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**INTERNATIONAL SEMINAR ON AWARENESS AND EDUCATION
RELATIVE TO RISKS AND INSURANCE ISSUES**

**Swissôtel, Istanbul
13 April 2007**

**Role of schools programme and information campaign
in enhancing financial education and awareness**

Mr. Dan Inannicola, US Treasury

(PowerPoint presentation)

U.S. Department of the Treasury



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**INTERNATIONAL SEMINAR ON AWARENESS AND EDUCATION
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What We'll Discuss:

- Brief Background
 - Analysis of the Insurance/Risk Issue from the Financial Literacy/Capability Perspective
 - General Advice
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Brief Background

- **Choices**

- The market place is increasing the number of choices

- **Knowledge**

- Needs to catch up

Our Choices Have Outpaced Our Knowledge

Brief Background

- Several Agencies/Several Programs
 - 2002: Treasury's Office of Financial Education
 - 2003: Fair and Accurate Credit Transactions (FACT) Act
 - 2004: Website/Toll-Free Hotline
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Taking Ownership of the Future



The National Strategy for Financial Literacy
2006

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 - 2006: National Strategy for Financial Literacy
 - 2007: Public Service Announcement Campaign
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What We're Discussing:

- ✓ Brief Background

Analysis of the Insurance/Risk
Issue from the Financial
Literacy/Capability Perspective

Analysis of the Insurance/Risk Issue

Three Sub-issues: The Consumers' Perspective

1) Risk

- *I don't know the risk to which I am exposed.*

2) Products

- *I don't understand the insurance product(s) that I own.*

3) Benefits

- *I am not aware of insurance products to which I am entitled.*
-

Analysis of the Insurance/Risk Issue

1) Risk

- ***I don't know the risk to which I am exposed.***

- Of Individuals who considered themselves "financially knowledgeable," 78% do not own Long Term Care insurance, 46% do not even understand it, and 16% believe that the government will cover any long term care needs that they have (Center for Aging Research and Education, 2001).

- The Social Security Administration estimates that nearly one in three seniors counts on Social Security checks, averaging less than \$900 a month, as the primary source of income (*The Kansas City Star*, October 26, 2003).

- The average widow goes through her husband's life insurance in 2 ½ months; many people only have life insurance – which averages \$50,000 or less – through their workplace (*The Record*, July 30, 2003).

Analysis of the Insurance/Risk Issue

2) Products

- *I don't understand the insurance product(s) that I own.*
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Analysis of the Insurance/Risk Issue

3) Benefits

- *I am not aware of insurance products to which I am entitled.*

9 million children in the U.S. are not covered by health insurance. More than 6 million of those children could be getting health care coverage through Medicaid or the State Children's Health Insurance Program (American Academy of Pediatrics, 2003).

Insurance Education Institute

- Educates teachers/students on managing risk.
 - Offers a summer training course for teachers on how to teach insurance. Provides teachers with option of obtaining graduate credits.
 - Has educated over 3,500 high school teachers in the past 10 years.
 - Promotes programs through universities and educational organizations.
 - Organizes teaching materials and content in a format that is easily incorporated into several subjects such as math, business, economics, consumer and family sciences, and driver training.
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The Life and Health Insurance Foundation for Education (LIFE)

- A non-profit dedicated to addressing the need for information and education about life, health, disability and long term care insurance.
 - Established September as Life Insurance Awareness Month.
 - LIFE has developed a diverse educational program which educates consumers and empowers them with the knowledge they need to make informed insurance decisions.
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What We're (Still) Discussing:

- ✓ Brief Background
 - ✓ Analysis of the Insurance/Risk Issue from the Financial Literacy/Capability Perspective
 - General Advice
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General Advice

- 1) Define your role: ***Government as a point of coordination***
 - 2) Examine your orientation: ***Learning versus teaching and marketing versus selling***
 - 3) Ask the difficult question: ***Is anyone listening? (the quest for relevancy)***
 - 4) Identify your allies: ***NGOs and private sector are indispensable***
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General Advice

- 5) Select your approach: ***Avoid the imperative of centrality***
 - 6) Refine & pose your questions: ***More research needed***
 - 7) Go with a proven winner: ***Everyone is watching***
 - 8) Include youth and adults: ***The bell tolls for thee...***
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General Advice

- 9) Appreciate the “trust factor”: ***Teach fact, not fear. The goal is a skeptical, not cynical, consumer***
- 10) Take a trip to the field: ***Never trust a gardener or an auto mechanic with clean hands***
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What We Discussed:

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