

# Premature death of spouse has long-term financial effects

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A new study by MetLife of widows and widowers reveals the long-term financial toll of the premature death of a spouse and highlights the need for greater consumer awareness about the necessity of adequately assessing personal life insurance needs.

Among the major findings of the survey, participants indicated an average recovery period of four to five years before their financial circumstances returned to what they were at the time of their spouses' deaths.

MetLife's research study entitled "Financial Impact of Premature Death" also paints a disturbing financial picture from the point of view of the surviving spouses:

- Two-thirds of spouses (65%) reported that the death had a "devastating" or "major" financial impact on the families' financial security.
- More than one third (39%) of surviving spouses received no life insurance proceeds at all.
- Two-thirds of spouses who did receive life insurance benefits, received proceeds that were less than three times the annual income of the deceased. One in four beneficiaries received benefits that replaced less than one year of the deceased's income.
- Less than half (46%) of the spouses who received life insurance proceeds described the amount of coverage as "adequate."
- Nearly half (46%) of deceased spouses did not have a will.

In addition, many families were required to make significant financial adjustments, including working additional jobs, longer hours; withdrawing money from savings accounts, retirement accounts and investments; moving to smaller, less expensive housing, reducing spending on their children's education; and borrowing money. □