

LUNCHTIME ADDRESS

"Simplified policy wordings and the law" - By Alex Robertson

This was a fascinating topic in itself but the manner of its presentation - through visual aids - served to provide much light (both literal and metaphorical !) on a novel attempt to reduce consumer bleating about "small print". The occasion was the third lunch-time meeting of the 1981/2 session on 20th January which, as usual, was held at the offices of the Institute of London Underwriters and Pat Saxton, the BILA Chairman presided. The speaker was Alex Robertson, Marketing Manager for the General Accident.

Introducing him, the Chairman explained that Mr. Robertson was not a professional purveyor of marketing "know-how". Many of that type had been let loose on a reluctant insurance industry but the speaker had spent his career in the service of the General Accident for whom he was appointed Marketing Manager in 1974. He was also prominent in other fields one of which was the Royal Society of Health which had profited from his service with the Royal Army Medical Corps.

Mr. Robertson began by paying tribute to his former Senior Executive David Blaikie who appreciated the need for some positive action during the term in which he had served as President of the Chartered Insurance Institute (1975/6) and had given him every encouragement. At that particular stage, the industry displayed an "ostrich" attitude but there was an evident need to explain "insurance jargon" to the "average person" (a real challenge) and Mr. Blaikie had shown approval of his colleague's proposal for a series of trial runs to measure any improvements in this field of communication. The first step was to look at existing wordings and endeavour to concentrate and/or simplify them - subject to the caveat that any revision would not produce additional exposure as a costly alternative. He then distributed copies of the current issue of his company's "Keep Motoring" policy which was designed on the book plan as an alternative to the traditional "foolscap" form. It comprised six features - commentary, expanded indexing, greater use of definition, more logical monitoring of cover, the use of examples and finally style, lay-out and topography. He explained that the prototype had been distributed for discussion among research panels of 12 members in 10 different areas and although the initial reaction had been the cliché that it was impossible to please everyone, very useful suggestions had been made.

The speaker had made extensive studies of American wordings and continued his series of slides with illustrations of the application of the Flesch system for comprehension of words. It had been shown that an educated person would only employ 10,000 words out of a possible 600,000 but a more impressive fact was that 500 words could have 14,000 different meanings! Out of four sectors of education (from lower primary school to University) with corresponding bands from "easy" to "very difficult", Flesch had evolved a numerical assessment scale (in reverse) where a high score such as 67 by the "Daily Mirror" indicated it was much easier to comprehend than the "Financial Times" at 39. The Bible was rated at 67 and the Readers Digest 60 and there was a large differential between insurance policies. The "Keep Motoring" policy was 50. Mr. Robertson concluded by distributing copies of a report on the case where, on appeal, the Cornhill were permitted to rely on an exclusion clause in which a misnomer had occurred.

This led to a considerable amount of discussion in which the Chairman suggested that the notion of "Ad idem" in contractual relationships was not given as much prominence as it merited. Quite a number of speakers from the floor made points in relation to the "Keep Motoring" wording on legal expenses. In reply to questions, Mr. Robertson said that the cost of printing a Book policy was four times that of the foolscap one and that Book treatment for life assurance was not contemplated because life policies were relatively short and the consumer pressure was entirely related to surrender values as opposed to "small print". The Chairman was obliged to terminate further discussion because the time had already over-run: this, he said, was a measure of the interest which the talk had aroused. He thanked the speaker and was supported by a hearty round of applause.

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