

OFFERED BY COUNCILORS TANIA FERNANDES ANDERSON, ARROYO, BOK, BREADON, COLETTA, FLAHERTY, LOULJEUNE, MEJIA AND FLYNN



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING TO DISCUSS THE INITIATION
OF A STUDY THAT ASSESSES LIFE INSURANCE NEED
FOR LOW-INCOME RESIDENTS

WHEREAS, Permanent life insurance policies act to alleviate monetary hardship for individuals and families, and to ensure economic stability for said individuals and families across generations. Typically used to lessen the financial burden of a household following the loss of a loved one, *and*

WHEREAS, Life insurance can also serve as an economic tool that functions to sustain and empower the surviving family members of the deceased. In addition to helping individuals gain tax free wealth to prepare for retirement, life insurance helps families save money through tax-deferred benefits that can later act as a monetary cushion, *and*

WHEREAS, Research shows that Black Americans' primary reason for purchasing life insurance policies is to create intergenerational wealth, demonstrating an opportunity for policy makers to expand diverse wealth gaining mechanisms for people of color; *and*

WHEREAS, Life insurance companies have historically discriminated against Black policyholders since the Civil War, citing greater risk due to higher mortality rates for Black people. Based on genetic inferiority pseudoscience, such as the dastardly field of eugenics, life insurance companies have predominantly marketed inferior policies to minorities for the purpose of covering funeral and burial services, rather than as a wealth building tool, *and*

WHEREAS, Today, people of color are more likely to overestimate the cost of life insurance, and to be charged higher premiums compared to white people, which deters many potential life insurance buyers and underscores the distrust between people of color and financial institutions; *and*

WHEREAS, Institutionalized disinvestment and environmental injustices within communities of color have led to significant disparities in life expectancy compared to the life expectancy prevalent in majority white neighborhoods. Pooling of industry, the demolition of neighborhoods and greenspace for the construction of interstate highways, historically described by the misleading phrase "urban renewal," and

other environmentally harmful acts within minority neighborhoods has caused significantly detrimental impacts upon the health and quality of life of our Black residents.

WHEREAS, Black families have simultaneously been excluded from other wealth building measures, such as access to homeownership, an essential aspect of wealth accumulation. Additionally, high correlations exist between having more income and longer life expectancy. Since social determinants of health are used to fix higher insurance rates, there is an opportunity for policy makers to address racial health and wellness disparities through holding life insurance; *and*

WHEREAS, Women possess life insurance policies at lower rates compared to men, and tend to have less coverage. Despite this, women are the heads of household for over a third of all abodes in Roxbury, while typically earning less than their male counterparts. Providing financial tools to women, including access to life insurance policies, helps protect particularly vulnerable family units; *and*

WHEREAS, MassMutual, an insurance company based in Massachusetts, piloted a program that addresses challenges faced by people of color during the COVID-19 pandemic. The HealthBridge program utilized over \$3 billion in funding to provide free term life policies worth up to \$25,000 to low-income front line workers; *and*

WHEREAS, The state of Florida has made classes related to money management mandatory. Research shows personal finance skills support teenagers entering adulthood by urging a greater sense of responsibility, which often leads to a life of enhanced satisfaction. Furthermore, exposure to financial literacy programs, including how to navigate life insurance policies, encourages students to utilize said life insurance policies in the future, hence causing them to benefit economically; *and*

WHEREAS, The City of Boston is responsible for the well-being of its residents, including parents and children; ***NOW, THEREFORE BE IT***

ORDERED: That the appropriate committee of the Boston City Council hold a hearing to discuss the importance of engaging in a study to assess the need for a program that would help provide life insurance policies to the poor and working class, particularly the Black working class, within the city of Boston. This program would help mend the lack of trust between minority residents and financial institutions by expanding wealth building avenues and stabilizing vulnerable family units through the providing of life long policies. Furthermore, participants will research the potential for economic growth and wealth building through policy holding. Financial advisors suggest individuals with minimal savings may commence with a term policy before converting into a life policy before the policy terminates. Qualified participants will be employed, low-income residents living in Boston.

Filed on: May 18, 2022