

Raising the Bar -- Consumer Principles for State Insurance Regulation

1. **Timely and Meaningful Disclosure:** Consumers should have access to timely and meaningful information on the actual costs, terms, risks and benefits of insurance policies. Consumers should know how much they are being charged in commissions and other fees.
2. **User-friendly Design of Policies:** Insurance policies should be designed to promote competition, facilitate comparison shopping and provide meaningful and needed protection against loss. Policies should be standardized so consumers could compare apples to apples.
3. **Access to Adequate Coverage:** All consumers should have access to adequate coverage and not be subject to unfair discrimination. Insurance companies should not be able to refuse to sell certain insurance policies in certain neighborhoods based on their perceptions about customers in those areas.
4. **Non-discriminatory Marketplace:** All consumers should reap the benefits of technological changes in the marketplace that decrease prices and promote efficiency and convenience. Wealthy consumers should not be given all the good deals. Companies should be required to give the best price for which the consumer qualifies.
5. **Privacy Protection:** Consumers should have control over whether their personal financial and health information is shared with affiliates or third parties.
6. **Meaningful Right of Redress:** Consumers must be able to hold companies that violate the law accountable for losses they suffer, e.g., if an insurer wrongfully and intentionally denies a claim, the insurer should be held accountable.
7. **Competent Regulatory Structure:** Consumers should enjoy a regulatory structure that is accountable to the public, promotes competition, remedies market failures and abusive practices, preserves the financial soundness of the industry and protects policyholders' funds, and is responsive to the needs of consumers.
8. **Representation:** Consumers should be adequately represented in the regulatory process, including through an independent public counsel whose sole responsibility is to represent consumers before the legislature and regulators.

These principles were first prepared by Bob Hunter, Consumer Federation of America, and are endorsed by the NAIC consumer representatives.