

Transparency and Readability of Consumer Information (C) Working Group

**July 20, 2021
1:00 – 2:00 P.M. Central**

Agenda



NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Date: 6/25/21

*Virtual Meeting
(in lieu of meeting at the 2021 Summer National Meeting)*

TRANSPARENCY AND READABILITY OF CONSUMER INFORMATION (C) WORKING GROUP

Tuesday, July 20, 2021

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

ROLL CALL

Joy Hatchette, Chair	Maryland	Carrie Couch	Missouri
Jimmy Gunn	Alabama	Kathy Shortt	North Carolina
Ken Allen	California	Chris Aufenthie	North Dakota
Michael Conway/Bobbie Baca	Colorado	Cuc Nguyen	Oklahoma
George Bradner	Connecticut	Tricia Goldsmith	Oregon
Angela King	District of Columbia	David Buono	Pennsylvania
Reid McClintock	Illinois	Brett Bache	Rhode Island
Heather Droge	Kansas	Vickie Trice/Jennifer Ramcharan	Tennessee
Ron Henderson	Louisiana	Mark Worman/Marianne Baker	Texas
Daniel Bryden	Minnesota	Dena Wildman	West Virginia

NAIC Support Staff: Sara Robben

AGENDA

1. Consider Adoption of its March 15 Minutes Attachment One
—*Joy Hatchette (MD)*
2. Hear Updates from Drafting Groups—George Bradner (CT), Heather Droge (KS) and Kathy Shortt (NC)
3. Preview an Example of a Document before and after the Use of VisibleThread—*Joy Hatchette (MD)* Attachment Two
4. Discuss Any Other Matters Brought Before the Working Group
—*Joy Hatchette (MD)*
5. Adjournment

W:\National Meetings\2021\Summer\Agenda\Transparency.docx

Attachment One
Consider Adoption of its May 15 and
March 15 Minutes

Draft: 6/8/21

Transparency and Readability of Consumer Information (C) Working Group
Virtual Meeting
May 13, 2021

The Transparency and Readability of Consumer Information (C) Working Group of the Property and Casualty Insurance (C) Committee met May 13, 2021. The following Working Group members participated: Joy Hatchette, Chair (MD); Ken Allen (CA); Bobbie Baca (CO); George Bradner (CT); Brenda Johnson (KS); Ron Henderson (LA); Jeana Thomas (MO); Chris Aufenthie (ND); David Combs (TN); and Marianne Baker (TX). Also participating were: Renee Campbell (MI); Jana Jarrett (OH); and Bill Cole, Kristi Alma Jose and Donna Stewart (WY).

1. Heard a Presentation from VisibleThread

John Noland (VisibleThread) said insurers are endeavoring to use the plain language guidelines put into place by the various states. Insurers do not necessarily use the same vocabulary as their audience, as it is difficult for the human brain to forget what has already been learned regarding vocabulary. Mr. Noland said independently objective scoring of written content can be useful and instructive. He said this concept has been around for many years, and most people are familiar with Flesch-Kincaid readability scores and grade levels, which are available in Microsoft Word. However, multiple people throughout organizations do not consistently use these tools, as they are not easy for everyone to use.

Mr. Noland said VisibleThread makes it easy for people to see that there is a problem with content. He offered state insurance regulators the ability to use VisibleThread's product to test a particular insurer's content to learn more about the product. He said most communications distributed by insurers are not readable to the consumer. VisibleThread allows the content to be reviewed, audited and written in an understandable way.

Mr. Noland said an insurer's legal and contracts office have to be shown some objective data that demonstrates that a policy is not readable. He said when a subject matter expert (SME) is shown that there is a challenge for the reader and an area needs attention, they are positive and supportive of change. He said it is important for the consumer to understand what they are reading.

Mr. Noland said VisibleThread allows documents, web pages and text to be analyzed. He said plain language supports compliance. Sentences should be kept relatively short, having no more than 20 words per sentence. Mr. Noland said it is important to write as simply as you can and keep to the grade level the state requires, which is either grade level five, six or seven. He said it is also important to not use passive voice or reduce it to below 5%.

Mr. Noland said the VisibleThread product provides a score card. A document can be emailed and run through the program, and the guidelines can be sent back to the party sending the document. The product needs can be configured based upon audience type. Mr. Noland said VisibleThread would provide state insurance regulators with a link to where they can email documents to receive a score card.

Mr. Noland said VisibleThread can use the style guide of a particular company or the <https://www.plainlanguage.gov/> guidelines. The product has watch words, which are words that should be used in documents. VisibleThread provides guidance on best practices; these best practices will differ for organizations and states.

Rowland Bradley (VisibleThread) said each state has its own readability guidelines. Important paragraphs within an insurance policy do not meet readability guidelines. Ms. Hatchette said state insurance regulators constantly struggle with trying to ensure that complicated insurance terms are written in a manner that the average consumer can understand. Mr. Noland said the use of the VisibleThread program makes it easy to write things in plain language, and it is free for the state insurance regulators to try. VisibleThread allows the writer to use the system to more quickly edit and change documents. Mr. Noland said this product works for Spanish as well as English.

Mr. Noland said there are five basic steps to a better customer experience and a return on investment. The steps include: 1) identifying a champion; 2) creating a baseline with a content audit; 3) making the style guide and terminology list accessible; 4) supporting writers to score content for quality; and 5) measuring and improving. Mr. Noland invited state insurance regulators to reach out to VisibleThread if they want to subjectively look at things a department of insurance (DOI) is writing.

Peter Kochenburger (University of Connecticut School of Law) asked if there was any research as to whether a person would be more likely to understand their policy if it is written at a lower grade level. Mr. Noland said it is difficult to track whether someone understands what they read because there are many factors in play, such as how stressed a person is when reading the policy. He said VisibleThread has been able to see successes with some insurers where they have done some great design work to either simplify the policy visually or break down some of the insurance jargon into subsets in the structure of the documents. Mr. Noland said the Center for Plain Language has some good examples. He said the complexity of the writing also comes into play in letters a consumer receives from the insurer or in the frequently asked questions (FAQ) insurers provide on the internet. Mr. Bradley said people simply scan documents rather than read documents in today's world, so a simpler design can help too.

2. Heard an Update from the Thresholds and Communications Standards Drafting Group

Mr. Bradner said the Thresholds and Communications Drafting Group has spent a couple of meetings discussing when a notice of premium increase should be sent to a policyholder. He said the drafting group is focusing on personal lines of business. Mr. Bradner said a 10% or greater change in premium upon renewal would trigger a notice being sent to the policyholder. He said the renewal should be sent at least 30 days prior to the renewal date, and the notice must include the new premium amount versus the old premium amount. He said the notice should list the items that affected the premium increase, and a dollar amount should be listed for each one of the items identified, so a policyholder can see the actual dollar impact that occurred for each item. He said the drafting group decided that 80% of the rate increase should be shown, and the top five reasons most affecting the premium should be listed. He said if an insurer already has an acceptable notification process and the state agrees with the process, the state could allow the insurer to continue whatever process they had in place. He said if an insurer had no process in place, the items just discussed would be the minimum requirements a state DOI would expect. He said the next item the drafting group will discuss is rate capping.

Mr. Bradner said this will only apply to increases due to items such as an insurer changing a tiering band, or a youthful driver being added, accidents, etc.

3. Heard an Update from the Rate Checklist Drafting Group

Sara Robben (NAIC) said Kansas sends out a rate checklist to insurers that collects information from an insurer. Part of what is asked for on the rate checklist are items that will help the DOI explain rate changes to a consumer if the consumer happens to call the DOI. The form used by the Kansas DOI asks the insurer to provide talking points to explain the rate increase. Kansas also asks for histograms. Kansas rejects a filing if the insurer does not return the checklist with the filing.

Ms. Robben said Connecticut also has a couple of checklists the Rate Checklist Drafting Group is looking at. Mr. Bradner said Connecticut sends a detailed actuarial checklist to insurers. The questions on the checklist reflect the answers to questions the actuary wants to see when they are reviewing a filing. Mr. Bradner said the checklist was published in December 2020, and it is required on all personal lines filings. He said the checklist is used occasionally on commercial lines filings if there is a sizeable rate increase.

Mr. Bradner said the other checklists Connecticut uses are product oriented and more geared toward some of Connecticut's statutes and regulations for a line of business that the examiner will be looking for.

Some of the states on the drafting group do not have rate checklists they use in their state, so if any of the states on this call have a rate checklist, the Working Group requests that a copy be sent to Heather Droge (KS). The drafting group is at a point to start writing up a checklist to be used in a best practices document.

4. Heard an Update from the Consumer Education Drafting Group

Ms. Robben said Kathy Shortt (NC) is the chair of the Consumer Education Drafting Group. She said Ms. Shortt initially created an outline of some of the various topics for the drafting group to consider for a consumer education document. She said the topics included everything from Ratemaking 101 to information about auto, homeowners and general terminology. The drafting group also discussed the types of information to include, and the drafting group discussed the various formats in which the information could be distributed. Ms. Robben said much of the information the drafting group wants to include in a consumer education document can be found in various other publications. NAIC staff has begun gathering information from various states, as well as from various insurers. The documentation collected includes information on how to deal with items

such as credit, credit information, insurance scores, etc., as well as changes a consumer can make to mitigate insurance costs. Ms. Robben asked for Working Group members to send information they might have available to the drafting group.

Having no further business, the Transparency and Readability of Consumer Information (C) Working Group adjourned.

W:\National Meetings\2021\Summer\Cmte\C\TransparencyWG\0513 Transparency Minutes.docx

Draft: 3/31/21

Transparency and Readability of Consumer Information (C) Working Group
Virtual Meeting (*in lieu of the Spring National Meeting*)
March 15, 2021

The Transparency and Readability of Consumer Information (C) Working Group of the Property and Casualty Insurance (C) Committee met March 15, 2021. The following Working Group members participated: Joy Hatchette, Chair, and Jimmy Gunn (AL); Ken Allen (CA); Bobbie Baca (CO); George Bradner (CT); Angela King (DC); Robert Rapp (IL); Heather Droge, Tate Flott and Brenda Johnson (KS); Ron Henderson (LA); Daniel Bryden (MN); Carrie Couch, Kendra Hetland, Jo LeDuc and Jeana Thomas (MO); Kathy Shortt (NC); Chris Aufenthie (ND); Cuc Nguyen (OK); Brett Bache (RI); David Combs, Jennifer Ramcharan and Vickie Trice (TN); Marianne Baker, Laura Machado and Mark Worman (TX); and Dena Wildman (WV). Also participating were: Kate Kixmiller (IN); Renee Campbell (MI); Jana Jarrett (OH); Tracy Klausmeier (UT); Katie Humphrey (VT); Josh Culley and Manabu Mizushima (WA); Diane Dambach and Darcy Paskey (WI); and Tana Howard (WY).

1. Adopted its Feb. 4, 2021, and Nov. 17, 2020, Minutes

The Working Group met Feb. 4, 2021, and Nov. 17, 2020, to discuss the need for consumer disclosures regarding significant premium increases on property/casualty (P/C) insurance products.

Ms. Droge made a motion, seconded by Ms. Couch to adopt the Working Group's Feb. 4, 2021 (Attachment Four-A) and Nov. 17, 2020 (Attachment Four-B) minutes. The motion passed.

2. Discussed a Work Plan for Drafting a Best Practices Document Regarding Premium Increases

Ms. Hatchette said the Working Group has previously discussed breaking into drafting groups to draft a best practices document regarding premium increases. Ms. Hatchette said several people have signed up for the various drafting groups; however, people can still be added to the drafting groups. She said there will be a lead regulator on each drafting group.

Ms. Hatchette said the drafting groups can collaborate with each other as necessary. She said it is important for policyholders to better understand premium increases. She said the Working Group had decided to split the drafting of the best practices document into five drafting groups.

a. Drafting Group #1: Communication of a Premium Increase

Ms. Hatchette said the task of the first drafting group would be to draft information regarding the communication of premium increase to policyholders. This section would cover the way insurers communicate with their policyholders regarding premium increases, whether it be social media, verbal communications, etc.

Ms. Hatchette said she hears consumers say they are unhappy because their insurer has not provided them with enough information regarding their premium increases. She said this drafting group will need to determine the best way for insurers to communicate, as well as how to communicate with policyholders. Ms. Hatchette said she believes this drafting group will need to focus on what industry is currently doing and what is working and what is not working.

b. Drafting Group #2: Threshold for Notification of a Premium Increase

Ms. Hatchette said the second drafting group was tasked with drafting information regarding setting a threshold for notification of premium increase (noting that each state would be able to set their own threshold).

Lisa Brown (American Property Casualty Insurance Association—APCIA) said she understood from the Working Group's last meeting that the second drafting group would not be setting a threshold, per se, but to discuss and draft information regarding the methodology and logic behind the threshold.

Ms. Hatchette said this is the case, noting that the drafting group will not be recommending any particular threshold. She said she believes the drafting group would focus on considerations that states should think about, because each state may have its own laws and regulations in place already. Ms. Hatchette said this section should include information that would help state insurance regulators to make decisions regarding thresholds if they needed to do so.

Charles Angell (AL – Retired) asked if this would include making a threshold recommendation, as well as pros and cons to the recommendation, even though the Working Group would not be recommending a particular threshold.

Ms. Hatchette said this might be a difficult undertaking unless the drafting group reviewed the laws and regulations of each state. She also expressed concern about the time it would take to review all these laws and regulations.

c. Drafting Group #3: Communication Standards for a Premium Increase

Ms. Hatchette said the third drafting group was tasked with drafting communication standards for providing a premium increase, such as informing the policyholder of the current premium versus the renewal premium, and the explanation for the change, if any. She said the information would be what is actually being communicated, whether it be a dollar amount or a percentage.

Birny Birnbaum (Center for Economic Justice—CEJ) said he believes it will be more efficient to carry out the Working Group’s charge by combining drafting groups #1, #2 and #3. He said drafting group #3 would need to understand what they are trying to communicate before putting a mechanism into place. Mr. Birnbaum said it would also be important to know what threshold is before knowing what the drafting group wants to communicate. He said he believes all three of the items in drafting groups #1, #2 and #3 inform each other. Mr. Birnbaum said many Working Group members are members of all three drafting groups.

Mr. Bradner said he likes Mr. Birnbaum’s suggestion. He asked if drafting groups #1, #2 and #3 could be broken down into stages. Mr. Bradner said the first item to be addressed would be to determine the threshold. He said next the drafting group could then address the various communications channels. Mr. Bradner suggested the combined drafting group might first discuss the threshold, then discuss the communications standards, and, finally, discuss the ways to communicate the premium increases.

Mr. Bradner said the drafting of the threshold section should be able to be accomplished in a couple of meetings. He said then the drafting group would move on to discuss the format in which the information is going to be communicated to policyholders. Finally, the drafting group would look at the vehicles for communicating the information, as well as how various age groups might want to receive communication.

Ms. Hatchette, Mr. Allen and Ms. Wildman all said they believe that the drafting group responsible for determining the ways to communicate a premium increase to the policyholders could stand on its own. All agreed that the section for setting a threshold for notification of premium increase and communication standards for providing the premium increase could be combined.

The consensus of the Working Group was to combine drafting groups #1, #2 and #3 into one group. Mr. Bradner will lead this combined drafting group.

d. Drafting Group #4: Rate and Rule Filing Checklist

Ms. Hatchette said the fourth drafting group was tasked with coming up with a rate and rule filing checklist to be used by a state insurance department. She said Kansas has a particular checklist in place that they currently use. Ms. Droge said she would lead this drafting group.

e. Drafting Group #5: Consumer Education About Premium Increases

Ms. Hatchette said the final drafting group was tasked with providing consumer education about premium increases. She said this portion of the document would be the section that informs consumers in general regarding what they need to know about premium increases. Ms. Hatchette said this section would also inform consumers of things they could do to mitigate a premium increase.

Mr. Angell asked if this section would include education regarding premium capping. He said this is one of the more confusing aspects of explaining premium increases.

Ms. Hatchette said it is important to try to explain this concept. The Working Group agreed that this topic should be covered in the consumer education section.

Ms. Hatchette said it is important to think about how the consumer understands the premium increase documents they receive. Ms. Shortt will chair this drafting group.

Ms. Hatchette asked the drafting groups to meet within the next couple of weeks to set up organizational calls for each of the drafting groups. NAIC staff will find available dates for the drafting groups to meet and set up the meetings.

Having no further business, the Transparency and Readability of Consumer Information (C) Working Group adjourned.

W:\National Meetings\2021\Spring\Cmte\C\TransparencyWG\0315 Transparency Minutes.docx

Hear Updates from Drafting Groups

Preview and Example of a Document before and after the Use of VisibleThread

UNDERWRITING AND RATING

The process by which your auto insurance rate is determined is constantly changing. The initial process starts with the application and the information you have provided.

The first part of the process is underwriting. Insurance companies underwrite to assess the risk associated with an applicant, group the applicant with other similar risks and decide if the company will accept the application. An underwriting department may pull information regarding your information from other sources, such as credit reports, inspection reports, CLUE Reports, motor vehicle reports, etc.

The purpose of underwriting is to sort applicants by similarly situated risks.

After underwriting, the rating process begins. This is where the insurance company applies their rating factors to the risk being presented to determine its insurability and pricing.

A rate for each applicant will be set based on each insurance company's rating characteristics.

HOW DO INSURERS UNDERWRITE?

Insurers depend on information on your policy application. When you apply for insurance, you will be asked a series of questions. The purpose of these questions is to assess the likelihood of a loss.

Insurers want to know your household driving record and loss history. In addition, insurers want information about certain factors that might influence your potential for losses.

Some of these characteristics are beyond your control, such as age and gender. Other characteristics include geographic location and usage of the vehicle, the make and model of vehicle the consumer wishes to own and insure. The consumer has a great deal of choice, or control, over the vehicle they drive.

RATING

The second factor that governs the cost of your auto insurance is rating. Like underwriting guidelines, each company adopts its own rating system, although there are general guidelines that all companies follow.

Commonly asked questions related to rating include:

- **Driving Record.** On the application, applicants will be asked about their driving record. Insurers will ask for all accidents and traffic violations for any household drivers to be covered by the policy. This “look back” is typically 3-5 years. Drivers with previous violations or at fault accidents are considered a higher risk and may be charged a higher rate.
- **Territory.** The claims experience of people in your area will also affect your rates. The application include question that asks for the address where the vehicle will be garaged. An easy

way to think of this is where the vehicle “sleeps” at night. From this information, insurers can tell a great deal about your risk of financial loss. From your claims experience, insurers know that more claims are made from urban areas than rural areas (busy traffic, thefts, vandalism, etc.).

- **Gender and Age.** Some states allow insurers to use the age and gender of the driver as rating factors to determine a premium.
- **Marital Status.** As with age and gender, some states still allow insurers to use the marital status in premium determination.
- **Prior Insurance Coverage.** In some states, insurance companies may ask you to provide proof of prior insurance. This information could be used to identify new drivers or drivers that have not needed insurance due to not owning a car, as well as showing continuity of insurance. As part of the application process, insurance companies will collect the applicant’s driving history from third parties, such as the DMV and C.L.U.E.
- **Vehicle Use.** Applicants will be asked how their vehicle will be used (work/school versus pleasure) and how many miles a year the applicant would estimate they would drive in a year. Higher annual mileage will typically result in a higher premium due to the greater exposure of being on the road.
- **Make and Model of Vehicle.** The type of car you drive will directly affect the cost of your automobile insurance. Vehicles with higher safety ratings and safety features can generally help lower a premium by providing discounts for features such as an anti-theft system or anti-locking brakes.

The single greatest influence on the rating process is claim frequency. This could include losses that the driver is at fault for, as well as not at fault. Insurers will generally charge a higher premium to those drivers that have had at-fault losses in the last 3 to 5 years, because there is a likelihood that the driver will have another accident in the next 3 to 5 years.

How Do Insurers Determine Auto Premiums?

Generally, there are four major factors that insurers will consider when determining an auto premium. These factors would include characteristics of the driver or household, vehicle characteristics, the amount of coverage requested, and any discounts that may apply to the policy. Not every insurer uses the same factors. What factors insurers use to determine premium is different in each state. Below are examples of some of the most common rating factors that insurers use.

Driver Characteristics

Age, years of driving experience, gender and marital status are common factors used to calculate premiums. Not every insurer is the same nor is every state the same when it comes to this data collection. The insurer will obtain information about your driving record and accident history from a third party company. Generally, younger, less experienced drivers pay more than older, experienced drivers do and senior drivers pay a higher premium as they get older.

Driving Safety Record

You will pay more if you or other drivers your policy insures have been convicted of speeding or other traffic violations or were responsible for accidents. Insurers get information about traffic convictions from the state Department of Motor Vehicles and from third party vendors, such as CLUE who collect data on insurance claims.

Principal Operator

When there are more drivers than vehicles in a household, insurers have rules to decide which driver determines the premium for each car. Generally, insurers calculate the premium based on the driver who uses a car the most. In some cases, insurers may use the highest risk driver, usually the youngest driver in

the household, as the “principal operator” to determine the premium for a car - even if that young driver uses the car very little.

Annual Mileage and Vehicle Use

Generally, the more miles you drive each year, the more you will pay for insurance. You will also pay a higher premium if you use your car for business.

Location/Garaging Address of the Insured Vehicle

Your premium will be higher or lower based on where the vehicle is garaged. This is typically the policyholder’s primary residence. Rates may be higher if the vehicle is driven more in urban areas versus rural areas because of the risk of interaction with other drivers.

Insurance Credit Score

If state law allows, insurers may use an insurance credit score as a rating factor. An insurance credit score is a number based on various financial, credit and risk factors. There is no direct relationship to financial credit scores used in lending decisions. Insurance credit scores are not intended to measure credit worthiness, but rather to predict risk. Some companies offer discounts to consumers who have higher insurance credit scores.

“Usage-Based” Rating Factors

Some insurers use data from an electronic device in your car, or a smart phone application, as a factor to determine your premiums. The device collects information about when and how you drive the car. Rates are lower if you drive fewer miles, drive during less dangerous hours of the day and seldom brake hard or swerve. Insurers usually give drivers a small discount just for agreeing to participate in the program. The agent or company representative can give you more information about these programs.

Type of Car

Cost to Repair or Replace

Insurers will generally assign a Vehicle Symbol to a vehicle. Factors that are typically included in the Symbol Rate include crash ratings, vehicle safety features such as air bags, and the cost and time to repair or replace a vehicle should it be damaged or stolen. Generally, higher rated vehicles will have higher premiums because of their value or the cost to repair or replace it.

Special Features

Rates are higher for cars with special features such as all-wheel drive transmissions and hybrid engines and for sports cars. Insurers charge less for cars with features such as an alarm system. They also charge less for cars with better passenger protection, such as those with comprehensive restraint systems.

Types of Automobile coverage

Bodily Injury/Property Damage

This coverage on your policy applies to the other party should the policyholder be found at fault for the accident. It provides coverage for both the medical expenses and the other party’s vehicle or property. Bodily Injury/Property Damage is generally offered in many levels of coverage. Generally, as the coverage increases, so does the premium. Each state has its own Minimum Liability Requirement that each policyholder. A rule of thumb here is that the policyholder wants to try to carry as much liability coverage to protect themselves and their assets in the event of a loss.

Uninsured/Underinsured Motorist

This is coverage for the policyholder if they suffer a loss from someone that does not have insurance (Uninsured) or not enough insurance to pay for the injuries to the not at fault party. It is generally

accepted that this level of coverage would match the coverage that the policyholder carries for Bodily Injury/Property Damage.

Medical Payments to Others/Personal Injury Protection (PIP)

Depending on what the state allows, the policyholder will have either Medical Payments or PIP. This is medical coverage for the policyholder and the passengers in their vehicle. It generally provides medical expenses coverage, death benefit if death results from an accident, and income loss coverage.

Deductibles

There are two deductibles involved with an automobile policy. The deductibles apply only to the vehicle and not the liability coverage on the policy. The first is Comprehensive (also known as Other Than Collision in some states). This covers the vehicle for those losses that the policyholder has no control over. Examples would include theft, fire, flood, and animal impact. The other deductible is Collision. Collision covers the policyholder for losses like hitting another vehicle or hitting debris in the roadway. If there is a lien on the vehicle, then the policyholder is generally required to carry both deductibles (also known as Full Coverage). Once the lien has been satisfied, the policyholder can decide if they want to continue to carry the additional coverage. An argument could be made for deleting the coverages and setting the saved premium aside in a "Fix Me" or "New Car" fund. Rates are higher for policies with lower deductibles. A policyholder could consider increasing their deductibles to lower their premium. A rule of thumb is to raise the deductible to the highest that can be paid out of pocket in the time of loss. This in turn will lower the policy premium.

Rental Reimbursement

Rental Reimbursement covers the vehicle owner with the use of a rental vehicle should their vehicle suffer a loss. This is not the same as renting a vehicle for a trip or if the vehicle has to go into the shop for maintenance. There are generally different levels of coverage in dollar allowance and time allowance. Rates are higher for benefits that are more generous.

Towing and Labor

Towing and Labor is an optional coverage to an automobile policy and generally provides roadside assistance coverage for the policyholder if their vehicle to break down. A few of the common features of this coverage include a tow to the nearest facility that can make repairs to the vehicle, unlocking your car, and changing a flat tire.

Attachment Two
Document after Using Visible Threads
(Word)

UNDERWRITING AND RATING

The process by which your auto insurance rate is determined is constantly changing. The initial process starts with the application and the information you have provided.

The first part of the process is underwriting. Insurance companies underwrite to assess the risk associated with an applicant, group the applicant with other similar risks and decide if the company will accept the application. An underwriting department may pull information regarding your information from other sources, such as credit reports, inspection reports, CLUE Reports, motor vehicle reports, etc.

The purpose of underwriting is to sort applicants by similarly situated risks.

After underwriting, the rating process begins. This is where the insurance company applies their rating factors to the risk being presented to determine its insurability and pricing.

A rate for each applicant will be set based on each insurance company's rating characteristics.

HOW DO INSURERS UNDERWRITE?

Insurers depend on information on your policy application. When you apply for insurance, you will be asked a series of questions. The purpose of these questions is to assess the likelihood of a loss.

Insurers want to know your household driving record and loss history. In addition, insurers want information about certain factors that might influence your potential for losses.

Some of these characteristics are beyond your control, such as age and gender. Other characteristics include geographic location and usage of the vehicle, the make and model of vehicle the consumer wishes to own and insure. The consumer has a great deal of choice, or control, over the vehicle they drive.

RATING

The second factor that governs the cost of your auto insurance is rating. Like underwriting guidelines, each company adopts its own rating system, although there are general guidelines that all companies follow.

Commonly asked questions related to rating include:

- **Driving Record.** On the application, applicants will be asked about their driving record. Insurers will ask for all accidents and traffic violations for any household drivers to be covered by the policy. This "look back" is typically 3-5 years. Drivers with previous violations or at fault accidents are considered a higher risk and may be charged a higher rate.
- **Territory.** The claims experience of people in your area will also affect your rates. The application include question that asks for the address where the vehicle will be garaged. An easy

way to think of this is where the vehicle “sleeps” at night. From this information, insurers can tell a great deal about your risk of financial loss. From your claims experience, insurers know that more claims are made from urban areas than rural areas (busy traffic, thefts, vandalism, etc.).

- **Gender and Age.** Some states allow insurers to use the age and gender of the driver as rating factors to determine a premium.
- **Marital Status.** As with age and gender, some states still allow insurers to use the marital status in premium determination.
- **Prior Insurance Coverage.** In some states, insurance companies may ask you to provide proof of prior insurance. This information could be used to identify new drivers or drivers that have not needed insurance due to not owning a car, as well as showing continuity of insurance. As part of the application process, insurance companies will collect the applicant’s driving history from third parties, such as the DMV and C.L.U.E.
- **Vehicle Use.** Applicants will be asked how their vehicle will be used (work/school versus pleasure) and how many miles a year the applicant would estimate they would drive in a year. Higher annual mileage will typically result in a higher premium due to the greater exposure of being on the road.
- **Make and Model of Vehicle.** The type of car you drive will directly affect the cost of your automobile insurance. Vehicles with higher safety ratings and safety features can generally help lower a premium by providing discounts for features such as an anti-theft system or anti-locking brakes.

The single greatest influence on the rating process is claim frequency. This could include losses that the driver is at fault for, as well as not at fault. Insurers will generally charge a higher premium to those drivers that have had at-fault losses in the last 3 to 5 years, because there is a likelihood that the driver will have another accident in the next 3 to 5 years.

How Do Insurers Determine Auto Premiums?

Generally, there are four major factors that insurers will consider when determining an auto premium. These factors would include characteristics of the driver or household, vehicle characteristics, the amount of coverage requested, and any discounts that may apply to the policy. Not every insurer uses the same factors. What factors insurers use to determine premium is different in each state. Below are examples of some of the most common rating factors that insurers use.

Driver Characteristics

Age, years of driving experience, gender and marital status are common factors used to calculate premiums. Not every insurer is the same nor is every state the same when it comes to this data collection. The insurer will obtain information about your driving record and accident history from a third party company. Generally, younger, less experienced drivers pay more than older, experienced drivers do and senior drivers pay a higher premium as they get older.

Driving Safety Record

You will pay more if you or other drivers your policy insures have been convicted of speeding or other traffic violations or were responsible for accidents. Insurers get information about traffic convictions from the state Department of Motor Vehicles and from third party vendors, such as CLUE who collect data on insurance claims.

Principal Operator

When there are more drivers than vehicles in a household, insurers have rules to decide which driver determines the premium for each car. Generally, insurers calculate the premium based on the driver who uses a car the most. In some cases, insurers may use the highest risk driver, usually the youngest driver in

the household, as the “principal operator” to determine the premium for a car - even if that young driver uses the car very little.

Annual Mileage and Vehicle Use

Generally, the more miles you drive each year, the more you will pay for insurance. You will also pay a higher premium if you use your car for business.

Location/Garaging Address of the Insured Vehicle

Your premium will be higher or lower based on where the vehicle is garaged. This is typically the policyholder’s primary residence. Rates may be higher if the vehicle is driven more in urban areas versus rural areas because of the risk of interaction with other drivers.

Insurance Credit Score

If state law allows, insurers may use an insurance credit score as a rating factor. An insurance credit score is a number based on various financial, credit and risk factors. There is no direct relationship to financial credit scores used in lending decisions. Insurance credit scores are not intended to measure credit worthiness, but rather to predict risk. Some companies offer discounts to consumers who have higher insurance credit scores.

“Usage-Based” Rating Factors

Some insurers use data from an electronic device in your car, or a smart phone application, as a factor to determine your premiums. The device collects information about when and how you drive the car. Rates are lower if you drive fewer miles, drive during less dangerous hours of the day and seldom brake hard or swerve. Insurers usually give drivers a small discount just for agreeing to participate in the program. The agent or company representative can give you more information about these programs.

Type of Car

Cost to Repair or Replace

Insurers will generally assign a Vehicle Symbol to a vehicle. Factors that are typically included in the Symbol Rate include crash ratings, vehicle safety features such as air bags, and the cost and time to repair or replace a vehicle should it be damaged or stolen. Generally, higher-rated vehicles will have higher premiums because of their value or the cost to repair or replace it.

Special Features

Rates are higher for cars with special features such as all-wheel drive transmissions and hybrid engines and for sports cars. Insurers charge less for cars with features such as an alarm system. They also charge less for cars with better passenger protection, such as those with comprehensive restraint systems.

Types of Automobile coverage

Bodily Injury/Property Damage

This coverage on your policy applies to the other party should the policyholder be found at fault for the accident. It provides coverage for both the medical expenses and the other party’s vehicle or property. Bodily Injury/Property Damage is generally offered in many levels of coverage. Generally, as the coverage increases, so does the premium. Each state has its own Minimum Liability Requirement that each policyholder. A rule of thumb here is that the policyholder wants to try to carry as much liability coverage to protect themselves and their assets in the event of a loss.

Uninsured/Underinsured Motorist

This is coverage for the policyholder if they suffer a loss from someone that does not have insurance (Uninsured) or not enough insurance to pay for the injuries to the not at fault party. It is generally

accepted that this level of coverage would match the coverage that the policyholder carries for Bodily Injury/Property Damage.

Medical Payments to Others/Personal Injury Protection (PIP)

Depending on what the state allows, the policyholder will have either Medical Payments or PIP. This is medical coverage for the policyholder and the passengers in their vehicle. It generally provides medical expenses coverage, death benefit if death results from an accident, and income loss coverage.

Deductibles

There are two deductibles involved with an automobile policy. The deductibles apply only to the vehicle and not the liability coverage on the policy. The first is Comprehensive (also known as Other Than Collision in some states). This covers the vehicle for those losses that the policyholder has no control over. Examples would include theft, fire, flood, and animal impact. The other deductible is Collision. Collision covers the policyholder for losses like hitting another vehicle or hitting debris in the roadway. If there is a lien on the vehicle, then the policyholder is generally required to carry both deductibles (also known as Full Coverage). Once the lien has been satisfied, the policyholder can decide if they want to continue to carry the additional coverage. An argument could be made for deleting the coverages and setting the saved premium aside in a "Fix Me" or "New Car" fund. Rates are higher for policies with lower deductibles. A policyholder could consider increasing their deductibles to lower their premium. A rule of thumb is to raise the deductible to the highest that can be paid out of pocket in the time of loss. This in turn will lower the policy premium.

Rental Reimbursement

Rental Reimbursement covers the vehicle owner with the use of a rental vehicle should their vehicle suffer a loss. This is not the same as renting a vehicle for a trip or if the vehicle has to go into the shop for maintenance. There are generally different levels of coverage in dollar allowance and time allowance. Rates are higher for benefits that are more generous.

Towing and Labor

Towing and Labor is an optional coverage to an automobile policy and generally provides roadside assistance coverage for the policyholder if their vehicle to break down. A few of the common features of this coverage include a tow to the nearest facility that can make repairs to the vehicle, unlocking your car, and changing a flat tire.



Attachment Two
Document after Using Visible Threads
(Excel)

Paragraph Number	Category	Content	Readability	Grade Level	Suggestions	Watch Words
2	Passive Voice Adverb Long word	The process by which your auto insurance rate <u>is determined</u> is <u>constantly</u> changing. The initial process starts with the <u>application</u> and the <u>information</u> you have provided.	40/100	Grade 10.8	1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'constantly'. 1 use of Passive Voice - Try to rephrase "determined " using active voice. Is it clear who performs this action?	
3	Long Sentence Long word	The first part of the process is <u>underwriting</u> . Insurance companies <u>underwrite</u> to assess the risk <u>associated</u> with an applicant, group the applicant with other similar risks and decide if the company will accept the <u>application</u> . An <u>underwriting</u> department may pull <u>information</u> regarding your <u>information</u> from other sources, such as credit reports,	26/100	Grade 14.2	2 Long Sentences - These are 27 and 24 words long. Consider bullet points or lists.	
4	Adverb Long word	The purpose of <u>underwriting</u> is to sort applicants by <u>similarly situated</u> risks.	25/100	Grade 12.7	1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'similarly'.	
5	Passive Voice Long Sentence Long word	After <u>underwriting</u> , the rating process begins. <u>This is where the insurance company applies their rating factors to the risk being presented</u> to determine its <u>insurability</u> and pricing.	33/100	Grade 11.8	1 Long Sentence - Try to split this long sentence. It is 21 words long. Consider bullet points or lists. 1 use of Passive Voice - Try to rephrase "presented " using active voice. Is it clear who performs this action?	
6	Passive Voice Long word	A rate for each applicant <u>will be set</u> based on each insurance company's rating <u>characteristics</u> .	39/100	Grade 11.5	1 use of Passive Voice - Try to rephrase " set " using active voice. Is it clear who performs this action?	
8	Passive Voice Hidden Verb Long word	Insurers depend on <u>information</u> on your policy <u>application</u> . When you apply for insurance, you <u>will be asked</u> a series of questions. The purpose of these questions is to assess the <u>likelihood</u> of a loss.	53/100	Grade 8.5	1 Hidden Verb - Try to make "information " into a verb. 1 use of Passive Voice - Try to rephrase " asked " using active voice. Is it clear who performs this action?	
9	Long word	Insurers want to know your household driving record and loss history. In addition, insurers want <u>information</u> about certain factors that might <u>influence your potential for losses</u> .	37/100	Grade 11.3		
10	Long Sentence Long word	Some of these <u>characteristics</u> are beyond your control, such as age and gender. <u>Other characteristics</u> include geographic location and usage of the vehicle, the make and model of vehicle the consumer wishes to own and insure. The consumer has a great deal of choice, or control, over the <u>vehicle characteristics</u> .	56/100	Grade 9.5	1 Long Sentence - Try to split this long sentence. It is 23 words long. Consider bullet points or lists.	
12	Long word	The second factor that governs the cost of your auto insurance is rating. Like <u>underwriting guidelines</u> , each company adopts its own rating system, although there are <u>general guidelines</u> that all companies follow.	34/100	Grade 12.4		
13	Adverb Grammar	<u>Commonly</u> asked questions related to <u>rating</u> include:	18/100	Grade 12.4	1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'Commonly'. Grammar Issue - "rating" - The verb after "to" should be in the base form: rate.	
14	Passive Voice Adverb Long Sentence Long word	Driving Record. On the <u>application</u> , applicants <u>will be asked</u> about their driving record. Insurers will ask for all accidents and traffic violations for any household drivers to <u>be covered</u> by the policy. This "look back" is <u>typically</u> 3-5 years. <u>Drivers with previous violations or at fault accidents are considered</u> a higher risk and <u>may be charged</u> a higher rate.	50/100	Grade 8.9	1 Long Sentence - Try to split this long sentence. It is 20 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'typically'. 4 uses of Passive Voice - These are " asked ", " covered ", " considered " and " charged ". Try to rephrase using active voice. Is it clear who performs these actions?	
15	Passive Voice Long Sentence Long word	<u>Territory</u> . The claims experience of people in your area will also affect your rates. The <u>application</u> include question that asks for the address where the vehicle <u>will be garaged</u> . An easy way to think of this is where the vehicle "sleeps" at night. From this <u>information</u> , insurers can tell a great deal about your risk of financial loss. <u>From your claims experience, insurers know that more claims are made</u> from urban areas than rural areas (busy traffic, thefts, <u>vandalism</u> , etc.).	65/100	Grade 7.3	1 Long Sentence - Try to split this long sentence. It is 22 words long. Consider bullet points or lists. 2 uses of Passive Voice - These are " garaged " and " made ". Try to rephrase using active voice. Is it clear who performs these actions?	
16	Long Sentence	Gender and Age. <u>Some states allow insurers to use the age and gender of the driver as rating factors to determine a premium</u> .	63/100	Grade 7.2	1 Long Sentence - Try to split this long sentence. It is 20 words long. Consider bullet points or lists.	
17	Long word	Marital Status. As with age and gender, some states still allow insurers to use the marital status in premium <u>determination</u> .	35/100	Grade 10.7		
18	Passive Voice Long Sentence Long word	Prior Insurance Coverage. In some states, insurance companies may ask you to provide proof of prior insurance. <u>This information could be used to identify</u> new drivers or drivers that have not needed insurance due to not owning a car, as well as showing <u>continuity</u> of insurance. As part of the <u>application</u> process, insurance companies will collect the applicant's driving history from third parties, such as the DMV and C.L.U.E.	46/100	Grade 11	2 Long Sentences - These are 29 and 23 words long. Consider bullet points or lists. 1 use of Passive Voice - Try to rephrase " used " using active voice. Is it clear who performs this action?	
19	Passive Voice Adverb Long Sentence	Vehicle Use. Applicants <u>will be asked</u> how their vehicle <u>will be used</u> (work/school versus pleasure) and how many miles a year the applicant would estimate they would drive in a year. Higher annual mileage will <u>typically</u> result in a higher premium due to the greater exposure of being on the road.	55/100	Grade 9.8	2 Long Sentences - These are 29 and 20 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'typically'. 2 uses of Passive Voice - These are " asked " and " used ". Try to rephrase using active voice. Is it clear who performs these actions?	
20	Adverb Long Sentence Long word	Make and Model of Vehicle. The type of car you drive will <u>directly</u> affect the cost of your <u>automobile</u> insurance. <u>Vehicles with higher safety ratings and safety features can generally help</u> lower a premium by providing discounts for features such as an anti-theft system or anti-locking brakes.	38/100	Grade 11.6	1 Long Sentence - Try to split this long sentence. It is 27 words long. Consider bullet points or lists. 2 uses of Adverbs - These are "directly" and "generally". Try to reduce the number of	
21	Adverb Very Long Sentence Long word	The single greatest influence on the rating process is claim frequency. This could include losses that the driver is at fault for, as well as not at fault. <u>Insurers will generally charge a higher premium to those drivers that have had at-fault losses in the last 3 to 5 years, because there is a likelihood that the driver will have another accident in the next 3 to 5 years</u> .	63/100	Grade 10.1	1 Very Long Sentence - Try to split this very long sentence. It is 41 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'generally'.	
22	Adverb Grammar	How Do Insurers Determine Auto Premiums? <u>Generally</u> , there are four major factors that insurers will consider when <u>determining</u> an auto premium. <u>These factors would include characteristics of the driver or household, vehicle characteristics, the amount of coverage requested, and any discounts that may apply to the policy</u> . Not every insurer uses the same factors. What factors insurers <u>use to</u> determine premium is different in each state. Below are examples of some of the most common rating factors that insurers use.	17/100 37/100	Grade 12.3 Grade 11.6	1 Long Sentence - Try to split this long sentence. It is 26 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'Generally'. Grammar Issue - "use to" - Make sure that 'use to' is correct. For habitual actions in the past or to mean 'accustomed to', use used to.	

Paragraph Number	Category	Content	Readability	Grade Level	Suggestions	Watch Words
25	Adverb Long Sentence Long word	Age, years of driving experience, gender and marital status are common factors used to calculate premiums. Not every insurer is the same nor is every state the same when it comes to this data collection. The insurer will obtain <u>information</u> about your driving record and accident history from a third party company. <u>Generally</u> , younger, less experienced drivers pay more than older, <u>experienced</u> drivers do and senior drivers pay a	36/100	Grade 12.7	1 Long Sentence - Try to split this long sentence. It is 23 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'Generally'.	
27	Passive Voice Long Sentence Long word	You will pay more if you or other drivers your policy insures have <u>been convicted</u> of speeding or other traffic violations or were <u>responsible</u> for accidents. Insurers get <u>information</u> about traffic convictions from the state Department of Motor Vehicles and from third party vendors, such as CLUE who collect data on insurance claims.	35/100	Grade 14.8	2 Long Sentences - These are 26 and 27 words long. Consider bullet points or lists. 1 use of Passive Voice - Try to rephrase " convicted " using active voice. Is it clear who performs this action?	
29	Adverb Long Sentence Very Long Sentence Long word	When there are more drivers than vehicles in a household, insurers have rules to decide which driver <u>determines</u> the premium for each car. <u>Generally</u> , insurers calculate the premium based on the driver who uses a car the most. <u>In some cases, insurers may use the highest risk driver, usually the youngest driver in the household, as the "principal operator"</u> to determine the premium for a car - even if that young driver uses the car very little.	38/100	Grade 14	1 Long Sentence - Try to split this long sentence. It is 23 words long. Consider bullet points or lists. 1 Very Long Sentence - Try to split this very long sentence. It is 38 words long. Consider bullet points or lists. 2 uses of Adverbs - These are "Generally" and "usually". Try to reduce the number of adverbs.	
30		Annual Mileage and Vehicle Use	49/100	Grade 7.6		
31	Adverb	<u>Generally</u> , the more miles you drive each year, the more you will pay for insurance. You will also pay a higher premium if you use your car for business.	73/100	Grade 6.6	1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'Generally'.	
32		Location/Garaging Address of the Insured Vehicle	0/100	Grade 16.2		
33	Passive Voice Adverb Long Sentence Hidden Verb Long word	Your premium will be higher or lower based on where the vehicle <u>is garaged</u> . This is <u>typically</u> the <u>policyholder's</u> primary residence. <u>Rates may be higher if the vehicle is driven more in urban areas versus rural areas because of the risk of interaction with other drivers.</u>	44/100	Grade 10.8	1 Long Sentence - Try to split this long sentence. It is 25 words long. Consider bullet points or lists. 1 Hidden Verb - Try to make "interaction " into a verb. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'typically'. 2 uses of Passive Voice - These are " garaged " and " driven ". Try to rephrase using active voice. Is it clear who performs these actions? 1 use of Passive Voice - Try to rephrase " intended " using active voice. Is it clear who performs this action?	
35	Passive Voice Long word	If state law allows, insurers may use an insurance credit score as a rating factor. An insurance credit score is a number based on various financial, credit and risk factors. There is no direct <u>relationship</u> to financial credit scores used in lending decisions. Insurance credit scores <u>are not intended</u> to measure credit worthiness, but rather to predict risk. Some companies	42/100	Grade 10.8		
37	Adverb Long Sentence Long word	Some insurers use data from an <u>electronic device</u> in your car, or a smart phone <u>application</u> , as a factor to determine your premiums. The device collects <u>information</u> about when and how you drive the car. <u>Rates are lower if you drive fewer miles, drive during less dangerous hours of the day and seldom brake hard or swerve.</u> Insurers <u>usually</u> give drivers a small discount just for agreeing to <u>participate</u> in the program. The agent or	51/100	Grade 10.3	2 Long Sentences - These are 23 and 22 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'usually'.	
39		Cost to Repair or Replace	83/100	Grade 2.9		
40	Passive Voice Adverb Grammar Long Sentence Very Long Sentence Long word	Insurers will <u>generally</u> assign a Vehicle Symbol to a vehicle. <u>Factors that are typically included in the Symbol Rate include crash ratings, vehicle safety features such as air bags, and the cost and time to repair or replace a vehicle should it be damaged or stolen.</u> <u>Generally</u> , higher rated vehicles will have higher premiums because of their value or the cost to repair or replace it.	44/100	Grade 12.5	1 Long Sentence - Try to split this long sentence. It is 20 words long. Consider bullet points or lists. 1 Very Long Sentence - Try to split this very long sentence. It is 36 words long. Consider bullet points or lists. 2 uses of Adverbs - These are "generally" and "Generally". Try to reduce the number of adverbs. 2 uses of Passive Voice - These are " included " and " damaged ". Try to rephrase using active voice. Is it clear who performs these actions?	
42	Long Sentence Long word	Rates are higher for cars with special features such as all-wheel drive transmissions and hybrid engines and for sports cars. Insurers charge less for cars with features such as an alarm system. They also charge less for cars with better passenger protection, such as those with <u>comprehensive</u>	57/100	Grade 9.2	Grammar Issue - "air bags" - This word is 1 Long Sentence - Try to split this long sentence. It is 20 words long. Consider bullet points or lists.	
45	Passive Voice Adverb Long Sentence Very Long Sentence Long word	<u>This coverage on your policy applies to the other party should the policyholder be found at fault for the accident.</u> It provides coverage for both the medical expenses and the other party's vehicle or property. <u>Bodily Injury/Property Damage is generally offered</u> in many levels of coverage. <u>Generally</u> , as the coverage increases, so does the premium. Each state has its own Minimum <u>Liability Requirement</u> that each <u>policyholder</u> . <u>A rule of thumb here is that the policyholder wants to try to carry as much liability coverage to protect themselves and their assets in the event of a loss.</u>	34/100	Grade 12.4	1 Long Sentence - Try to split this long sentence. It is 20 words long. Consider bullet points or lists. 1 Very Long Sentence - Try to split this very long sentence. It is 30 words long. Consider bullet points or lists. 2 uses of Adverbs - These are "Bodily" and "Generally". Try to reduce the number of adverbs. 2 uses of Passive Voice - These are " found " and " offered ". Try to rephrase using active voice. Is it clear who performs these actions?	
47	Passive Voice Adverb Long Sentence Hidden Verb Very Long Sentence Long word	<u>This is coverage for the policyholder if they suffer a loss from someone that does not have insurance (Uninsured) or not enough insurance to pay for the injuries to the not at fault party. It is generally accepted that this level of coverage would match the coverage that the policyholder carries for Bodily Injury/Property Damage.</u>	30/100	Grade 15.8	1 Long Sentence - Try to split this long sentence. It is 21 words long. Consider bullet points or lists. 2 uses of Hidden Verbs - These are " insurance " and "insurance ". Try to rephrase these using their verb forms. 1 Very Long Sentence - Try to split this very long sentence. It is 34 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'Bodily'. 1 use of Passive Voice - Try to rephrase " accepted " using active voice. Is it clear who	
48		Medical Payments to Others/Personal Injury Protection (PIP)	0/100	Grade 17.5		
49	Adverb Long word	Depending on what the state allows, the <u>policyholder</u> will have either Medical Payments or PIP. This is medical coverage for the <u>policyholder</u> and the passengers in their vehicle. It <u>generally</u> provides medical expenses coverage, death benefit if death results from an accident, and income loss	31/100	Grade 12.6	1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'generally'.	

Paragraph Number	Category	Content	Readability	Grade Level	Suggestions	Watch Words
51	Passive Voice Adverb Long Sentence Long word	There are two deductibles involved with an automobile policy. The deductibles apply only to the vehicle and not the liability coverage on the policy. The first is Comprehensive (also known as Other Than Collision in some states). This covers the vehicle for those losses that the policyholder has no control over. Examples would include theft, fire, flood, and animal impact. The other deductible is Collision. Collision covers the policyholder for losses like hitting another vehicle or hitting debris in the roadway. If there is a lien on the vehicle, then the policyholder is generally required to carry both deductibles (also known as Full Coverage). Once the lien has been satisfied , the policyholder can decide if they want to continue to carry the additional coverage . An argument could be made for deleting the coverages and setting the saved premium aside in a "Fix Me" or "New Car" fund. Rates are higher for policies with lower deductibles. A policyholder could consider increasing their deductibles to lower their premium. A rule of thumb is to raise the deductible to the highest that can be paid out of Rental Reimbursement covers the vehicle owner with the use of a rental vehicle should their vehicle suffer a loss. This is not the same as renting a vehicle for a trip or if the vehicle has to go into the shop for maintenance. There are generally different levels of coverage in dollar allowance and time allowance. Rates are higher for benefits that are more generous.	46/100	Grade 10.3	4 Long Sentences - These are 23, 20, 23 and 24 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'only'. 4 uses of Passive Voice - These are "required", "satisfied", "made" and "paid". Try to rephrase using active voice. Is it clear who performs these actions?	
53	Adverb Long Sentence Long word	Towing and Labor is an optional coverage to an automobile policy and generally provides roadside assistance coverage for the policyholder if their vehicle to break down. A few of the common features of this coverage include a tow to the nearest facility that can make repairs to the vehicle, unlocking your car, and changing a flat tire.	60/100	Grade 8.8	1 Long Sentence - Try to split this long sentence. It is 24 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'generally'.	
55	Adverb Long Sentence Very Long Sentence Long word	Towing and Labor is an optional coverage to an automobile policy and generally provides roadside assistance coverage for the policyholder if their vehicle to break down. A few of the common features of this coverage include a tow to the nearest facility that can make repairs to the vehicle, unlocking your car, and changing a flat tire.	32/100	Grade 15.6	1 Long Sentence - Try to split this long sentence. It is 26 words long. Consider bullet points or lists. 1 Very Long Sentence - Try to split this very long sentence. It is 31 words long. Consider bullet points or lists. 1 Adverb - Adverbs are fine, but can be overused. See if you can get by without 'generally'.	

Attachment Two
Document after Using Visible Threads
(Print Screen)

← Back | VT Consumer Ed UW and Rates.docx

No. Words:
1,917
Language:
EN

Long Sentences **26.67%**
36 Sentences
[Learn More](#)

Passive Voice **17.04%**
23 Sentences
[Learn More](#)

Readability **45 / 100**
[Learn More](#)

Grade Level **10.4**
[Learn More](#)

No Watch Words found. >

No ignored terms found. >

Show / Hide

Hide paragraphs < 5 words

Actions ▾

Content	Suggestions	Readability	Grade Level
2 The process by which your auto insurance rate <u>is determined</u> is <u>constantly</u> changing. The initial process starts with the <u>application</u> and the <u>information</u> you have provided.	<ul style="list-style-type: none"> Passive Voice Try to rephrase " determined " using act... > Adverb Adverbs are fine, but can be overused. S... > 3 Long words These are "determined", "application" a... > 	40/100	Grade 10.8
3 The first part of the process is <u>underwriting</u> . Insurance companies <u>underwrite</u> to assess the risk <u>associated</u> with an <u>applicant</u> , group the applicant with other similar risks and decide if the company will accept the <u>application</u> . An <u>underwriting</u> department may pull <u>information</u> regarding your <u>information</u> from other sources, such as credit reports, <u>inspection reports</u> , CLUE Reports, motor vehicle reports, etc.	<ul style="list-style-type: none"> Long Sentences 2 Long Sentences - These are 27 and 24 w... > 6 Long words These are "underwriting", "associated",... > 	26/100	Grade 14.2
4 The purpose of <u>underwriting</u> is to sort applicants by <u>similarly</u> <u>situated</u> risks.	<ul style="list-style-type: none"> Adverb Adverbs are fine, but can be overused. S... > 3 Long words These are "underwriting", "similarly" a... > 	25/100	Grade 12.7
5 After <u>underwriting</u> , the rating process begins. This is where the insurance company applies their rating factors to the risk	<ul style="list-style-type: none"> Long Sentence Try to split this long sentence. It is 2... > 	33/100	Grade 11.8



Discuss Any Other Matters