INSURING THE WAY TO A FINANCIALLY RESILIENT AMERICA

60% of households experienced a financial shock last year.

How do low-to-moderate income (LMI) households prepare for and handle these shocks?

- **DURING FINANCIAL SHOCK**: 56% dip into their personal savings 2x
- **THE ROLE OF INSURANCE**: 59% drop or replace insurance policies because of price
- **IMPRESSION OF INSURANCE**: 61% feel insurers want to serve them

LMI Household

ANNUAL INCOME

< $60,000

- **PREPAREDNESS**: 32% feel like they are not prepared for a financial shock 47% feel more financially secure because of government safety nets
- **A RELATIONSHIP WITH POTENTIAL**: 4% of LMI households rate insurance companies as excellent at explaining their policies' features and qualities
- **ONLY**: 7% dropped or replaced policies because they were dissatisfied with the way the claim was handled

How will you help LMI households become more financially healthy?

Visit cfsinnovation.org/insuring-the-way to discover how to develop successful insurance products for LMI consumers.

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2. A financial shock is defined as a major illness or newly acquired chronic illness, divorce, death of family member, move or change in living arrangement, unexpected repair or expense of $500 - $2,000 or $2,000+, loss of job or other income, unexpected newly expanded financial responsibilities, or other events with unexpected financial consequences.

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