

How to Buy Life Insurance is Point of Confusion; Despite Broad Understanding of Its Value

Written by Australian Business

According to a new WellPoint survey, most are unaware that life insurance will not be offered on the public exchanges

INDIANAPOLIS--([BUSINESS WIRE](#))--When it comes to protecting ourselves, we Americans believe in doing the right thing. We support recycling to protect the environment and researching the safety records of our cars before we purchase them. And we believe in protecting our loved ones by having life insurance. In fact, according to a new WellPoint survey, a little more than 70 percent say that having life insurance is part of preparing for their financial future.

“Life insurance coverage has changed throughout the years, so we’re definitely not talking about your grandfather’s life insurance”

Yet, in the face of significant recent media attention to Americans’ lack of future financial security, WellPoint’s new survey finds that consumers are confused about how to purchase life insurance, with many mistakenly believing that, in the future, they can purchase it on the public health exchanges.

“The new health insurance exchanges will not be offering life insurance – despite the fact that more than half of the people we surveyed (52 percent) believe this to be the case,” said Bill Smith, president of WellPoint’s Disability and Life businesses. “There are two ways you can purchase coverage -- through your employer, or directly through an insurance carrier or independent agent.”

Exactly what life insurance offers was also a source of confusion among those surveyed. While more than half (58 percent) understood that life insurance covers programs to help beneficiaries, some thought they might receive discounts on electronics and cell phone minutes (10 percent).

“Life insurance coverage has changed throughout the years, so we’re definitely not talking about your grandfather’s life insurance,” said Smith. “However, while cell phone

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minutes may be a stretch, we *do* offer services that people don't normally think of when they think about life insurance; services such as face-to-face counseling, legal and financial consultations, and identity theft resolution services."

Nearly half (47 percent) of all survey respondents admitted to living from paycheck to paycheck, again underscoring the need for people to think about their future planning. These numbers mark a dramatic increase from last year's survey when just 32 percent indicated this to be the case.

"The good news is that people certainly value life insurance," said Smith. "With September serving as Life Insurance Awareness Month, this is a perfect time for Americans to take action and prepare for their financial future by enrolling in life insurance."

More information about WellPoint's life insurance benefits can be found at www.wellpoint.com.

This report presents the findings of a telephone survey conducted among two national probability samples, which, when combined, consists of 1,013 adults, 504 men and 509 women 18 years of age and older, living in the continental United States. Interviewing for this CARAVAN® Survey was completed on April 18-21, 2013. 663 interviews were from the landline sample and 350 interviews from the cell phone sample.

The margin of error for the total sample is ± 3.0 percent. This means that if we were to replicate the study, we would expect to get the same results within 3.0 percentage points.

About WellPoint, Inc.

At WellPoint, we believe there is an important connection between our members' health and well-being—and the value we bring our customers and shareholders. So each day we work to improve the health of our members and their communities. And, we can

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make a real difference since we have nearly 36 million people in our affiliated health plans, and nearly 68 million people served through our subsidiaries. As an independent licensee of the Blue Cross and Blue Shield Association, WellPoint serves members as the Blue Cross licensee for California; and as the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), and Wisconsin. In a majority of these service areas, WellPoint's plans do business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia and Empire Blue Cross Blue Shield, or Empire Blue Cross (in the New York service areas). We also serve customers in several additional states through our Amerigroup subsidiary and in certain markets through our CareMore subsidiary. Our 1-800 CONTACTS, Inc. subsidiary offers customers online sales of contact lenses, eyeglasses and other ocular products. Additional information about WellPoint is available at www.wellpoint.com.