

Draft Pending Adoption

Attachment –
Property and Casualty Insurance (C) Committee
--/--/22

Draft: 11/28/22

Transparency and Readability of Consumer Information (C) Working Group
Virtual Meeting (*in lieu of meeting at the 2022 Summer National Meeting*)
November 15, 2022

The Transparency and Readability of Consumer Information (C) Working Group of the Property and Casualty Insurance (C) Committee met Nov. 15, 2022. The following Working Group members participated: Joy Hatchette, Chair (MD); Yada Horace (AL); Bobbie Baca (CO); George Bradner (CT); Angela King (DC); Julie Rachford and Robert Rapp (IL); Sara Hurtado and Brenda Johnson (KS); Ron Henderson (LA); Carrie Couch and Jeana Thomas (MO); Kathy Shortt (NC); Chris Aufenthie (ND); Kara Bates (OR); Cuc Nguyen (OK); David Bueno (PA); Beth Vollucci (RI); Marianne Baker and J'ne Byckovski (TX); and Samantha Chase (WV). Also participating were: Christina Miller and Jeffry Schott (DE); Jane Nelson (FL); Kate Kixmiller and Stephanie Tompkins (IN); Renee Campbell (MI); Tynesia Dorsey (OH) Tony Dorschner and Gretchen Brodkorb (SD); Manabu Mizushima and Andrew Davis (WA); Darcy Paskey (WI); and Bill Cole and Tana Howard (WY).

1. Adopted its Summer National Meeting Minutes

Bradner made a motion, seconded by Allen, to adopt the Working Group's Summer National meeting minutes (*see NAIC Proceedings - Summer 2022, Property and Casualty Insurance (C) Committee, Attachment --*). The motion passed.

2. Adopted the *Regulator Resources for Consumers on Personal Lines Pricing and Underwriting Document*

Hatchette said the drafting group for the consumer education document on pricing and underwriting of personal lines products had completed its work. The purpose of the document is to provide state insurance regulators with information they can use in social media, bulletins, and any other means of consumer education for which a department of insurance (DOI) might have the need. This document is not meant to be a standalone document that is handed out as a printed version. However, the document or portions of the document could be used for printed information.

The document has been exposed and reviewed several times for consumer readability. Comments from state insurance regulators and interested parties have been incorporated into the final document.

Baker said she had a few editorial changes she suggested be made. Hatchette asked Baker to send the changes to NAIC staff.

Hatchette said the document needed a formal name, as it has been referred to as the consumer education premium document. The Working Group agreed on *Regulator Resources for Consumers on Personal Lines Pricing and Underwriting*.

Birny Birnbaum (Center for Economic Justice—CEJ) asked if the Working Group was planning on conducting consumer testing for this document. Hatchette said she could only speak for Maryland. She said the DOI uses several types of social media to communicate messages to consumers, such as Facebook, Twitter, LinkedIn, and Next Door. Hatchette said the DOI monitors comments, and if a comment indicates a consumer does not understand the message, the DOI reaches out to the consumer to determine what is not understood and

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addresses the issue. She said she would then inform the Working Group regarding what occurred for further discussion.

Birnbaum said he has concerns that the document will be distributed, and then the Working Group will not discuss it in the future. He said it would be helpful if there was some type of plan to monitor the document's use and effectiveness. Hatchette said this is something the Working Group could consider doing in 2023 and 2024. She said the Working Group could work on developing a way to monitor the documents that are created and put some steps in place to monitor this document, as well as others.

Bradner made a motion, seconded by Shortt, to adopt the *Regulator Resources for Consumers on Personal Lines Pricing and Underwriting* document (Attachment-XX) with the suggested editorial changes. The motion passed.

3. Adopted its NAIC Rate Rule Filing Checklist

Hatchette said the purpose of this document is to provide a checklist for DOIs wanting to provide insurers as part of the filing process to ensure the necessary information is provided with the filing. This checklist alleviates the need for a DOI to have to ask the insurer for missing information by providing a checklist with a list of the necessary information to be filed.

Hatchette said the checklist is based on a checklist the Kansas DOI has been using.

Baca made a motion, seconded by Hurtado, to adopt the *NAIC Rate Rule Filing Checklist* (Attachment-XX). The motion passed.

4. Discussed the Plan for the Disclosure Document

Hatchette said the Working Group is still in the process of drafting a document that provides disclosure guidance for premium increases. Currently, the Washington DOI is working on a rule in its state regarding a disclosure for premium increases. It is on the third iteration of its rule. Comments were due last week. Hatchette said the Working Group would continue to monitor Washington's process before finalizing any type of guidance. Bradner said while the Working Group is not looking to do exactly what Washington does, following the process will help the Working Group determine the direction of its disclosure document.

Having no further business, the Working Group adjourned.

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