



**NAIC LIFE INSURANCE UNDERSTANDING SURVEY  
SEPTEMBER 2011 OMNIBUS SURVEY EXECUTIVE SUMMARY**

**Research Methods**

During the weekend of Sept. 9-11, 2011, an omnibus telephone survey was conducted by Opinion Research Corporation's CARAVAN Omnibus Survey (ORC) to gather information about consumer understanding of life insurance.

The telephone survey included 1,009 adults, 18 years of age and older, throughout the continental U.S. The sampling error associated with a sample size of 1,000 is plus or minus two to three percentage points at a 95 percent confidence level. This means that if the National Association of Insurance Commissioners repeated this survey, the results would be within plus/minus two to three percentage points in 95 surveys out of 100.

**Background on Survey Participants**

ORC weighted the survey results by four demographic characteristics (age, sex, geographic region and race) to ensure reliable and accurate representation of the total U.S. population of adults who are 18 years of age and older. (The raw data are weighted by a custom-designed program which automatically develops a weighting factor for each respondent.)

**Top Line Results**

- Sixty-three percent of consumers currently have life insurance. Some of those consumers may have permanent life insurance, which can be a source of immediate cash in these tough economic times or even a stress-free investment option to consider after the market's recent volatility.
- More than two-thirds of Americans don't know that some types of life insurance can be used as a source of immediate cash.
- Nearly half of Americans don't think of life insurance when seeking a conservative investment option.
- Almost half of Americans said low risk and tax-free growth were priorities when investing in today's volatile market; both are features of some life insurance policies.
- Sixty-five percent of Americans don't know some types of life insurance include a dollar amount that is guaranteed to grow tax-free.

**Survey Questions**

1. **If you were facing an extreme financial emergency, which of the following do you think could be a source of immediate cash? (SELECT ALL THAT APPLY.)**

<b>77%</b>	<b>Any</b>
48%	401(k)/403(b)
39%	IRA/Roth IRA
34%	Life Insurance policy
31%	Pension
27%	Annuity
5%	Other (please specify)
<b>22%</b>	<b>None of these</b>
<b>1%</b>	<b>Don't know</b>

2. **If you had \$10,000 to invest today, which of the following factors would have the single, *greatest* influence on how you invest your money?**

- 35% Low risk of losing my money
- 26% Promise of strong future growth
- 24% Easy access to my cash if I need it
- 11% Promise of tax-free growth
- 1% Other (please specify)
- 3% Don't know

3. **Which of the following do you think of as conservative, low-risk financial investments? (SELECT ALL THAT APPLY)**

- 92% Any**
  - 71% CDs
  - 63% Bonds
  - 55% Life insurance
  - 1% Other (please specify)
- 6% None of these**
- 2% Don't know**

4. **Do you currently have a life insurance policy?**

- 63% Yes
- 37% No

**Please share your knowledge and beliefs about features available in a life insurance policy by responding to the statements below as TRUE or FALSE or DON'T KNOW.**

	True	False	Don't know
Some life insurance policies are designed to establish a cash value you can invest for the future.	69%	9%	23%
You can purchase a policy that allows you to access cash for any reason, before a death occurs.	52%	22%	26%
Beneficiaries of life insurance policies pay federal taxes upon receiving the benefit.	37%	28%	35%
Your policy may include a dollar amount that is guaranteed to increase in value tax-free.	34%	22%	43%
Annual life insurance premiums are tax-deductible.	19%	39%	42%