

[Consumer Advocates Support State Regulation; More Transparency](http://www.property-casualty.com/News/2010/8/Pages/Consumer-Advocates-Support-State-Regulation-More-Transparency)

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SEATTLE—Two consumer advocates told insurance commissioners they would prefer to see regulation of insurance remain with the states, as opposed to a federal takeover.

Speaking before the National Association of Insurance Commissioners' (NAIC) Regulatory Modernization Task Force at the NAIC's summer meeting held here, Sonja Larkin-Thorne, an NAIC funded consumer representative, and Amy Bach, executive director of United Policyholders said they support a continuation of state regulation, but would like to see some changes in transparency.

Ms. Larkin-Thorne said the advantage of state regulation is that consumers can have a conversation with regulators directly that would be impossible under a federal system. However, she said regulators need to do more at making policies more transparent and understandable for consumers.

She criticized carriers for not making more information available to consumers, calling their contention of protecting confidential information unsupported by reality. From her years of experience working in the industry, she said competitors are able to access policy forms and gain knowledge about the coverage carriers say they are trying to protect.

Ms. Bach urged the creation of a summary sheet for consumers that would be short and explain what the various parts of the policy mean.

Some commissioners questioned the wisdom of such a move, saying it could pose legal problems in the future over what exactly the contract said. Ultimately, Ms. Bach said, such issues may have to be litigated for the benefit of consumers.