

## Insurance Essentials: Your Questions Answered Symposia Series

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Local professionals share insurance tips for the Houston community at the Travelers Institute Insurance Essentials: Your Questions Answered symposium.

### Keynote Address

Economic and Washington Public Policy Update - Joan Woodward, President, Travelers Institute; Executive Vice President, Public Policy, The Travelers Companies, Inc.

### Panel Discussion

Moderator – Joan Woodward, President, Travelers Institute; Executive Vice President, Public Policy, The Travelers Companies, Inc.

Jimmie Gale Berg,  
Galveston Branch Manager,  
Cadence Insurance

Dee Ann Binion, Vice President,  
Cadence Insurance

Erick Geitner,  
Senior Vice President,  
Cadence Bank, Mortgage Division

Linda Jordan, Realtor,  
Strategic Moves Realty – Keller Williams

Industry professionals gathered in Houston, Texas, in fall 2014, to provide local residents with information on how to properly buy, finance and insure a home. Hosted in west Houston by the [Travelers Institute](#), community members discussed insurance needs throughout various stages of their lives and had the opportunity to ask their toughest questions. Additional event hosts included [Cadence Insurance](#), [Cadence Bank](#) and the [Houston West Chamber of Commerce](#).

Drawing on her Capitol Hill experience, Joan Woodward, President of the Travelers Institute and Executive Vice President of Public Policy at Travelers, launched the program with a keynote address focused on the state of the U.S. economy and the current political climate. Woodward also offered insights into the economy and outlook for 2015, describing unemployment trends by state and noting that Texas trended below the national average.

The audience was polled throughout the event to gather insights about insurance comprehension. Woodward and the panelists found that 69 percent of individuals purchased insurance from an independent insurance agent, while 12 percent of audience members purchased their insurance online. Though she said this number was encouraging, Jimmie Gale Berg, Galveston Branch Manager, Cadence Insurance, emphasized the benefits of speaking with an independent insurance agent when selecting insurance coverage.



Dee Ann Binion, Vice President, Cadence Insurance (left), and Jimmie Gale Berg, Galveston Branch Manager, Cadence Insurance (right), advise individuals to work with their independent insurance agent to cover their home for its replacement cost.



Erick Gettner, Senior Vice President, Cadence Bank, Mortgage Division, and Linda Jordan, Realtor, Strategic Moves Realty – Keller Williams, discuss buying and financing homes in the greater Houston area.

### Buying, Financing and Insuring a Home

When selecting homeowners insurance (particularly for properties that have been owned for many years), Berg stated that your home should be insured for its full replacement cost. Dee Ann Binion, Vice President of Cadence Insurance, built on Berg's comments, explaining that incremental updates to homeowners insurance policies help to secure an appropriate level of insurance coverage. Binion advised meeting with an independent insurance agent to evaluate if changes need to be made.

The discussion turned to the Houston real estate market, with a majority of attendees owning a home. Linda Jordan, Realtor with Strategic Moves Realty – Keller Williams, explained that Houston's 2.9 months of inventory – "the number of months it would take to deplete the existing supply of homes on the market" – made the real estate market very strong in comparison to the rest of the country.

Jordan described Houston as a "very tight market, where buyers often find themselves in competitive bid situations." When considering homeowners insurance, however, it is important for homeowners to know the difference between market value and the cost to rebuild their home, Berg said. The cost of rebuilding a home from scratch is not necessarily aligned with its market value. She explained that the cost to rebuild can be higher or lower than market value because expenses can change due to construction material costs.

Given this competitive environment, Erick Gettner, Senior Vice President of Cadence Bank's Mortgage Division, explained the importance of being prepared with a mortgage pre-qualification letter from a bank before you make an offer on a property. He also offered valuable advice when applying for a mortgage. Specifically, since the 2008 housing bubble, stricter lending requirements have been enacted, and borrowers now face stricter benchmarks. He emphasized how the FICO credit score, a type of credit score lenders use to assess credit risk, is a critical component for lenders and he has seen that a score of at least 620 is often necessary in the eyes of most loan officers in the region.



Gettner explains recent changes in the mortgage application process.

**“Be an educated buyer. Ask questions. Talk to your agent. That’s what we’re here for.”**

– Jimmie Gale Berg



L to R: Joan Woodward, President, Travelers Institute; David Lavergne, Regional President, Travelers; Jordan; Binion; Berg; and Geitner

Geitner went on to say that the key to a successful home purchase is to plan ahead. He advised potential borrowers to have their financial assets in order, a few months of bank statements on hand and, particularly for younger buyers, an established credit history. Geitner encouraged buyers not to wait until the last second to look at insurance coverage for their future home, explaining that “it is increasingly considered in the total estimation of your obligation for pre-qualification.” Berg agreed, and recommended that individuals consult an independent insurance agent to guide them through the process.

### **Auto Insurance**

The discussion then turned to auto insurance needs, and how consumers can protect themselves both at home and while traveling. When an audience member asked for advice on insurance when renting a car, Berg and Binion urged drivers to consider buying additional insurance, either through the rental agency or as a benefit offered by some credit card companies.

“Your insurance policy will typically cover damage to a rental vehicle,” said Berg. “However, if you read your contract with the rental car company, you will see that they typically require full payment immediately upon the vehicle’s return. Costs can include the loss of use and the restoration of any physical damage.”

Consequently, drivers could be required to pay with their credit card or personal funds, then work through the claim process with their insurance company in order to be reimbursed for covered damages.

As the event concluded, panelists agreed that the best advice for consumers to properly protect themselves is to consult with industry professionals. In the mortgage and real estate space, lending officers and realtors have a wealth of knowledge and can help prospective home buyers make informed decisions. Likewise, independent insurance agents can better prepare individuals to stay safe in the event of a significant life change.

To learn more about insurance coverage options, check out the [Travelers Institute® Insurance Guide](#).

### **The Travelers Institute**

Travelers established the Travelers Institute as a means of participating in the public policy dialogue on matters of interest to the property casualty insurance sector, as well as the financial services industry more broadly. The Travelers Institute draws upon the industry expertise of Travelers' senior management and the technical expertise of its risk professionals and other experts to provide information, analysis and recommendations to public policymakers and regulators.

### **Cadence Bank**

Cadence Bank, N.A., based in Birmingham, Ala., is a \$7.9 billion bank with 80 locations in Alabama, Florida, Mississippi, Tennessee and Texas. Backed by 126 years of financial expertise, Cadence serves commercial and consumer clients with a full range of innovative banking and financial solutions designed to keep pace with their lives. Member FDIC. Equal Housing Lender.

### **Cadence Insurance**

Founded in 1966, Cadence Insurance is a full-service insurance agency serving business and consumer clients. As an independent agency, Cadence Insurance serves clients across Texas and the U.S. and represents many of the top-rated national and regional insurance companies. Cadence is a leading provider of all lines of personal and business insurance, life insurance, long-term care and travel insurance.

### **Houston West Chamber of Commerce**

The Houston West Chamber of Commerce mission – “In Business. For Business.™” – is to be the choice for business and community by promoting economic growth and a superior quality of life in the West Houston communities. The Chamber helps build stronger communities by staying focused and involved in the top business, civic and social priorities.