

Gender Gap Exists in Adequate Life Insurance Coverage Despite Greater Financial Concerns among Women

by Business-Wire

NEW YORK--(BUSINESS WIRE)--Despite heightened financial concerns for their families' futures, working women are less likely than men to have adequate life insurance coverage. The sixth annual MetLife Study of Employee Benefits Trends reveals that, in general, female employees who have life insurance own only two times their household income in coverage. Male employees with life insurance, however, generally have three times their household income in coverage. This gender gap is surprising given that almost two-thirds (64%) of working women (vs. 52% of working men) are very concerned about their families' financial futures in the event of their own premature death.

In addition, nearly half of full-time working women (46%) have not taken any steps to determine their life insurance needs. Plus, more than half (56%) of the women surveyed who have life insurance coverage don't believe, or are unsure, that the amount of their coverage is adequate.

"With the increase in dual-income families and single women heads of households, as well as child and elder care responsibilities, many people may depend on a woman's income," notes Graham Cox, vice president, MetLife Life Products Management. "While many male employees with life insurance are very likely to be underinsured given personal circumstances, the fact that female employees generally have even less coverage is disconcerting. Fortunately, there are some easy ways for employers to address the underinsured issue for all their employees."

Cox suggests the following to help employers optimize the value of their group life insurance programs and assist employees in building stronger personal financial safety nets:

Personalize benefits information and communications. Information should address the need for determining an appropriate amount of coverage on employees themselves as well as on their spouses or domestic partners. Direct certain messages specifically to female employees. Almost two-thirds (65%) of surveyed women say that receiving personalized benefits information with cost information would make it easier to make decisions about their workplace benefits.

Offer opportunities to buy supplemental coverage through the workplace. More than half of working Americans (52%) are now obtaining the majority of their financial and retirement products through the workplace -- up from 46% a year ago. Female employees may look to the workplace as a source of supplemental coverage purchase options. In fact, 52% of women cite the convenience of buying voluntary benefits through the workplace as an important advantage.

Send out a message about life insurance needs upon notification of a life event. Employees should not only update their own coverage when a significant change takes place, such as a marriage, divorce, the birth or adoption of a child or the purchase of a new home, but be reminded to reconsider their spouse's/domestic partner's coverage as well.

Host an off-cycle enrollment for life insurance. Health insurance can take center stage during annual enrollment periods so a separate, focused life insurance enrollment period can allow employees to focus solely on their life insurance needs. This could help maximize employees' participation rates and appreciation of their life insurance benefits.

Add features that make life insurance top-of-mind. Providing value added features, such as will preparation and estate resolution services, can increase the overall value of the life insurance plan beyond a death benefit. Features are available pre-need for employees and upon-need for beneficiaries and executors.

"Working Americans are asking for education and advice," adds Cox. "MetLife is helping them become better buyers of insurance by enabling them, through online tools, to become smarter, more confident and more empowered during the insurance decision-making process. Helping employees gain greater understanding of their benefits options allows employers to address their employee loyalty and retention goals. It's a win-win situation."

About MetLife

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