



**INSURANCE
INFORMATION
INSTITUTE**

National Association of Insurance Commissioners (NAIC) Insurance Summit

Consumer Engagement from an Industry Perspective

**Sheraton Kansas City at Crown Center
Kansas City, Missouri
May 25, 2017**

Michael Barry, Vice President, Media Relations

Jeanne M. Salvatore, Senior Vice President, Chief Engagement Officer and Sr. Spokesperson

Insurance Information Institute ♦ 110 William Street ♦ New York, NY 10038

Tel: 212.346.5555 ♦ Cell: 917.612.4088 ♦ Jeannes@iii.org ♦ www.iii.org

Presentation Overview

Consumer Engagement from an Industry Perspective

- ▲ What is the Insurance Information Institute?
- ▲ What do Consumers Know About Insurance?
- ▲ What Should We Be Communicating?
- ▲ What does the I.I.I. do to Educate Consumers?
- ▲ What are other Sources of Insurance Information?
- ▲ How Should We Communicate?
- ▲ Questions



I.I.I. Mission Statement

Simple and succinct; and should stay that way...

Improving public understanding
of insurance...

...what it does and how it works

What do Consumers Know About Insurance?

And what don't they understand?

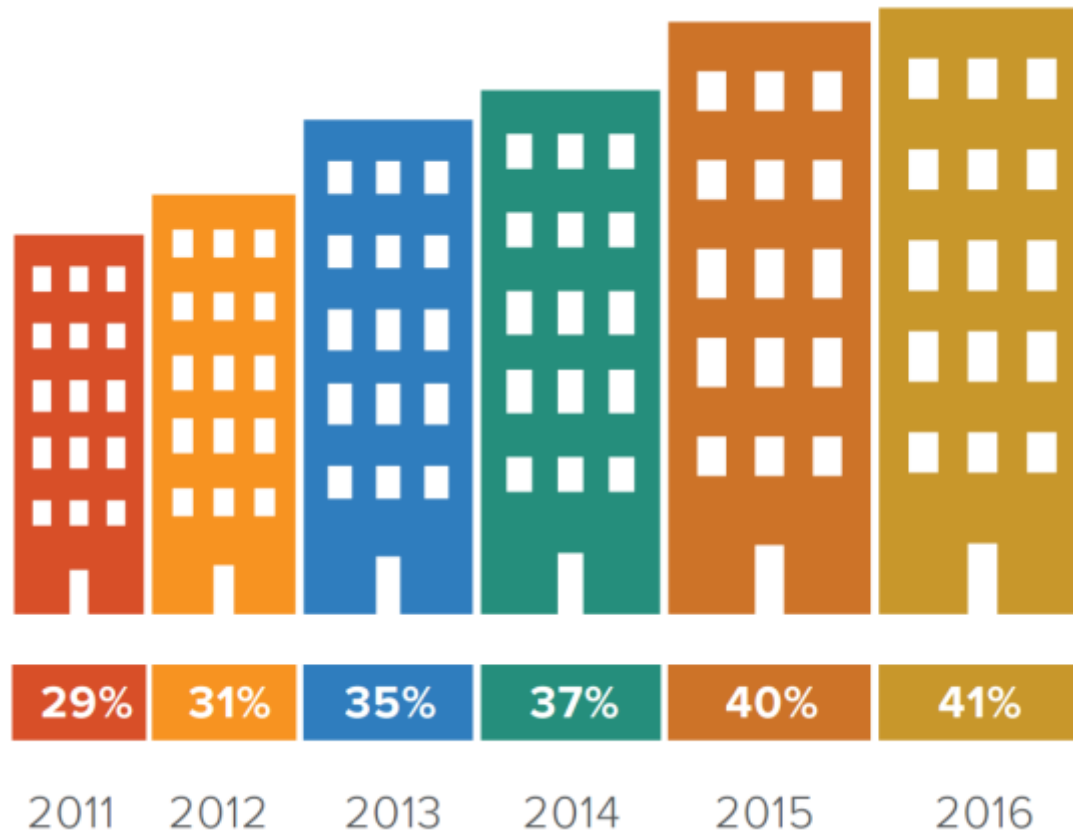
Homeowners and Renters Insurance

Most Homeowners Purchase Coverage, and Growing Number of Renters do too!

- ▲ A 2016 Insurance Information Institute poll conducted by ORC International found that **93 percent of homeowners had homeowners insurance.**
- ▲ And **41 percent of renters had renters insurance.** This number has been growing over the last decade.
- ▲ But only **12 percent had a flood insurance policy**, despite the fact that flooding is the most common natural disaster in the U.S.
- ▲ And, although earthquakes have caused damage in all 50 states, **only 8 percent of American homeowners purchase separate earthquake insurance** or add an earthquake endorsement to their homeowners policy.



Growing Number of Renters Insure Their Home



Renters Insurance - Age Matters

- ▲ In one surprising twist, the I.I.I. found that younger generations are more likely to purchase renters insurance than older Americans.
- ▲ A greater percentage of both Millennials and Generation Xers purchase renters insurance than Baby Boomers.

41%
Millennials
(ages 18-35)



48%
Generation X
(ages 36-51)



24%
Baby Boomers
(ages 52-70)



Consumer Understanding of Home and Flood Insurance: **Good News and Bad News**

Key Findings

Two broad conclusions can be drawn from the I.I.I.'s survey. First, **the majority of homeowners *do* understand the basics of their homeowners policy.** They recognize that they will be covered if their house is damaged by a fire, if property is stolen

from their home or if someone is injured on their property (Fig. 1).

But second, **homeowners have gaps in their knowledge of their coverage.** For example, many policyholders do not recognize that most flood damage is not covered by their basic homeowners insurance.

Fig. 1

Homeowners Understand the Basics

Percentage of homeowners who knew key perils are covered



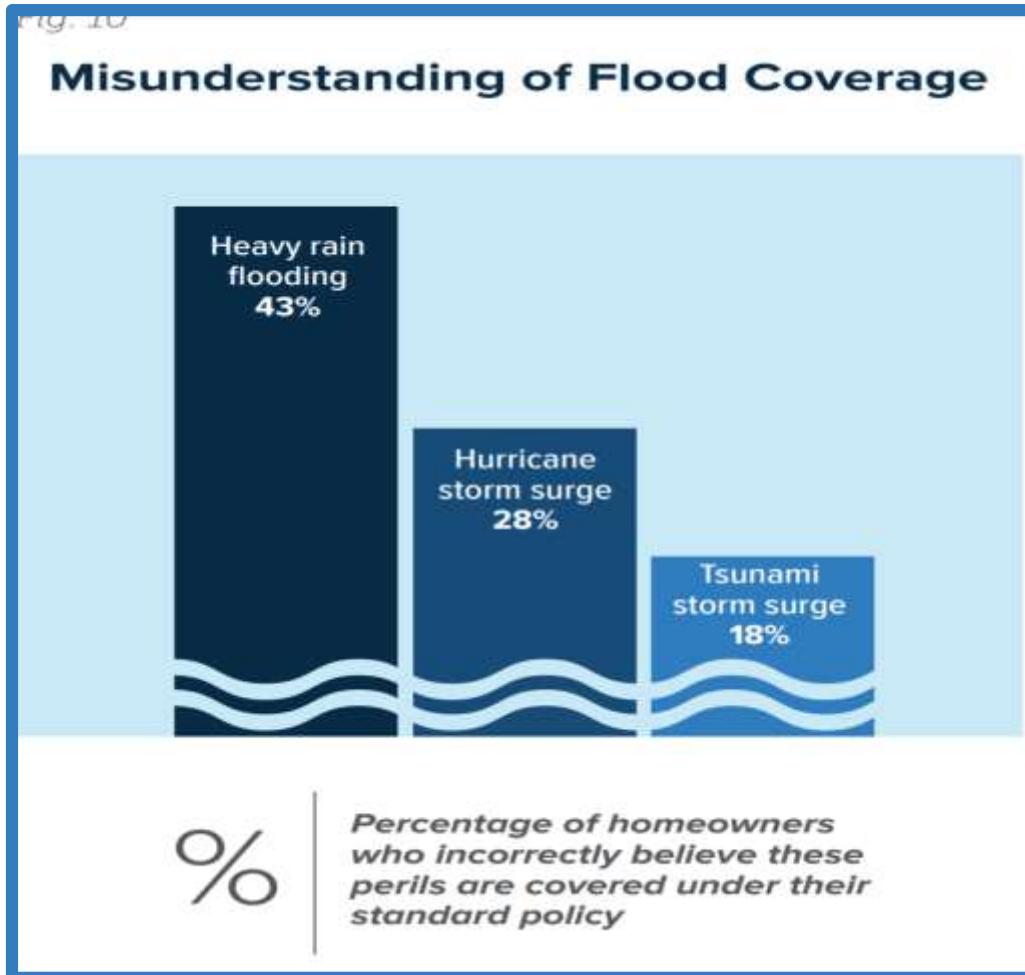
Misunderstanding of Flood Damage Coverage



Most homeowners understand the basics in a home insurance policy but don't understand water damage and flooding

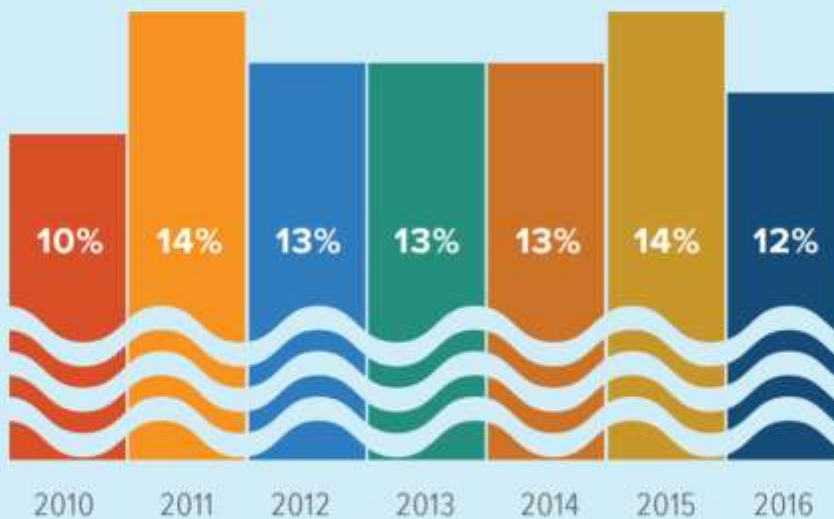
Misconceptions Regarding Flood Coverage

Troubling Results

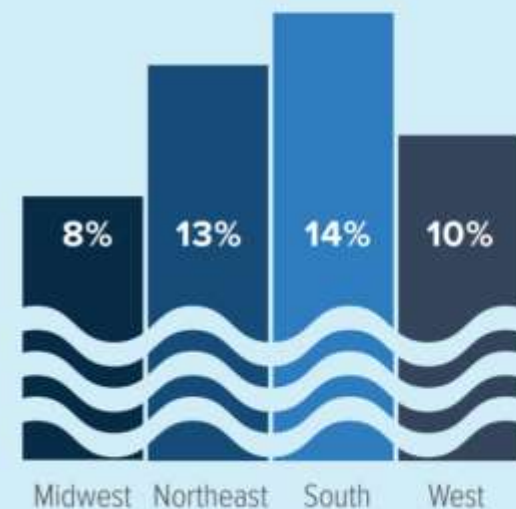


Flood Insurance by Year and By Region

Homeowners With Flood Insurance



Homeowners With Flood Insurance by Region (2016)

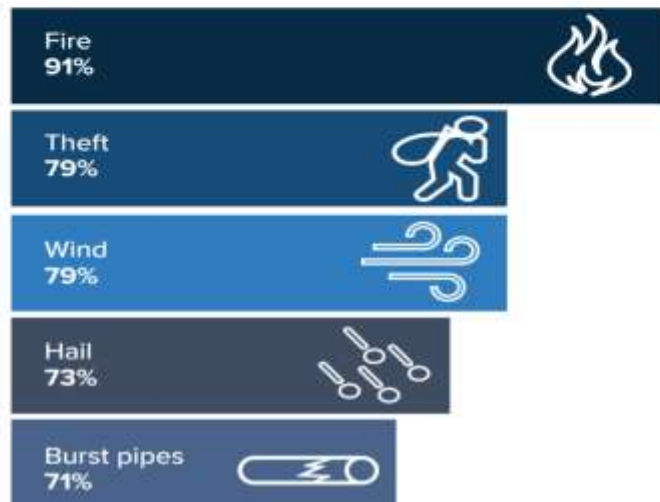


Homeowners Understand the Key Provisions in A Policy

Most homeowners understand the key provisions of a standard homeowners insurance policy. A majority of homeowners recognize that their policy will provide coverage for damage caused by fire, wind and hail. Most also know that items stolen from their house are covered (Fig. 7).

Fig. 7

Recognizing Covered Perils



Most consumers understand that

- Fire
- Theft
- Wind
- Hail
- Burst Pipes

ARE covered by standard home policies

Most Know that there is ALE Coverage in a Home Insurance Policy

No ALE in Flood Insurance Policy – A Source of Confusion

Figure 3-1

Additional Living Expenses (ALE) Coverage

48%

Homeowners who recognize that their policy provides ALE coverage

27%

Homeowners who don't think they have coverage



Standard homeowners insurance does include ALE coverage.



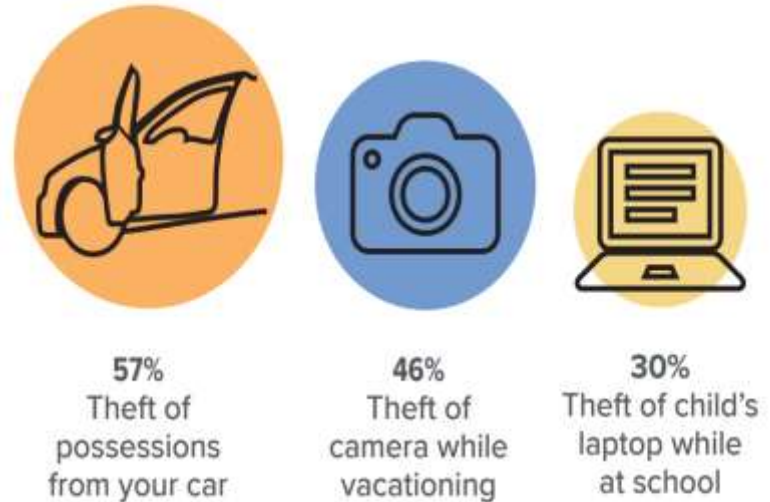
Consumers are also confused by coverage for basements.

Consumers are Fuzzy on the Details

- While homeowners understand the basics, the I.I.I. found that many were not aware of some additional coverages included in their policy.
- For example, 79 percent recognize that homeowners insurance provides coverage for stolen possessions in their home, but don't always know that they are covered away from home too.

Fig. 8

Off-Premises Theft Coverage

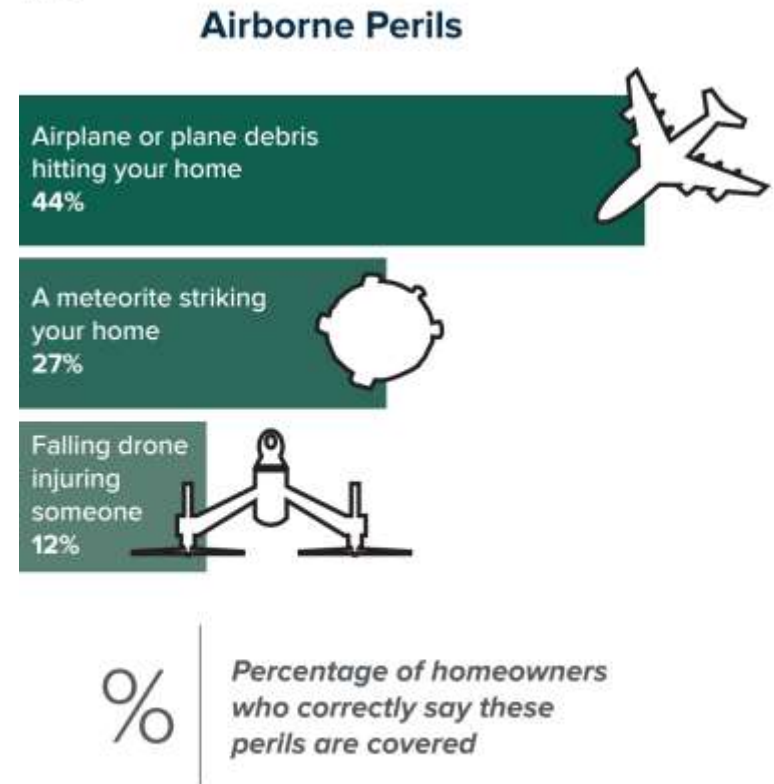


Homeowners who know that off-premises theft is covered

Consumers are Unaware that Fallen Objects are Covered!

- Only 27 percent of homeowners said their policy covered a meteorite striking their home.
- They also don't know they are covered against falling airplane debris or if their drone falls and injures someone.

Fig. 9



Lack of Knowledge about Earthquake Coverage

Misperceptions About Earthquake Coverage

29%

Homeowners who incorrectly think that standard homeowners insurance covers earthquake damage



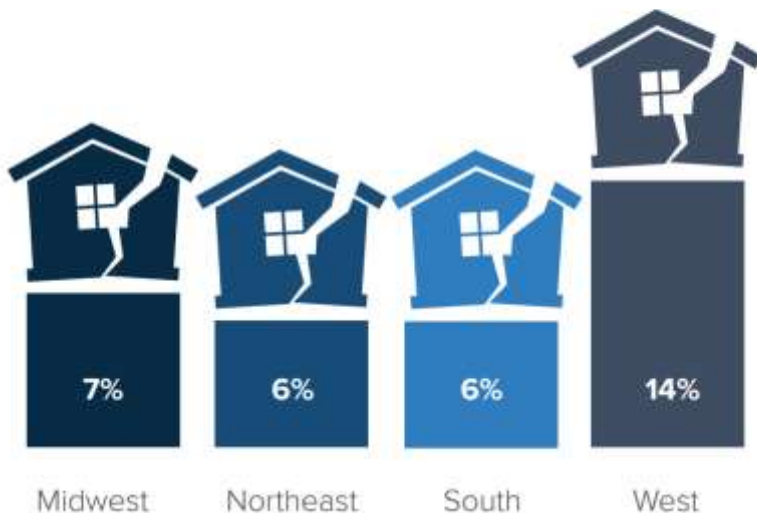
Standard homeowners insurance does NOT cover earthquake damage.

- ▲ Property damage caused by earthquakes is also not covered by a standard homeowners policy, though fire damage following an earthquake will usually be covered.

Earthquake Insurance and Risk by Region

Fig. 6

Homeowners With Earthquake Insurance by Region (2016)



- There has been increased seismic activity in the Midwest and South. Earthquakes occurred in Kansas, Oklahoma and Texas, as well as Alaska, Arizona, Idaho, Nevada and California.
- The U.S. Geological Survey reports increased seismic activity in Oklahoma caused by underground wastewater disposal associated with oil and natural gas production.

Consumer Understanding of Liability Coverage

- ▲ *Most policyholders recognize that standard homeowners insurance provides liability coverage.*

Understanding Liability Coverage

Medical payments for visitor injured on your property

69%



Defense costs if sued by someone injured on your property

61%



Medical payments for a visitor bitten by your dog

54%



%

Percentage of homeowners who recognize that their standard homeowners policy provides certain liability coverage

What Should We Be Communicating?

Need to Communicate the Basics As Often as Possible

Key Messages Include:

- ▲ Standard home, renters and business insurance policies clearly list the disasters that are covered and the disasters that are not.
- ▲ Everyone needs to get enough insurance to rebuild their home, replace their possession and protect their assets.
- ▲ The two biggest disasters that are not covered are floods and earthquakes.
- ▲ Flood coverage is available from the National Flood Insurance Program (NFIP) and a few private insurance companies. Excess flood insurance is available from private insurers.
- ▲ Flood damage to an auto is covered under the optional comprehensive portion of an auto insurance policy.
- ▲ Earthquake insurance is available from private insurance companies and through the CEA in California.



Focus on Renters – Encourage to get both a Renters Insurance Policy and a Flood Insurance Policy

We are increasingly becoming a Nation that Eschews Home Ownership at Every Demographic!

- ▲ The U.S. homeownership rate was 63 percent in second-quarter 2016, the lowest rate since the third quarter of 1965, according to data from the U.S. Census Bureau.
- ▲ Renters account for a majority of households in NYC (69 percent), LA (62 percent), Chicago and Houston (55 percent).

Need to Clear Up Confusion About Coverage

- ▲ For example, the industry needs to do a better job of explaining water damage coverage.
- ▲ Need to communicate that homeowners insurance includes coverage for damage caused by wind-driven rain, burst pipes and water leaking into a house because of an ice dam.
- ▲ Also need to clearly explain coverage for mudslides, landslides and back-up of sewers and drains, as well as “law and ordinance” coverage.

Fig. 11

Misunderstanding of “Earth Movement” Coverage



%

Percentage of homeowners who incorrectly believe these perils are covered under their standard policy

Need to Point out Limitations of the Flood Insurance Policy

Important to Not Sugar Coat it!

Stress the following:

- ▲ There is no ALE coverage.
- ▲ Coverage for Basements is limited.
- ▲ There are limits on the amount and type of coverage under an NFIP flood insurance policy. Homes are covered for up to \$250,000 on a replacement cost basis and the contents for up to \$100,000 on an actual cash value basis.
- ▲ Coverage limits for commercial property are \$500,000 for the structure and another \$500,000 for its contents.



What does the I.I.I. do to Educate Consumers?

Different Tactics for Different Audiences


Approaches as Different As Individuals

- ▲ Apps
- ▲ Blogs
- ▲ Checklists
- ▲ Consumer Articles
- ▲ Infographics
- ▲ Media Interviews
- ▲ Social Engagement
- ▲ Videos




I.I.I. Website

The I.I.I. homepage is updated regularly with content relevant to consumers.



INSURANCE INFORMATION INSTITUTE
 Improving public understanding of insurance—what it does and how it works.

[Topics](#)
[Members](#)
[Press](#)
[Publications](#)
[Services](#)
[En Español](#)
[Tools](#)
[CONNECT](#)



I.I.I. SPOTLIGHT
Springtime Motorcycle Safety and Insurance Tips
MARCH 08, 2016 - This week (March 4 - 11) is Daytona Bike Week, one of the biggest red-letter dates on all motorcycle enthusiasts' calendars. With warmer weather and months of riding just ahead, now's an excellent time to review your motorcycle insurance to see if it can keep up with your two-wheeled needs and passions.
[Full Story](#)

PRESENTATIONS
Overview and Outlook for the Global Commercial P/C Insurance Industry: Trends, Challenges, Disruptors and Opportunities
FEBRUARY 24, 2016


TRENDING

- 12 Easy Steps to Locating Lost Life Insurance Policy Documents
- How Can I Save Money On Auto Insurance?

UNINSURED/UNDERINSURED MOTORISTS


- Protecting Yourself Against Uninsured Motorists
- Facts and Stats: Uninsured Motorists

FACTS+STATISTICS




Women in Insurance
MARCH 8 marks International Women's Day, and an excellent opportunity to highlight and celebrate women in insurance—who in 2015 comprised 59.4 percent of all industry employees.
[All Facts & Statistics](#)


I.I.I. WIRE



What Do Women Business Owners Want?
FEBRUARY 26, 2016 - Six business insurance strategies for Women's History Month.




First Step to Recovery After the Blizzard Is Filing a Claim
JANUARY 28, 2016 - The I.I.I. answers questions about the claims filing process; keeping good records is key.




For Businesses Digging Out From the First Blizzard of 2016, a Guide to the Insurance Claims Filing Process
JANUARY 26, 2016 - What is covered by a business owners policy?

I.I.I. VIDEO




The It's on Insurance: Life Insurance




The It's on Insurance: The Claim Game: Homeowners

I.I.I. UPDATES



INSURING FLORIDA
Latest blog: Hit-and-run crashes: The problem and the BIGGER problem...

EN ESPAÑOL



¿Cómo funciona el deducible de su seguro?
El deducible es la parte que...



I.I.I.'s Spanish Language Resources

Consumer News Releases Translated into Spanish

Articles

News Releases

INSURANCE INFORMATION INSTITUTE
improving public understanding of insurance—what it does and how it works.

Temas | Miembros | Prensa | Publicaciones | Servicios | En Español | Herramientas

Información Sobre los Seguros en Español

BUSINESS INSURANCE
¿Tiene su negocio un plan de emergencia contra desastres? [Ver artículo](#)
Seguro de interrupción de negocios: Para qué es necesario y cómo se opera tras un desastre. [Ver artículo](#)
Hay diferentes tipos de seguro contra interrupción de negocios que pueden combinarse uno a uno, o en combinación.

Life Insurance
Aspectos básicos de los seguros para negocios y empresas. [Ver artículo](#)
Los seguros son una pieza clave para ayudar a que las puertas de los negocios sigan abiertas.

Financial Planning
Cobertura BOP: La póliza básica de seguros para empresas. [Ver artículo](#)
La BOP, o Seguro de Propietarios de Negocios, es la más común de las pólizas para empresas.

Presentations
Cobertura para la cadena productiva y de distribución de su negocio. [Ver artículo](#)
El Seguro de la Cadena Productiva y de Distribución es una cobertura "contra todo riesgo" de interrupción de los negocios.

PRESENTATIONS
Insurance Industry Employment Trends: 1990-2016 (June 2014)
The U.S. Labor Department's Bureau of Labor Statistics (BLS) just published data as of June 2014.

Comunicados de Prensa

PRESS RELEASE ARCHIVE
2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019

Revisión de Inundaciones y los Seguros Necesarios En Caso De Tormentas Severas Son Los Temas Que Más Preguntan Los Residentes Hispanos De Houston
AGUSTO 2, 2016

Aviso A Los Medios: Univision 45 Presenta Línea Telefónica De Ayuda Este Miércoles 3 De Agosto Para Responder Preguntas De Seguros Y Preparación Contra Desastres
AGUSTO 1, 2016

Seis Consejos Para Tomar El Control Del Volante Al Comprar Seguro De Auto
JULIO 25, 2016

WXTV Univision 41, Insurance Information Institute y Latin Agents and Brokers Asociados Organizan Un Banco Telefónico Para Responder Preguntas De La Audiencia Sobre Los Seguros Con La Campaña "Pregunte Tu Vez" El 20 De Julio De 5 A 7 P.M.
JULIO 20, 2016

Los Vacacionistas Preocupados Por El Clima Extremo, El Malestar Político Y Otros Riesgos Pueden Recurrir A Los Seguros De Viajes Para Obtener Asistencia Personal Y Financiera
JULIO 11, 2016

El Número De Reclamaciones De Seguros Por Daños A Causa De Rayos Disminuye Levemente Pero La Severidad Aumenta Un 7%
JUNIO 23, 2016

I.I.I. VIDEO
Protecting Your Home From An Earthquake
Earthquakes are a real threat to your home, possessions, and safety. Learn simple ways to improve it.

FACTS+STATISTICS
Identity Theft and Cybercrime
Back to school season presents myriad opportunities to mold young minds. But to hackers and other cy...

I.I.I. BLOG / TERMS & CONDITIONS
Louisiana Flooding Underscores Insurance Need

EN ESPAÑOL
Las Mordidas De Perros Causan Un Termino De Los

Topics

Members

Press

Publications

Services

En Español

Tools

CONNECT



PRESS ROOM

Bios and Photos

I.I.I. Logos

I.I.I. Video

Inquiries

Press Releases

Features



All Press Releases En Español

EN ESPAÑOL

Press Releases

PRESS RELEASES ARCHIVES

[2011](#) | [2012](#) | [2013](#) | [2014](#) | [2015](#) | [2016](#)

Louisiana Flooding Offers Reminder Of U.S. Flood Risk During The 2016 Hurricane Season

AUGUST 17, 2016

MEDIA ADVISORY: Reporters Covering The Louisiana Floods Can Contact The I.I.I. For Analysis, Resources And Interviews

AUGUST 16, 2016

Flood Insurance Is Primary Topic Of Concern For Hispanic Consumers In Houston, Says I.I.I.

AUGUST 5, 2016

Media Advisory: Univision 45 Hosting Helpline On Wednesday, August 3rd, From 5 To 7 PM, To Answer Viewers' Questions On Insurance And Disaster Preparedness

AUGUST 2, 2016

Six Tips For Taking The Wheel When It Comes To Shopping For Car Insurance

JULY 25, 2016

WXTV Univision 41 Insurance Information Institute and Latin Agents and

I.I.I. VIDEO



Protecting Your Home From An Earthquake

Earthquakes are a real threat to your home, possessions, and safety. Learn simple ways to improve th...

FACTS+STATISTICS



Identity Theft and Cybercrime

Back to school season presents myriad opportunities to mold young minds. But to hackers and other cy...

- All Facts & Statistics -



I.I.I. BLOG / TERMS & CONDITIONS



Louisiana Flooding Underscores Insurance Need

I.I.I. Blogs



“The I’s on Insurance” Video Series



Animated video series covering Homeowners, Auto, Small Business and Life Insurance.


Goal: To engage and encourage viewers to reach out to their agent, broker, or company representative to discuss insurance coverage.

Social Engagement

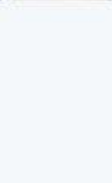
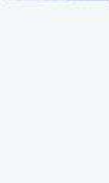
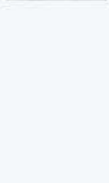

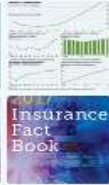

[Home](#) [Moments](#)

Search Twitter

Have an account? [Log in](#)





Sean Kevelighan
[@III_Seank](#)
III CEO, Husband & Father,
Runner/Triathlete, Passion for Promoting
Insurance
[New York, NY](#)
[iii.org](#)
Joined September 2016






TWEETS **318** FOLLOWING **91** FOLLOWERS **266** LIKES **62**

Tweets Tweets & replies Media



Sean Kevelighan Retweeted
**NCCI** @NCCI · 6h
Thnx to our incredible speakers, sponsors, & YOU - #ncciAIS attendees, for
another successful Annual Issues Symposium! Can't wait for 2018!





SAVE
THE DATE!
AIS 2018
ORLANDO, FL
MAY 16-18, 2018


 4  5

Sean Kevelighan @III_Seank · 6h
Here at #ncciAIS with my co-panelists, a "dream team" of #insurance thought
leaders (l-to-r) @LeighPusey, @ChuckNAMIC, and @Bob_Hartwig

 2  4

Sean Kevelighan Retweeted
**NCCI** @NCCI · 6h
CWCI's Alex Swedlow on #medical cost drivers #ncciAIS #workerscomp



Have an account?

☒ Remember me · [Forgot password?](#)


[Log in](#)

New to Twitter?

[Sign up](#)

[Sign up](#)

Worldwide Trends

[#Fener4Glory](#) 
219K Tweets

[#KohLanta](#)
30.1K Tweets

[Kid Vinil](#)
6,780 Tweets

[Tom Hardy](#)
52.1K Tweets

[Sampaoli](#)
37.7K Tweets

[#مشاريع تراث](#)
16.3K Tweets

[#TuCaraNoTodavia10](#)
4,283 Tweets

[#تبرءه ملءه الرءءء](#)
58.5K Tweets

[Amiens](#)
41.8K Tweets

[Nut Job](#)
113K Tweets

© 2017 Twitter · [About](#) · [Help Center](#) · [Terms](#)
[Privacy policy](#) · [Cookies](#) · [Ads info](#)

What are other Sources of Insurance Information?

Entities Which Educate Consumers



FEMA




NAIC's Consumer-Focused Web Content



Insurer-Funded Trade Groups





How MetLife Educates Consumers



[Money](#)[Insurance](#)[Security](#)

Insurance





4 Ways Your Employer Can Help You Buy a New Home

2 MAY 2017

posted in: Insurance

Are you planning a move? Learn How Your Employer Could Help As You Buy A New Home.

Buying a Home, employee benefits, Homeowners Insurance, Insurance, Voluntary Benefits





What Is A Statement of Health?

10 MAR 2017

posted in: Insurance

Are you enrolling in or making changes to a group life insurance or disability plan? Here's What You Should Know About A Statement Of Health.

Disability Insurance, employee benefits, Insurance, Life Insurance



Retiring? 5 Benefits Questions to Ask Before You Do


11 OCT 2016


posted in: Insurance, Money


A benefits package that fits your vision of retirement is an important part of your financial future. Before You Retire, Answer These Five Questions About Your Benefits.


Dental Insurance, employee benefits, Insurance, Retirement, Retirement Planning, Voluntary Benefits


Recent Posts

[Beyond Happy Hour: 5 Innovative Team Building Activities](#)
May 16, 2017


[Listen Up: The Skill You Need to Get Ahead at Work](#)
May 16, 2017

[How to Adapt to a Changing World](#)
May 15, 2017

[Self-Care Tips for Better Work/Life Blending](#)
May 11, 2017

[The Risks of Taking a Lump Sum Payment in Retirement](#)
May 10, 2017


How Travelers Educates Consumers



[POLICY INITIATIVES](#)[ABOUT US](#)

- A plan for communicating with family
- Enough fuel in your car to reach your meeting place

Insurance Essentials: Your Questions Answered




Explore:

[Symposium Series](#)


[News & Media](#)

Providing tools and resources to make informed decisions



Through the *Insurance Essentials: Your Questions Answered* symposium series, the Travelers Institute hosts events across the country to empower community members with reliable information about their insurance options. The Travelers Institute, in partnership with independent insurance agents and other local professionals, seeks to raise awareness and provide informational content to promote understanding about insurance.

Insurance Guide




TRAVELERS INSTITUTE TRAVELERS

The guide provides a toolkit of information about insurance and types of coverage, allowing consumers to put their minds at ease and more easily protect their families and assets. The Insurance Guide centralizes educational resources on homeowners and auto insurance, deductibles, the National Flood Insurance Program and disaster preparedness into a one-stop shop for insurance information.

[Download the Insurance Guide >](#)


Consumer Risk Index

45%




AGES 18-39

50%



AGES 40-54

60%



AGES 55+

What types of risks concern Americans the most in their daily lives? The Travelers Consumer Risk Index is an annual survey that provides insight into the types of risks that individuals and families believe are most prevalent – and concerning – in their everyday lives. By identifying those trends, we can help consumers take practical steps to prepare for the unexpected and manage those risks.


[Learn more >](#)

Prepare & Prevent



Tips for preventing home, business and auto damage. Visit our Prepare & Prevent resource area today. Our expertise in dealing with property damage will help prepare and prevent damage to yours.

[Learn more >](#)





Keeping your teen safe on the road

1 in 6 newly licensed teens will get into

Insurance Essentials Across the Country

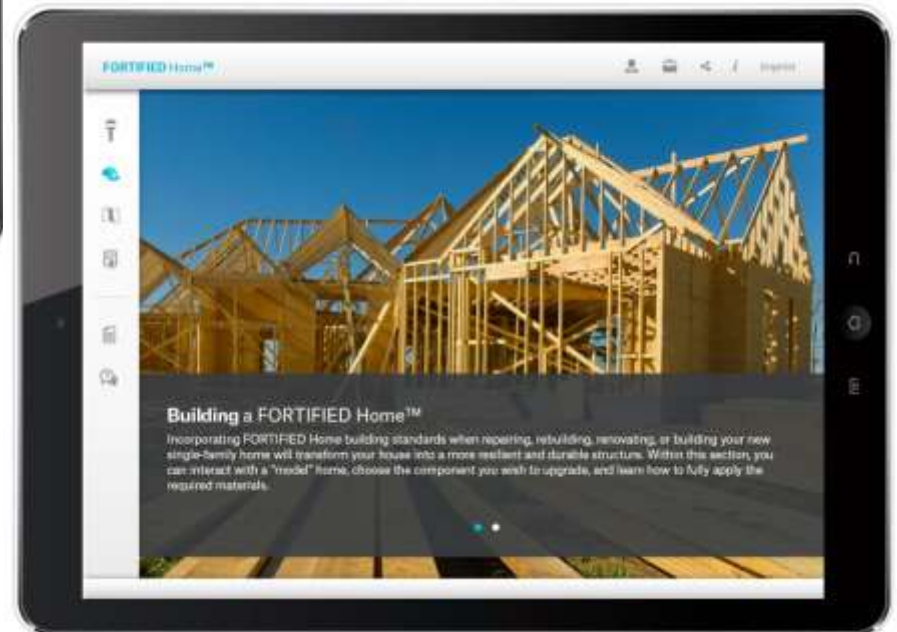
What to expect at an event near you.





36

How MunichRe Educates Consumers



How Should We Communicate?

“Surround Sound” Approach to Consumer Communications



Questions? And, Thank You!

@JeanneSalvatore

212-346-5555

917-612-4088

Jeannes@iii.org

Michael Barry

212-346-5542

917-923-8245

Michaelb@iii.org