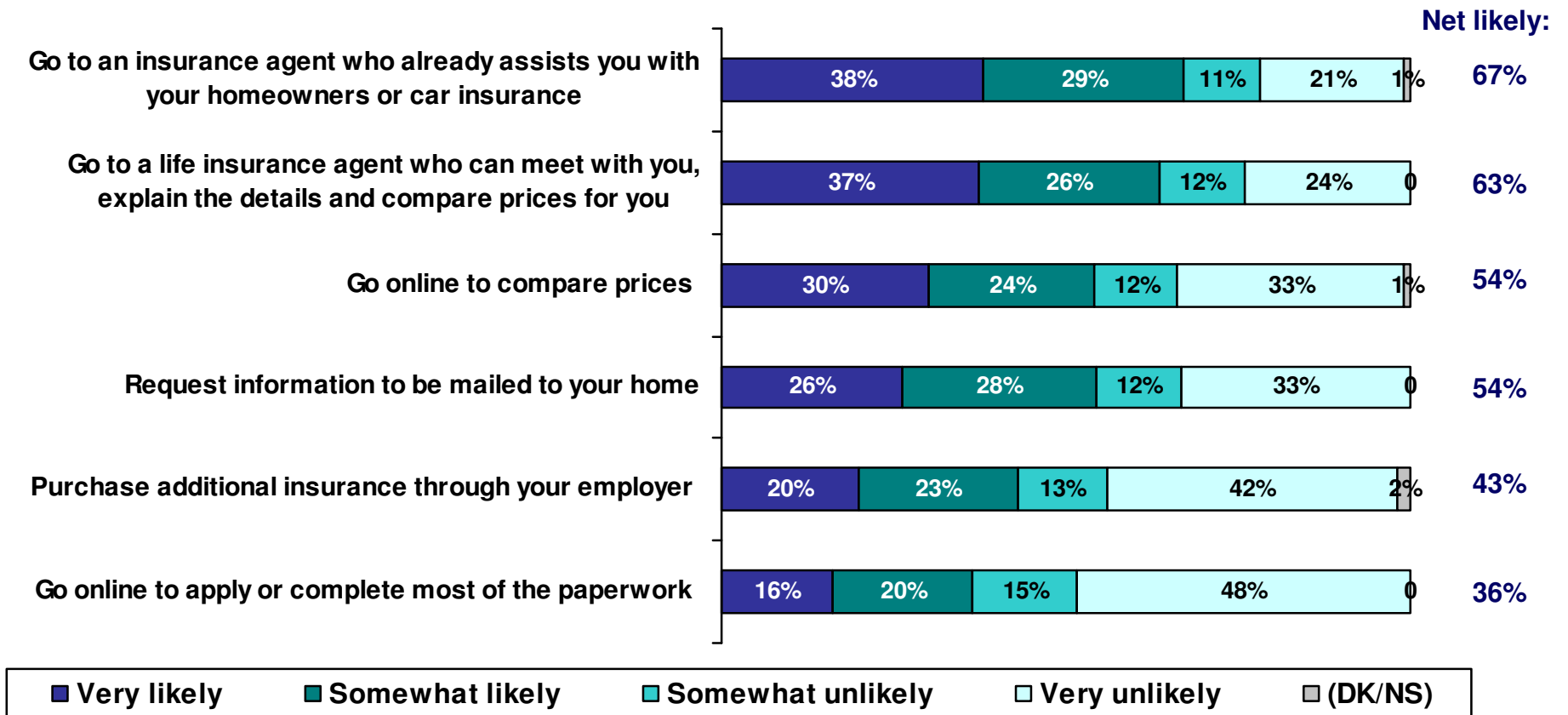


10. Generally speaking, when the time came for you to decide how much life insurance you needed, which one of the following did you rely on the most?

Base: All adults (national sample) who have life insurance n=754



The most likely way to buy life insurance is to go to one's homeowners or car insurance agent.

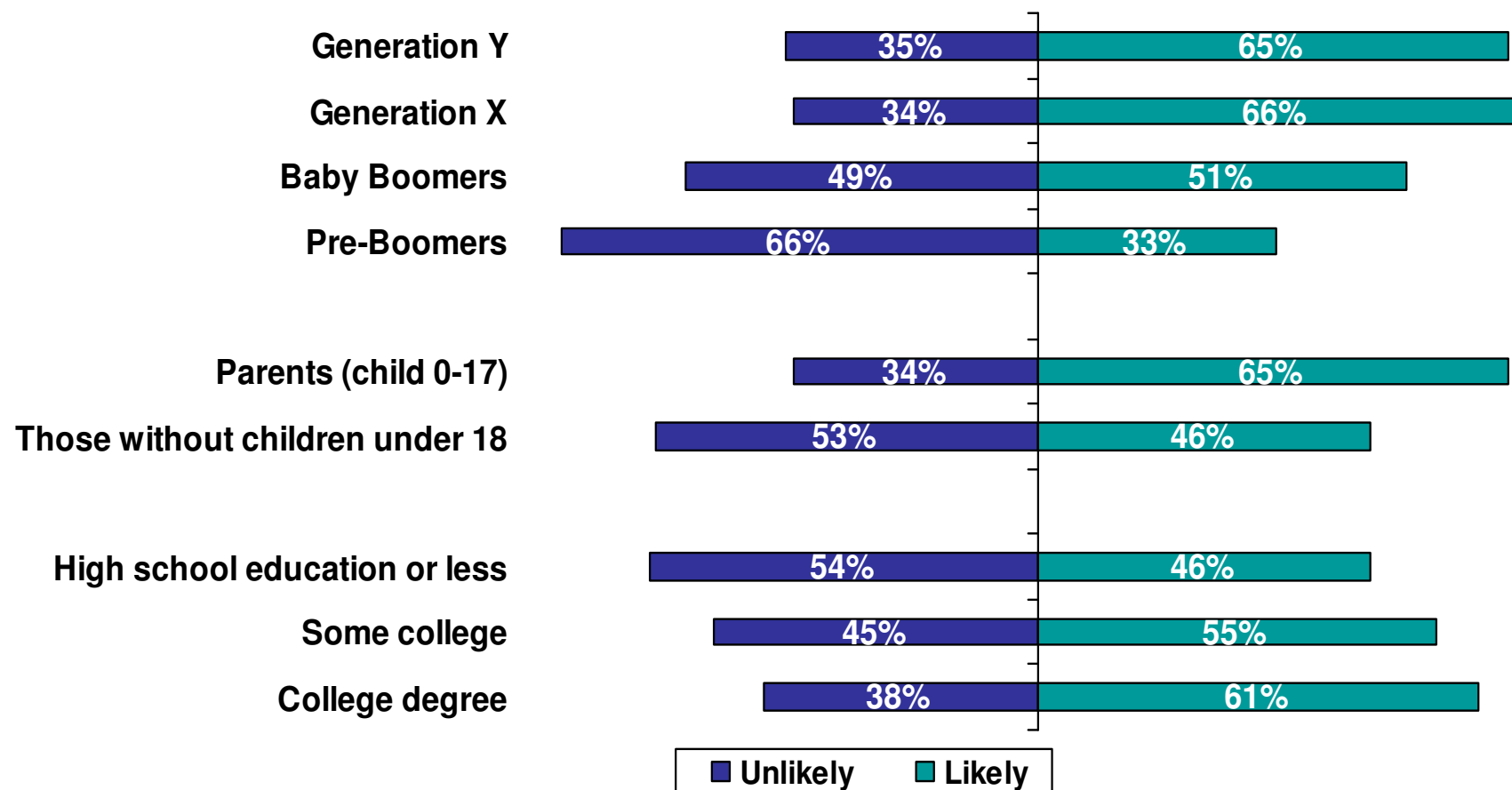


14. I am going to mention to you various ways to purchase life insurance. For each of them, please tell me how likely you would be to use it if you were purchasing life insurance this month. Would you be very likely, somewhat likely, somewhat unlikely or very unlikely to?

Base: All adults (national sample) n=1,004



Younger adults, parents and college graduates are more likely than others to go online to compare prices.

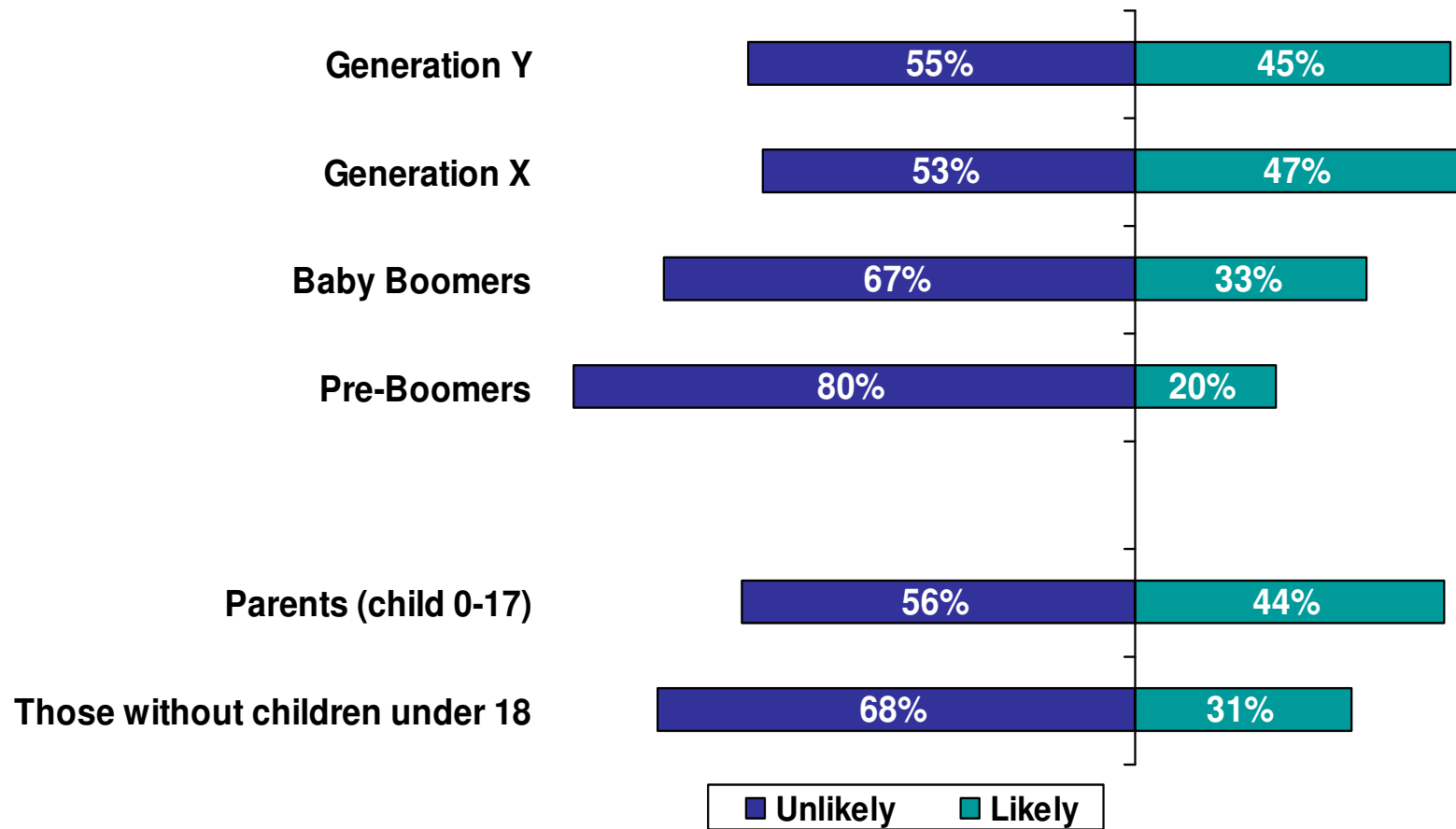


14. I am going to mention to you various ways to purchase life insurance. For each of them, please tell me how likely you would be to use it if you were purchasing life insurance this month. Would you be very likely, somewhat likely, somewhat unlikely or very unlikely to go online to compare prices?

Base: All adults (national sample) n=1,004



Nearly half of younger adults say they would be likely to go online to apply or complete most of the paperwork vs. one in three Boomers and one in five Pre-Boomers.

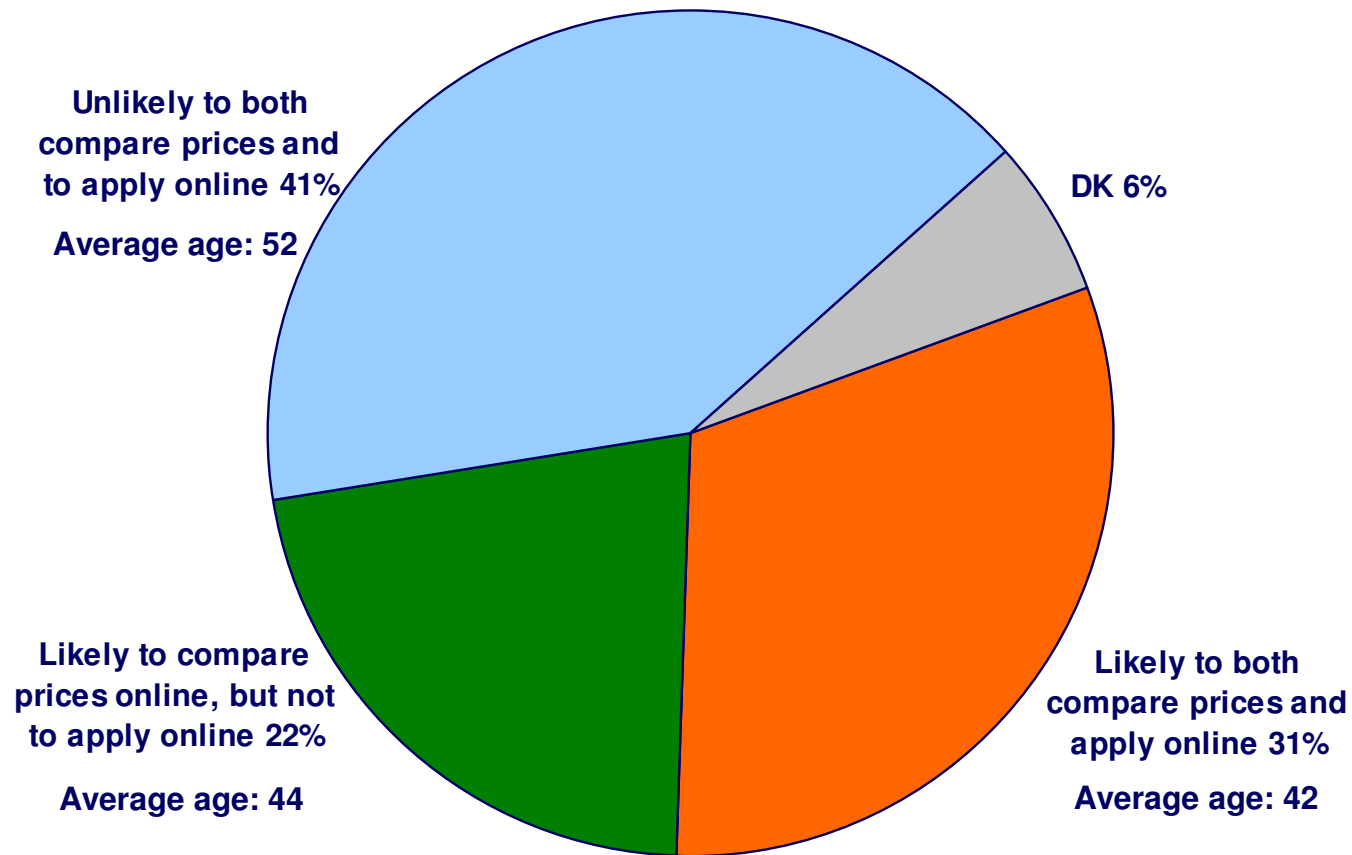


14. I am going to mention to you various ways to purchase life insurance. For each of them, please tell me how likely you would be to use it if you were purchasing life insurance this month. Would you be very likely, somewhat likely, somewhat unlikely or very unlikely to go online to compare prices?

Base: All adults (national sample) n=1,004



While 41% are unlikely to go online at all as part of the life insurance purchasing, 22% would go online to compare prices and apply offline and 31% would both compare prices and apply online. The average of the three groups ranges from 42 to 51.

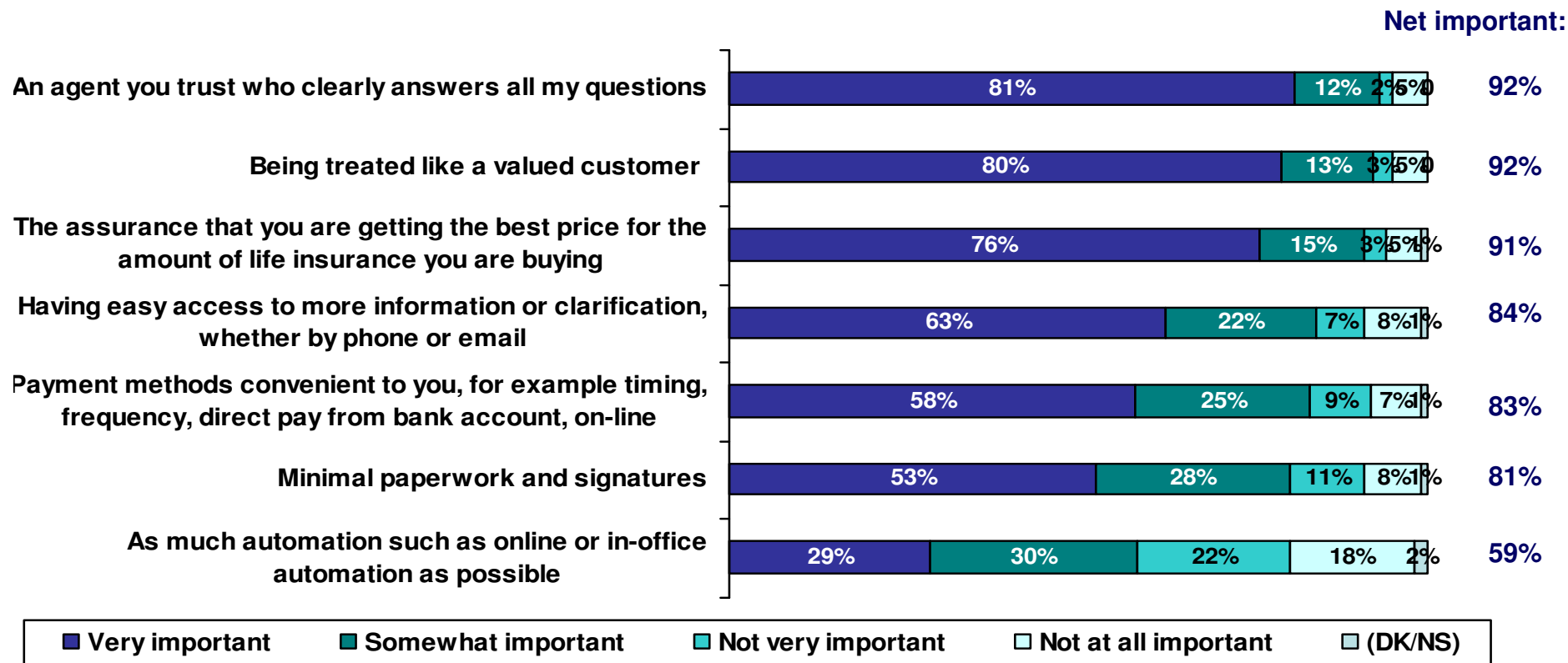


6. Do you have your life insurance...

Base: All adults (national sample) who have life insurance n=754



Having an agent they trust who answers questions clearly and being treated like a valued customer matter the most when purchasing life insurance.

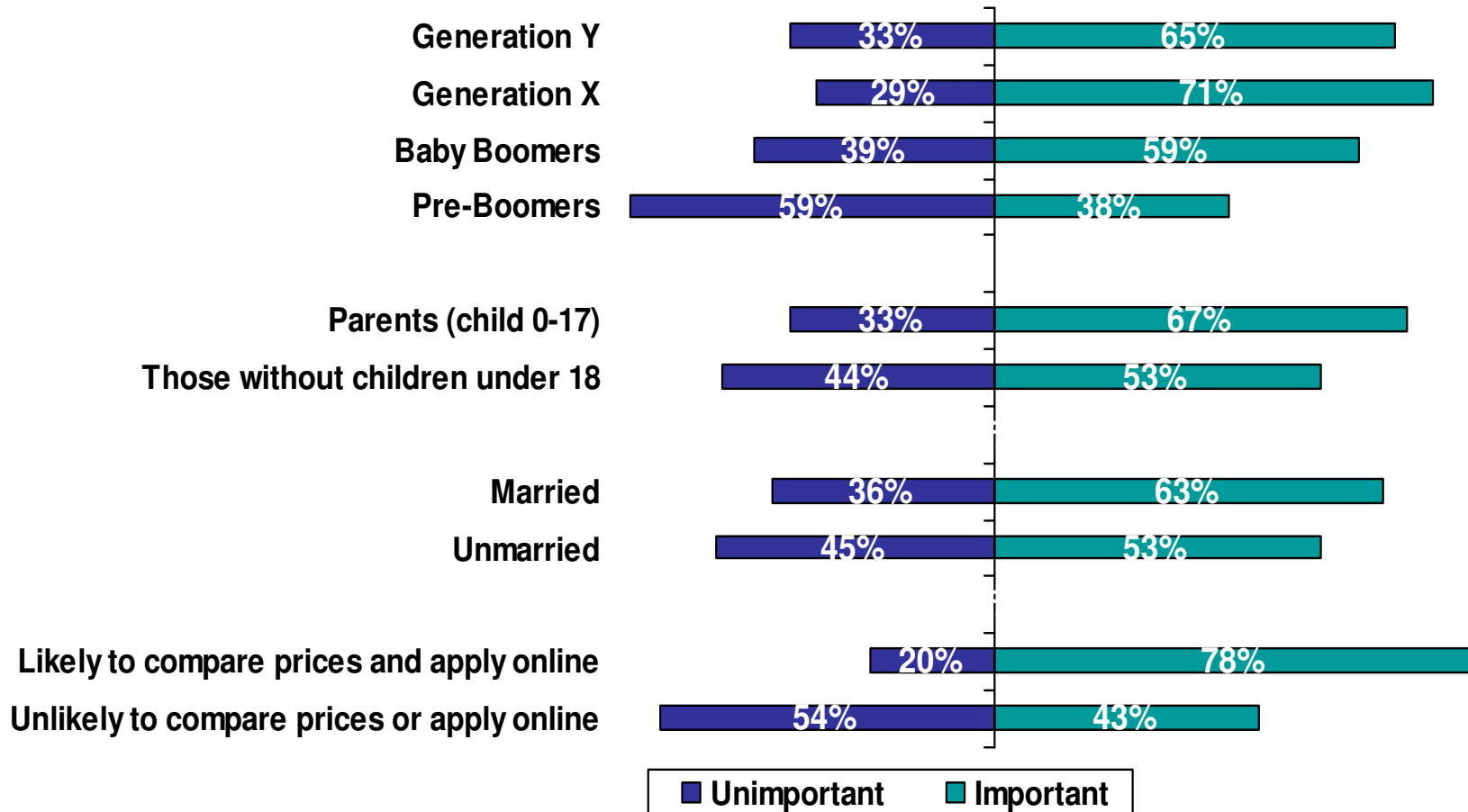


15. I am going to mention to you various characteristics that you may or may not encounter when purchasing life insurance. For each one of them, please tell me how important it would be for you in order to have the best experience when purchasing life insurance. Tell me whether it would be very important, somewhat important, not very important or not at all important.

Base: All adults (national sample) n=1,004



Younger adults tend to find automation to be more important than do Pre-Boomers. Parents of children under 18, married adults, and those who are likely to compare prices and apply online are also more likely to find automation to be important.



15. I am going to mention to you various characteristics that you may or may not encounter when purchasing life insurance. For each one of them, please tell me how important it would be for you in order to have the best experience when purchasing life insurance. Tell me whether it would be very important, somewhat important, not very important or not at all important.

Base: All adults (national sample) n=1,004

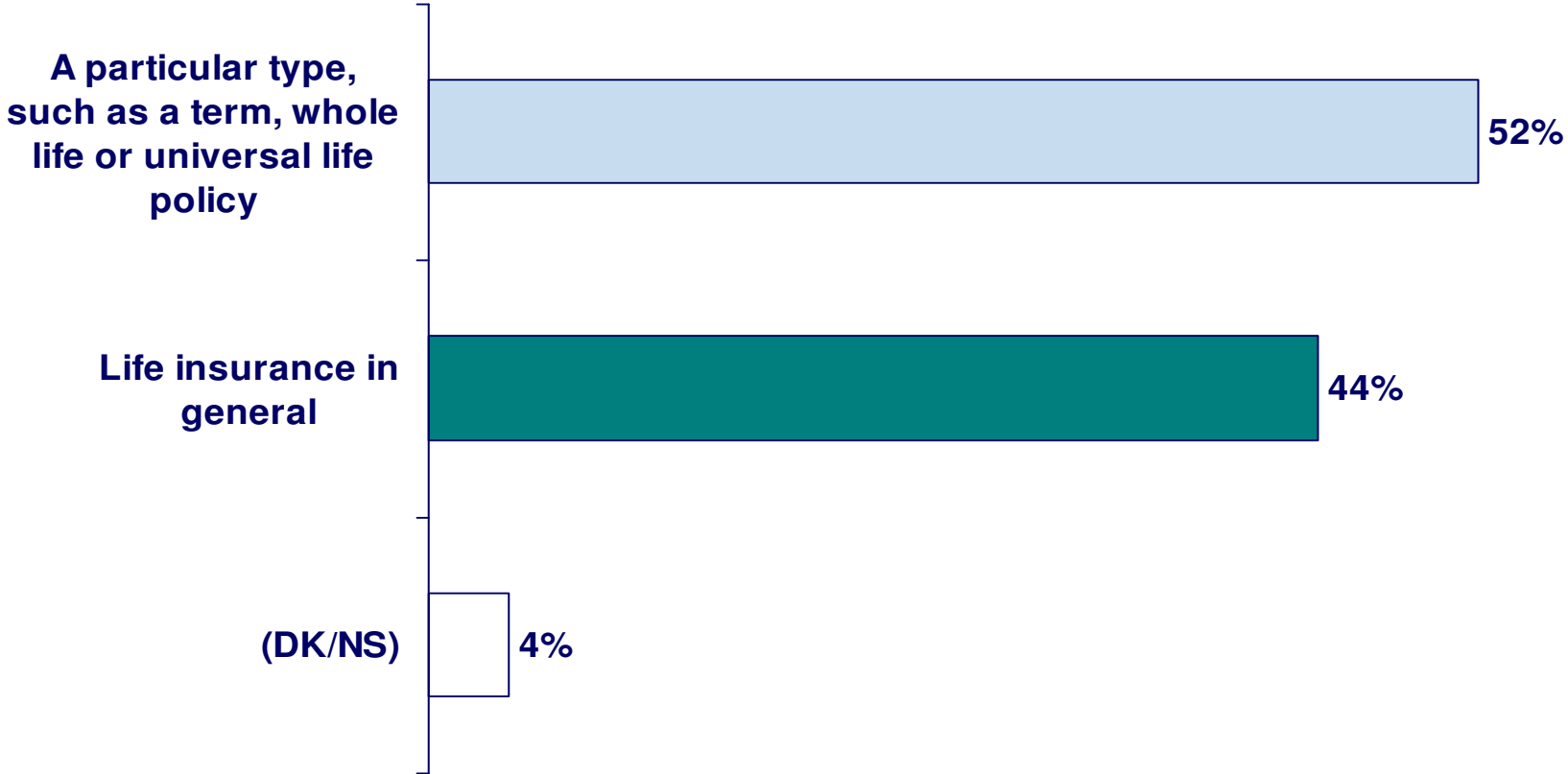


Familiarity with and Understanding of Life Insurance

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A slight majority of those who purchased life insurance through an agent or a company asked for a particular type of life insurance.

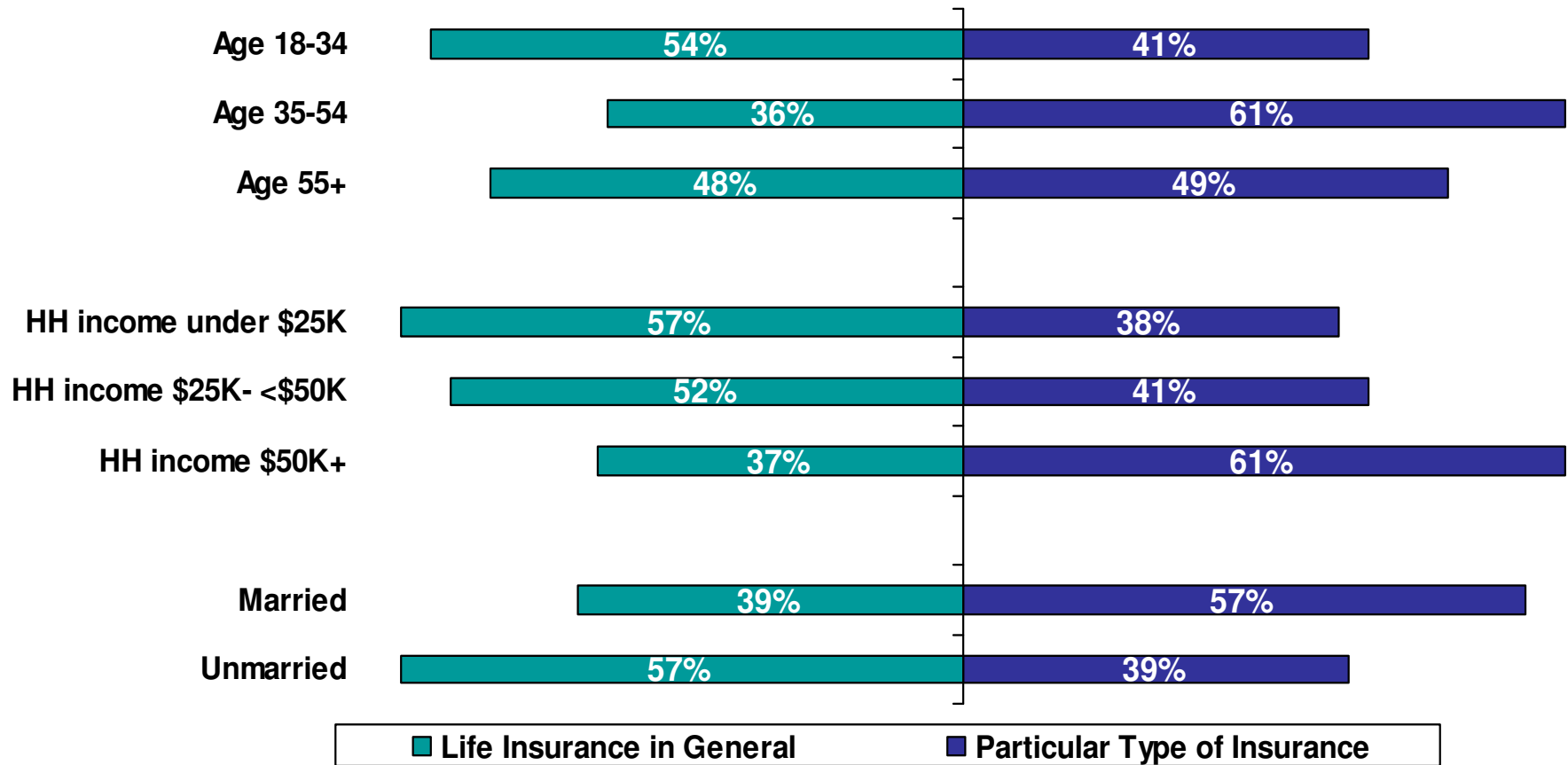


7. When you purchased life insurance from an insurance company or an insurance agent, did you ask for...?

Base: All adults (national sample) who have purchase their life insurance through an insurance company or agent n=513



When buying life insurance from an agent or company, most of those who have a \$50K+ household income, are aged 35-54 or are married asked for a particular type, while most of those who are less affluent, younger or unmarried did not.



7. When you purchased life insurance from an insurance company or an insurance agent, did you ask for...?

Base: All adults (national sample) who have purchase their life insurance through an insurance company or agent n=513

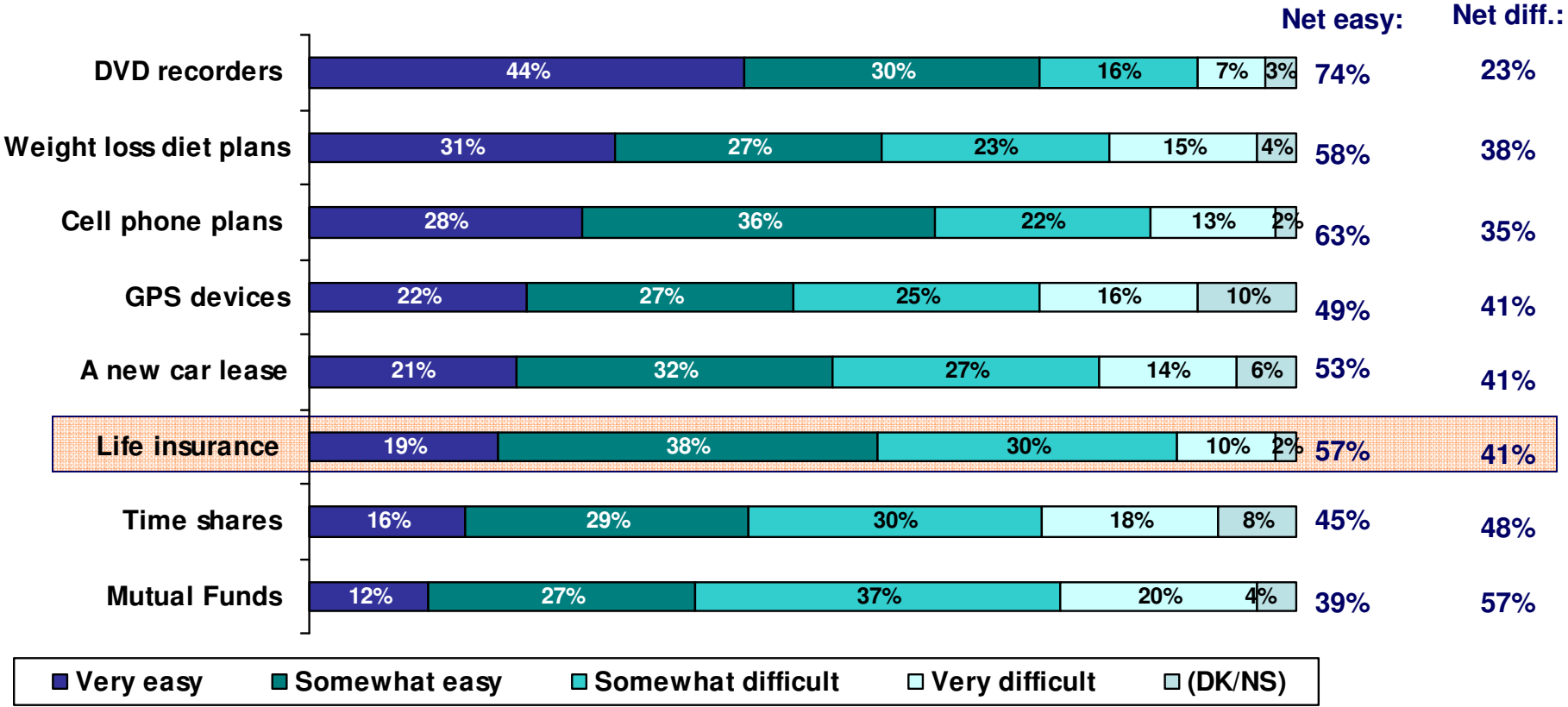


Comfort Level with Life Insurance

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Four in ten say that they find life insurance difficult to figure out – more difficult than DVD recorders, and cell phone plans.

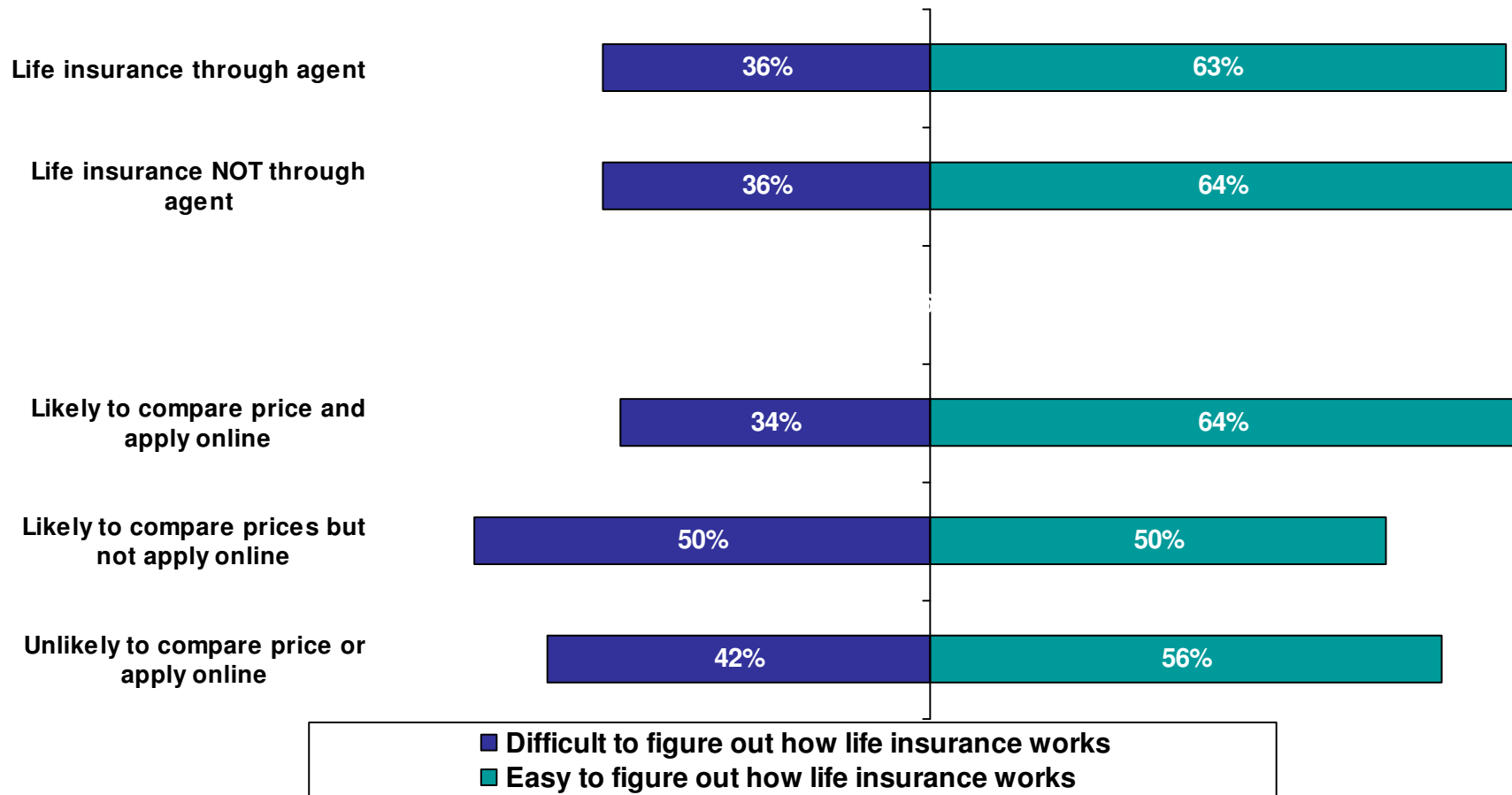


12. For each of the following, please tell whether you find each very easy, somewhat easy, somewhat difficult or very difficult to figure out how they work. How about ...?

Base: All adults (national sample) n=1,004



There is very little difference between those who have life insurance through an employer, union and/or group and those who obtained their insurance through an agent or company when it comes to ease of understanding life insurance. However, those who are likely to both compare prices and to apply online are more likely to find life insurance easy to figure out than are those who bought life insurance through an agent or would not apply online.

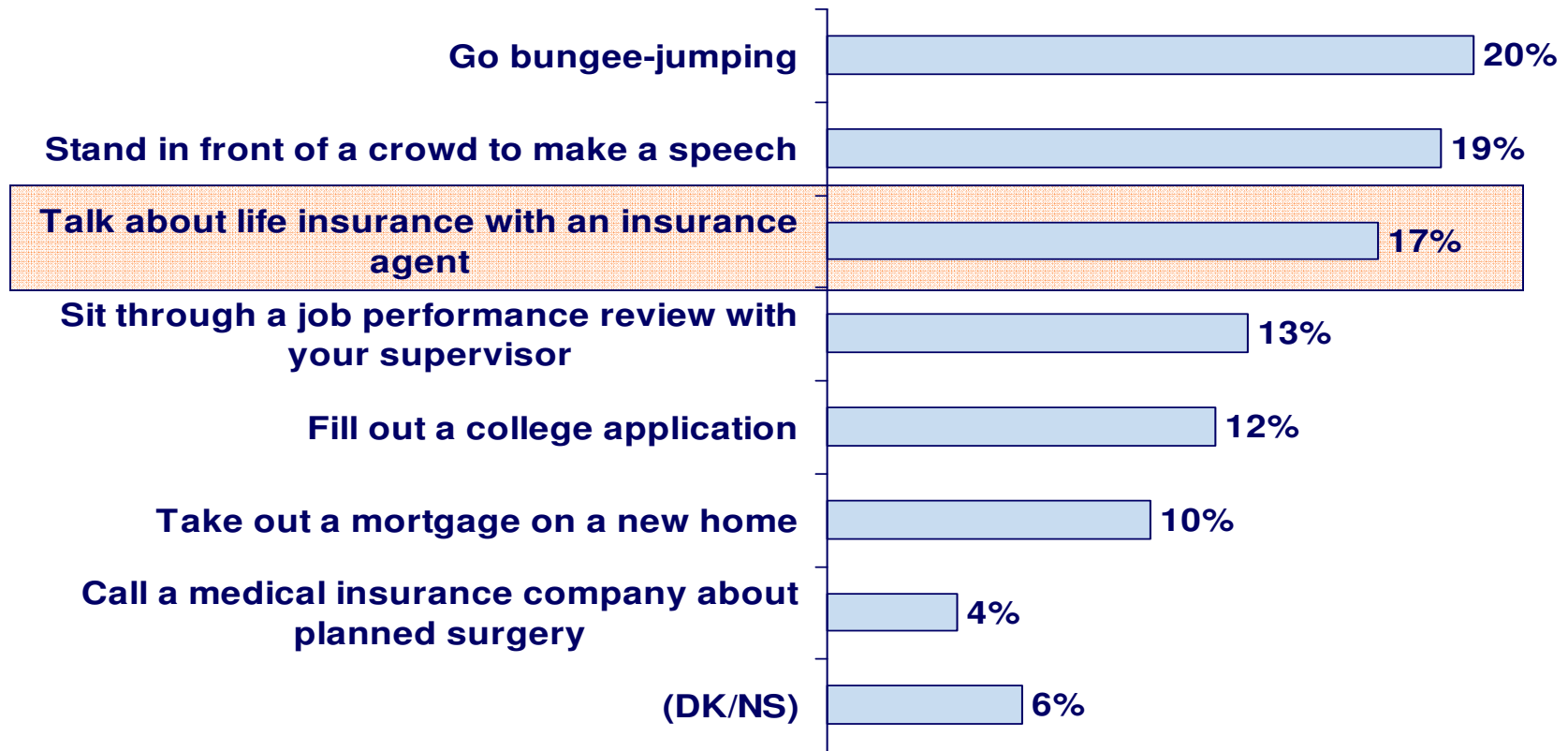


12. For each of the following, please tell whether you find each very easy, somewhat easy, somewhat difficult or very difficult to figure out how they work. How about ...?

Base: All adults (national sample) n=1,004



More would choose bungee-jumping or making a speech over talking about life insurance with an insurance agent.



11. If you had to do one, and only one, of the following, which would you rather do?

Base: All adults (national sample) n=1,004



Appendix

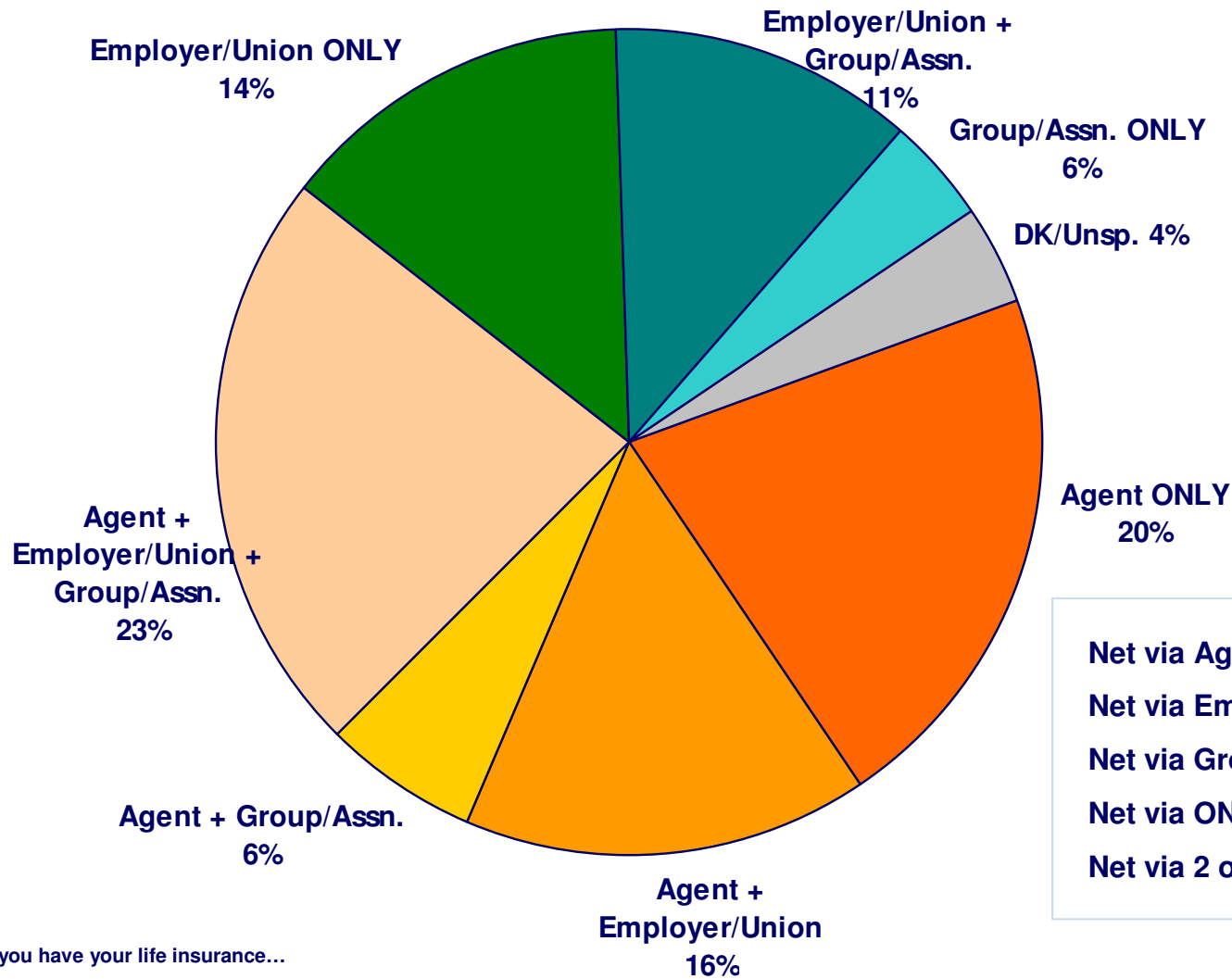
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Gender	Male	48%
	Female	52%
Age	18-34	30%
	35-54	39%
	55+	30%
Generation	Generation Y'ers	26%
	Generation X'ers	18%
	Baby Boomers	36%
	Pre-Boomers	18%
Household Income	Under \$25K	21%
	\$25K- <\$50K	22%
	\$50K+	41%
Region	Northeast	19%
	Midwest	22%
	South	36%
	West	22%

Marital Status	Married	63%
	Unmarried	36%
Parental Status	Parent (child under 18)	41%
	No children under 18	59%
Education	HS or less	33%
	Some College	31%
	College Degree	35%
Employment Status	Full Time	52%
	Part Time	10%
	Not Emp.	16%
	Retired	21%
Race/Ethnicity	Hispanic	13%
	Non-Hispanic White	69%
	Non-Hispanic Black	10%
	Non-Hispanic Other	7%

Among Americans who have life insurance, 58%% have some from at least two source types (e.g., from an agent and from an employer or union, or from an agent and from a group or association).



Net via Agent: 67%
Net via Employer or Union: 66%
Net via Group or Assn.: 46%
Net via ONE type only: 38%
Net via 2 or 3 types: 58%

6. Do you have your life insurance...

Base: All adults (national sample) who have life insurance n=754

