

Travelers Institute Launches Consumer Insurance Education Series

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L to R: Kathy Gorman, Travelers; Steven Bender, Creative Insurance Solutions; Joan Woodward, Travelers Institute; Judi Seiden, Prudential PenFed Realty; and Bill Slosberg, First Savings Mortgage Corp.

On June 7, 2013, in partnership with Creative Insurance Solutions, the Travelers Institute held the first symposium to launch its new consumer insurance education series. The luncheon symposium was held in the Senate Banking Committee Hearing Room in the Dirksen Senate Office Building and convened Capitol Hill legislative staff for a discussion on the importance of understanding how insurance works.

The Travelers Institute hosted a panel of veteran financial services professionals to provide expert advice on buying a home, financing the home and insuring the home. Moderated by Joan Woodward, President of the Travelers Institute, the panel was comprised of:

- **Steven Bender**, Founder of Creative Insurance Solutions, and a recipient of a Travelers' 2013 Agent of the Year Award
- **Kathy Gorman**, Vice President of Agent & Field Sales Solutions and Chief Agent Experience Officer for Travelers Personal Insurance, with over 30 years of experience in the field
- **Bill Slosberg**, Senior Loan Officer at First Savings Mortgage Corp., with 21 years of experience in mortgage banking

- **Judi Seiden**, Associate Broker at Prudential PenFed Realty, with over 25 years as a leader in the field of real estate

Joan Woodward kicked off the discussion by telling the audience that the symposium is the first in a series that the Travelers Institute will hold around the country over the next several years to help consumers understand how to best protect their families and assets. Woodward talked about how the series is a result of Storm Sandy, which revealed that many consumers want and need help understanding their insurance policies and options. She also introduced the Travelers Institute's Insurance Guide, a toolkit of information about how insurance works and what consumers should know about buying homeowners, renters, condo, auto, flood and umbrella coverage.

Before the panel discussion began, Woodward polled the audience via electronic polling devices to gauge how prepared they are for a natural disaster. The audience responded:

- 17 percent have a home survival kit
- 6 percent have a documented contents inventory of their household belongings
- 34 percent have a disaster evacuation plan



Joan Woodward, Travelers Institute President

Woodward provided tips from Travelers risk control experts for preparing disaster survival kits, evacuation plans and a documented contents inventory. Step-by-step planning guides are available at the [Travelers Prepare and Prevent](#) site.

Before the panel addressed what to look for when purchasing insurance, Bill Slosberg and Judi Seiden gave advice on purchasing and financing a home. Before looking for a home, Slosberg suggests that consumers determine what they can actually afford to spend instead of focusing on the maximum loan a bank will grant. He recommends people wait to buy if they are not able to put five percent down as they will not be able to secure the more competitive interest rates with a smaller down payment. He also cautioned attendees about having their credit reports pulled too many times, which negatively impacts their credit score. Seiden warned attendees that Washington, D.C. is a “sellers market,” and they need to be prepared to be in a competitive bidding situation as the inventory of homes available is low. She recommends they rely on their realtor to package an offer and negotiate.

Woodward then turned to Steven Bender and Kathy Gorman to offer advice on insurance. Bender recommended that consumers do their research before going with an insurer. It is not just about price – he cautioned people to be sure the insurance carrier is financially strong enough to pay their

claims. Gorman also recommended using an independent agent. She explained that independent agents are locally based and understand the regional risks as well as the housing market and home values. They can also objectively review insurance premiums as they represent multiple insurance companies.

To guide the conversation, Woodward polled the audience to get a sense of their understanding of home and auto insurance.

Home results

- 86 percent of attendees correctly defined an insurance deductible
- 77 percent of attendees knew they needed enough insurance to cover the cost of rebuilding their home, not just for the market value of their home
- 70 percent of attendees knew their homeowners insurance does not cover flooding – that flood policies are purchased through the federal government’s National Flood Insurance Program (NFIP)
- 28 percent of attendees knew that everyone lives in a flood zone – it is just matter of whether you live in a low, moderate or high risk area
- 14 percent of attendees had an NFIP flood insurance policy



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Auto results

- 30 percent of attendees correctly identified that comprehensive auto coverage covers damage to the vehicle not caused by a collision
- 97 percent of attendees correctly identified that liability auto coverage covers damages if you cause an accident, hurt someone, or damage someone's property
- 52 percent of attendees correctly identified auto coverage limits as the most your insurance coverage will pay if you have a claim

The panel provided comments on each polling question, speaking to specifics on different insurance coverages available and providing overall tips for how to understand an individual insurance policy.

In addition to providing commentary on the polling questions, the panelists also spoke about the importance of an umbrella insurance policy. Bender recommended that anyone who owns a home have an umbrella policy. It provides additional liability insurance beyond what is included under a homeowners or auto policy. Slosberg is also an advocate of the coverage and gave

the example that if the mailman slipped on wet leaves on your property or you hit someone with your car that has a job that requires them to be on his / her feet, you could be liable for their lost wages for an extended period of time.

Woodward concluded the discussion by sharing with the audience that the Travelers Institute will be taking the symposia series on the road and will be making many stops around the country throughout 2013 and 2014. The Travelers Institute's goal is to bring the experts to the consumers and take the complexities out of understanding an insurance policy. She encouraged attendees to access the electronic toolkit via TravelersInstitute.org and use it as a resource.



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