



Protection, Life, and Health

Type “life insurance” into any search engine and you will end up with results that include company ads, opinions, myths, and misunderstandings...with a little bit of truth thrown in. But despite the fact that we live in an age of information everywhere, not much has changed in terms of how consumers perceive life insurance.

I recently conducted an informal, global survey of people’s views on life insurance. I was looking for answers to questions like: Why do people want life insurance? What do they think insurance does for them? Do their preferences change based on age or gender? The results were unsurprising. Responses included concepts like peace of mind, security for dependents, and the benefit to families. The bottom line is that consumers still very much view life insurance as all about protection for beneficiaries when someone dies.

So what’s wrong with that opinion? Nothing — up to a point. Life insurance is, of course, primarily about providing for family in a time of financial and emotional upheaval. However, our industry worldwide needs to work better to

communicate and broaden the understanding of the product to consumers. Life insurance can and should be part of a plan that fulfills three needs, not just one:

- *Protection* — Providing a safety net for family/beneficiaries
- *Living* — Assets in retirement to enjoy life
- *Health* — The number one expense in later life is often healthcare

These three needs interconnect. It’s especially important to ensure that maintaining good *health* doesn’t erode the resources needed for *living* and *protection*. We need to communicate the value of having both annuities and life insurance in long-term financial plans. While both products include death benefits, life insurance provides in the event of dying too soon and annuities protect from living too long. In other words, life insurance provides economic protection to your loved ones if you die before you meet your financial obligations to them, while annuities guard against outliving your assets.

It is especially important to convey this information to Millennials — as the most underinsured generation. They have access to more information than any generation prior, yet they still don’t fully comprehend the multiple values of our products. Reaching out with simple, comprehensive messages through robo-advisors and do-it-yourself platforms may allow greater access to this generation.

A focus on protection, living, and health may provide new perspective on a well-established insurance solution: life insurance. More information and better technology has not changed global consumer perception, so perhaps the change must stem from the type of information communicated, and how companies present that information to future generations. 🌐

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