

LIFE INSURANCE AS PART OF THE FINANCIAL PLANNING PROCESS

Each September, the weather begins to cool down, the leaves begin to change color (in some places!) and suddenly it's the time of year where employers are reminding their employees about the upcoming enrollment season.

Oftentimes, embedded within those reminders is information about the importance of **developing a well-rounded financial plan** – a concept many struggle with because – let's be real – we all have other financial priorities vying for our attention, which in turn can make the planning process a daunting task for employees and their families.

Add to that the fact that some insurance solutions – such as life insurance – are a topic that not many want to talk about. But, the reality is life insurance is **still** an important piece of a sound financial plan and it is something that everyone needs to think about. And, now that less employers are offering life insurance as part of their employee benefits plan, it has become even more important for each person to ensure they have the right level of life insurance in place.



Only 3 in 5 adults own a life insurance policy¹

Nearly 90% of Americans believe that a family's primary wage earner needs to own life insurance but, despite this belief, only 3 in 5 (59%) U.S. adults own an individual or group life insurance policy.²

Did you know that in 2017, only **48%** of U.S. employers offered life insurance to their workers, a **23%** decline from 2006²?



2006



2017

Together, all the way.[®]

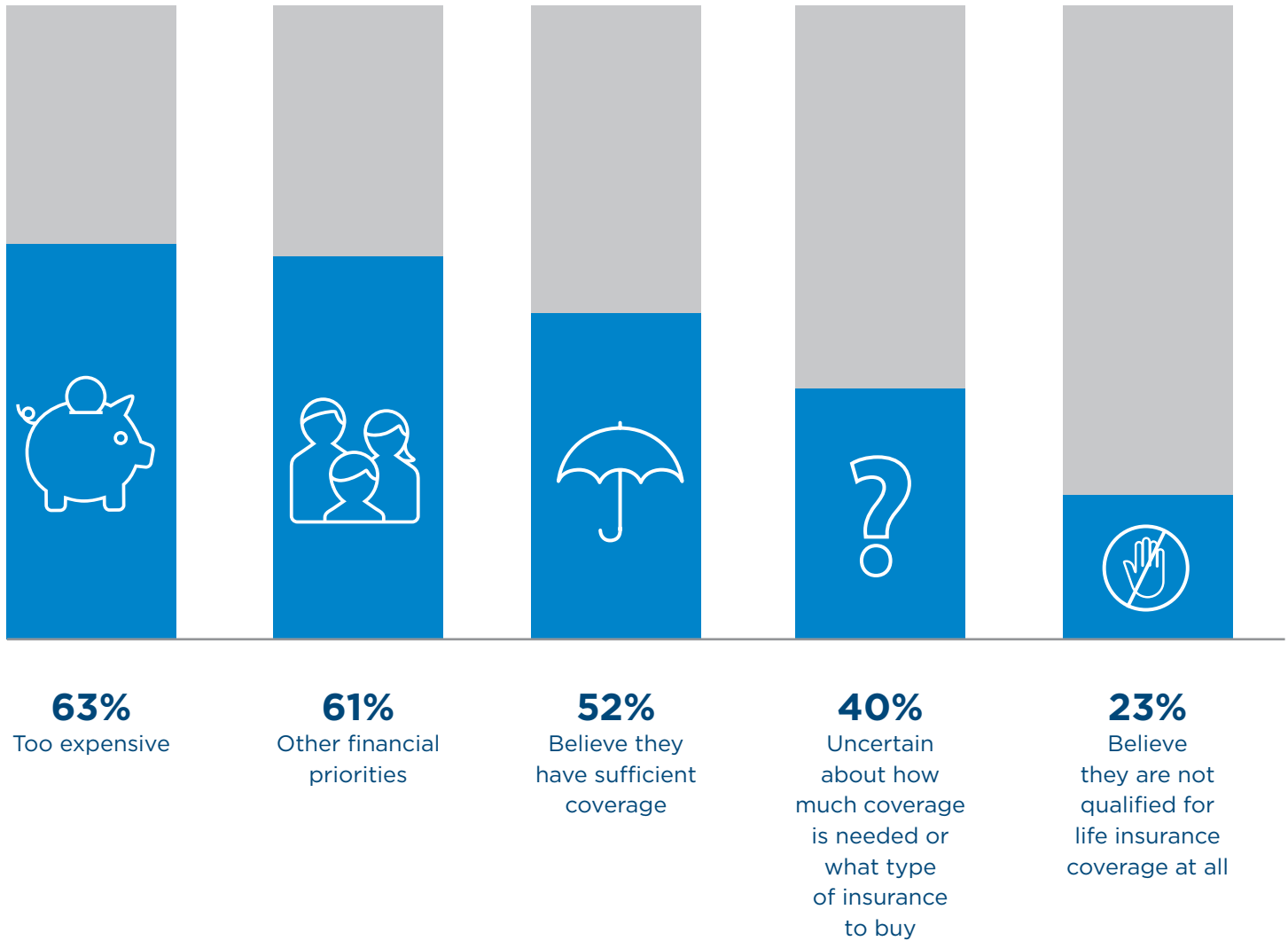


Offered by: Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company or their affiliates.

So what is preventing people from purchasing life insurance in general, or from purchasing more life insurance to fill their coverage gap?

Research suggests the gap between an individual's perceived need and ownership of life insurance can be attributed to the following reasons.²

LIFE INSURANCE OWNERSHIP vs. PERCEIVED NEED



Did you know?

Most people overestimate the cost of life insurance coverage by more than 3x its actual cost, and millennials in particular really overestimate the cost of life insurance – thinking it is 5x the actual cost.

Bridging the life insurance knowledge gap

The data suggests there is a greater need for life insurance carriers, brokers and employers to help bridge the life insurance knowledge gap. Ongoing education and awareness campaigns should not only focus on the importance of life insurance coverage, but also highlight the value of its plan features, such as living benefits, can offer. This may prove to be beneficial especially as the U.S. population continues to grow and live longer than ever before.



The U.S. Census Bureau projects a **200%** increase in the number of people age 85 and older between now and 2060.³

What is a living benefit and can it really help employees?

Many life insurance policies include a provision for Accelerated Death Benefits (also known as a living benefit), which pays out a portion of a life insurance policy amount to the insured employee (and insured spouses may also be covered) in the event of a terminal illness, critical illness or other circumstance, depending on the terms of the policy. The decision of whether or not to take advantage of living benefits depends on an individual's financial situation and other circumstances. Living benefits can help individuals and their families cope with financial burdens, as they can use the proceeds to:



Replace lost wages



Cover out-of-pocket medical expenses



Assist with household expenses



Pay for alternative health treatments



Take a vacation with family or friends

Know what your insurance coverage provides and make it work for you



MARION

Example used for illustrative purposes only.

Consider the example of Marion, a 45-year-old non-tobacco user who had a \$500,000 term life policy. Marion purchased the policy to help provide for her family and pay for her son's college in the event she should prematurely pass away. Unfortunately, Marion became diagnosed with cancer and was told she had less than 12 months to live. To help offset the out-of-pocket costs associated with her medical treatment, Marion filed a claim with her insurer who paid her \$250,000 in accelerated benefits at her request. The money allowed Marion to cover the out-of-pocket costs associated with her medical care, helped provide for her family during the most difficult time of her life and she was able to go on vacation with her son. After she passed away, her son received the balance of her life insurance policy, with enough money to attend college, meet living expenses and pursue his dreams.

At Cigna, we see life differently

At Cigna, we think a life insurance plan should do more than just provide value in the future. It should give employees value at every stage of life's journey – starting on day one. We know that life insurance needs vary by individual circumstances. That's why at Cigna, we value your life with us and thank you for choosing Cigna.



For more information on affordable plan options to help your employees stay financially protected and better prepared, visit us at [Cigna.com/Life-Insurance](https://www.cigna.com/Life-Insurance).



Sources

1. GenRe, "U.S. Critical Illness Insurance Market Survey 2015/2016 Results." 2016.
2. Life Insurance Market Research Association, "2018 Insurance Barometer Study." 2018.
3. NPR, "Projections Show an Aging U.S. Population." March 2018.



Product availability may vary by location and plan type and is subject to change. Group term life insurance policies may contain exclusions, limitations, reduction of benefits and terms under which the policies may be continued in force or discontinued. For costs and complete details of coverage, contact your Cigna representative. Policy forms: GUL - XX-603404 et al. Term Life - TL-004700 et al.

All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Life Insurance Company of North America, Cigna Life Insurance Company of New York (New York, NY), and Connecticut General Life Insurance Company. The Cigna name, logo, and other Cigna marks are owned by Cigna Intellectual Property, Inc.