Q&A

W/ Steve Kennedy

The Value in Having a Difficult Conversation

Let's admit it—talking about life insurance isn't on the top of many people's to-do list. Steve Kennedy—VP of Supplemental Insurance for Ullico's Life and Health insurance division—understands that, but he has made it his mission to get more people talking about what can be a difficult topic. It can feel morbid at first, but as Kennedy explained in a recent Q&A, exploring life insurance options saves your family from far more difficult discussions down the road.

September is Life Insurance Awareness Month. What are some common misconceptions about life insurance that you've encountered?
Let's look specifically at Ullico's union member demographic. Generally, the biggest misconception is that life insurance costs too much. Members just have this idea in their heads that it's going to cost them $100 a month, which isn't the case. Our job is to give members an accurate price based on their age and coverage needs.

I also hear, "Well, I don't need that" from a lot of younger members. They typically don't have a family or children, so they don't feel it's necessary. However, some of these individuals are supporting their parents, which is certainly a reason to have a policy. A lot of people just aren't familiar with life insurance and why it makes sense in their situation. So, an important part of our job is having conversations with members and figuring out a solution for their needs.

Life insurance can be a tough topic—and one that people often avoid thinking about. Why is it important to face this subject head on?
It's a hard topic, but it's a lot harder for your family when something happens and you're not prepared. We try to educate our clients through a series of difficult but important questions: What happens if you die? Who's going to bury you? Are you aware that the average funeral is $25,000?

A lot of people haven't grappled with those kinds of questions, and unexpected costs can put their loved ones in a tough spot. Life insurance is uncomfortable to think about it, but it can make a world of difference.

What do your union clients care about the most when you're having these conversations?
Within the union world, there's an emphasis on loyalty and honoring your promise. So, if a union member is going to purchase coverage, he or she is expecting us to uphold our end of the agreement as long as they pay their premium.

When a union member buys a policy, I've found that they often stick with it through life. There's a common idea of, "If I'm loyal to you and I'm going to stick with you, I expect you to take care of my family or do what needs to be done when the time comes." And that's why we just try to be upfront and honest with people. There's no bait and switches. There are no hidden fees or that sort of thing. We just want to put protection in place for your family.

It is incredibly important to be able to honor that trust. Can you share a moment when your work made a difference in somebody's life or their family's lives?
This is a repeated theme during my career, but I'll use the most recent example. We had a member pass away and he had a life insurance policy. We paid the claim and the member's spouse wrote us a letter that basically said, "Thanks to you, my daughter can stay in the house that my husband helped build and she can continue to go to the only school she's ever known."

Every time I read one of those notes, I think, "This is why we do what we do."

Yeah, that's a powerful story.
So, when I look at life insurance, our main focus is to protect your family, because if, God forbid something happens to you, the last thing they need to be worrying about when they're at their biggest moment of grief is "how are we going to pay the bills?" Or "How are we going to stay in this house?"

You hope that's the experience people are having with these policies, but it's always nice to hear that we helped someone who's going through a difficult time. It really hits home.

What usually gets people interested in life insurance?

Generally, they experience some sort of major life event. You know, someone just got married or they just had a child or somebody in their peer group just passed away. It's generally some sort of thing that's directly impacted them or an event that causes them to think, "Hey, now I have a child. How do I make sure they're taken care of if something happens to me?"

In those situations, it's important to sit down with people and ask them "what's the problem you're trying to solve?" From there, we find the best solution for their budget. That budget may evolve over time as well—you may start with one policy, say a $100,000 policy, and upgrade it down the line if it makes sense financially.

But the key is to start now, because the younger you start, the less it's going to cost you. And that's another thing people don't realize—buying life insurance at age 25 is much less expensive than buying it at 55. Our core demographic is typically somebody in their 40s and early 50s, because they're getting to that point of life where they have the family, they're getting older, maybe things are starting to ache and they just want to be prepared. That's a great impulse, and there are plenty of affordable options at that age, but you'll save yourself some money if you check out your options in your 30s.

You work in the life insurance field. What's a story from your own life that speaks to the significance of these policies?

You know, I've had good stories and bad stories, but one in particular stands out, because it motivates me to help people to get covered.

I was friends with this couple and they had two young kids who were in school with my children. They didn't have life insurance coverage. I kept saying, "hey, let's just get this taken care of." They'd say "Oh, yeah, we need to do that," but we never got it taken care of. Tragically, one day after they dropped their children off at school, their car was hit by a truck and both of them died. It was just awful: not only did the kids lose both of their parents, but they had to leave school and move somewhere else. This situation was tragic regardless, obviously, but that policy could have lightened the financial burden on these children. So, that always sticks with me because I should have pushed harder. I should have said, "hey, let's get this done." It drives me to this day to make sure people get coverage because you are not granted anything.

The thing with our members is a lot of them are doing very risky jobs—they do it safer than anyone, but they are still risky jobs. So, the likelihood of something happening to them is higher than it would be for somebody working in an office, which just adds more urgency to get something in place. I know it can be hard to take the first step, but it can make all the difference.

This conversation has been edited and condensed for clarity.