

## Study Finds Industry Losing Major Market Opportunity

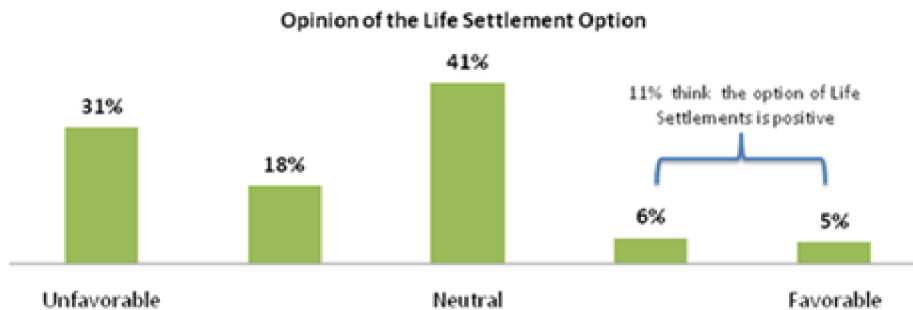
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The industry is losing major market opportunities by its failure to communicate the value of life settlements.

A recently completed study has found numerous communication shortfalls within the marketing strategies of the Life Insurance Secondary Market (“LISM”). The study, conducted by the Carlson School of Management at the University of Minnesota in conjunction with the Insurance Studies Institute, found that life settlements have been positioned to seniors in conflicting ways. According to the study, references to life settlements portray them as everything from “a valuable resource for seniors” to “betting on death.” In addition to analyzing the diversity in positioning, the findings also detail seniors’ decision-making processes and how these processes impact the LISM.

Will LISM members change their messaging strategy to seniors knowing that:

- Only 10% of seniors rely on a financial advisor for financial advice?
- Using the cash surrender value as a point of emphasis does not resonate with consumers?
- Of the top 13 values held by American seniors, financial security only ranks tenth?
- Seniors aren’t looking to make the best decision, they’re looking the make the decision that feels good?
- More seniors learn about life settlements from print media than any other source?



Insurance companies, the government, financial advisors, and the media all have agendas for the LISM, and are disseminating conflicting information to support their disparate causes. Data from the study brings this conflict into focus, and identifies how the LISM must align its marketing message with seniors’ values. Aside from providing a detailed report on the state of communication in the LISM, this document outlines steps toward streamlining the message of life settlements to policyholders.

The study reveals indispensable data on the positioning of life settlement to seniors:

1. Seniors trust themselves the most when making a financial decision.
2. Messaging needs to focus on communicating “the option of life settlement” to seniors, rather

than the message that life insurance companies are taking advantage of seniors.

3. The LISM needs to develop an “influence, push, and pull” strategy.

4. Messaging needs to be delivered to more advisors. One advisor has limited clients and is not well positioned to find additional clients qualified for life settlements.

5. Reposition life settlement as an option for “unwanted policies.” Remove focus on terms such as “cash,” “lapsed,” and “life settlement,” and de-emphasize the concept that insurance companies are taking advantage of seniors.

Related Insurance Studies Institute Research:

The executive summary and the full report, “Increasing Awareness of Life Settlements,” can be obtained from the Insurance Studies Institute (ISI). ISI’s corporate partners automatically gain access to the 84 slide report and ISI’s executive summary. Non-corporate partners can gain access to the executive summary and the report by making a \$2500 donation to ISI.

To learn more, contact ISI President and CEO, **Paul Siegert**, at 970-262-1047 or [psiegert@insurancestudies.org](mailto:psiegert@insurancestudies.org). Insurance Studies Institute is an independent 501(c)3 research organization. [www.InsuranceStudies.org](http://www.InsuranceStudies.org)