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# Erie Insurance finds single parents, stay-at-home parents and business owners among seven groups who may need life insurance the most--but are least likely to have it

## Findings coincide with Life Insurance Awareness Month

**ERIE, Pa. (Sept. 9, 2013)** - The financial services consulting group LIMRA reports that life insurance ownership has reached a 50-year low. With 35 million households lacking any form of life insurance - including group policies typically offered through employers - the death of an income earner could be as financially catastrophic as it is sad.

"We believe one of the biggest reasons people don't carry life insurance is a serious misperception about how much coverage really costs," said Mike Plazony, senior vice president of the Life Division at Erie Insurance. "A report from the LIFE Foundation and LIMRA found that, on average, people think life insurance is three times more expensive than it really is. In reality, it has never been more affordable."

While anyone can lack an adequate amount of life insurance, ERIE has identified seven groups that are especially likely to be under-uninsured or to lack life insurance altogether. Here's who they are and why they skimp on the life insurance they and their families need.

**1. Single parents**
Single parents often go uninsured because they think that buying life insurance requires a big output of the two things they have in short supply-time and money.

"Single parents tend to be extremely busy because they're singlehandedly balancing work and family," says Plazony. "Without the second income of a working spouse, money is often stretched tight. This creates a classic case of penny wise, pound foolish; while they're saving money in the short term, they're running the risk that their kids would have no means of support if they were gone."

**2. Parents who both work**
When both parents work, the parent making less money often discounts his or her contribution to the family. This is especially true when one parent works part time in order to hold down the home front. "There are many things a lesser earning spouse often does that they don't get paid for, like cooking or child care," says Plazony. "If something happened to that person, the surviving spouse may have to hire extra help or take on extra work to pay for those services."

**3. Stay-at-home parents**
Research shows that a stay-at-home parent contributes $112,962 annually in the form of child care, cleaning, home maintenance, transportation, cooking and more to the family's bottom line. These are costs that a life insurance policy-not a surviving parent-should cover if a stay-at-home partner passes away prematurely.

**4. Home owners**
"If a person dies and there's no life insurance to pay off the mortgage, the surviving family members may be forced to move," explains Plazony. "It's hard enough to lose a loved one-you certainly don't want your family to also lose their home, their school district and their neighborhood because there's no life insurance policy in place."

**5. Business owners**
New business owners often forgo life insurance because they think they don't have enough money available. Or a business may have had enough insurance at one time, but has since grown. "A more established business usually needs higher limits to be adequately insured and have a plan in place to guarantee succession of the business," Plazony says. Life insurance and a buy-sell agreement will let the show go on if one partner dies.

**6. People with a history of minor health issues**
Many people confuse life insurance with health insurance. "They think they won't be eligible if they have high blood pressure or high cholesterol," says Plazony. "If your health concerns do not pose a serious risk, you can still get life insurance at a reasonable rate."

**7. People whose employer provides group life insurance**
This group often has a false sense of security. While they have coverage, it often isn't enough. "A typical group life benefit is two times your annual salary, but you may need more like six to eight times your salary," says Plazony. Also, employers can, and do, terminate group life insurance benefits. This is especially common during a sluggish economy. Another downside is that you lose this coverage if you leave your employer.

Even if you don't fall within any of these seven groups, you and your family could still lack the life insurance you need. To find out what your needs might be, take the Erie Insurance Fast and Easy Life Insurance Quiz.

According to A.M. Best Company, Erie Insurance Group, based in Erie, Pennsylvania, is the 14th largest homeowners insurer and 12th largest automobile insurer in the United States based on direct premiums written and the 18th largest property/casualty insurer in the United States based on total lines net premium written. The Group, rated A+ (Superior) by A.M. Best Company, has nearly 4.7 million policies in force and operates in 11 states and the District of Columbia. Erie Insurance Group is a FORTUNE 500 and Barron's 500 company. Erie Insurance is proud to have received the J.D. Power and Associates' award for "Highest in Customer Satisfaction with the Auto Insurance Purchase Experience" and to be a J.D. Power and Associates' 2012 Customer Service Champion. ERIE is one of only 50 U.S. companies so named. Erie Insurance is also recognized on the list of Ward's 50 Group of top performing insurance companies, which analyzes the financial performance of 3,000 property and casualty companies and recognizes the top performers for achieving outstanding results in safety, consistency and financial performance over a five-year period (2008-2012).

News releases and more information about Erie Insurance Group are available at www.erieinsurance.com.

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