

((Auto items have been extracted for distribution of Homeowners October 2007))

January 24, 2007

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Dear Eric:

Brenda Cude and I reviewed the auto and home insurance guides from several states in preparation for revising the NAIC guides.

Karrol reviewed:

- A Consumers Guide to Homeowners Insurance – North Carolina
- Consumers Guide: Residential Insurance – California
- Consumer Shopping Guide for Homeowners & Tenants Insurance – New York
- Homeowners Insurance – Texas
- Insuring your home – Florida

The attached is a summary of the major topics found in each publication. We've highlighted the topics we believe to be the most appropriate for the NAIC guides. Because most of the information in the state guides is specific to that state, most of the information for the NAIC guides will have to be written in more generic form.

We look forward to working with you and the group on this project.

Summary of Concepts for Homeowners Insurance Guides – Items in Bold Are Recommended for NAIC Guide

| Homeowners Topics | Texas | New York | California | North Carolina | Florida |
|--|--------------|-----------------|-------------------|-----------------------|----------------|
| What homeowners insurance pays for, general statements | TX | NY | CA | NC | FL |
| Consumer Bill of Rights –TX / Rights & Responsibilities – FL | TX | | | | |
| Multi-peril policy (property & casualty) | | | | | |
| <i>Homeowners policy coverages, what it covers, what is required</i> | | | | | |
| Dwelling | TX | NY | CA | NC | FL |
| Other Structures | TX | NY | CA | NC | FL |
| Personal Property (Contents) | TX | NY | CA | NC | FL |
| Loss of Use | TX | NY | CA | NC | FL |
| Personal Liability | TX | NY | CA | NC | FL |
| Medical Payments to Others | TX | NY | CA | NC | FL |
| Types of Coverages: | | | | | |
| HO-1 Basic form / HO-A | TX | NY | | | |
| HO 02 Broad form / HO-B | TX | NY | | NC | FL |
| HO 03 Special form | | NY | | NC | FL |
| HO 04 Contents Broad form (renters) / HO BT | TX | NY | | NC | FL |
| HO-5 Comprehensive Form Policy / HO-C | TX | NY | | | |
| HO 06 Unit-Owners form (Condo, Cooperatives) / HO-BCon | TX | NY | | NC | FL |
| HO 08 Modified Coverage form (older homes; Market value Policy) | | NY | | NC | FL |
| Mobile home / Farm & Ranch | TX | | | | FL |
| Chart by type of policy with perils covered | | | | | |
| General listing of perils covered and not covered | TX | | | NC | FL |
| Perils listed for each policy type | | NY | | NC | FL |
| Additional coverage, endorsements, riders (offered and described) | TX | | CA | NC | FL |
| Underwriting Guidelines (define and list) | | | | NC | FL |
| Claims History (more claims made, higher premium cost) | TX | | | NC | |
| Example of premium for various cities for pricing characteristics | | | | NC | |
| How Much Insurance is needed? | TX | NY | | NC | FL |
| Replacement Cost vs. Actual Cash Value | TX | NY | CA | NC | FL |

| Homeowners Topics | TX | NY | CA | NC | FL |
|--|-----------|-----------|-----------|-----------|-----------|
| Determine property protection needed | | | | NC | FL |
| Determine liability protection needed | | | | NC | |
| Keep good records of updates, renovations, improvements | | | CA | | |
| Lender Requirements | | | | NC | FL |
| Private Mortgage Insurance | | | | NC | FL |
| Mortgage Life Insurance | | | | NC | FL |
| Title insurance | | | | NC | |
| Forced-Placed Insurance | | | | NC | FL |
| <i>High Risk Location – FAIR & Beach Plans, NYPIUA; FMAP</i> | TX | NY | | NC | FL |
| Factors that affect premium (for NAIC guide add information that states may prohibit or restrict use) | TX | NY | | NC | |
| Type of construction | TX | NY | | NC | |
| Age of home | TX | NY | | NC | |
| Location (urban, rural, fire protection class designated) | TX | NY | | NC | |
| Deductible | | NY | | NC | |
| Amount of coverage | | NY | | NC | |
| Claims history / CLUE | TX | | | | |
| Credit score | TX | | | | |
| Consider financial rating of company | TX | | | NC | |
| Discounts / deviations / Credits | TX | | CA | NC | FL |
| Shopping tips | TX | | | NC | |
| Choose higher deductible / increase deductible | TX | | | NC | |
| Inventory belongings | TX | NY | CA | NC | FL |
| Shop around (comparison shop) | TX | NY | CA | NC | FL |
| Losing your insurance | TX | | | NC | FL |
| Cancellation | TX | NY | | NC | FL |
| Nonrenewal | TX | NY | | NC | FL |
| Loss Prevention (ways to prevent/minimize loss) | TX | NY | | NC | FL |
| Fire Prevention | TX | | | NC | FL |
| Roof & Water | | | | NC | |
| Liability | | | | NC | FL |

| Homeowners Topics | | TX | NY | CA | NC | FL |
|---|--|-----------|-----------|-----------|-----------|-----------|
| Burglary Prevention | | TX | | | NC | FL |
| What to do once you suffer a loss / Settle a claim | | TX | NY | | NC | FL |
| Adjusters in a settling a claim | | | | | | FL |
| Mediation in settling a claim | | | | | | FL |
| Home Repairs due to a loss | | | | | | FL |
| Frequently Asked Questions | | | | | | |
| Complaints (process to file a complaint) | | TX | NY | | NC | FL |
| Complaint form | | | | | NC | |
| Glossary of terms | | | | CA | | FL |
| Premium installment or payment plans | | | | CA | | |
| Flood/Earthquake not covered in HO policy | | TX | NY | CA | NC | FL |
| Check policy exclusions | | TX | | CA | | FL |
| Limitations on coverage for personal property | | TX | NY | CA | | |
| Read policy and declarations | | | | CA | | |
| Home computer coverage | | | NY | | | |
| Workers' Compensation Insurance | | | NY | | | |
| Home Day Care Coverage | | | NY | | | |
| How to minimize loss | | | NY | | | |
| Appendix for Windstorm Deductibles | | | NY | | | |
| Appendix for NY Regulation 159 – Disclosure Information | | | NY | | | |
| Appendix for Homeowner Price Comparison Tables | | | NY | | | |
| Appendix for helpful telephone numbers | | | NY | | | |
| Mold remediation | | TX | | | | FL |
| Inflation Guard | | | | | | FL |
| Sample declarations page | | | | | | FL |
| Home Rental Insurance for workers | | | | | | FL |
| Ordinance / law exclusions for claims repair | | | | | | FL |
| Home Warranty Plan | | | | | | FL |
| How to select an agent/company | | | | | | FL |
| Protecting privacy | | | | | | FL |
| Discrimination | | | | | | FL |

| Homeowners Topics | | Texas | New York | California | North Carolina | Florida |
|----------------------------------|--|-------|----------|------------|----------------|---------|
| Insurance Fraud | | | | | | FL |
| State service offices identified | | | | | | FL |

General Comments:

North Carolina provides an excellent detailed homeowners guide. It is 25 pages (excluding front & back cover) and has a November 2000 date on it. Well written.

California has a 6-page guide titled *Consumes: Residential Insurance*. It is very general in nature and refers consumers to ask agents for specific details. The Glossary of Terms is brief.

New York has a 21-page guide with 4 appendixes (22 pages). It has graphics for perils and other related topics. It is general regarding kinds of coverages, but does distinguish the types of coverages (HO-1, HO-2). An example of calculating a home loss with and without 80% replacement cost coverage is provided to show the coinsurance penalty.

Texas has a 14 page guide which is more general than detailed. It is not as specific as NC, NY, or FL. Basic content is included, but asks consumer to contact agent/policy for specific details.

Florida is very detailed with a 2005 copyright. It includes tables/charts for property inventory, perils chart by coverage type, declarations page. The Table of Contents is very helpful. Excellent information.