

Draft: 8/12/08

Consumer Guides (C) Working Group
Conference Call
June 24, 2008

The Consumer Guides (C) Working Group of the Property and Casualty Insurance (C) Committee met via conference call June 24, 2008. The following Working Group members participated: Alan Seeley, Chair, and John Gaherty (NM); Clarissa Preston (LA); Rob Reichart (MO); Kathie Stepp (OK); Randy Moses (SD); and Lee Barclay (WA).

1. Consider Draft of *A Consumer's Guide to Homeowners Insurance*

Mr. Seeley said the Working Group will review the May 27, 2008, draft brochure of *A Consumer's Guide to Homeowners Insurance* (Attachment _____) and the written comments received from Brenda Cude (University of Georgia) (Attachment _____) and Karrol Kitt (The University of Texas at Austin) (Attachment _____). Mr. Seeley said some of the suggestions include the use of contractions and colloquial use, including several edits throughout the document in what the Working Group previously agreed upon. He indicated that the Working Group needs to concentrate on the substance of the document, as the NAIC staff editors and proofreaders may make edits to the text. Pam Simpson (NAIC) said the staff editors and proofreaders may change wording, and she would not be able to obtain their feedback at this time in using contractions, as they would want to see the actual document to decide. Ms. Cude said she would be worried they would change the style and tone, and she said there has been research on readability for consumers and it is provided in a readability guide. Mr. Moses said contractions should not be used, as it is less than professional and it would not enhance readability. Mr. Barclay suggested that perhaps the editors and proofreaders could be supplied with the Working Group's reasoning for the use of contractions. Ms. Simpson said she could review the information directly with the editors and proofreaders. Mr. Seeley asked whether the Working Group would be able to see the final edited version to approve their changes. Ms. Simpson said the editors typically provide a paper proof copy and that she does not know if the Working Groups could be included in the review of the proof. She suggested that perhaps if she received the readability guideline Ms. Cude mentioned, she could meet with the editors at that time. Ms. Cude will provide Ms. Simpson and the Working Group with a readability guide to use with the editors and proofreaders.

Addressing comments specific to the homeowners brochure, the Working Group discussed Ms. Cude's suggestion to include, "This publication is specifically about homeowners insurance. If you rent, or live in a condo, co-op, or mobile home..." as separate documents would be created for renter, mobile home, condominium and automobile policies. Mr. Moses suggested that since the coverages are similar for mobile homes and homeowners, perhaps mobile homes should be added into homeowners rather than being separate. Mr. Barclay agreed, as some companies have specific programs for manufactured homes, and for automobile there will be one brochure without having separate brochures or guides for such things as motorcycles. Ms. Cude said she believed that renters could be added into homeowners. After discussion, the Working Group agreed to only add the mobile homes into the homeowners brochure at this time. Eric Nordman (NAIC) suggested inserting a sentence in the very beginning that stated what this brochure does and does not cover. The Working Group agreed with Mr. Seeley, who said Mr. Nordman's suggestion sounded appropriate to add at the beginning of the document, and the wording can be developed later.

The Working Group agreed to the following edits of the brochure in the "Why you need insurance" section:

- In the first line, change "can be an expensive" to "is an important."
- Second and third line, change "buying homeowners insurance so you know that" to "you buy homeowners insurance."
- In the first sub-bullet, remove the word "coverage" and change "costs if someone has an accident at your home" to "injury to others or their property."
- In the second sub-bullet, change "Most mortgage lenders" to "The mortgagee" and change "likely will" to "may."

In the "What the policy covers" section, the Working Group changed the first line to "A homeowners policy usually covers:" and agreed to remove the first two sub-bullets. The Working Group agreed to have bullets for Personal Liability Coverage and Medical Payments Coverage, and everyone was encouraged to submit suggestions for each of these sub-bullets.

Mr. Seeley agreed to periodically meet via conference call with Ms. Cude and Ms. Kitt to further develop the brochure. After each call, a revised version will be distributed to the Working Group members.

2. Any Other Matters

Mr. Seeley said he would like to have clarity on the Working Group's mission and deliverables, as it had been the intent of the Working Group to produce brochures and buyers' guides for homeowners (including mobile homes as agreed upon earlier today), renters, condominiums and automobiles. Ms. Cude said she wondered how much of an overlap there would be or a unique nature between the various brochures. Mr. Seeley asked whether it would be prudent for the Working Group to produce all brochures first and then produce the buyers' guides. Mr. Barclay said the Working Group may also want to consider completing the automobile brochure after the homeowners brochure, as the first draft of the automobile brochure has been completed. Mr. Seeley said he hoped the Working Group could complete the homeowners and automobile brochures in time for the NAIC Winter National Meeting and either complete the buyers' guides or the other brochures. The Working Group agreed.

The next conference call of the Working Group will be July 22, 2008.

Having no further business, the Consumer Guides (C) Working Group adjourned.

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