Brought to you by:

0:04 JIM: The real insurance crisis in America is the number of Americans that don’t have any life insurance at all. Joining us today is the CEO of LifeHappens.org, Marv Feldman. LifeHappens.org is dedicated to educating Americans on the right amounts of life insurance that they should be considering to create financial security for their family. They are also dedicated to a scholarship program for kids that have lost parents without adequate life insurance. Welcome, Marv.

0:32 MARV: Thank you. Welcome to you too.

0:34 JIM: It’s great to have you back again. We’ve had you on as the CEO of Life Happens several years about this time of year because it’s life insurance awareness month and for our audience that may not be familiar, Marv, if you could share with us what is life insurance awareness month and why is it important.

0:51 MARV: Life insurance awareness month is a time where the foundation, Life Happens, rallies the industry to help educate consumers about the need for proper insurance planning. What we try to do is to provide the resource material to educate and motivate the consumers about what our products do, not just what they are, and provide them with the stories about how about our products work and the importance of utilizing a professional agent and planner to help them make their decisions.

1:23 JIM: You know we transfer the healthcare industry in this country and I know the stats talked about 30 million Americans were uninsured when it comes to health insurance but life insurance, I look at people, especially families when they have young kids, families depend on a breadwinner. When you lose the breadwinner the impact can be devastating. I know LIMRA has done some studies about the number of uninsured or under insured Americans when it comes to life insurance. What are the latest stats when it comes to that?

1:53 MARV: LIMRA and Life Happens do a joint research study at the beginning of every year. It’s called the barometer study. What they’re doing is they’re going out and interviewing consumers about their attitudes towards the industry, financial issues, life insurance specifically. One of the things that this study has turned up is that there are currently 100 million U.S. citizens who have no life insurance. Of those that actually own insurance, only four out of 10 people own individual policies. The other six people out of the 10 only have some form of group insurance. The reason that number of 100 million is so large is number one; we had a recession some years ago where a lot of people lost their jobs and where companies started cutting benefits. A lot of people all of a sudden lost their jobs, they had no benefits, and other companies were saying we’re not going to provide these benefits for free anymore. We have a situation where we have more and more people who need it. More and more people who don’t have it. We have fewer people in our industry as professionals because of death, retirement, attrition. The people are not being called on as much as they used to be called on. It’s a combination of events that drives this 100 million number.

3:10 JIM: That’s triple what we had in the health insurance need and yet, you don’t hear it talked about much. Why do you think that is?

3:17 MARV: Most people can visualize becoming sick or disabled but at the same time, most people don’t think of themselves as ever dying. It’s not in the forefront of their mind. When you’re talking about somebody dying, it’s a very traumatic experience. They don’t like to talk about it. They know in many cases they’re going to get a benefit from their company but if they’ve changed companies they may not have a benefit. They can’t take the benefit from one company to another. It’s really important to understand what you do and don’t get from your employer. It’s important to understand how much life insurance you may need for your particular situation. That’s where the Life Happens website works so well at www.LifeHappens.org. There is a calculator on there for consumers for them to go in, put in their own numbers as to what they have needs for, and then that calculator will give them a number as far as the amount of life insurance that they actually need. It won’t help them decide the type of life insurance but it will certainly help them decide the proper amount. Then they can give themselves some additional educational resources from the site to help them determine the types of insurance that may fit their situation. After that, they really should reach out to an agent or an advisor and say I need some help. Help guide me through this process.

4:30 JIM: You definitely want to go this alone. You want to make sure everything’s been considered. I’ve bene in the business now, Marv, I hate to admit it, but it was 30 years this year that I’ve been insurance licensed. It seems to me that the cost has continued to come down and maybe that’s a misperception on my part but have you found that here we’ve got more people uninsured or underinsured than ever before. I think it’s never been more affordable then it is today. Is that true?

4:56 MARV: Yes, Jim, that is true. Life insurance is significantly less expensive than it was 10, 15, 20 years ago, maybe even five years ago. Most people according to our research when they try to figure out how much it’s going to cost them over estimate the cost by anywhere from two to seven times the true cost. When they’re looking at it and they’re thinking well, gee, my life insurance is going to cost $700 to buy in reality it might only be $100, or $200, or $300. When you boil it down and you look at it on a monthly basis, in most cases it’s probably going to be less than what their cell phone bill is. It’s going to be less than what they spend when they go to Starbucks to buy a latte. It isn’t that expensive, especially when you look at the cost benefit ration.

5:39 JIM: The terrible thing is a lot of people are making a judgement, normally we talk about buying decisions, but a non-buying decision based on misinformation and something that’s so critical to a family. I look at a lot of these policies now have benefits that you don’t necessarily always have to die to collect. There’re linked benefits, accelerated benefits for long-term, critical illness. There’s sometimes you can have benefits for if you’re terminally ill where you can collect money sooner rather than later. There’s so many different ways life insurance can help people while you’re still alive. People are making decisions to just kind of go without, without even really having the facts. Is that what you’re finding?

6:21 MARV: Yes and part of that is just a lack of information and education. Although, it is possible with today’s internet for them to provide themselves a tremendous amount of education before they sit down and talk with an advisor. We actually suggest that people do that so they get up-to-speed and it helps them in their decision making process.

JIM: Hey, Marv, we’re going to take a short break. When we come back, let’s talk about your national spokesperson for life insurance awareness month and share a little bit of his story when we return.

6:51 [BREAK]

7:51 JIM: Welcome back as we continue to visit with Marv Feldman who is the CEO of the non-profit LifeHappens.org organization. Before the break we were talking about the crisis that we have here in America with close to 100 million Americans that don’t have any life insurance at all and any number of them that also feel as though they don’t have adequate life insurance. It’s never been more affordable then it is today. LifeHappens.org is trying to provide tools to help educate people. I know you do a lot of public service announcements. Being that September is life insurance awareness month, you have a spokesperson for this year. Who is that spokesperson and what is their story, Marv?

8:32 MARV: Our spokesperson this year is Anthony Anderson. He’s the star of Blackish which was just renewed again for another year. He was just nominated for an Emmy. He’s also been on Law and Order and he’s a well-known comedian. He has a story of what he calls the insurance lady, the insurance lady who came to their house and sold life insurance to various family members. He lost his dad. He lost a brother. His dad by diabetes, I don’t remember exactly what caused the death of his brother but he knows specially how life insurance works and the benefit that it provides to the families. He is a very, very strong believer in the fact that everybody should look at life insurance, that you all should make sure that you buy the appropriate amounts that’s needed based on your socioeconomic schedule. Look to his story as guidance for the things that you should do. He’s a very well-spoken individual. We have public service announcements both on radio and on television. You can also go onto YouTube to find it on the Life Happens section. You can also, once again, to the LifeHappens.org and find his specific videos that we’ve put together for everybody to watch. It’s a very, very hard hitting meaningful program. It’s not talking about somebody who had no life insurance. It’s talking about somebody whose family had it. He’s a strong believer and he has it for his own family. It’s a very, very good spokesperson that we have this year.

9:48 JIM: I know in past years you had Boomer Esiason. Many people are familiar with him. He had his own family stories. I know you’ve had numerous people. I even think back we interviewed Molly Shannon from Saturday Night Life but it doesn’t matter what economic position you’re in, where your family comes from, whether you’re all healthy, or have health issues, or whatever, life and death happens to everybody at all different times. It’s not always when it’s convenient and I hear so many stories. That brings me to one of the other things that LifeHappens.org has is a scholarship fund for kids who have lost a parent, or parents, or guardian and weren’t prepared where they would have the funds available to go to college and it’s some pretty difficult situations. I know I’ve had the fortune of being able to help with the picking of the ones for getting the scholarship award and it’s probably the most difficult thing I ever had to do because it was deciding who was more worthy than others and they all were in a position where they could have used some help. Talk a little bit about the scholarship program, Marv.

10:51 MARV: We opened up the Life Lessons Scholarship Program in February for just that one particular month. This year I believe we had about 2200 individuals who applied for 30-some scholarships, which is what we give out. This year we’re giving away about $220,000 in scholarship money. We’ve given a total of about 1 million to about 1.2 million so far during the terms of the scholarships over the last number of years. What we try to do is to find the most deserving kids out there who have stories that they’ve shared with us about the impact of not having appropriate financial planning and life insurance within their family, what they’ve had to do to take care of their families, to take of themselves, and to give themselves the education that they need to move to that next level of benefits that they’re looking to accomplish for themselves. These stories, as you said, are extremely heart-wrenching and you’re ready 10, 20, 30, 40, 50 of these stories. It just tears you apart to read the stories of these kids and learn the trials and tribulations that they’ve had to go through during their young lives. We’re very excited that we’re able to help these kids. We do it in conjunction with the NAILBA Foundation, the Million Dollar Round Table Foundation. Swiss Re provides us a scholarship. Pac Life provides us a scholarship. State Farm provides us scholarship funds. We’ve had quite a few of the industry organizations that are helping us put these programs together but if there’s anybody listening that would like to help us provide scholarships for these kids, go to LifeHappens.org. Look under the donation page, and you’ll find a way that you can make a donation directly to that scholarship fund and help us give more money to more kids to make a difference in their lives.

12:29 JIM: I remember when I was ready some of those stories, Marv, these aren’t kids just waiting for the silver spoon to come out. A lot of these kids, they’ve lost a parent at a young age and here as teenagers they’ve literally had their youth stolen from them because they’re forced to try to help provide for the family. At the same time, at their sacrifice because without some of these scholarship for some of these kids, going on to a higher education probably would have become an impossibility. It’s such a wonderful thing that they do and hearing those stories, it just give me pause as an advisor to make sure that every single client I talk to; I’d rather talk about making money, investing, getting a return, and all that kind of stuff. Talking about life insurance isn’t the greatest thing in the world. It’s not exciting but it’s such an important part of a solid financial foundation that people definitely need to talk about and make sure that you are not leaving your family at great risk. Reading those stories of those kids certainly shows you real life examples of what a devastating impact it can have. There’s no worse person to leave in a bad position than a child is.

13:41 MARV: As we said earlier, most people overestimate the cost of life insurance by a significant amount. The cost to protect their families, and even a little bit of life insurance is better than none, can make a huge difference. Some of these kids don’t have money to bury their parents. They lose their homes. They live on the streets. They have to go live with another guardian somewhere. Having a little bit of life insurance would have prevented that from happening. What we’re trying to do with these programs is to educate the public about the importance of having this type of life insurance in place. If the parents owe somebody, if the love somebody you need to have at least a minimal amount of life insurance. The cost is really insignificant.

14:23 JIM: I’ll never forget a story that was shared with me. I’m sure you know from the industry, Jim Dyer.

14:27 MARV: Yes.

14:28 JIM: He shared with me once, first of all, his personal story that motivated him to be in the business, and his family owned the Drake Hotel. They were very well to-do in Chicago and literally, his grandparents passed away and they lost most of it to estate taxes. Now most of us don’t have to worry about estate taxes but you would think such a well to-do family would be in great shape. He went from living in a mansion to living in a mobile home. That motivated him to not have anybody else that he was in contact with repeat that same kind of situation but he always told me, he said, when people tell me they don’t believe in life insurance, he said, that’s good. It’s not a religion. You don’t have to believe in it. Let’s talk about what it does. What is does is it gives families financial security at a time where they need it the most. If you don’t have life insurance, or maybe you don’t have adequate life insurance, or you’re not sure, sit down with your insurance professional and make sure you’ve adequately considered the risk that you’re assuming and how life insurance can maybe help mitigate a little bit of that risk for you and your family.

15:32 MARV: Life insurance, or disability insurance, or long-term they all create money where none existed before at a time when the clients need it the most. The three things that it does for people are it creates security, dignity, and peace of mind. There really isn’t anything else out there that can equal what the life insurance products can do for consumers.

15:53 JIM: Marv, one last time, what is that website?

15:56 MARV: www.LifeHappens.org.

16:00 JIM: Marv, as always, it’s been a pleasure. I appreciate you taking time out of your busy schedule to share with everybody the importance of life insurance, especially now being life insurance awareness month. Thanks again, Marv.

16:12 MARV: You’re most welcome.

16:13 JIM: Thanks for joining us this week. Tune in again next week as we explore another phase of the Real Wealth process. Remember, if anything you heard in today’s show you’d like to get more information about, contact your Real Wealth advisor. Also, if you feel that any of this information will be helpful to a friend or family member, just click the forward to a friend button.