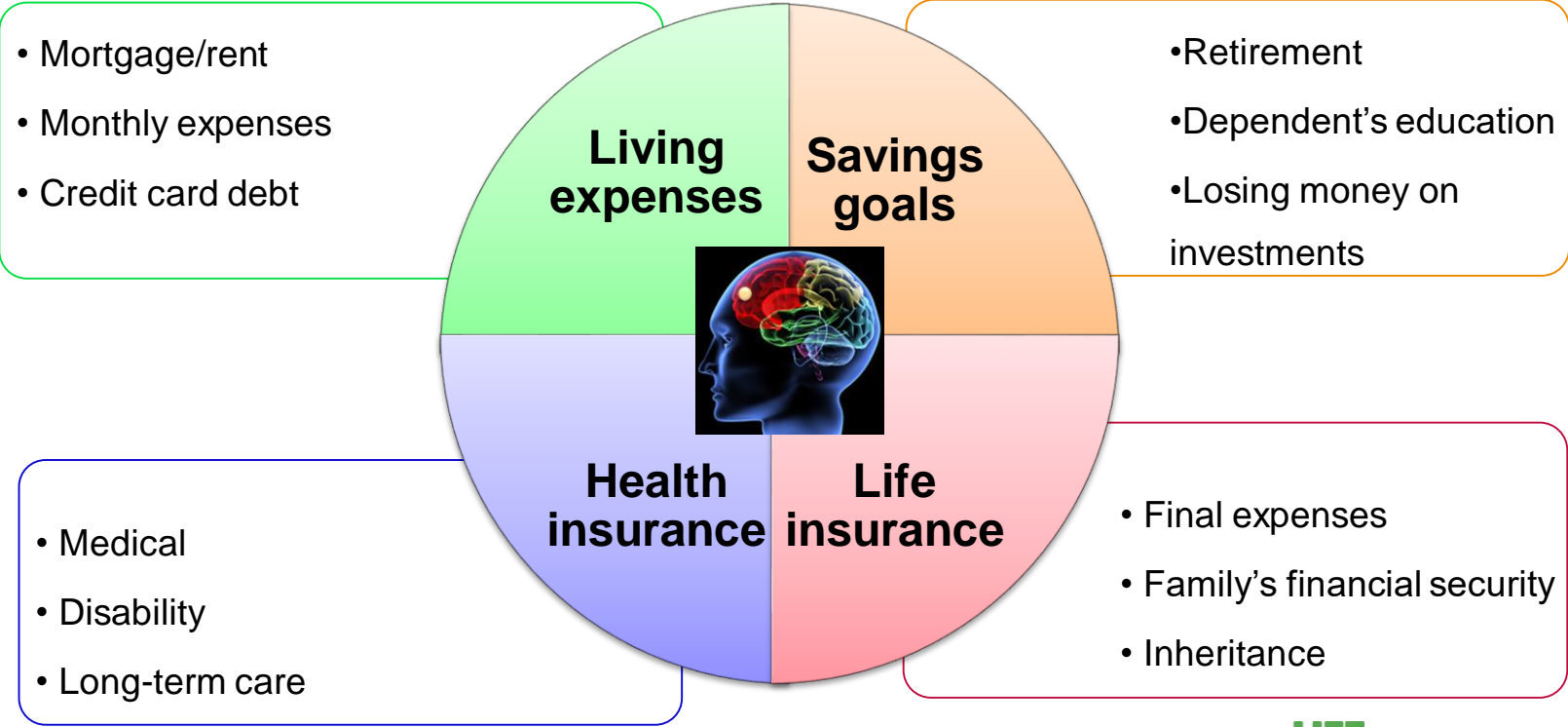


The Financial Mindscape of American Consumers

Concerns Occupy Space in the Financial Mindscape



Financial Concerns Occupy Space in the Mindscape

The Financial Concern Index (FCI)

- The average level of concern on all items.
- An overall measure of financial pressure inside the mindscape.

The Financial Concern Hierarchy

- Illustrates the relative level of concern on the four categories.
- Identifies topics of greatest interest to consumers.

Individual Financial Concerns

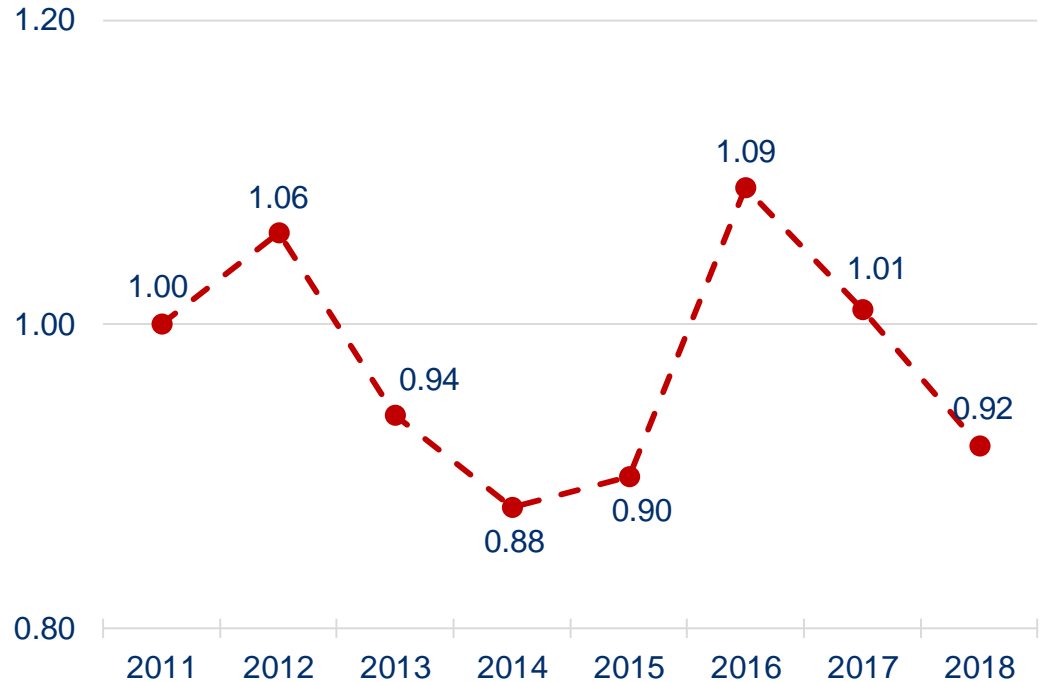
- Trends in concern levels help identify specific market opportunities.
- Concern levels drive wallet-share.

The Financial Concern Index (FCI)

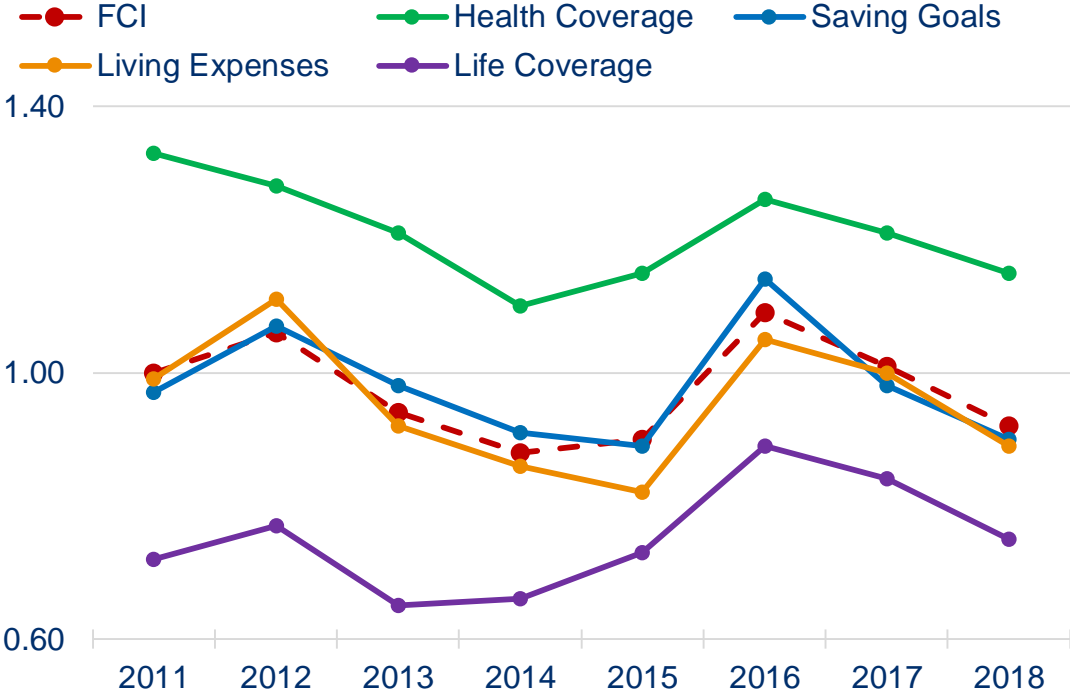
FCI dropped 9-points in 2018.

Steady decline past 2 years.

Lower levels of financial pressure.



Financial Concern Trends

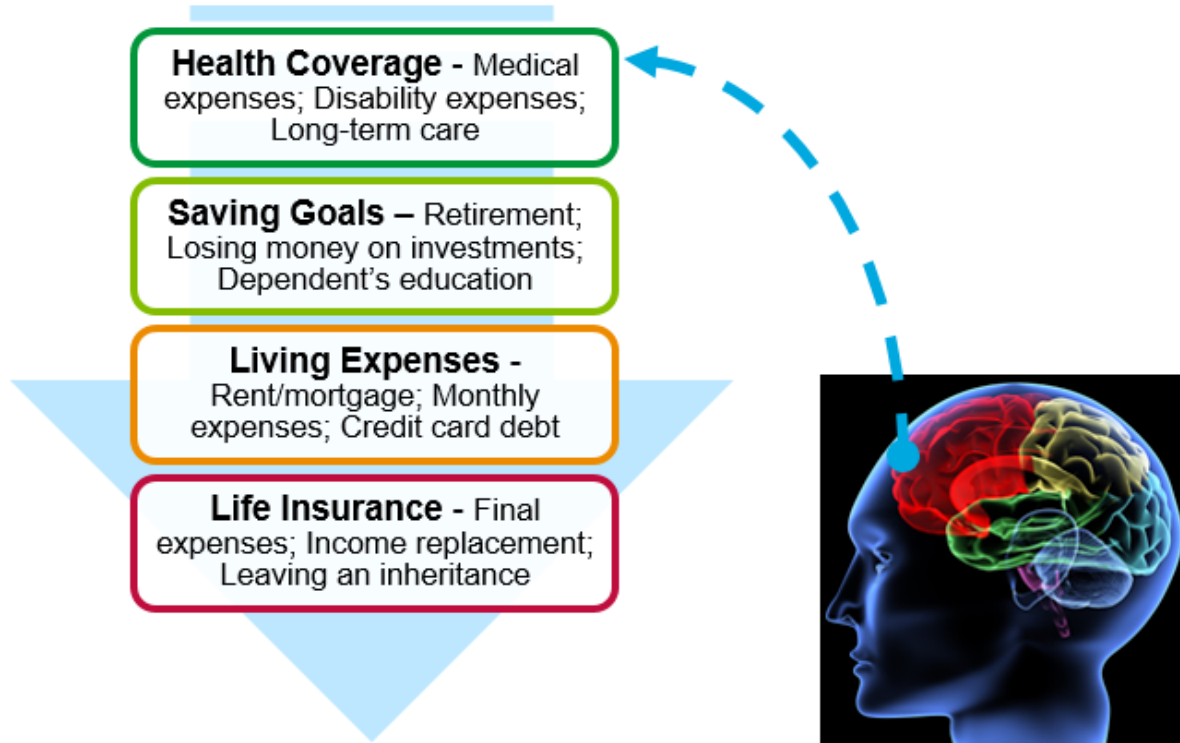


Relative position pretty consistent over time.

Reveals a hierarchy of financial concerns.



Financial Concern Hierarchy

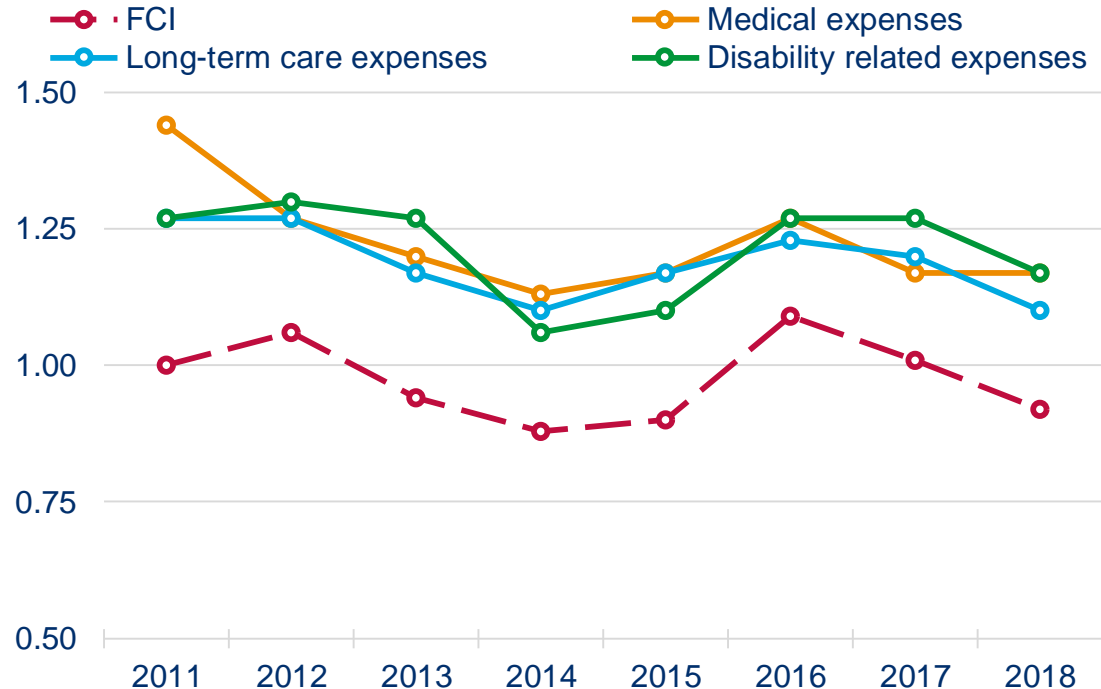


Focus on Health Related Expense Concerns

Industry has products to address “top-of-mind” concerns.

Ownership rates of DI (20%) and LTC (15%) are very low compared to medical (91%).

Market opportunity for DI, LTC and Life Combination products.

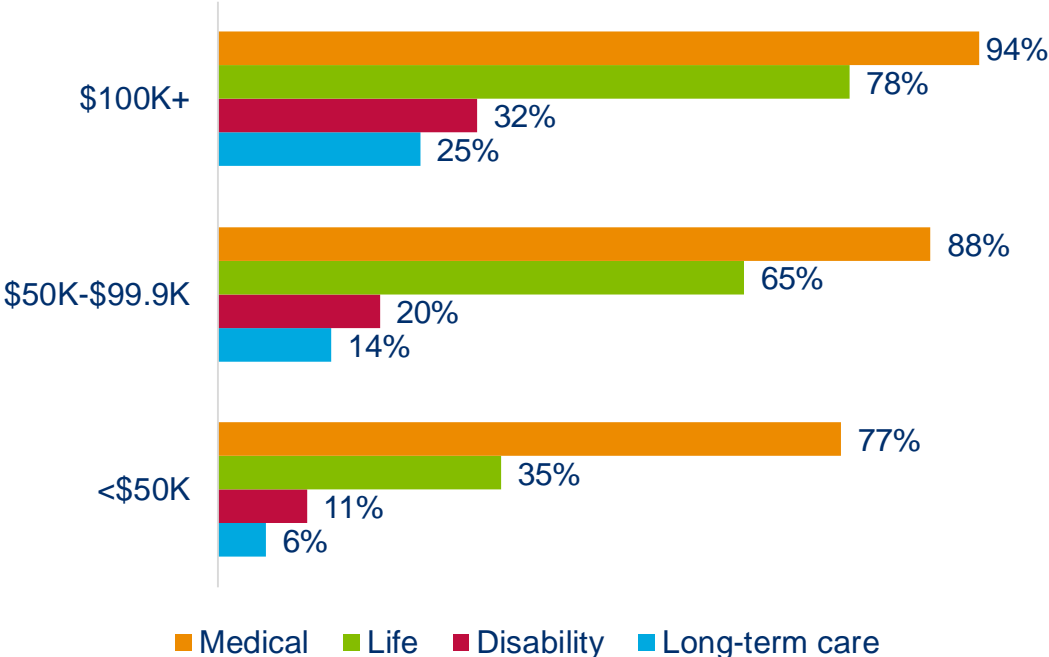


Insurance Ownership Rates

Ownership rates for DI & LTC are far below Medical & Life.

High concern + low ownership = market opportunity.

Life combination products tap into this market opening.



Concerns Change by Income

**Under
\$50K**

- Monthly bills
- Mortgage/rent

**\$50K -
\$99K**

- Financial support if disabled
- Long-term care expenses

**\$100K
Plus**

- Losing money on investments

Concern by Gender & Marital Status



Gender

- Women - more concern on 8 items. Notable - emergency savings, financial support if disabled, medical expenses & long-term care expenses.
- Men - more concern on losing money on investments.



Marital status

- Couples - more concern over dependent's financial situation if they die, dependent's education & leaving an inheritance.
- Single - more concern over financial support if disabled & and mortgage/rent.

Younger Generations Have More Concern



Millennials

- Higher levels of concern than Gen X or Baby Boomers on five of the items.
- Notable - mortgage/rent, monthly bills & leaving an inheritance.



Gen X's

- More concern than Boomers on most items
- Notable - financial support if disabled, dependent's education, retirement & reducing credit card debt.

Life Coverage Reduces Financial Concern



Does not own life coverage

- Higher concern on 6 of 12 items
- Final expenses, disability expenses & emergency saving



Owens individual & group life coverage

- Concern levels tend to be lower across financial issues.

Insurance Ownership

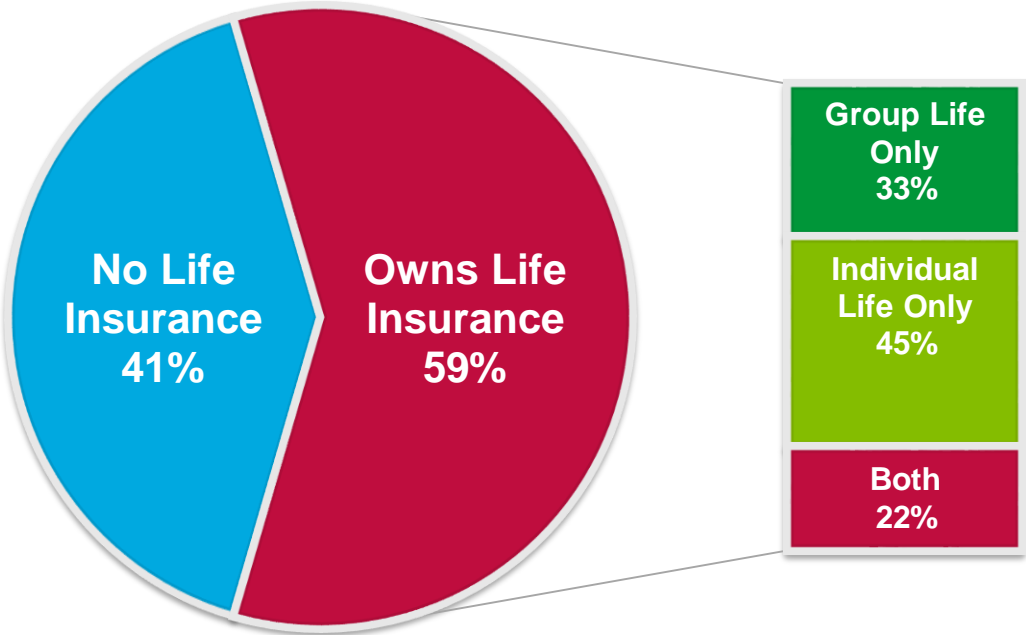
Consumers recognize the need for Life, DI & LTC.



Life Insurance Ownership

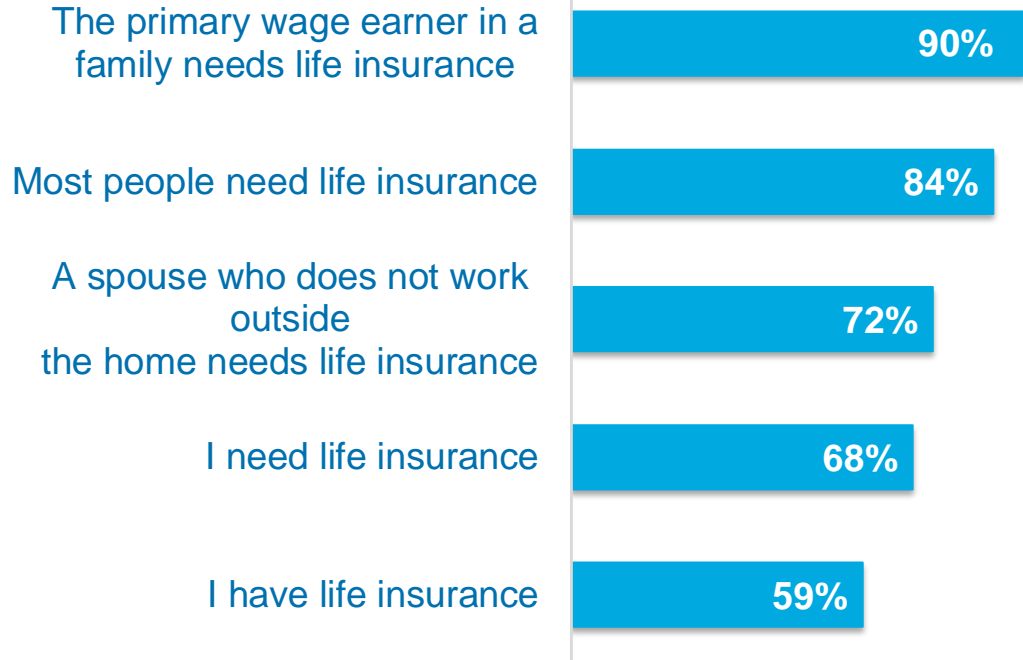
3-in-5 Americans own life insurance

1-in-3 owners have individual & group coverage



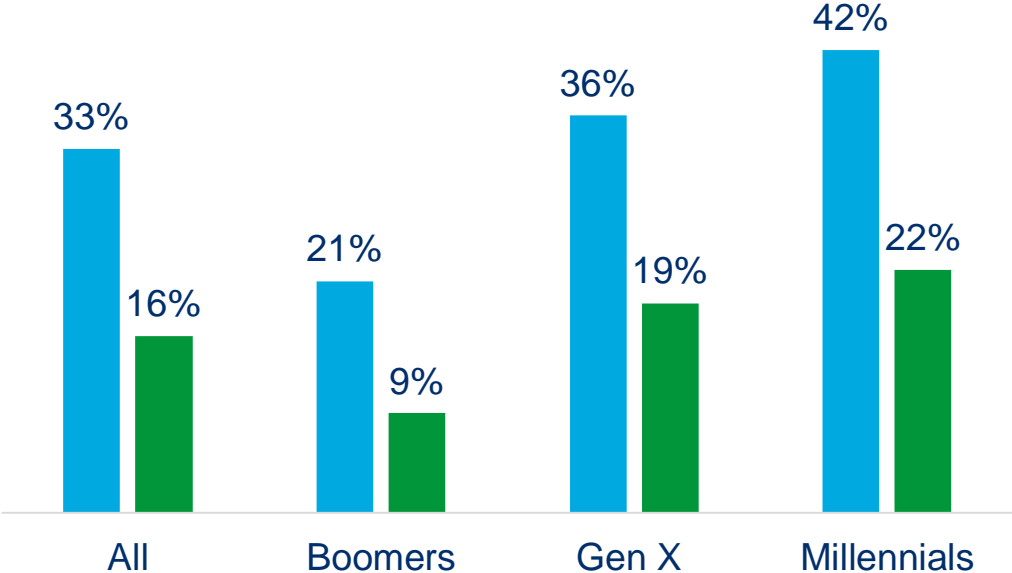
Life Insurance Attitudes - General

Over 80% of consumers agree that most people need life insurance.



Life Insurance Attitudes - Couples

- I wish my spouse/partner would purchase more life insurance
- I don't know how much life insurance my spouse/partner has



***1-in-3 spouses
want their partner
to have more
coverage.***

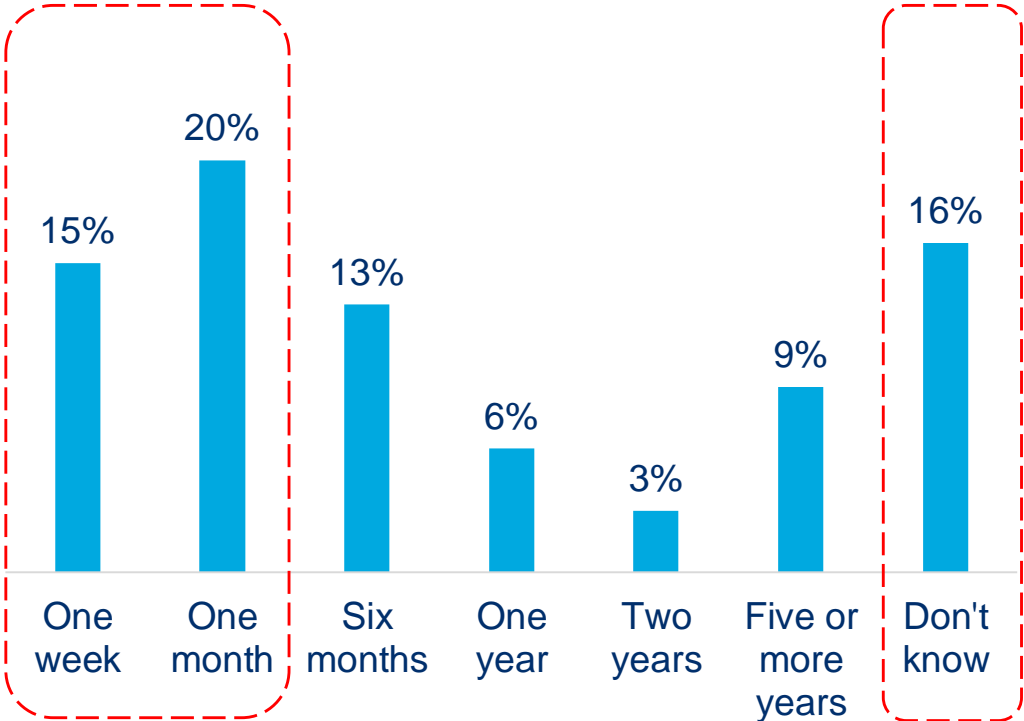
***Including 42% of
millennials!***



Time to Financial Adversity if Breadwinner Dies

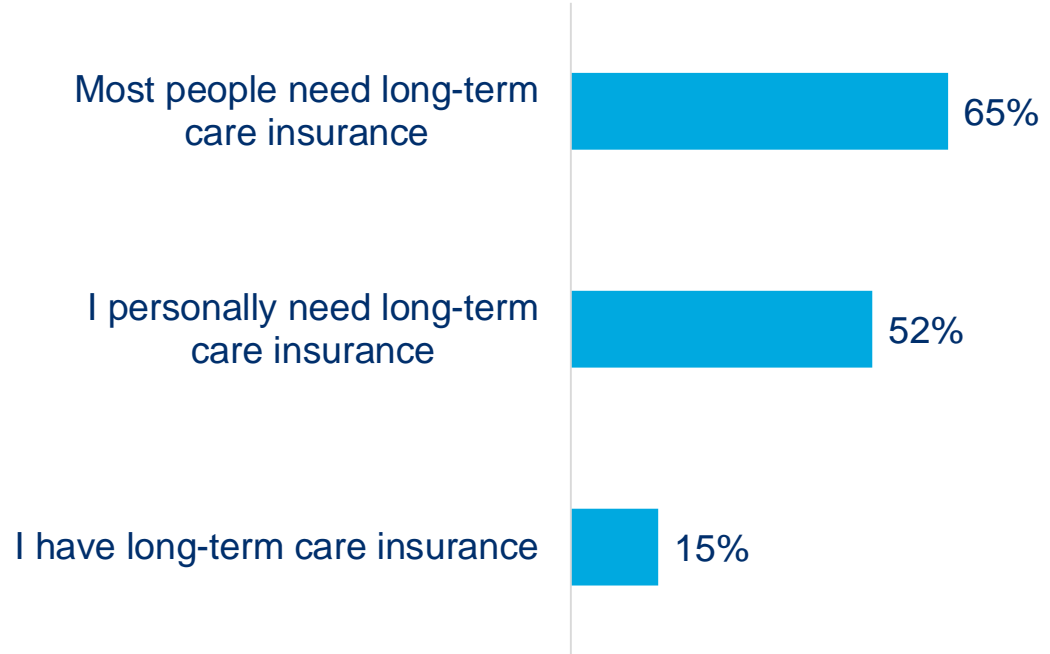
Adversity would hit in one month or less for 35% of households.

Another 16% don't know.

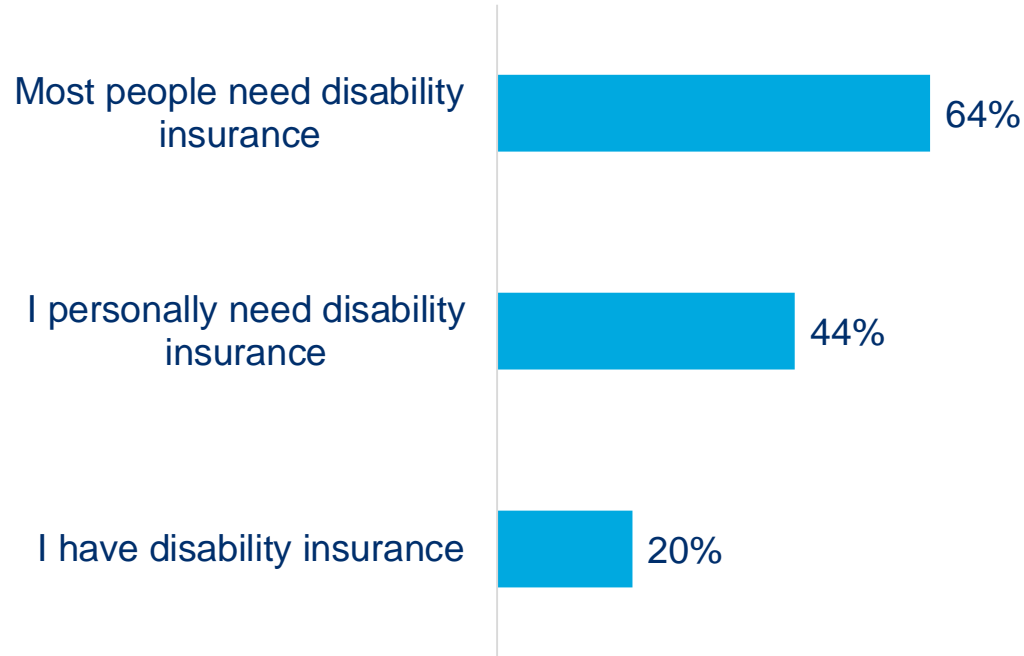


Long-term Care Insurance

The ownership rate for LTC is 37 points below the level of “need”.



Disability Insurance



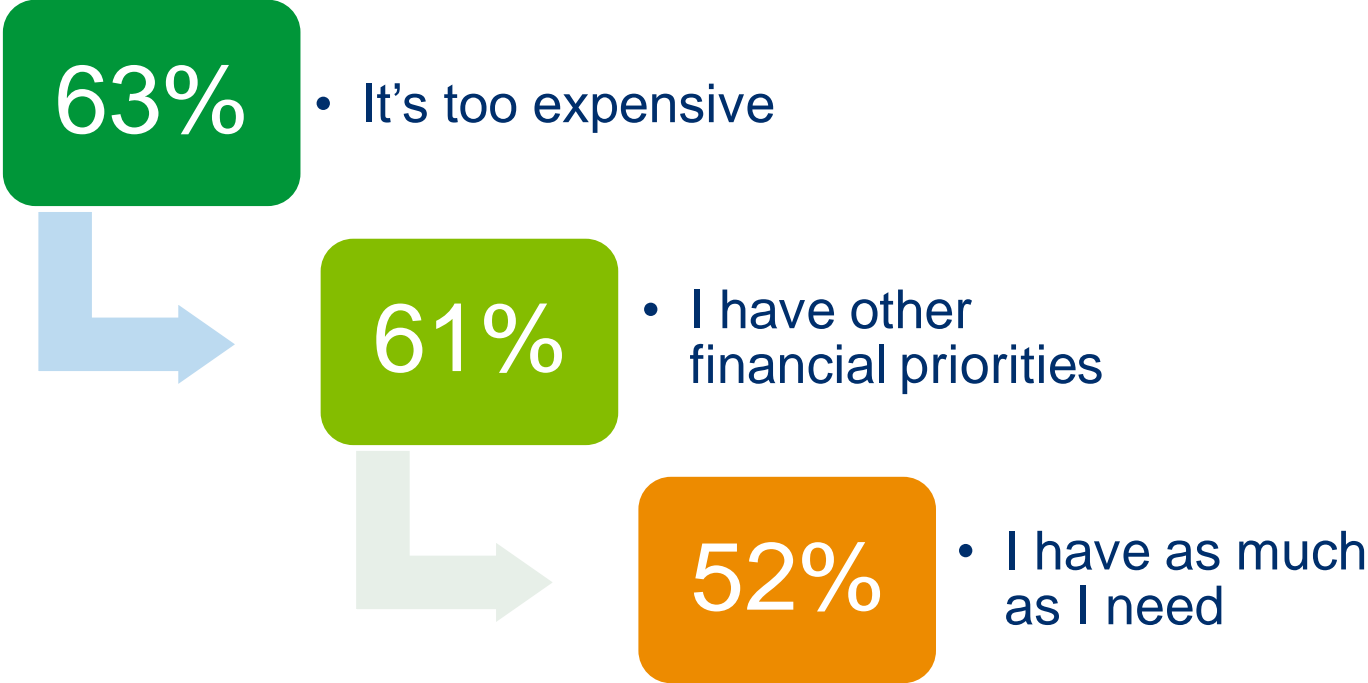
The ownership rate for DI is 24 points below the level of “need”.

Purchase Barriers

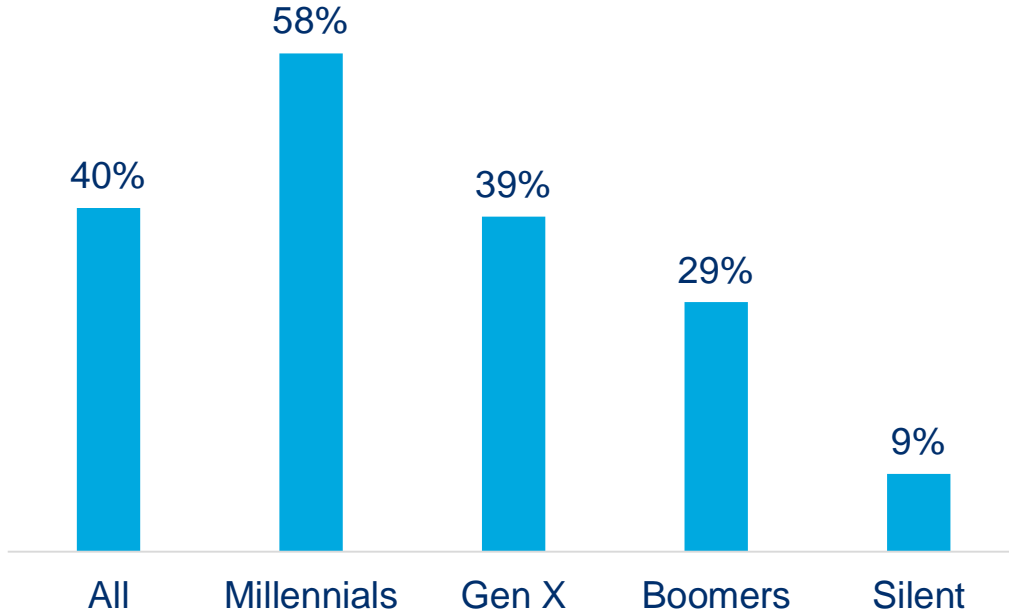
Purchase barriers create a gap between “who needs” and “who owns”.



Most Common Reasons for Not Buying



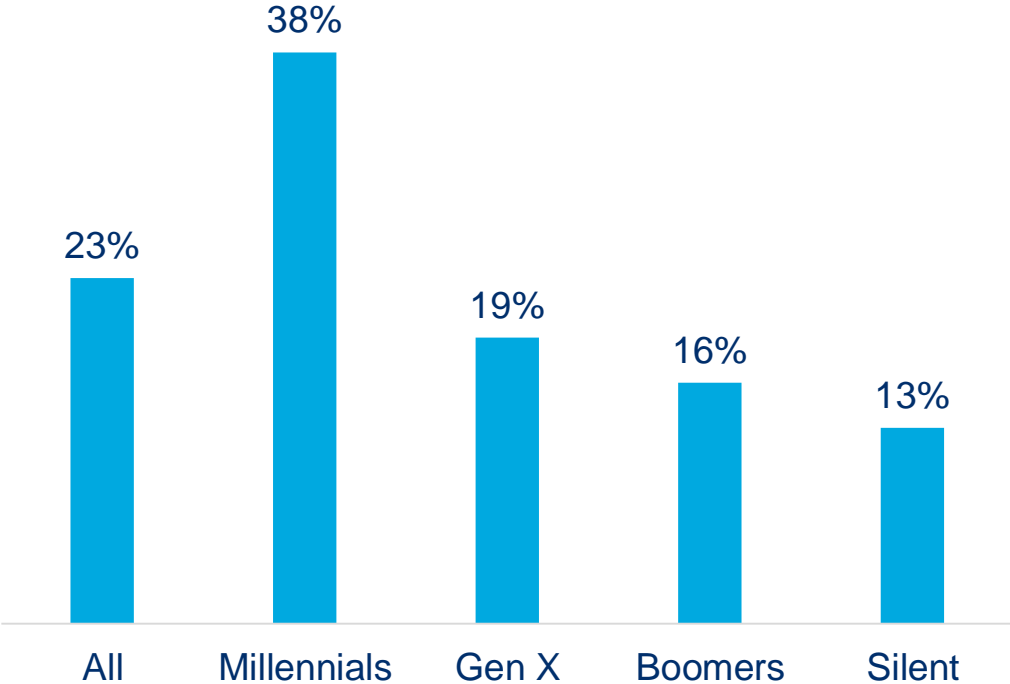
Don't Know How Much or What Type of Life Ins. to Buy



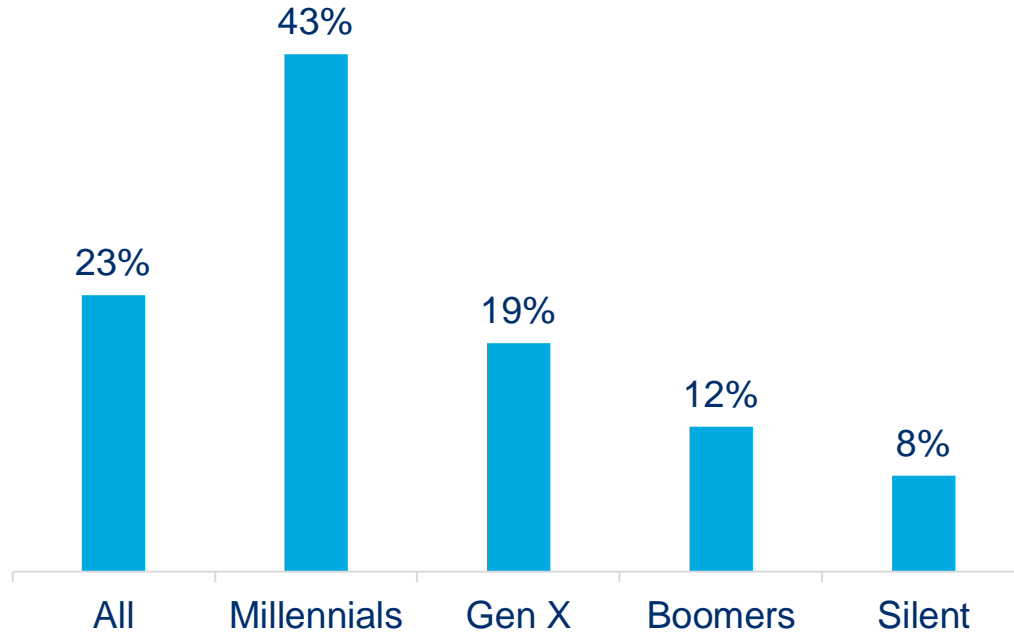
Millennials lack basic information on coverage amounts & product types.

Would Not Qualify for Life Insurance

1-in-4 think they won't qualify for coverage, including 38% of millennials.



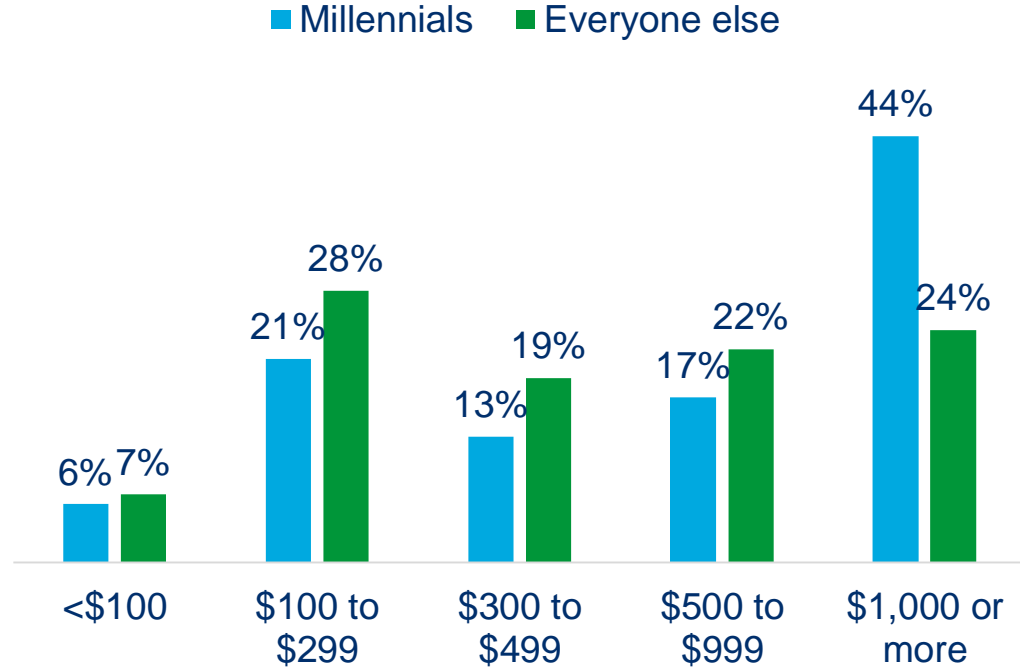
No One Has Approached Me



1-in-4 haven't been approached about life insurance, including 43% of millennials.

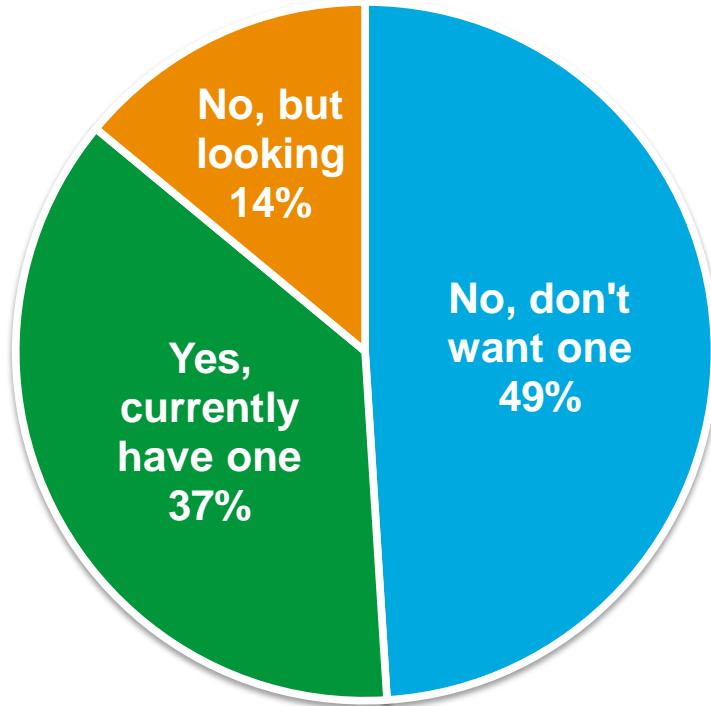
Estimated Cost of Coverage*

Consumers overestimate the cost of coverage – by almost four times the actual cost.



*Estimated Yearly Cost for a \$250,000 Term Policy for a Healthy, Non-Smoking 30-year-old = \$160 per year.

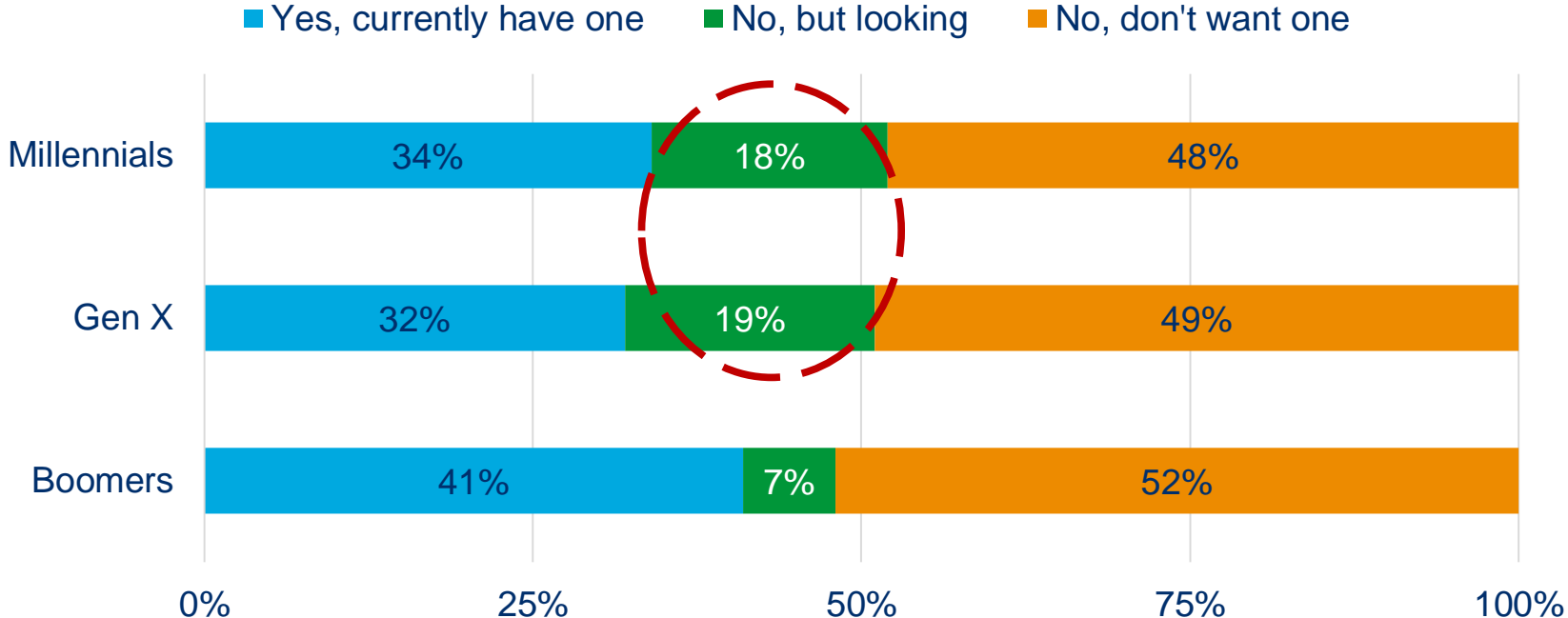
Have a Primary Financial Advisor



Half the population say they don't want a primary financial advisor.

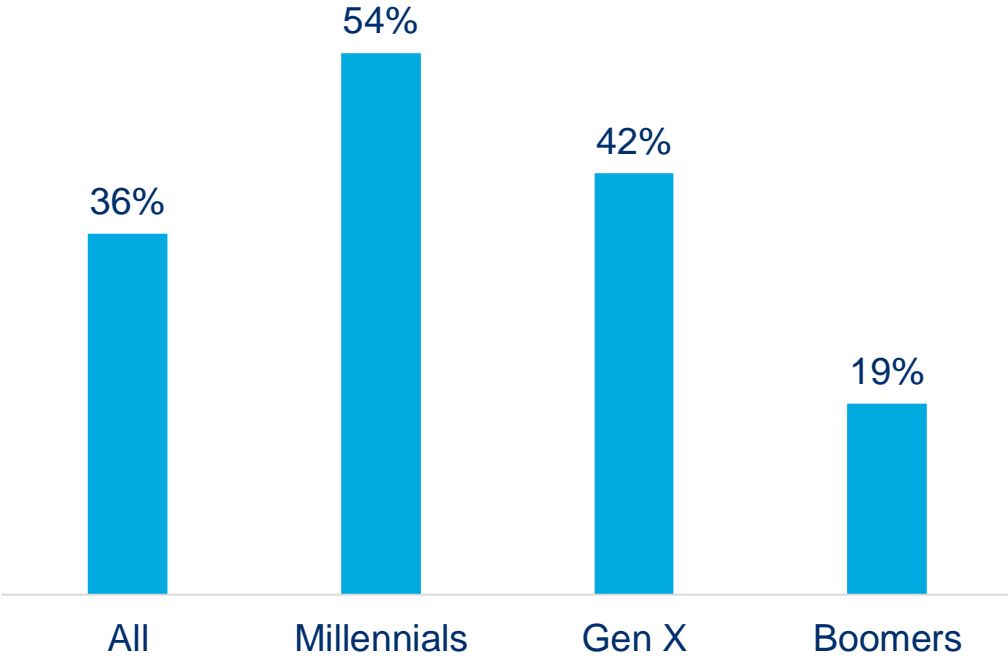
Another 14% are looking for help.

Have a Primary Financial Advisor by Generation

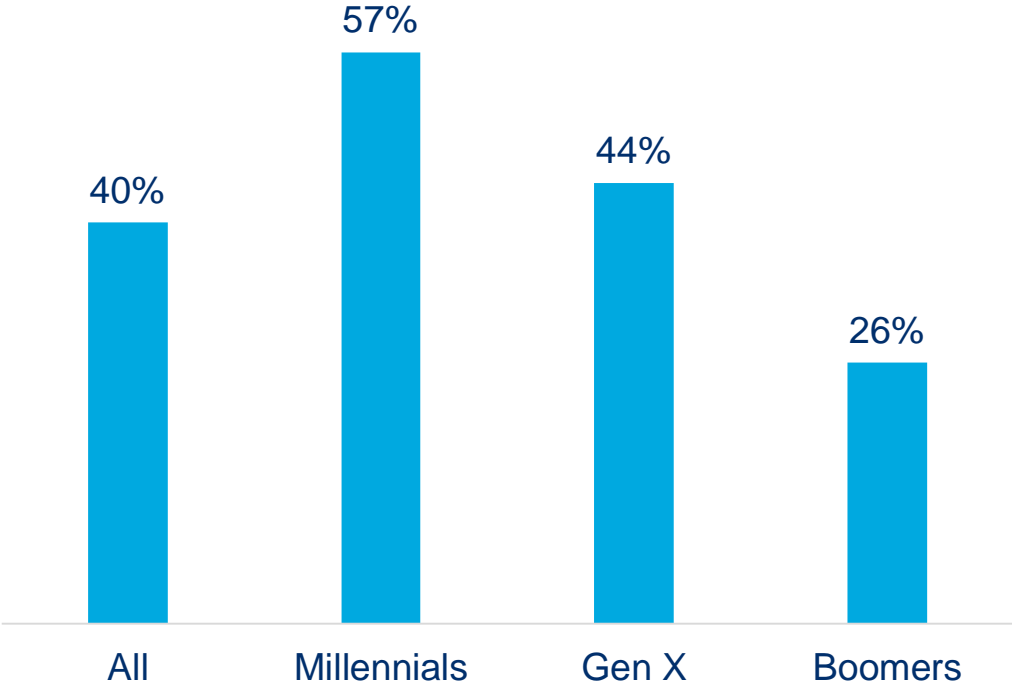


Ask Social Media Contacts for Agent Recommendation

All age groups use the internet, but younger generations rely on social media platforms



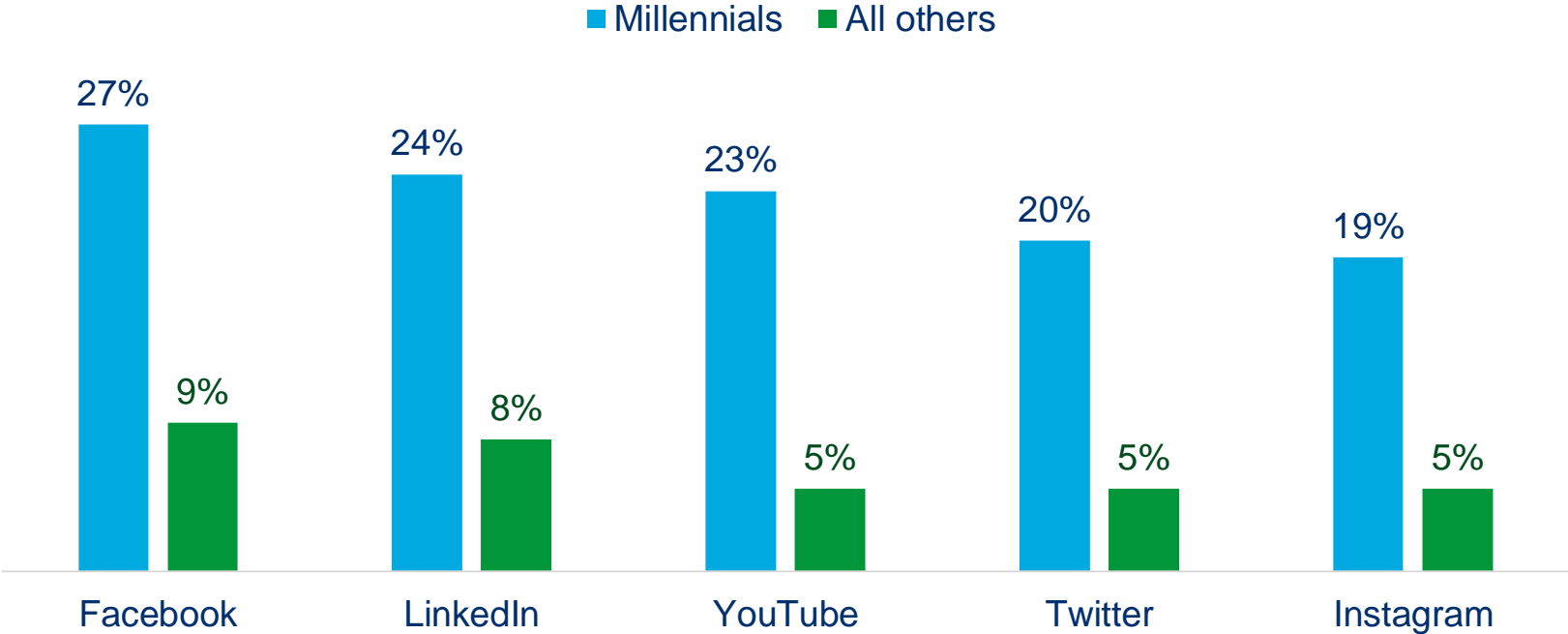
Check Agent's Social Media Presence



Reliance on social media extends to life insurance; even among Boomers.



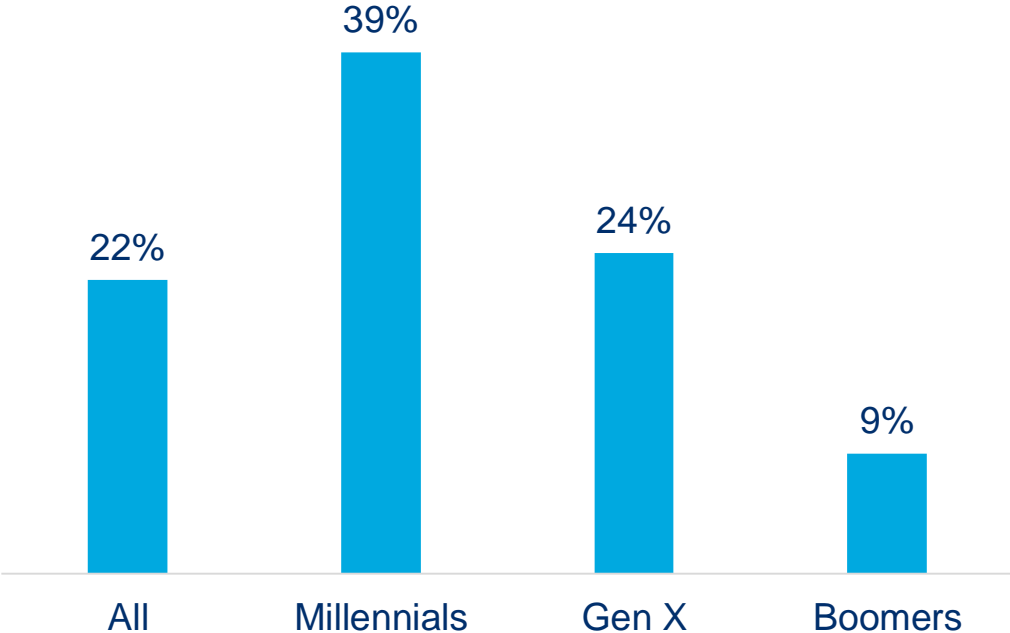
Importance* of Agent's Online / Social Media



* Very or extremely important

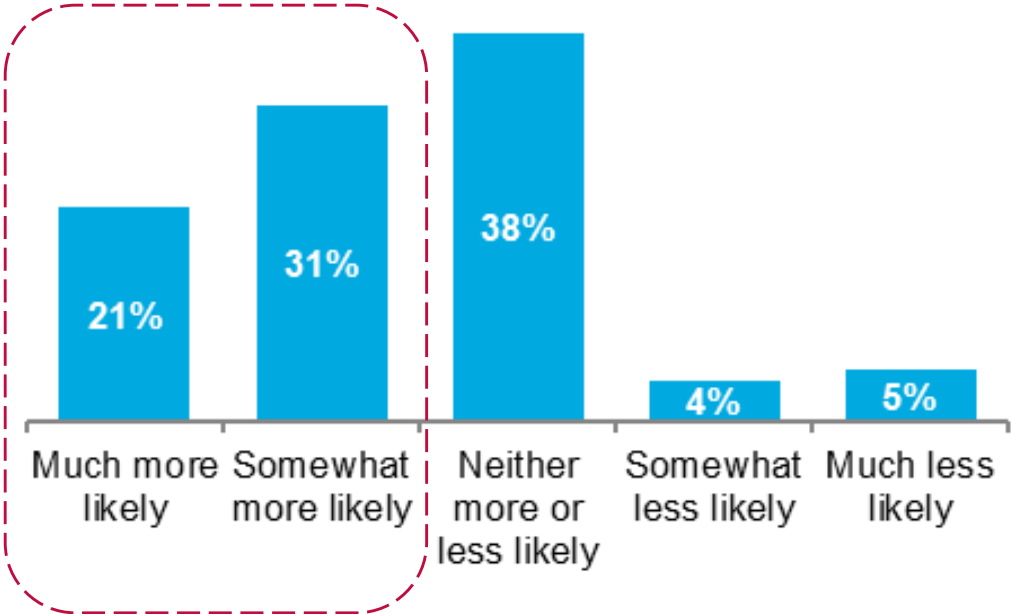
Likelihood to Communicate with Agent via Social Media

Younger generations are much more likely to prefer social media as a method of contact.

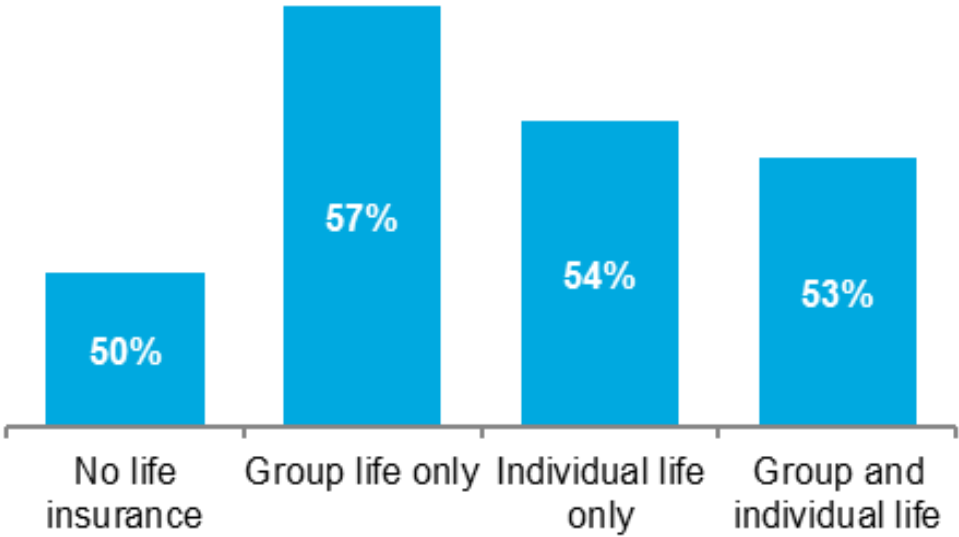


Likelihood to Buy - Simplified Underwriting

52% are more likely to buy via SUW, than via traditional UW.

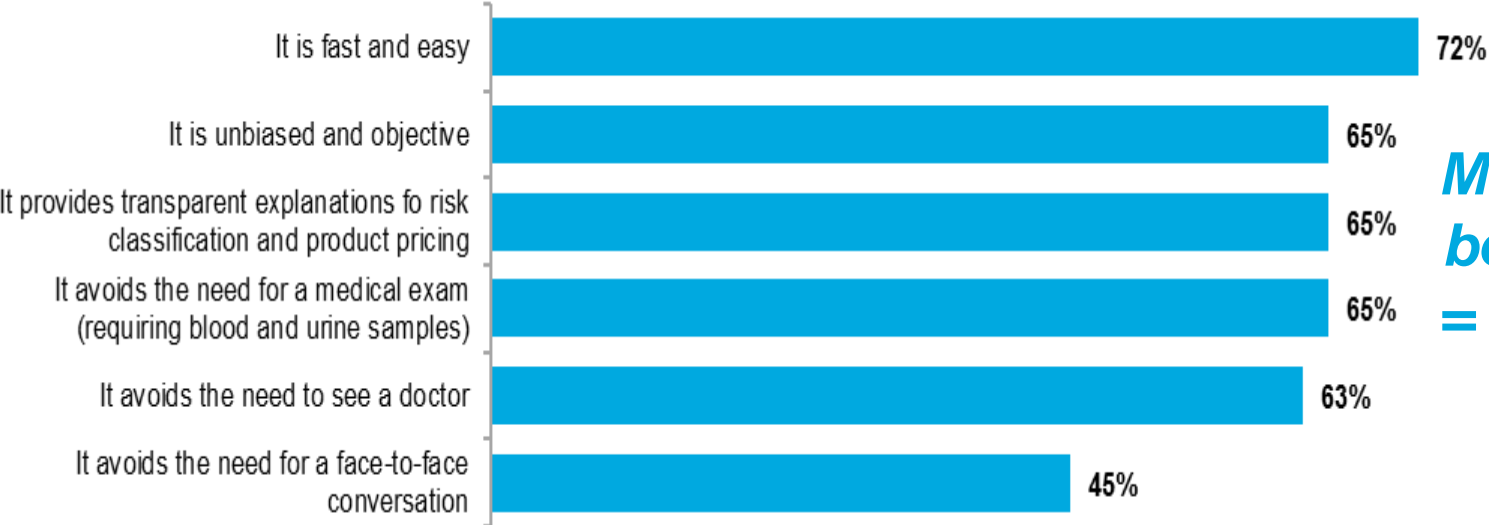


Likelihood to Buy via SUW by Life Ins. Ownership



SUW is most appealing to those who own group coverage.

Consumer Appeal of Simplified Underwriting



Most appealing benefit of SUW = fast and easy process.





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Industry Knowledge***