

How Do You Feel About Life Insurance? Take the LIMRA Quiz

http://www.insurancenewsnet.com/article.asp?neid=20060921290.2_944e001850e81d36

WINDSOR, Conn.--(BUSINESS WIRE)--Sept. 21, 2006--For most consumers, buying life insurance can be a tough decision - a combination of rational financial calculations and emotional attitudes.

Consumers can take a short quiz created by LIMRA International, an insurance and financial research organization, to learn more about their own attitudes toward life insurance and how they compare with others.

"Our quiz is based on the science of behavioral economics, a field that combines psychology and economics to learn how people manage risk and make important financial decisions," said Bob Kerzner, president and CEO of LIMRA. "September is Life Insurance Awareness Month and the quiz can help people learn something and even have a little fun in the process."

Answer yes or no to these five questions to discover how behavioral economics might influence your decision to buy life insurance:

1. Given my situation, I feel there is very little chance that I will die before age 50.

Yes _ No _

2. Sorting through all the information about life insurance is too much work for me.

Yes _ No _

3. I probably need life insurance but I just can't part with the money to pay the premiums.

Yes _ No _

4. I will spend as much as I need to for adequate insurance coverage of all types -- health, auto, life, etc.

Yes _ No _

5. I am very rational about financial decisions like buying life insurance.

Yes _ No _

What does science tell you about your answers? Here are five findings that research tells us can play a large role in individual financial decision-making. Compare these findings with the answers you gave to the questions above. Then ask yourself if any of these have played a role in your decision to buy -- or not to buy -- the life insurance you might need.

1. Premature death is both unpleasant to think about and a low probability, so people tend to assume it won't happen to them, even though the financial impact on their family could be great. This can be a reason not to make a decision to buy life insurance.

2. Buying life insurance can be complicated. If the "cost" of getting information, in time and effort, is too high, people will put it off and not make a decision. Interestingly though, talking about it with friends and family seems to help reduce that "cost" and people will often copy another's decision to buy.

3. Oddly, people hate to lose much more than they like to win. The pain of loss is more than twice as powerful psychologically as the pleasure of gain. People tend to think of insurance premiums as immediate "losses" and undervalue the possible future "gain" of a life insurance payment should they die prematurely. This can be another reason not to make the decision to buy life insurance.

4. People are usually willing to spend only so much on insurance -- their insurance "account," as it were. They may focus mainly on home, auto and health and decide they "can't afford" more insurance and fail to adequately insure their life.

5. The final decision to buy life insurance is partly emotional. Three key emotions involved in the decision are regret, fear and love. Suppose you were diagnosed with a terminal illness. Would you "kick yourself" if you had not bought life insurance before getting sick? That's regret. How worried are you about the possibility of premature death? That's fear. Would purchasing life insurance express your strong feelings about your family? That's love. Any of these emotions may encourage people to buy life insurance.

"There are no right or wrong answers to these questions," Kerzner says. "Knowing how psychological factors may influence important financial decisions can help consumers, working with a trusted professional, make the best decision about their need for life insurance."

Learn more about life insurance here

www.limra.com/pressroom/pressmaterials/factsaboutlife06complete.pdf.

About LIMRA International

LIMRA International is a worldwide research, consulting and performance improvement organization that helps more than 800 insurance and financial services companies in 60 countries increase their marketing and distribution effectiveness. Visit LIMRA International at www.limra.com.

LIMRA International seeks to send relevant news to journalists who cover the life insurance and financial services industries. If you do not wish to receive this information, please reply to this email and ask to be removed from further distributions.

CONTACT: LIMRA International Howard S. Drescher, 860-285-7875 hdrescher@limra.com

KEYWORD: CONNECTICUT

INDUSTRY KEYWORD: INSURANCE BANKING CONSUMER/HOUSEHOLD

SOURCE: LIMRA International

Copyright © 2006 Business Wire WINDSOR, Conn.-- --Sept. 21, 2006--For most consumers, buying life insurance can be a tough decision - a combination of rational financial calculations and emotional attitudes.

<http://www.lowcostinsur.com>