

Forum

A monthly publication reporting on issues affecting the insurance industry in Ohio

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While few Americans have shopped on the Internet for auto insurance, many indicate they will shop online for such insurance in the future, according to the Insurance Research Council's (IRC) most recent survey of a cross-section of Americans. Only one in ten survey respondents said they had previously searched the Internet for auto insurance information. However, 40 percent of respondents who currently use the Internet — and one in four respondents overall (24 percent) — said they are likely to search online for auto insurance in the future.

This anticipated growth in consumers searching the Internet for auto insurance information is expected to come largely from select segments of the population. Forty-four percent of respondents earning at least \$75,000 per year said they are likely to go online for auto insurance information compared to 17 percent of respondents earning less than \$40,000 per year. One in three respondents (32 percent) under age 35 said they are likely to search the Web for auto insurance information compared to one in ten (11 percent) of those age 55 or older.

“The growth of the Internet coupled with the convenience it provides are beginning to intrigue auto insurance consumers,” said Elizabeth A. Sprinkel, senior vice president of the IRC. “It appears, however, that younger and more affluent shoppers are the ones most likely to shop online for auto insurance in the future.” □

Although trivial beside the loss of lives, property and disruption of business, the terrorist attack of Sept. 11 will forever change art insurance and corporate collecting, according to *The Economist*. *The Economist* writes that art insurers providing coverage for museums, auction houses, and private and corporate collections acknowledge they will have to pay out millions of dollars in compensation for lost works—a sum well below the true loss, because much of the art in the World Trade Centre (WTC) was not insured for its full value.

Cantor Fitzgerald, a bond-dealing firm that lost more lives than any other in the tragedy, housed a collection of sculptures by Auguste Rodin. It is still uncertain how many Rodins were in the building, and thus destroyed. Estimates range from dozens to several hundred.

When the WTC was built, the Port Authority of New York and New Jersey set aside 1 percent of its overall building costs for public art. The only major work of public art in the immediate vicinity of the WTC that has remained intact is Lichtenstein's 30-foot sculpture “Modern Head”. More than 100 works of art by contemporary artists at Bank of America's offices were destroyed.

Estimates for the cost of the art lost in the attacks are still rough. Dietrich von Frank, chief executive of Axa Art in Newark, forecasts insurance payments for art in the

Internet Shopping

Few look for auto insurance; many plan to do so in future

Art Insurance

Sept. 11 attack changes corporate collecting

Art Insurance

Continued

towers of at least \$100 million. This may be on the low side, considering that von Frank has put aside \$20 million to cover gross losses for Axa alone.

Art insurance used to be a stable market, with losses rare (mostly through theft or damage in transport) and prices low. Art collections were often insured for only a portion of their worth. The chance of total loss seemed negligible. Now collectors will want to fully insure their entire collections. Hiscox, a British insurer, predicts premiums will rise by 15 to 25 percent or more. □

Insurance Fraud

Nearly one third wouldn't report it

Nearly one of three Americans wouldn't report insurance fraud by someone they know, according to a telephone survey conducted by Progressive Insurance. Researchers found, however, that more than one of three people (35 percent) in the Northeast would report an incidence of fraud. Progressive surveyed 31,000 consumers for its study.

Fraud Focus reported some of the survey findings. Among the findings, researchers found that Americans are four times more likely to report someone for a reward of up to \$500 rather than for a reward of only \$250. Just six percent of Americans would report fraud only if they didn't like the person who committed it. Researchers also found that women are more likely than men to report fraud if they know the person committing it. □

Workplace Violence

Violent crimes decline

Violence in the workplace declined 44 percent since 1993 according to a Justice Department report. The *New York Times* writes that this is a reflection of the overall drop in violent crime over the last seven years.

The overall rate of violent crime dropped 40 percent, according to the National Crime Victimization Survey, a report from the Bureau of Justice Statistics. Researchers found that from 1993 to 1999, 1.7 million people a year were attacked as they worked. Nineteen out of 20 violent incidents were aggravated or simple assaults.

Homicides also declined, 39 percent. There were 651 work-related homicides in 1999, down from 1,074 in 1993.

Workplace violence accounted for 18 percent of all violent crime from 1993 to 1999. □



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