

THE PROTECTION GAP IN PROPERTY INSURANCE

Friday, March 29, 2019 | 9:15 a.m. - 3:30 p.m.

Rutgers Law School | 217 North Fifth Street | Camden, NJ 08102

The **protection gap** is the difference between losses that are insured and losses that could or should be insured. The Rutgers Center for Risk and Responsibility at Rutgers Law School **Conference on The Protection Gap in Property Insurance** will address the protection gap in residential and commercial property losses and related types of losses in the United States.

The property insurance protection gap can have significant impact on individuals and communities; a property owner who does not have flood insurance may lack the resources to rebuild after a hurricane, for example, and if many property owners lack insurance, an entire community may be hard-pressed to recover. The concept of a protection gap raises several issues:

What is a protection gap? What protection gaps exist in property insurance and what causes them? Some examples:

- An entity is entirely uninsured or insurance is unavailable. This is rare in property insurance in the US, with the notable and high-profile exception of Puerto Rico, which came to light after Hurricane Maria.
- Insured, but certain perils not covered. Homeowners insurance policies exclude coverage for losses caused by natural disasters such as flood or earthquake, and many homeowners fail to purchase available catastrophe insurance.
- Under-insured. Three of every five homes in America are underinsured by an average of 20 percent less than full value, according to analytics firm CoreLogic.
- Other exclusions or restrictions on coverage. Many homeowners and commercial property policies contain hurricane deductibles or windstorm deductibles, restrictive loss settlement provisions, or other limitations of which policyholders may be unaware.

What solutions are there for protection gaps?

Some examples:

- Legislators and regulators can require information disclosures and prescribe policy terms to ensure adequate coverage. In the wake of the California wildfires, the legislature enacted a series of reforms aimed at improving consumer understanding and better coverage for homeowners.
- Insurers and intermediaries can innovate products and marketing and can reduce costs to increase availability of coverage and consumer awareness. Insurtech, on-demand insurance, and parametric insurance are being offered as solutions to protection gaps.

Faculty

Michael Childress | Childress Loucks & Plunkett
Tom Considine | National Conference of Insurance Legislators
Jay Feinman | Rutgers Law School
Laura Foggan | Crowell & Moring
Nicholas Insua | Anderson Kill
Peter Kochenburger | University of Connecticut School of Law
R.J. Lehmann | R Street Institute
William F. Merlin, Jr. | Merlin Law Group
Sherilyn Pastor | McCarter & English

Michael Saltzman | Goldberg Segalla
Thomas Santos | American Property Casualty Insurance Association
Adam Scales | Rutgers Law School
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CLE Credit Hours: NJ: 6.0 | NY: 6.0 | PA: 5.0

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Registration Fee: \$150

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For guests who do not want CLE, the fee is \$25. Use promo code nocle611