

## [Shopping resources for insurance consumers](#)

To: Interested  
Parties

From: Amy Bach,  
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Re: Shopping  
resources for insurance consumers

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Through a “Roadmap to Preparedness” (R2P) program, non-profit United Policyholders is working hard throughout the United States to educate consumers on the importance of buying the right kind and amount of insurance, and not just shopping for the lowest priced policy. The program includes our work on NAIC model consumer guides, our library of online and printed tips and shopping tools, our UP Home Inventory flash drive (co-branded with the Red Cross in one region of California), and preparedness workshops (CA. only).

United Policyholders established the R2P program to take lessons learned after disasters and turn them into preparedness messages and calls to action, and to contend with the new media environment in which more consumers are bypassing traditional agent/brokers and buying their insurance through online and toll-free numbers.

There is more need than ever for consumers to understand the importance of coverage features, not just price. We

believe this goal will benefit insurers and consumers equally.

But it is almost impossible for even the savviest consumer to compare features of insurance policies before buying. Sample policies are not typically available. Some states, like California, have implemented mandatory disclosures, (e.g. CA. Ins. Code 10102) that insurers must provide to customers after they've bought a policy. The California Residential Disclosure Form is designed to explain certain key features of the purchaser's policy in comparison to other available options. It focuses on distinguishing between Actual Cash Value, Replacement, Extended or Guaranteed Replacement Cost coverage and on Building Code Compliance/Upgrade coverage. It doesn't purport to cover all the features or exclusions in the homeowner's policy - just a few of the "big ticket" items.

We want to hear any and all ideas for giving consumers access to sample policies and/or pre-sale information that will allow people to compare features. We want to continue to engage in constructive dialogue with industry representatives on how insurers, agents and brokers view the California disclosure form.

We look forward to discussing these issues again at the upcoming NAIC meeting.