

2008 COMMUNICATIONS PLAN

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Table of Contents

| | |
|--|----|
| I. Executive Summary | 3 |
| II. Consumer Education | 5 |
| What Individuals and Business Owners Need to Know About Insurance | 5 |
| III. Key Issues | 8 |
| a) Attacks on the Integrity of the Claims Process | 8 |
| b) Challenges to Underwriting Criteria and Predictive Modeling Systems | 10 |
| c) Climate Change | 13 |
| d) Florida-Related Issues..... | 15 |
| e) Impact of Fraud on the Insurance Market..... | 17 |
| f) Natural Disasters and the Cost and Availability of Coverage..... | 20 |
| g) Industry Financial Performance and Market Conditions..... | 22 |
| h) Rapid Response to High Profile Critics | 24 |
| i) Regulatory Modernization..... | 26 |
| j) Terrorism and Insurance | 27 |
| IV. Disaster Communications | 29 |
| a) Disaster Preparedness | 29 |
| b) Post-Disaster Consumer Communications | 31 |
| c) Litigation Public Relations | 33 |
| V. Special Initiatives | 35 |
| a) Corporate Social Responsibility | 35 |
| b) Diverse Markets..... | 37 |
| VI. Timeline | 39 |
| 1st Quarter | 39 |
| 2nd Quarter..... | 39 |
| 3rd Quarter | 40 |
| 4th Quarter..... | 40 |
| VII. Evaluation | 42 |



I. Executive Summary

The following plan provides a framework for the Insurance Information Institute's (I.I.I.) communications activities in 2008.

The I.I.I.'s communications efforts in 2008 will be aggressive, creative and strategic. We will continue to strengthen our existing relationships with the media, educating them on topical issues and providing them with a greater understanding of how the industry works.

An important component of the I.I.I.'s communications program next year will be legislative education to be undertaken in coordination with the advocacy trades. To ensure that the industry's key messages are favorably received by regulators, legislators and others, consumer education will continue to be a priority in 2008. Quite simply, the better the public understands how insurance works and the vital financial safety net it provides for society, the better the industry's messages will be received.

While everything in this plan is important and on a typical day it is not unusual for staff to field questions in every area cited in this plan, the I.I.I. wanted to get a sense of the issues of greatest urgency to its members. In a poll of the Communications Committee, the following were identified as issues of primary concern: challenges to underwriting and claims handling; climate change; land use issues in catastrophe prone areas; profitability; and insuring to value. It should be noted that all of these topics are addressed in the plan and will get the time and attention they require.

There are four key sections to the I.I.I.'s communications plan:

- **Consumer Communications**

We are planning an aggressive consumer education program. This will include educating both individuals and small business owners about what is and is not covered in standard home and commercial insurance policies. In addition, the I.I.I. will continue to explain the specifics of those provisions that do exist in policies. So that the information will resonate more strongly with individuals, the I.I.I. will focus on specific life stages and segments of the population. A special program will also be undertaken to improve the public's understanding of the claims process. The I.I.I. plans to take advantage of social networking sites and other new media to reach a broader audience. The I.I.I. will also be adding more video to its Web site, such as additional vignettes of real individuals and their experiences with insurance so that others can learn from their experiences. Lastly, the I.I.I. will continue its highly successful Insurance Minute Video News Release (VNR) program. To take advantage of the I.I.I.'s extensive library of Insurance Minutes, the I.I.I. plans to embed links to more than a dozen VNRs in news releases to be issued in 2008. This should amplify the I.I.I.'s reach to broadcast and social media in a cost-effective manner.

- **Key Issues**

The issues listed in this plan have been identified by the I.I.I.'s Board of Directors, the Communications Committee and senior staff as priorities. They are listed in *alphabetical* order since all of them are important to the industry's overall public standing but are of varying concern to individual member companies. It should be noted, however, that issues management is a top priority for the I.I.I. In 2008, four new issues were added to the plan. These include attacks on the claims process, climate change, insurance fraud and rapid response to industry critics. In addition, the topic of the extension of TRIA has been changed to focus on terrorism and insurance.



- **Disaster Communications**

Disaster communications will focus on educating consumers and business owners about what they need to do before and after a disaster strikes, the I.I.I.'s communications response when a disaster occurs and litigation public relations. There will be an emphasis in 2008 on steps consumers can take to protect themselves from a variety of disasters and the I.I.I. plans to work very closely with the Institute for Business and Home Safety (IBHS) on mitigation. In addition, the I.I.I. will initiate a claims education campaign to help consumers with this process after a disaster. It will also provide an opportunity to explain that an insurance policy is a contract in which both parties have rights and responsibilities. After a catastrophe, the I.I.I. is prepared to quickly and forcefully position the industry as a first responder after a catastrophe. The I.I.I. will also serve the industry by providing strategic support for litigation communications, as necessary.

- **Special Initiatives**

The I.I.I. plans to expand and enhance its outreach to Spanish speakers in 2008. All consumer releases and Insurance Minutes will be distributed in Spanish. In addition, Spanish language media tours are planned for hurricane prone areas along with insurance seminars in New York and Miami to help educate journalists about key insurance issues. Another special initiative will be to educate the media and other key stakeholders about the significant financial and charitable contributions that the insurance industry makes to society.



II. Consumer Education

What Individuals and Business Owners Need to Know About Insurance

Objective

Educate individuals and small business owners about what is and is not covered in standard insurance policies and the importance of getting the right amount and type of insurance coverage. This also includes safety measures that will help protect a home or business against a variety of disasters. Educational efforts can help policyholders understand the meaning of the terms and conditions in the policies they purchase, helping them to make smart purchasing decisions and form reasonable expectations in the event a claim is filed.

Strategy

The I.I.I. will undertake a five point strategy to educate consumers:

1. Take advantage of “teachable moments” such as natural disasters and other news events to distribute consumer and business insurance releases that will resonate with the media
2. Leverage I.I.I. products (including white papers, I.I.I. Pulse) to generate news interest
3. Use independent research, such as surveys and polls, including Conning & Company, Pew Research Center and Insurance Research Council to use as insurance news hooks.
4. Reach younger and more diverse audiences by utilizing new and emerging technology.
5. Through ongoing relationships with national personal finance and business media advance understanding of what insurance is and how it works.

Key Messages

- Consumers should review their home, auto and other personal insurance policies at least once a year to make sure that they are still up-to-date. They should also contact their insurance company or agent if they make a major improvement to their home or if there is a major lifestyle change such as a marriage, divorce or a teen driver.
- Consumers need to purchase enough insurance to rebuild their home and repurchase their personal possessions in the event of a disaster. They should also have enough liability protection to protect their assets.
- Consumers should consider purchasing personal umbrella liability policies to provide additional protection above the standard amounts provided by auto and home insurance policies.
- Renters should purchase renters insurance. A landlord is not responsible for a renter’s personal possessions or personal liability. Renters insurance is relatively inexpensive and provides a very important financial protection.
- When purchasing a car, it is important to consider the cost of insuring it. If someone cannot afford the insurance, they cannot afford the car.



- Consumers have rights. If they are dissatisfied with their insurance company or claim, they should work with the company. If consumers are unable to resolve their disputes, they can contact their state insurance department. Insurance is a highly regulated industry and states will investigate consumer complaints.
- Insurance is a competitive business and consumers can choose among a number of companies, policies and prices in most locations.
- There are many factors that influence the cost and availability of insurance. Depending on the type of insurance, these include, among others, the type of car driven, the condition/location of the home or businesses and credit scores.
- Standard property insurance policies do not cover damage caused by flooding or earthquakes. Coverage for these disasters is available through separate insurance policies. There is coverage for flooding and earthquakes under the comprehensive portion of an auto insurance policy.
- Flood insurance for homeowners, renters and businesses is available from the National Flood Insurance Program (NFIP). Some private insurance companies provide coverage under homeowners policies for the backup of sewers and drains and some companies offer flood coverage to homeowners to augment coverage provided by the NFIP.
- Earthquake coverage is available either in the form of an endorsement or as a separate policy for homeowners, renters and small business owners. In California, homeowners can also get coverage from the California Earthquake Authority (CEA), a privately funded, publicly managed organization. Earthquake insurance provides protection from the shaking and cracking that can destroy buildings and personal possessions. Coverage for other kinds of damage that may result from earthquakes, such as fire and water damage due to burst gas and water pipes, is provided by standard home and business insurance policies.
- Many business owners underestimate the time it will take to recover from a disaster and are not adequately insured. The lack of business interruption insurance—often referred to as business income insurance—can be one of the biggest threats to a small business.
- Business interruption and extra expense insurance is vital to the survival of a business. In case of a catastrophe, such as a fire or a tornado, business interruption insurance can provide funds in place of lost profits. The extra expense coverage can help with providing rent for temporary housing or leasing of equipment.
- Many business owners are complacent about the risks of employee lawsuits. They need to educate their managers and employees so that potential problems are minimized. This includes creating effective hiring and screening programs to avoid discrimination in hiring, posting corporate policies throughout the workplace and revising employee handbooks so policies are clear to everyone.
- The number of lawsuits filed by employees against their employers has been rising. While most suits are filed against large corporations, no company is immune to such lawsuits. All companies should have Employment Practices Liability Insurance (EPLI) to help pay the costs of defending themselves against legal actions.



Key Tactics

- Utilize the I.I.I.'s Web communications to convey coverage messages in entertaining and compelling ways, (i.e. quizzes, videos) to targeted audiences, such as young people, small business owners and minorities.
- Re-launch and promote the enhanced version of the I.I.I.'s *Know Your Stuff – Home Inventory Software*. Continue to promote *My Financial House – Personal Finance Software*.
- Utilize sections of I.I.I.'s Web site as news hooks, such as the Homeowners Insurance Checklist, the Auto Insurance Checklist, the Life Stages tool and the How to Find an Insurance Company Tool.
- Update and promote the Insuring Your Business Web site along with the accompanying video, and produce and promote a print version of the book for small business owners. The I.I.I. will promote these products to both traditional and Web-based media.
- Produce several new Insurance Minutes including one on claims filing. These video news releases (VNRs) will be distributed to social networking sites and television Web sites as well as television stations.
- Develop information geared toward young people on topics such as teen driving, credit education and the importance of properly insuring personal possessions when away at school.
- Produce and distribute weekly consumer releases (in English and Spanish). Embedded in these releases will be radio actualities and links to I.I.I. Insurance Minutes and videos.
- Utilize I.I.I.'s extensive video library of Insurance Minutes by embedding them in consumer releases, thus providing a cost-effective means of getting messages out.
- Begin research and development for an online tool featuring actual standard home, auto and business owners package policies that would allow consumers to click anywhere on the document and get a written or audio explanation of the meaning of that part of the policy.
- Aggressively pitch stories to business media and Web sites (such as CNN, Money, Fortune Small Business) on such issues as business interruption insurance, risk management, taking a business inventory and specialty coverage, such as EPLI, Directors and Officers Liability (D&O) and key person insurance.
- Educate commercial policyholders, directly and through producers, about the link between the tort environment and the cost and availability of liability related coverages.
- Partner with the Institute for Business & Home Safety (IBHS) to educate consumers and business owners about what they can do to protect property (and the people inhabiting it) from disasters.



III. Key Issues

a) Attacks on the Integrity of the Claims Process

Objective

Improve the public's understanding of the insurance claims process

Strategy

Teach consumers how the claims process works, what is done to insure fair settlements, how claimants can expedite the process and what they can do if they believe the settlement is not adequate.

Key Messages

- Insurance companies seek to settle all claims fairly and as quickly as possible.
- A prolonged claims settlement process is not in the best interest of either the insurance company or their customer.
- Public opinion surveys show an overwhelming number of claimants are satisfied with their settlements.
- Consumers do not need the assistance of public adjusters or attorneys to settle typical claims. If consumers do decide to hire a third party for assistance, they should understand that the cost of this service is going to come out of their claims settlement.
- There are several measures available to claimants who believe a settlement offer is inadequate that to do not involve costly and lengthy litigation.
- People can take steps to expedite the claims process such as being organized for the adjuster's visit and maintaining an up-to-date home inventory.
- Insurance claim payouts basically have remained constant over the years and do not reflect an effort to reduce losses by changing claims handling procedures.

Key Tactics

- Initiate a claims education campaign (referenced in the consumer education section) that explains how the claims process works and the steps claimants can take to maximize their insurance dollars. This will include the production and satellite distribution of an Insurance Minute VNR and a radio actuality. The campaign will take place during hurricane season and after disasters.
- Promote satisfied claimants on the I.I.I. Web site to show that those who purchased the correct amount of insurance and knew how to properly file an insurance claim were pleased with their claim payout after a disaster.



- Develop information for personal finance reporters on the steps consumers can take if they are not pleased with their claim that does not include hiring third-party representation.
- Enhance claims information content on the I.I.I. Web site.



b) Challenges to Underwriting Criteria and Predictive Modeling Systems

Objective

Increase awareness of the benefits consumers receive from the use of predictive modeling and other underwriting tools that enhance the accuracy, efficiency and fairness of pricing and rating systems.

Strategy

Educate consumers, regulators and legislators on the benefits of predictive modeling and how it works.

Key Messages

- The Federal Trade Commission (FTC) affirmed in 2007, after studying the issue for years, that auto insurers have been able to price their products more accurately by incorporating a policyholder's credit history into their underwriting and rating criteria.
- The FTC now plans to study the homeowners insurance industry and its use of credit-based insurance scores. U.S. homeowners insurers representing about 60 percent of the national market will soon furnish the FTC with detailed information about their incorporation of these scores when pricing policies and assessing potential policyholders.
- Insurers, reinsurers and risk managers use catastrophe modeling as a tool for both underwriting and pricing.
- Unreasonable restrictions on predictive modeling and underwriting criteria in general can have negative consequences such as higher insurance costs and less choice for those purchasing policies.
- The goal of every insurance company is to correlate rates for insurance policies as closely as possible with the anticipated cost of claims. If insurers set rates too high, they will lose market share to competitors who have more accurately matched rates to expected costs. If they set rates too low, they will lose money. This continuous search for accuracy is good for consumers as well as insurance companies. The majority of consumers benefit because they are not subsidizing people who are greater insurance risks—people who are more likely to file claims than they are.
- The computerization of data has brought more accuracy, speed and efficiency to businesses of all kinds. In the insurance arena, credit information has been used for decades to help underwriters decide whether to accept or reject applications for insurance. Now, advances in information technology have led to the development of insurance scores, which enable insurers to better assess the risk of future claims.
- An insurance score is a numerical ranking based on a person's credit history. Actuarial studies show that how a person manages his or her financial affairs, which is what an insurance score indicates, is a good predictor of the frequency with which they will file insurance claims. Credit-based insurance scores are used to help insurers differentiate between lower and higher insurance risks and thus charge a premium equal to the risk they are assuming. Statistically, people who have a poor insurance score are more likely to file a claim.



- Consumers need to know how to build and protect their credit history since this information is used in a many ways: applying for a job, renting an apartment, securing a loan, leasing a cell phone and purchasing home and auto insurance.
- Insurance scores do not include data on race, ethnicity or income.
- The determination of fair and accurate rates requires insurers to identify risk factors that can be used to predict loss. Over time auto insurers have identified many such factors as the type of vehicle owned, miles driven, location, driving experience and numerous other factors, including education and occupation. No single factor determines eligibility for coverage or the premium charged. In fact, insurers simultaneously employ up to 20 or more risk factors.
- Insurance premiums are a reflection of risk. To the maximum extent possible, the premium charged should reflect the risk characteristics of each individual policyholder. In the case of auto insurance, risk-based pricing reduces cross subsidies from drivers with relatively poor driving records, who account for a disproportionate share of losses, while rewarding motorists who are involved in fewer accidents and impose little, if any, cost on the system.
- Risk or cost-based pricing also enhances competition. To the extent insurers can employ actuarially valid underwriting criteria to better predict future loss, uncertainty is reduced. Reducing uncertainty leads to more competition among insurers, more choices for consumers and lower average costs. Restrictions on actuarially valid underwriting criteria would lead directly to more uncertainty and therefore less competition, higher prices and growth in auto insurance markets of last resort.
- States that want to ban the use of an auto insurance policyholder's occupation or education as underwriting criteria should first review a comprehensive 2006 study on the matter by the Maryland Insurance Administration. Maryland found that both occupation and education were actuarially valid predictors of risk and were not unfairly discriminatory.

Key Tactics

- Develop explanatory materials on predictive modeling and traditional underwriting criteria for use by advocacy trades in key states and in I.I.I. media outreach.
- Support the trades when credit-based insurance scores come under attack. This may include arranging editorial board meetings, writing op-eds and providing expert witness testimony.
- Work with insurance commissioners to discuss how to best incorporate results of catastrophe modeling into the underwriting and ratemaking process.
- Embed credit messages in personal finance communications. This includes producing releases for college students and new graduates on what they need to do to create and protect their credit history.
- Partner with consumer organizations such as the Consumer Data Industry Association, Consumer's League, the National Foundation for Credit Counseling and the American Center for Credit Education.
- Work with credit organizations such as Fair Isaac and Choice Point.



Third Party Resources

Sally Greenberg, Executive Director National Consumer League

Chuck Jones, ChoicePoint



c) Climate Change

Objective

Communicate that climate change could alter how catastrophe risks are construed, assessed and managed.

Strategy

Implement a three point strategy:

1. Work closely with the I.I.I. Board of Directors and the subcommittee on climate change to develop ongoing messages that resonate with member companies.
2. Broaden I.I.I.'s reach to relevant stakeholders by partnering with academics, scientists, environmental groups and catastrophe modelers to help consumers and the media understand the underlying implications of climate change and its direct correlation to underwriting and pricing.
3. Promote examples of research and educational programs on climate change by individual insurers, as well as insurance policies for structures built to environmentally friendly, or green, standards

Key Messages

- Having sustained record-breaking natural catastrophe losses and with the expectation of more such losses in the future, insurers and reinsurers are looking at the possible link between climate change and extreme weather and its short- and long-term financial impact on the insurance industry.
- Modeling firms have different methodologies and data bases. Insurance companies may use more than one modeling firm and then create their own model. Models are used to project the frequency and severity of storms, as well as how different types of construction will perform under a variety of conditions. These results are used along with an individual insurance company's loss experience as part of their underwriting and pricing process.
- Limiting the use of models by insurers would make it more difficult for insurers to price risk appropriately. The result of such restrictions would be to make insurers even more reluctant to provide coverage in catastrophe prone areas.
- As one of the world's largest industries, the insurance business faces financial risk from climate change.
- Litigation against utilities or other polluters is already under way in parts of the U.S. which could add pressure to commercial insurance.
- Climate change poses a fundamental threat to the long-term availability and affordability of insurance. This threat has tremendous implications for the economy which is why insurers are now beginning to focus on the issue.
- Many insurers are taking action to help the environment, giving lower rates to drivers of hybrid cars and pushing lawmakers for stiffer building codes and land use controls in coastal areas.
- Insurers are among the biggest real-estate owners and are beginning to use this power to promote green building practices and energy efficiency in buildings they run.



Key Tactics

- Partner with Harvard Medical School and insurance companies to host a second Catastrophe Modeling Forum. This Forum will bring together scientists, academics, insurers and the catastrophe modeling community, to share observations, trends and ideas on the growing problem of climate change.
- Work with science media to educate them on the impact global climate change has on coverage issues.
- Work with the national media to educate business and homeowners about the effect global climate change can have on weather, and ultimately on insurance pricing.
- Partner with organizations such as Ceres, a network of investors and environmental organizations that work with insurers to address key sustainability challenges, to show that insurance plays a vital role in the functioning of the global economy.
- Work with insurance commissioners to educate them on how climate change is playing a greater role in catastrophe models.
- Work with insurance trade press to promote the work insurers are doing in the area of climate change.
- Develop Web content dedicated to catastrophe modeling and global warming issues.
- Work with insurance companies to find examples where insurers are going green. This can be promoted in I.I.I.'s publication *Impact*, which goes out to media, legislators and regulators.
- Work with advocacy trades to educate lawmakers and others on the impact climate change will have on insurance pricing.
- Promote NeighborWorks' "green building initiative."



d) Florida-Related Issues

Background

The high cost of property insurance in Florida and the lack of availability from the private insurance market will remain a dominant issue in that state's media and among public policymakers. These issues are further complicated by the fact that no major hurricanes has made landfall in Florida over the past two years, and premiums have been frozen through 2008 for Citizens Property Insurance Corporation policyholders. With regard to auto insurance, Florida drivers are understandably confused about the status of mandatory personal injury protection (PIP) coverage. The 30-plus year requirement to purchase PIP coverage was allowed to expire in the fall of 2007. The state Legislature subsequently reinstated the PIP mandate effective Jan. 1, 2008.

Further complicating the communications environment is a lack of industry agreement on many key public policy issues, such as the pros and cons of creating a federal catastrophe fund, and a state insurance association with limited resources. At the same, Florida Governor Charlie Crist remains aggressively anti-insurer. He has now threatened to use outside attorneys to sue insurers in the state.

Objectives

Improve understanding of current market conditions in Florida by providing media and policymakers with the facts behind the high cost of property insurance, including how prices are determined, the role of profits, the risks faced by Florida property owners and their insurers and the contributions of the insurance industry to the overall Florida economy. Warn consumers about the potential impact of litigation on the cost and availability of insurance.

Strategy

Coordinate activities with the Florida Insurance Council (FIC), American Insurance Association (AIA), National Association of Mutual Insurance companies (NAMIC), Property Casualty Insurers Association of America (PCI) and large independent companies. This includes leading the discussion regarding the industry's long-term communications structure in Florida. An I.I.I. subcommittee has been created to facilitate long-term planning.

Key Messages

- The threat of hurricanes hitting Florida remains very real, despite two quiet seasons.
- Florida's homeowners insurance market produces profits in most years and enormous losses in other years.
- Most property insurers offer discounts to policyholders who take loss-mitigation steps.
- New property insurers are entering the Florida marketplace, even as others look to reduce their exposure.
- Florida policymakers continue to favor land use policies that give rise to densely populated, coastal developments.



- Citizens, the state's insurer of last resort, has distorted the marketplace because its rates have been frozen through 2008 by the state Legislature, which has in turn contributed to a sizable potential shortfall in Florida's Hurricane Catastrophe Fund.
- For Florida drivers, the purchase of Personal Injury Protection (PIP) coverage is cost-effective and mandatory, effective Jan. 1, 2008.

Key Tactics

- Conduct periodic briefings for Florida media on industry financial results.
- Utilize statistics in *A Firm Foundation* to demonstrate the industry's contribution to the Florida economy.
- Arrange for editorial briefings as needed or as requested by FIC or by advocacy trades.
- Develop and deliver analyses before legislative bodies at the request of lobbying trades.
- Contribute to op-ed pieces under development by the FIC.
- Continue to work with influential local media, including the *Miami Herald*, *Orlando Sentinel*, *Palm Beach Post*, *Florida Today*, *Herald Tribune*, *El Nuevo Herald* and *El Sentinel* to explain the economics of doing business in Florida.
- Work closely with the Institute for Business & Home Safety and FLASH to educate Florida home and business owners about effective mitigation to reduce wind damage.
- Make arrangements for appearances on talk radio programs.
- Expand existing Spanish-language media efforts in the state to educate Hispanic residents about the insurance marketplace in the state and what they can do make their homes safer to withstand a hurricane.
- Partner with organizations such as the Competitive Enterprise Institute to advance some of the industry's key messages.



e) Impact of Fraud on the Insurance Market

Objective

Explain the costs and consequences of insurance fraud and what the insurance industry is doing to combat it.

Strategy

Implement a three point strategy:

1. Proactively work with the consumer media to educate home and business owners about fraud and how they can avoid becoming victimized by criminals.
2. Broaden the I.I.I.'s reach to consumers and other relevant stakeholders by continuing to partner with the National Insurance Crime Bureau (NICB), the Coalition Against Insurance Fraud and state coalitions such as the New York Coalition Against Insurance Fraud.
3. Solicit examples of popular fraud scams and trends, new investigative tools and success stories from member companies to share with news media.

Key Messages

- Fraud accounts for an estimated 10 percent of the property/casualty insurance industry's incurred losses and loss adjustment expenses. This brings the fraud tab to tens of billions of dollars each year.
- Fraud may be committed at different points in the insurance transaction by different parties: applicants for insurance, policyholders, third-party claimants, and professionals who provide services to claimants such as medical service providers and attorneys.
- Catastrophes provide an opportunity for unscrupulous contractors and others to take advantage of disaster victims.
- Insurance fraud from flooded vehicles is a common problem after a hurricane. To combat the problem, a database was created in which vehicle identification numbers (VINs) and boat hull identification numbers (HINs) from flooded vehicles and boats could be stored and made available to law enforcers, state fraud bureaus, insurers and state departments of motor vehicles. The database, which was developed and is maintained by the NICB, is online and can be accessed by the general public. As a solution to the flooded vehicle problem, some auto insurers now crush insured vehicles that were flooded and declared a total loss.
- Nearly one in 10 Americans would commit insurance fraud if they knew they could get away with it. Nearly three in 10 Americans (29 percent) would not report insurance scams committed by someone they know.
- One in four Americans says it is acceptable to pad a claim to make up for premiums they have already paid. *Insurance Research Council (2000)*.



- There is an increasing trend toward workplace fraud, with businesses losing more than \$400 billion per year, or about 6 percent of total annual revenue. *The Association of Certified Fraud Examiners (ACFE)*.
- Small companies can be especially affected by theft and embezzlement because they cannot afford extensive safeguards and are not large enough to absorb losses.
- Auto rates are dropping in most states, in part because of state crackdowns on auto fraud and abuse.
- Insurance fraud is a serious crime and is now classified as a felony crime in many states. A fraudulent act is committed if information in insurance applications is falsified in an attempt to obtain lower premium rates, or to inflate the amount of loss in a claim. Defining the crime specifically helps educate law enforcers about insurance fraud and provides prosecutors with clear-cut cases. Raising the level of the crime from a misdemeanor to a felony not only increases the penalties but also acts as a deterrent to future crimes.
- Insurers may also file civil lawsuits under the federal Racketeering Influenced and Corrupt Organizations Act (RICO), which requires proving a preponderance of evidence rather than the stricter rules of evidence required in criminal actions and allows for triple damages. Since 1997, some of the largest insurers in the country, especially auto insurers, have been filing and winning lawsuits against individuals and organized rings that perpetrate insurance fraud.
- Insurers are required by law to set up a specific program that identifies insurance fraud and outlines actions taken to reduce the problem.
- Special units have been set up as part of fraud bureaus in state insurance departments to identify fraudulent acts, collect information on repetitive offenders and investigate cases. The main purpose of the bureau is to set up documented criminal cases that can be readily prosecuted. Some bureaus have law enforcement powers.

Key Tactics

- Educate consumers that insurance fraud is not a victimless crime; rather, it affects everyone in the form of higher insurance costs.
- Use disasters as a news hook to warn disaster victims about fraudulent and unscrupulous contractors and other service providers who prey on disaster victims.
- Continue to chair NICB's public awareness committee, one of five committees created and staffed with industry professionals charged with identifying weak spots in existing fraud fighting efforts. These groups recently completed their work and found that the industry's approach to fraud was fragmented and inadequate. While there are isolated examples of effective anti-fraud programs, a nationwide, coordinated effort on multiple fronts is necessary to reduce this costly economic problem.
- Issue news releases on behalf of NICB, a subscriber organization, on the most frequently stolen vehicles and the top cities for auto theft.



- Promote the launch of NICB's new free service, "VINCheck" for unrecovered stolen vehicles. This may include the production of joint video news release.
- Contribute op-ed pieces on behalf of the insurance industry, as requested by NICB or the advocacy trades, on fraud issues.
- Develop press release on important steps to help safeguard against identity theft during the holiday shopping season. A key emphasis will be insurance products and services to help victims of this crime.
- Develop press release on 10 tips to prevent fraud and employee dishonesty in your business. Provide information on Employee Dishonesty Liability insurance.

f) Natural Disasters and the Cost and Availability of Coverage

Objective

Develop comprehensive information on the economics of providing insurance and insurance markets in disaster prone areas for use in targeted media outreach and by advocacy trades, regulators and legislators. Also, communicate the importance of responsible land use when building in vulnerable locations.

Strategy

Educate the media, regulators, legislators, insurance agents and brokers on insurer operating procedures, financial performance, rate-making, and modeling, profitability, capacity, investments and rating agencies.

Key Messages

- If insurers are not able to charge a price that is commensurate with the risk of a disaster, they may be forced to withdraw from the marketplace.
- In 2003, 53 percent of the nation's population—153 million people—lived in coastal counties (including those that abut the Great Lakes), which in total make up 17 percent of the country's land mass.
- Between 1980 and 2003, according to a NOAA study based on U.S. Census data, the population of coastal counties grew by 33 million people, or 28 percent. Florida grew 75 percent, Texas 52 percent and Virginia 48 percent. More growth is expected. Between 2003 and 2008, the coastal population in the Southeast region, the area most vulnerable to windstorms, is expected to grow by 1.1 million, or 8 percent, with the highest growth expected in the southernmost part of Florida. Coastal counties in the Carolinas and Georgia are also expected to see considerable population increases. Large increases are forecast for the Houston, Texas area and Florida's central Gulf Coast, too.
- Nationwide, the wildfire problem is growing as more people move into risky areas, known as wild land urban interface, or WUI, with 2006 setting a record both in the number of forest fires and their size. A total of 96,385 fires were reported and 9.9 million acres of forest and woodland burned, a 125 percent increase over the 10-year average, according to the National Interagency Fire Center. Fifty percent of the total occurred in the southern section which stretches from Texas to Georgia. In 2005, more than 8 million acres burned. Over the past decade, the number of acres burned has increased as drought, record-setting heat and the build-up of dead trees and undergrowth together with residential development have combined to heighten the risk of fire. According to a University of Wisconsin study, in the West since 1982 more than 8.6 million new homes have been built within 30 miles of a national forest.
- Natural disasters can put additional pressures on the residual markets.
- The Homeowner's Defense Act has the support of many federal and state lawmakers, as well as state insurance regulators, in Florida and other Gulf Coast states. It has been argued that the



creation of a national catastrophe fund would avert the need for taxpayer-funded recovery programs in states hit by natural disasters.

Key Tactics

- Educate, through detailed factual financial data, the impact and implications of catastrophes on the insurance industry.
- Reissue the I.I.I.'s Homeowners Checklist which recommends that consumers consider insurance costs before purchasing a home. This includes not only the cost and availability of a standard homeowners insurance policy, but also the cost of purchasing flood and earthquake insurance, along with the potential cost of a percentage deductible when there is a qualifying catastrophe.
- Organize a second catastrophe modeling forum jointly with Harvard University's Center for Health and the Global Environment. The first Forum, held in New York City on October, 16, brought together scientists, insurance modelers and insurance companies to look at the trends, the changing climatic dynamics and integrating the two, as well as the significance for insurance sector coverage, premiums, investments and insurance policies.
- Develop and continually update information and presentations on the risk of various types of natural disasters; pitch content to business, science and technology reporters.
- Provide briefings to federal and state public policymakers on vulnerability and solutions.
- Arrange editorial board meetings and write op-eds in coordination with the advocacy trades in disaster prone areas.



g) Industry Financial Performance and Market Conditions

Objective

Explain the factors that determine price and availability of insurance in key insurance markets, as well as the role of profit and its relationship to the financial strength and claims paying ability of insurers.

Strategy

Proactively work with the national business, personal finance and consumer news media to explain why insurer profitability is not only good for insurance companies and investors, but also for consumers and business owners.

Key Messages

- All of the profits earned in 2004 and 2005 and most of the profits in 2006 and 2007 were earned in states and from types of insurance unaffected by the hurricanes.
- The respite from hurricane activity in 2006 and 2007 provides insurers and reinsurers with the ability to rebuild their claims paying resources.
- As the combined ratio approaches 100, returns will become progressively less competitive with the Fortune 500 group. At that point, insurers will be paying out exactly the same amount in claims and associated expenses as they earn in premiums.
- Profits are not unreasonable by any standard and are below those of many major industries. While profits remained reasonably strong, industry margins did fall short of those realized by the Fortune 500 group of companies, which turned in an estimated average return on equity (ROE) in the 13 to 14 percent range in 2007.
- When shopping for insurance, individuals and business owners should seek a financially stable company, which is ultimately a company that is profitable.
- By law, the rates charged for insurance are based exclusively on past and expected losses in that state. For example, profits from California or from other types of insurance cannot be used to subsidize losses in places like the Florida homeowners insurance market. Likewise, losses in California cannot be subsidized by Floridians.
- Insurers must remain profitable in order to be in a position to pay the millions of claims that can arise from catastrophic events like Hurricane Katrina.
- Profitability is necessary in order to maintain high financial strength and credit ratings. An improved capital position will help insurers meet the higher capital requirements imposed on them by ratings agencies in the wake of Hurricane Katrina, requirements that oblige insurers to demonstrate an ability to pay claims arising from more than one major catastrophe per year in order to maintain and improve financial strength ratings.
- Increased profitability and the drop in catastrophe losses mean that 2007 was another rebuilding year for the property/casualty insurance industry. Profits bolstered the industry's *policyholder*



surplus—a measure of claims paying capacity or capital—and will provide an additional buffer against the mega-catastrophes that lie ahead.

- Insurers are reinvesting the majority of their 2007 profits (and unrealized capital gains) in the property/casualty insurance industry, bolstering industry claims paying resources in advance of what may be an active 2008 hurricane season. Insurers also returned billions of dollars to their customers in the form of policyholder dividends.
- It took home insurers in Florida 11 years (1993-2003) to erase the underwriting loss associated with 1992's Hurricane Andrew. The four hurricanes of 2004 erased the prior seven years of profits and 2005 deepened the hole. Over the period from 2004 through 2007, private home insurers in Florida paid out \$6.7 billion more in losses than they earned in premiums.
- Profits compensate shareholders for the assets they put at risk and encourage new capital to enter the insurance marketplace.
- Profitable companies can access capital markets under favorable terms after mega-catastrophes or if market conditions are poor. Companies that are not profitable will fail and be dissolved or acquired.
- Profits mean insurers receive preferential treatment from reinsurers.

Key Tactics

- Promote the I.I.I. Insurance Issues Update paper on industry financials and develop additional information from independent sources showing that, despite the mild 2006 and 2007 hurricane seasons, the U.S. is in a period of more severe and more frequent hurricanes.
- Promote the I.I.I.'s quarterly financial reports on industry performance, as well its Earlybird and Groundhog surveys of industry analysts.
- Promote I.I.I.'s forecasts for Home and Auto Expenditures. The forecasts include discussions of the links between the profitability of auto and homeowners lines and underlying loss drivers and competition.
- Assist state trades in coastal areas such as Florida and Texas to counter the assertion that insurers exaggerate the hurricane risk to raise rates and earn excessive profits.
- Continue to work with business and financial media to provide a greater understanding of the need for a financially sound insurance industry.
- Pitch industry quarterly results to the media as an opportunity to explain industry financials.
- Arrange interviews with I.I.I. staff of economists for trade and general media to discuss the state of the insurance market for 2008.



h) Rapid Response to High Profile Critics

Objective

Respond rapidly, forcefully and strategically to industry critics when required. Mobilize the communications resources at companies, advocacy trades and state trades to effectively convey the insurance industry's views.

Strategy

Counteract unsubstantiated criticism of the insurance industry with a rapid response to the media. This includes: reaching out to key reporters; writing letters to the editor; arranging editorial board meetings; writing op-ed articles; making TV and radio appearances; and contributing to Web sites. Increase public awareness of the impact lawmakers, regulators and litigation have on the cost of auto, home and business insurance.

Key Messages

- The cost of property insurance is often higher in places where the government imposes onerous or punitive restrictions on insurers (Florida, Massachusetts) than in states that foster competition (Illinois, Louisiana, South Carolina), with better results for consumers.
- There is a direct connection between a state's tort environment and the cost of insurance. The trial bar profits—and the typical consumer pays more in premiums—because many state legislatures are unable or unwilling to pass meaningful tort reform.
- Auto insurance rates are likely to be flat in 2008 and fell in 2007, reflecting the very competitive nature of auto insurance markets.
- Insurance policies are contracts and the attempt to rewrite them retroactively puts the sanctity of all contracts at risk.

Key Tactics

- At the request of the advocacy trades, testify before state legislative bodies, offering lawmakers and regulators an economic perspective on the insurance industry from an insurer's viewpoint, and pointing out the key role the industry plays in a state's economy (employment, tax revenues). State legislators and governors enact the laws which are then enforced by regulators at state insurance departments.
- Leverage the I.I.I.'s relationships with the advocacy trades to explain the implications of expanding the National Flood Insurance Program, restricting the use of credit-based insurance scores and creating a national catastrophe reserve fund.
- Maintain I.I.I.'s thought leadership status on property/casualty issues through the consistent issuance of news-making press releases, op-eds, white papers, and publications such as the 2008 *I.I.I. Insurance Fact Book* and state-specific versions of *A Firm Foundation*.
- Identify respected third-parties who can validate industry messages.



- Counteract incorrect assertions or flawed studies originating from groups purporting to speak on behalf of consumers.
- Identify credible third parties who share industry positions and arrange for media to speak with them.



i) Regulatory Modernization

Objective

Provide balanced and thoughtful information on the issue of regulatory modernization for use by individual insurers and the advocacy trades.

Strategy

Educate reporters and the general public about federal legislation before Congress in 2008. This would include the optional federal charter (OFC) and other regulatory proposals, such as Principles Based Regulation, International Accounting Standards, changes in reserving regulations and others.

Key Messages

- The optional federal charter would establish for the insurance industry a regulatory structure akin to the one that currently governs U.S. banks: insurers operating in multiple states, which now must be licensed and regulated on a state-by-state basis, would, under this proposal, be able to opt for a federal charter, thereby coming under the jurisdiction of a single, federal regulator.
- Those supporting the OFC include life insurers, insurers who sell coverage to major corporations, reinsurers and banks that are moving into the insurance business. The National Association of Insurance Commissioners (NAIC) and others oppose passage of the optional federal charter bill, believing the state-based system of insurance regulation remains the most effective way to provide industry oversight.
- The 1999 Gramm-Leach-Bliley Financial Services Modernization Act reaffirmed that insurance activities—whether conducted by banks, broker-dealers or insurers—are regulated by the states. The act specifically protected 13 areas of state insurance regulation from federal preemption.

Key Tactics

- Update the I.I.I.'s Insurance Issues Update paper on this topic as the issues evolve.
- Create information as needed for advocacy trades and individual insurers and coordinate communications activities.

j) Terrorism and Insurance

Objective

Educate the media and the public policy community on what events and insured losses are covered under the seven-year extension of the federal government's terrorism risk insurance act (TRIA; 2008-2014), how the law would work if events prompted the activation of TRIA, and the extent to which certain industries (commercial real estate, energy) need terrorism coverage.

Strategy

Implement a three point strategy:

1. Support the advocacy trades by developing information that explains the federal role in the terrorism insurance market.
2. Communicate to reporters how the 2002-2007 TRIA law compares to the one that will be in effect for the next seven years.
3. Monitor ongoing legislative activity on terrorism and insurance.

Key Messages

- Starting in 2008, terrorist attacks launched either by Americans or by those residing in other countries are covered under the TRIA extension. Between 2002 and 2007, only attacks tied to foreigners were cited in the legislation.
- The U.S. Government Accountability Office (GAO) is studying insurance for nuclear, biological, chemical and radiological terrorist events and the availability and affordability of terrorism insurance in specific markets. Congress tasked the GAO with these assignments when extending TRIA in late 2007.
- TRIA has not cost federal taxpayers a single dollar since going into effect in November 2002.
- The availability of terrorism insurance coverage has grown significantly over the past 5 years.
- The seven-year extension of TRIA had widespread support in Congress, winning approval by a vote of 360 to 53 in the U.S. House of Representatives in December 2007.
- Private-sector insurers do not have the capacity to absorb directly the potential losses inflicted from a major terrorist attack.

Key Tactics

- Work closely with the advocacy trades to coordinate communications activities on terrorism and insurance.
- I.I.I. will also maintain and regularly update a detailed summary of how the new TRIA legislation operates on its Web site.



- Update the I.I.I.'s editorial content on terrorism and insurance in the first quarter of 2008; post information on the I.I.I. Web site for use by advocacy trades, members and the media.
- Communicate messages about TRIA's role in the insurance marketplace as circumstances warrant via I.I.I. press releases, Web site content, white papers and public appearances.



IV. Disaster Communications

a) Disaster Preparedness

Objective

Communicate to homeowners and business owners that how well they prepare for a disaster will largely determine how fully and quickly they recover from one.

Strategy

Implement a three point strategy:

1. Utilize the I.I.I.'s extensive media contacts to educate the public about the things that need to be done to prepare for a disaster, including purchasing the correct amount and type of insurance.
2. Partner with agents associations and groups such as the American Institute of Certified Public Accountants (AICPA), Federal Alliance for Safe Homes (FLASH), Institute for Business and Home Safety (IBHS), national and state insurance trades, the National Flood Insurance Program (NFIP), Red Cross and Small Business Administration.
3. Make use of NFIP statistics suggesting that many policyholders in areas affected by Hurricane Katrina are choosing to not renew their flood insurance policies only two years after the disaster. The same can be shown for earthquake policies in force in California.

Key Messages

- Individuals and small business owners should protect themselves financially against all hazards by purchasing the right type and amount of coverage, including flood and earthquake insurance.
- Simple mitigation measures can protect property, reduce injuries and save lives.
- Individuals and small business owners should have a disaster plan.
- Disaster preparedness is a key element of a business continuity plan. A disaster or pandemic event can have a profound impact on business operations, including the displacement of employees from the worksite. Having an up-to-date business inventory will help you get your insurance claim settled faster, verify losses for your businesses income tax return and help you purchase the correct amount of insurance.

Key Tactics

- Aggressively communicate to coastal states what individuals and business owners need to do to prepare for hurricane season. A series of news releases is scheduled to be distributed to the media starting in June 2008.
- Continue to educate Northeast residents about the risk of a hurricane and what they need to do to prepare. The I.I.I. will continue to work with state and local emergency managers, regional insurance representatives, disaster aid organizations and the media.



- Issue a news release on the importance of purchasing flood insurance from the National Flood Insurance Program. The 2007 Insurance Minute on flood insurance will be embedded in the release, along with a radio actuality.
- Issue a news release with the IBHS on the five inexpensive steps to protect homes from serious storms. The 2006 Insurance Minute on the subject will be embedded in the release, along with a radio actuality.
- Educate consumers about the need to create an up-to-date home inventory and promote the I.I.I.'s newest version of its popular, "Know Your Stuff" software. The recently updated Insurance Minute on the topic will be embedded in the release, along with a radio actuality.
- Communicate the need for everyone to have a disaster evacuation plan stressing the fact that a catastrophe can occur anywhere. The I.I.I.'s popular Insurance Minute, "The Ten Minute Challenge," will be embedded in the releases.
- Incorporate poll data and use I.I.I. research as news hooks to demonstrate the risk of various natural disasters and levels of preparedness. Localize information for use by state trades in disaster-prone locations.
- Use NFIP information by state to warn against allowing flood policies to lapse.
- Work with coastal news media to educate residents about windstorm deductibles and that while they help to make home insurance more available and affordable, they also mean that consumers will be sharing the cost of hurricanes.
- Focus attention on non-hurricane disasters such as earthquakes, fire, hail, lightning, tornado and winter-related damage to educate about insurance coverage issue. Partner with IBHS on mitigation techniques.
- Partner with disaster aid organization such as the Red Cross to amplify the I.I.I.'s consumer outreach.
- Continue to update and promote the I.I.I.'s disaster preparedness Web site as a source of information on all aspects of disaster preparedness.



b) Post-Disaster Consumer Communications

Objective

Create public awareness that the industry is responding rapidly, effectively and compassionately to the needs of its policyholders following a natural catastrophe, and that it has the financial strength to pay claims.

Strategy

Implement a three point strategy:

1. Position the insurance industry as one of the first responders when a disaster strikes.
2. Work closely with I.I.I. member companies to communicate their activities in the disaster zone.
3. Cultivate relationships with local media and community based organizations in the disaster area.

Key Messages

- The insurance industry has the financial resources to pay the claims for this and other disasters.
- Explain to consumers how to file a claim and how to prepare for an adjuster's visit after a disaster.
- Damage caused by wind and fire is covered under standard home and renters insurance policies. Coverage for damage due to flooding and earthquake are covered under separate insurance policies.
- The comprehensive portion of auto insurance policy will provide coverage for damage to the car by earthquake, fallen trees, fire, flood, wind and other disasters listed in the policy.
- The insurance industry's number one goal is helping customers recover as quickly as possible, after a disaster. An army of adjusters will be adjusting claims in the areas accessible to them. Other adjusters will be gathered in staging areas prepared to move into the most seriously damaged communities as soon as civil authorities allow.
- An estimated 25 percent of businesses do not reopen following a major disaster. Therefore it is crucial that business owners take steps to prepare for a disaster by having a disaster plan in place.
- Business interruption insurance, also known as business income insurance, covers the loss of income resulting from a fire or other catastrophe that disrupts the operation of the business. It can also include the extra expense of operating out of a temporary location.
- Business owners should work with their insurance agents to make sure their policy limits cover a sufficient amount of time to rebuild their business. It can take more time than anticipated after a major disaster to get a business functioning again.
- Small business owners need to think about how they would manage if a fire or other disaster made their business premises unusable. Business interruption coverage may be sold as part of a property insurance policy or included in a package policy.



Key Tactics

- Launch a claims education campaign. It will include an Insurance Minute that will be distributed broadly to educate the public about the ways consumers can maximize their insurance dollars when filing a claim and distributed to local media when in a specific disaster zone.
- Direct media and consumers to the I.I.I.'s disaster information Web sites, disasterinformation.org (Disaster Insurance Information) and hiic.org (Hurricane Insurance Information Center).
- Report loss estimates to distribute to the media by working with modeling agencies, insurance company catastrophe coordinators and affected state trade associations.
- Set up locally based disaster information centers in coordination with member companies and national and state trade associations.
- Distribute post-disaster news releases as required by the specifics of the disaster.
- Aggressively promote I.I.I. spokespeople to national news media to represent the industry after a disaster.
- Aggressively counter industry critics and regulator misinformation about responsiveness and claim settlement practices.
- Produce and publicize post-disaster surveys on claims settlement rates at periodical intervals.



c) Litigation Public Relations

Objective

Provide communications support to the insurance industry and individual insurance companies when legal cases are tried in the media. In the beginning of 2008, the focus will continue to be on Hurricane Katrina-related cases.

The I.I.I is prepared to provide aggressive communications support on these and comparable insurance issues such as “bad-faith” lawsuits. The latter involve instances in which an insurer is subject to punitive damages in addition to whatever the insurer may owe a plaintiff for having wrongfully denied a claim.

Strategy

Use strategic communications before litigation gets underway, during the trial process and after it terminates. As part of this process, we will target specific external audiences including the “court of public opinion.” In addition, we will work with third-parties to advance the industry’s position.

Key Messages

- Insurance policies are contracts. When policyholders and their attorneys retroactively attempt to change the terms of an insurance contract, they put all contracts at risk.
- Frivolous litigation brought by trial lawyers creates a difficult business environment for insurers and adds to the cost of providing coverage.
- The tactics of the trial bar itself are now being scrutinized by federal prosecutors (e.g. the Scruggs indictment in Mississippi).
- Insurers each have a different way of settling cases and defending themselves in court. One insurer may be more prone to take a case to settlement and another more likely to fight. Insurers do not talk about their individual settlements or defense practices nor are they allowed to discuss a case that is currently being tried.
- Consumers pay directly for the costs of going to court in the form of higher insurance premiums because rates reflect what insurance companies pay out for their policyholders' legal defense and any judgments against them. Consumers pay indirectly since businesses pass on to consumers the expenses they incur in protecting themselves against lawsuits.
- Washington State Governor Chris Gregoire signed into law in May 2007 the Insurance Fair Conduct Act (Senate Bill 5726), a measure stating that when a court finds that an insurer has wrongfully denied a claim, the judge must award attorneys fees, court costs and damages to the policyholder who filed the suit. The judge may also award triple the damages as a penalty. The law covers homeowners, auto, business and life insurance, but not health insurance. Given the opportunity to invalidate this law via Referendum 67 in November 2007, Washington’s voters instead chose to keep it. Insurers believe Washington’s consumers will pay higher premiums because of this law.



- Insurers believe the Washington law is unnecessary and will needlessly increase premiums as consumers can already file a complaint with the insurance department if they feel they have been wrongly treated or can take their insurer to court.

Key Tactics

- Provide communications outreach to support legal strategies, as needed, to individual insurance companies dealing with key cases.
- Partner with organizations such as the American Tort Reform Association, Citizens Against Lawsuit Abuse and the Institute for Legal Reform.
- Develop legal media contacts to promote the interests of the insurance industry as cases arise.
- Point media to private attorneys who opine in the media or blog frequently on insurance matters (David Rossmiller at www.insurancecoverageblog.com, Randy Maniloff at White & Williams).
- Work with legal academics such as Cornell Law School to provide outside commentary on a pending case that shows favorability to insurers.
- Coordinate communications support with the advocacy trades when there is impending legislation that will affect the tort system.

V. Special Initiatives

a) Corporate Social Responsibility

Objective

Increase awareness of the industry's significant contributions to society through its diverse corporate social responsibility (CSR) programs, as well as the its overall financial contribution to society.

Strategy

Implement a three point strategy:

1. Work with the I.I.I.'s corporate social responsibility subcommittee to develop a unified message on the industry's CSR activities.
2. Promote the CSR activities member companies through I.I.I. publications and outreach to the media.
3. Communicate the important financial contribution the insurance industry makes to society.

Key Messages

- After a disaster, the insurance industry is a financial first responder.
- Property/casualty (auto, home and commercial) insurance allows those who are the victims of accidental loss to recover financially through the payment of claims for property damage and injury. When property/casualty insurance claims are paid, funds are transferred to local businesses in the form of payment for goods or services. Among those that receive the most revenue are auto repair shops, building contractors and the health care community.
- Life insurance helps households manage their finances in the face of death and disability by minimizing disruption to a wage earner's dependents. Annuities reduce the likelihood that a retiree will run out of money. By providing a measure of financial security to individuals, life insurance products help stabilize the economy.
- The insurance industry's donations to U.S. beneficiaries totaled \$181.3 million, placing it among the top 15 contributors in the U.S.
- Insurers contribute more than \$250 billion to the nation's gross domestic product. Their taxes include special levies on insurance premiums, which amounted to almost \$15 billion in 2005, or 2.3 percent of all taxes collected by the states.
- The insurance industry provides some 2.3 million jobs in the U.S.

Key Tactics

- Working with the Communications Committee, I.I.I. will analyze CSR information collected, looking for themes that can help direct a PR initiative.
- Promote CSR activities of member companies though I.I.I.'s *Impact* magazine and Web site.



- Use data in the I.I.I. publication, “A Firm Foundation,” as a news hook to promote the insurance industry’s financial contributions to the U.S. economy.
- Continue to support the work of the Insurance Industry Charitable Foundation.
- Monitor CSR reporting practices in Europe for relevance in the U.S.



b) Diverse Markets

Objective

The I.I.I. plans to target a variety of diverse markets over the next several years. In 2008, however, the I.I.I. will focus on building on the progress it has made in 2007 reaching out to the Hispanic community. There will be a continued emphasis on Spanish language insurance education and disaster preparedness. This is important since a large number of Hispanics live in disaster-prone locations such as California, Florida, Texas and the Northeast.

Strategy

Expand on the I.I.I. relationship with Hispanic media, business associations and community groups to connect the insurance industry with this fast growing population. Insurance information will be provided in Spanish and delivered in a culturally appropriate manner. A key component in the I.I.I.'s Hispanic outreach will be to address common misperceptions that many Hispanics have about insurance.

Key Messages

- Insurance provides an important financial safeguard that can make purchasing a car, home or starting a business possible. It provides an economic safety net that will lead to financial independence.
- Purchasing insurance is a necessary expense. It is not a luxury.
- Knowing how to shop for insurance and purchasing the right amount of coverage will help to save money and maximize insurance dollars.
- Insurance in the United States is state regulated. Consumers have rights and can contact their state regulator with questions or complaints.
- Insurance companies follow state insurance laws regarding providing insurance to undocumented residents.

Key Tactics

- Expand the Spanish language content on the I.I.I. Web site to include business insurance and interactive items such as quizzes and videos.
- Produce Spanish versions of I.I.I. Insurance Minutes produced in 2008.
- Promote the Spanish radio actualities recorded with each consumer news release to Spanish language radio stations.
- Provide Spanish language communications support for state trades such as the Florida Insurance Council, Insurance Information Network of California and others as requested.
- Aggressively promote disaster preparedness information in hurricane prone areas states such as Florida.



- Develop relationships with Spanish language media in states with growing Hispanic populations such as Arkansas, North and South Carolina, Tennessee and Virginia.
- Continue to provide content for Terra.com, AOL Latino, MSN Latino and Univision.com.
- Create insurance seminars for Spanish language journalists in major markets such as New York and Miami.



VI. Timeline

1st Quarter

- Issue analysis of quarterly results.
- Release I.I.I. Fact Books.
- Update the I.I.I.'s materials on terrorism and insurance.
- Update disaster materials and response plans.
- Issue news release on "My Financial House" software with an embedded VNR and radio actuality.
- Issue news release on newest version of the Home Inventory Software with an embedded VNR and radio actuality.
- Advance industry's messages on profitability along with the cost and availability of insurance.
- Issue analysis of 2007 year-end results.
- Issue news release on how to insure a boat to coincide with National Boat Show. A radio actuality will be embedded in the release.
- Issue news release on social host liability with Super Bowl parties as the news hook. A radio actuality will be embedded in the release.
- Issue a news release on travel insurance and winter getaways. The Travel Insurance Association will be quoted. A radio actuality will be embedded in the release.
- Issue a release on pet health insurance with an embedded VNR and radio actuality.
- Issue a news release on business insurance: the four most important questions business owners should ask. A radio actuality will be embedded in the release.
- Issue a news release on flood insurance with an embedded VNR and radio actuality.
- Issue a news release on earthquake safety and insurance with an embedded VNR and radio actuality.
- Issue a news release on uninsured property damage and losses and tax deductions, with an embedded radio actuality.
- Write and distribute a press release on tornado coverage and safety tips for the media in southern states. A radio actuality will be embedded in the release.
- Arrange a second Florida subcommittee meeting.

2nd Quarter

- Issue analysis of quarterly results.
- Focus disaster preparedness communications on flood, hurricane and tornado.
- Organize a Spanish-language media tour in hurricane prone locations such as Texas and the Northeast. Also create insurance seminars in New York and Miami.
- Organize a second Catastrophe Modeling Forum.
- Launch I.I.I.'s Business Insurance Book (based on "virtual" insurance book done in 2007).
- Issue news release on revisiting retirement needs, using tax filing deadline as a news hook. A radio actuality will be embedded in the release.
- Issue a news release on the Ten Minute Challenge (evacuation procedures). A VNR and a radio actuality will be embedded in the release.
- Issue a news release on hail including coverage, deductibles and safety, with an embedded radio actuality.
- Issue news release on flood insurance for a business, with an embedded radio actuality.
- Issue a news release on car rental insurance for Memorial Day Weekend.



- Issue a news release on dog bite liability and safety for Dog Bite Awareness Month. This will include two embedded VNRs and a radio actuality.
- Issue a news release on college grads and credit.
- Issue a news release on teen drivers.
- Issue a news release on behalf of National Insurance Crime Bureau (NICB) on “Hot Spots,” a ranking of the cities with the highest auto theft rates.
- Issue a news release on swimming pools and insurance.
- Issue a news release on five steps to protect a home against hurricanes.
- Issue a news release on hurricane season and the three most important questions to ask to be properly insured.
- Issue a news release on lightning safety and insurance.
- Issue a news release on hurricane season preparedness for businesses.
- Promote NICB’s new free service, VINCheck. This may include a joint VNR between the I.I.I. and NICB.

3rd Quarter

- Issue analysis of quarterly results.
- Focus on hurricane season communications, including a variety of releases on hurricane preparedness and insurance.
- Produce and distribute information on claims filing, along with a new VNR on the subject to be distributed via satellite.
- Issue a news release on auto coverage in conjunction with Auto Theft Awareness Month.
- Issue a news release on tornado coverage and safety tips geared to the Northeast, with an embedded radio actuality.
- Issue a news release on preventing home burglary while on vacation, with an embedded radio actuality.
- Issue a news release on insurance for college students, with an embedded radio actuality embedded.
- Issue a news release on tips to purchase life insurance in conjunction with Life Insurance Awareness Month.
- Issue a news release on how to find a lost life insurance policy.
- Issue a news release on wedding insurance and changing insurance needs for the newly married. A VNR and radio actuality will be embedded in the release.
- Issue a news release on how to save money on business insurance, with an embedded radio actuality.

4th Quarter

- Issue analysis of quarterly results.
- Promote 2008 post-hurricane season communications.
- Release 2009 predictions for home and auto insurance rates.
- Issue News release on behalf of NICB on “Hot Wheels,” a study of the most frequently stolen vehicles in the nation by make, model and model year.
- Issue a news release on deer season and hazardous road conditions, with an embedded radio actuality.
- Issue a news release on the anniversary of the California wildfires and the need to protect properties with the right type and amount of coverage.



- Issue a news release on motorcycles and insurance, with an embedded radio actuality.
- Issue a news release on identity theft and holiday shopping, with an embedded radio actuality.
- Issue a news release on winter-proofing your home with IBHS. A radio actuality will be embedded in the release.
- Issue a news release on directors and officers liability insurance.
- Issue a news release on winter driving tips, with an embedded radio actuality.
- Redistribute press release on *Know Your Stuff – Home Inventory Software* as New Year's Resolution. Re-release related VNR.
- Issue a news release on employment practices liability insurance (EPLI)



VII. Evaluation

There will be two forms of evaluation.

1. The I.I.I. will provide a quarterly progress report on the status of the communications plan.
2. The I.I.I. will track the media's coverage of key issues through its media index and Biz360.