



If you have ever read my column, you will have read about the billions in benefits paid out to New Yorkers, the strength of the industry as a large employer and major business, and the hundreds of millions in investments and tax contributions that benefit the New York State economy. What if that all vanished?

Consider what would happen if there were no life insurance industry. What would that hypothetical world be like? What void would be felt? How would society compensate for its loss?

A Lifeline for Families

Indeed, the life insurance industry can make a huge, positive impact on families by allowing a parent to stay at home with the children after the untimely death of a spouse, allowing a family to keep its home, or enabling the children to go to college. These are just a few examples of what can happen when life insurance is in place.

According to our research, in 2012, approximately \$5.1 billion¹ was paid out in life insurance benefits to New Yorkers to help them move on financially after the death of a loved one. That may seem like a rather large figure, but the industry could do more if more New Yorkers were insured and there is certainly a need. It is acknowledged by many that there is an underinsurance problem, leaving many New Yorkers without the protection of life insurance. It is one thing for there to be a need for more life insurance protection, still another if there were no life insurance industry to supply that need. Who will step in to help these families?

What if there were no life insurance industry?

Would they be added to the number of families needing government assistance?

A Support for Small Businesses

As said by the President and CEO of Empire State Development², “Small businesses are the heart of the American economy, responsible for half of all private sector jobs and creator of about 70 percent of all new jobs over the past decade.”

The longevity of a small business may be compromised greatly by the death or disability of a key partner or owner. Life insurance and disability insurance are two options to protect a small business—two options that would be unavailable without the life insurance industry. Owning a small business is hard work, and the New York State government should be applauded for its efforts to help businesses expand and grow in our state. But without life insurance in place, how much of a financial setback can a business withstand after the death or disability of a partner or owner?

A Large Employer

If the life insurance industry did not exist, approximately 158,000³ people across New York State would not have a job. These people are either directly employed by life insurance companies or indirectly employed by a business that provides services to the life insurance industry. That number includes a sales force of 43,100 people who would not be engaged in helping people secure the life insurance they need to protect their families and their businesses.

Where would these life insurance sales people go for work? How would this impact the unemployment rate in New York State, which has come down to 5.8%⁴ according to the New York State Department of Labor?

The life insurance industry has been in place for nearly 175 years. Its absence would certainly be felt—and in more ways than you

may think. Over those years the industry has demonstrated its commitment to providing the financial support that keeps families together and kids in school after the loss of a loved one, providing reliable benefits for insureds and their dependents. Perhaps less obvious is the life insurance industry's role as a pillar of the New York State economy as an employer, as a support for other businesses, and as an investor.

Obviously, this is an industry we need in our state and an industry that should grow and provide vital financial protection for more New Yorkers. There is a role for legislators and regulators to play in creating an environment where more New Yorkers understand the need for life insurance protection, and where the laws and regulations simplify, instead of unnecessarily complicate, the purchase of life insurance. If there were no life insurance industry, how could those suffering a loss recover and move forward?

Thomas E. Workman is the President and Chief Executive Officer of the Life Insurance Council of New York, Inc. LICONY is the principal voice of the life insurance industry in New York. LICONY works to create and maintain a legislative, regulatory, and judicial environment that encourages its members to conduct and grow their life insurance businesses here in New York State. For stories about New Yorkers who have benefitted greatly from purchasing the products of life insurers, go to www.licony.org, click on “Published Articles” in the NEWSROOM box on the homepage.

1 Source: Life Insurance Council of New York (LICONY), August 22, 2014

2 Source: Empire State Development, <http://esd.ny.gov/SmallBusiness/Data/NYSDirectorySmallBusinessProgram.pdf>

3 Source: Life Insurance Council of New York (LICONY), August 22, 2014

4 Source: New York State Department of Labor, <http://labor.ny.gov/stats/pressreleases/pruiestat.shtm>



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