Questions for public consultation on draft Issues Paper on customers receiving value from insurance products

Thank you for your interest in the public consultation on the draft Issues Paper on customers receiving value from insurance products. The Consultation Tool is available on the IAIS website.

Please do not submit this document to the IAIS. All responses to the Consultation Document must be made via the Consultation Tool to enable those responses to be considered.

Consultation questions

1	**General comments on the Issues Paper**
2	**Comments on the Executive Summary** **Suggest adding an additional bullet to the section on *Supervisory approaches to value* that reflects measuring an insured's policy surrenders as a way supervisors assess value.**
3	**General comments on section 1 Introduction**
4	Comments on section 1.1 The positive impact of insurance
5	Comments on section 1.2 Low value and trust can deter customers from buying insurance **Para. 7: Suggested edit to better characterize the footnote:** **Additionally, ~~a report~~ information released by the National Association of Insurance Commissioners (NAIC) on closed confirmed consumer complaints by reason showed that the leading causes of complaints in the US in 2025 were claims handling (including delays, unsatisfactory settlement/offer, denial of claim and adjuster handling) and policyholder service.**
6	Comments on section 2 Challenges for consumers to evaluate value when buying insurance
7	**General comments on section 3 A spectrum of supervisory approaches to address value**
8	Comments on section 3.1 Explicit supervisory expectations that insurance products provide value **Para. 31: Suggest the below language be added that references the NAIC P&C Model Rating Law (now NAIC Guideline 1780). For background, U.S. insurance regulators monitor the value of insurance products by ensuring rates do not lead to excessive profits, are adequate to pay expected claims, and any variations in rates charges to insurance consumers are based on the underlying risk insured.** **USA** In the U.S. state insurance regulators promote the public welfare in Property and Casualty insurance marketplace by regulating insurance rates to ensure they are not excessive, inadequate or unfairly discriminatory. A rate is considered excessive if it is likely to produce a profit that is unreasonably high for the insurance provided or if expenses are unreasonably high in relation to the services rendered. A rate is considered inadequate if the rate is insufficient to sustain projected losses and expenses, and, if continued in the marketplace, will have the effect of lessening competition in the market. Finally, unfair discrimination in rates is considered to exist if price differentials fail to equitably reflect the difference in expected losses and expenses. Through the application of these standards, state insurance regulators foster the creation of a competitive insurance marketplace where consumers are able to purchase insurance products appropriate for their needs.
9	Comments on section 3.2 Other requirements that enable supervisory action on low-value products
10	Comments on section 3.3 Modifying the insurance purchase decision-making environment

11	Comments on section 3.4 Consumer education and information
12	**General comments on section 4 Aspects that can diminish the value offered by insurance**
13	Comments on section 4.1 Needs-benefits misalignment
14	Comments on section 4.2 Pricing issues
15	Comments on section 4.3 Bundled or tied sales
16	Comments on section 4.4 Commissions and other distribution conflicts of interest
17	Comments on section 4.5 Complex decisions expected of the customer
18	**General comments on section 5 Aspects that can enhance the value offered by insurance**
19	Comments on section 5.1 Product design that rewards risk reduction
20	Comments on section 5.2 Customer-centric claims handling
21	Comments on section 5.3 Product flexibility and responsiveness
22	Comments on section 5.4 Downside protection
23	**General comments on section 6 How supervisors can assess that the insurance industry is offering value**
24	Comments on section 6.1 Demonstrations in the governance and corporate culture
25	Comments on section 6.2 Low claims ratios
26	Comments on section 6.3 Other claims handling indicators
27	Comments on section 6.4 Investment return compared to profit
28	Comments on section 6.5 Undue costs and commissions for pure risk products
29	**Comments on section 7 Conclusion**