



Thought Leadership in Action for Life Insurance

How Positioning Yourself as a Financial Wellness Resource Could Benefit Your Life Insurance Business

Inflation, war, pandemic—clients today have a lot to feel anxious about. At the same time, individuals must bear more of the burden for managing their financial health while also becoming increasingly leery of hard sales pitches. While these trends represent a challenge, they also present an opportunity for forward-thinking financial professionals¹ to expand and deepen their client relationships by establishing themselves as knowledgeable financial wellness resources.

If you're not sure what being a financial wellness resource entails, don't worry. This guide can help you get started—or supplement current efforts—to become a financial wellness resource and what you offer as a financial professional.

What is Financial Wellness?

Financial wellness is a holistic approach to understanding personal finances. It has many components, including retirement planning, investing, budgeting, emergency savings, insurance, and debt management, as well as more complicated planning such as special needs trusts, business succession, and estate planning.

As our economy has shifted in recent years, achieving financial wellness has become more complicated. In the past, many employers took a more active role in helping people plan for their retirement, save money, and buy insurance. Today, more people work multiple jobs, open their own businesses, or operate within the gig economy—the term for a labor market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs. As a result, the burden falls more on individuals to become financially literate across a range of topics and take action to secure their financial futures.

As a financial professional, you have an opportunity to educate your clients and prospects about their financial lives and help improve their financial wellness.

¹ In order to sell life insurance products, a financial professional must be a properly licensed and appointed life insurance producer.

How Does Life Insurance Fit Into Financial Wellness?

Life insurance can help provide consumers with the peace of mind they may have been missing during the COVID pandemic. Talking to your customers about protection-based life insurance can give them a sense of well-being and security. Right now, one in three Americans is worried their spouse doesn't have enough life insurance.² Of those insured, 42% of Millennials believe that their spouse needs more insurance and another 20% of Americans feel that they lack sufficient coverage.² Then there is the 37% of Americans without any life insurance coverage at all.²

As a financial professional, you have the unique ability to fill this gap for your customers. By helping them understand the contribution of life insurance to their overall financial wellness, you are positioned to help them build a more financially secure future.

Four Steps to Position Yourself as a Financial Wellness Resource

By positioning yourself as a financial wellness resource, you can help build lifelong relationships with your clients. Here are four steps to help you get started:



1) Lead with empathy.

Consumers are increasingly wary of traditional sales pitches. They want empathy and solutions rather than a hard-sell approach.³ They want to feel understood and supported.

2) Share high quality content.

Leverage your social media networks to share content that helps raise your clients' financial literacy. Keep the suggestions relevant to your clients' lifestyle and financial planning challenges.

3) Take a holistic view of the services you provide.

Financial wellness covers more than just your clients' life insurance needs or investment portfolios. Take stock of

your current offerings and compare to the services your clients need to increase or maintain their financial wellness. Consider partnering with advisors you trust to fill any gaps. Such a partnership may be a valuable source of referrals for you and your clients.

4) Schedule annual financial wellness checkups.

Meet with your clients each year. Measure and track objective financial indicators such as net worth and debt-to-income ratio. Just as important is how your clients feel about their finances. Are they confident in their direction or anxious? Are they focused on their long-term goals or casting about for a plan? Each annual meeting is an opportunity for your clients to increase their financial wellness and for you to uncover new planning opportunities.

² Source: "Life Insurance Statistics - Industry Facts, Figures & Data." Best Life Rates. February 2021.

<https://www.bestliferates.org/life-insurance-statistics/>

³ Source: Denis Kostusev. "Why Sales Pitches Need to Change During a Crisis." Forbes. July 2020.

<https://www.forbes.com/sites/forbesbusinessdevelopmentcouncil/2020/07/27/whysales-pitches-need-to-change-during-a-crisis/?sh=7195881c19a3>

Conclusion

Ultimately, positioning yourself as someone who cares about your clients' financial wellness is a great way to help your customers while expanding and deepening your relationships with them. A solid grasp of personal finance and a strong sense of empathy are great starting points. By sharing your acumen and relevant insights, you can help your clients become more financially literate. And, by aligning your services with their needs, you can help them improve their financial wellness and grow your practice.

The primary purpose of life insurance is protection against premature death of the insured.

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