

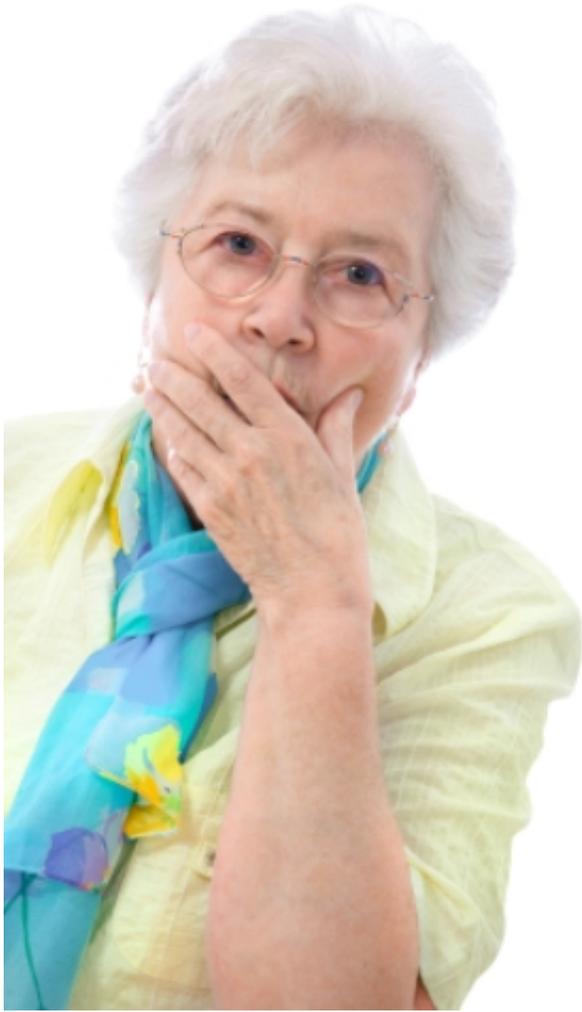
## InsuranceQuotes.com survey: Many U.S. adults in the dark about mothers' life insurance

Allie Johnson

Many adults turn to their mothers for advice, a shoulder to cry on or simply a pep talk. But no matter how close the mother-child relationship, at least one topic rarely comes up: **life insurance**.

A survey conducted online for InsuranceQuotes.com by Harris Interactive found that many U.S. adults (42 percent) don't know whether their moms have life insurance – or if they do know, they're often in the dark about the details.

But experts say that even if it's difficult, having a conversation with your mom about her life insurance is a financially – and emotionally – smart thing to do.



## Unclear about Mom's life insurance

It can be easy to not think about, avoid or put off talking to your mother – or, on the flip side, your grown children – about life insurance.

“It’s sort of the perfect storm for avoidance and denial,” says Brad Klontz, a clinical psychologist and expert on financial psychology. “Money is a very taboo topic, and death is another one that’s pretty high on the chart.”

Adult children (18 and older) often are beneficiaries on their parents’ policies, but sometimes don’t know it, experts say. “Adult children rarely even know if mom has life insurance,” says Jack Hungelmann, author of **“Insurance for Dummies.”**

In fact, the results of the recent online survey — conducted in March by Harris Interactive on behalf of InsuranceQuotes.com among more than 2,000 U.S. adults age 18 and older — suggest that many adults haven’t talked to their mothers at all about life insurance. Here are some of the findings:

- Among U.S. adults whose mothers are living, 42 percent say they aren’t sure whether their moms have life insurance.
- Of those U.S. adults who indicate their mothers have life insurance, 37 percent say they aren’t sure whether they are listed as beneficiaries.
- Of those U.S. adults who are named as beneficiaries on their moms’ life insurance policies, 38 percent say they wouldn’t know how to claim the death benefits.
- Among U.S. adults who are mothers themselves but don’t have life insurance, 33 percent listed “I haven’t even thought about it” as the reason for not having coverage.

## Lack of info can cause problems

Grown children who stay uninformed about their parents' life insurance policies – and other estate planning matters – could be setting themselves up for a tough time in the future, experts say. “Not knowing just creates a huge mess for the survivors,” Klontz says.

For one thing, not having life insurance and other information close at hand can lead to confusion, as well as in delays in claiming a death benefit while survivors try to track down the necessary information. And if the beneficiary doesn't know about the policy or doesn't know they're a beneficiary? “It might not be paid for some time,” says **Tony Steuer**, author of “Questions and Answers on Life Insurance: the Life Insurance Tool-book.”

Or worse, the uninformed beneficiary might never claim the money – which then could become part of as much as roughly \$3 billion in **life insurance benefits** that go unclaimed in the United States.

“The insurance company doesn't pay out a claim until they're notified that somebody has passed away,” Steuer says. “They are very diligent about checking the Social Security Death Master File when it comes to paying out annuities, because they want to make sure they don't pay a dime more than they have to, but not when it comes to life insurance.”

The **Death Master File** contains information about the deaths of Americans that's collected by the Social Security Administration.

Lack of clarity about life insurance and other financial matters also can cause tension – and even all-out strife – within a family after a death, experts say.

“Without a parent talking about what they want, what resources they have and what planning they have done, it falls to the children to sort it all out,” Klontz says. “It can be a very dangerous time for families – relationships can be impacted in a really negative way that can last for a lifetime.

## Talking to mom about life insurance

Many mothers may be open to talking about life insurance, Klontz says. In fact, in research he has conducted, women tend to express more concern than men do about the effect their death will have on loved ones.

“Your mother may surprise you with how willing she would be to engage in that conversation,” Klontz says. “She’s probably more worried about her death’s effect on you than the actual death itself.”

Still, it can be hard to start such a dialogue. So, here are four tips for talking with your mom about life insurance:

### **1. Look at the big picture.**

Sit down with your mother and ask about life insurance and other financial issues, power of attorney in case of an illness and even funeral plans. “You might say, ‘Mom, have you thought about your wishes for after you pass? Is there any planning you’ve done?’” Klontz says. “It depends on your relationship with your mom, but I wouldn’t just say, ‘Hey, Mom, do you have any life insurance?’”

### **2. Get life insurance details.**

If your mom does have life insurance, experts recommend asking her to share basic information such as the full legal name of the insurance company, the policy number and the beneficiaries. “More details are better,” Steuer says. “But you just need the basic information.”

### **3. Ask Mom to update her beneficiaries.**

Experts recommend designating a primary and contingent beneficiary. If no beneficiary has been named, the life insurance money could go to your mom’s estate and get tied up for months in probate court, Steuer says. Experts say failing to regularly review and update beneficiaries can cause mistakes – such as an ex-spouse getting life insurance money or a late-in-life child getting nothing. “The company has to go by what’s written down,” Steuer says.

### **4. Find out where she keeps important papers.**

If your mother is reluctant to discuss details – for example, she might not want to share amounts or names of beneficiaries – at least make sure she keeps the pertinent information in a safe place. “A lot of parents don’t want to get into specifics – but at least find out, ‘Do they keep their insurance information in a safe or in a safe deposit box. Where do they keep their financial documents?’” Steuer says.

Experts say learning the basics about your mother’s life insurance situation might end up being a relief for you – and her.

Klontz says: “She may actually feel better being able to ease your mind or lessen the negative consequences of her death on you and the rest of the family.”

### **What you need to know**

In summary, here’s what you need to know about your mother’s life insurance, according to Steuer, author of “Questions and Answers on Life Insurance: the Life Insurance Toolbook,” and Hungelmann, author of “Insurance for Dummies”:

- A list of all policies and policy numbers.
- The full legal name of the life insurance company for each policy.
- Contact information for the agent who sold the policy, if there is one, and for the life insurance company or companies.
- A photocopy of the policy’s face page with the policy number and other relevant information.
- The names of the primary and contingent beneficiaries.
- The face value of the life insurance policy.

### **Survey methodology**

The survey was conducted online within the United States by Harris Interactive on behalf of InsuranceQuotes.com from March 23-27, 2012, among 2,220 adults age 18 and older. This online survey is not based on a probability sample and, therefore, no esti-

mate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, contact John Egan at [john.egan@insurancequotes.com](mailto:john.egan@insurancequotes.com).