

DNA Money

What language is insurance speaking?

Date: 04-10-2008 | Edition: Mumbai | Page: 28 | Source: Bureau | Clip size (cm): W: 27 H: 16

Clip: 1 of 1

What language is insurance speaking?

When policies are couched in jargon, they become confusing and dreaded documents

V Ramakrishna

Have you ever been caught in a situation of listening to a conversation between two 'hard core insurers'? The words flying between each other would put you in a plight very similar to Eeshan Awasthi, the little boy in *Taare Zameen Par*, where the teacher in the classroom is desperately trying to impart her 'knowledge' and the little boy is off in another world of his own these were just words, words, and words, being hurled at him, and he went on a different flight of fantasy of planets, stars and other objects and creatures!

An insurance policy goes on and on without the policy holder understanding most of it. In reality, insurance was not intended to put off or confuse the public, but unfortunately that's what it is doing now. When insurance policies are couched in jargon, it becomes a confusing and dreaded document. There's a dazzling assortment of the preamble, clauses, sub-limits, coinsurance, definitions, notifications, fees, penalties, exclusions, warranties, etc. to be read, re-read, re-re-read and understood, and finally, the understanding may be very different from what

The jargon of insurance

Jargon!! How we love it! We use words that only we know and we keep everyone else in the dark. When we write to others outside our industry about our products, our contracts and our issues, the terms and slogans we use become a mystery to those seeking to decipher what we are trying to say.

The insurance industry has its share of dense jargon that causes ambiguity and results in innumerable disputes. Most people don't "speak insurance". Wading through the technical jargon and legal lingo can be daunting and tiresome.

An insurance product is intangible by nature - the only tangible component is the policy document, which is difficult to comprehend. A consumer about to sign a proposal or purchase an insurance policy for her householders' insurance should not have to pay a lawyer to explain what the legalese in the relevant documents means. Insurers have made policies so arduous the customer approaches them with a mix of fear and loathing. Why is it that when insurance is a contract between two parties, one of them (the insured) has no say in the wordings? Would the number of disputes come down if plain language was used in all contracts?

What is plain English?

Plain English is language that is clear, direct and straightforward.

■ Clear straightforward expression, using only as many words as are necessary - using language that avoids ob-



■ It is written with the reader in mind and with the right tone of voice that is clear and concise.

And finally, it is not as easy as we would like to think.

Consider for example the following clause in a property insurance policy: "We will not disclaim coverage under this policy if you fail to disclose all hazards as of the inception date of the policy, providing such failure is not intentional."

This sentence pattern can be improved as follows:

"If your failure to disclose all hazards is not intentional, then we will not disclaim coverage under this policy."

ten with the reader in mind, which gets its meaning across clearly and concisely so the reader can take appropriate action.

What is happening—World / India

Over the last two decades, a 'culture of clarity' has been gaining ground with many insurers around the English speaking world. In several countries, including the US and the UK, campaigns towards making insurance policies in plain English have become a movement. Instead of writing to impress or confuse, they are now writing to inform and explain. They are using plain English to do this.

In India, to a large extent with the insurance regulator's intervention

several insurers have been working towards simplifying the policy wordings to make them more reader friendly.

Time for a change?

But still, even today, if you ask the general public, they will still cite insurance policies as prime examples of legalese. Why? Because insurance policies used to be written in legalese, and people simply gave up trying to read the policies.

In a world where one believes in 'small is beautiful', be it a mobile phone or a laptop....., language is also following the same trend. The language of SMSing where 'c u l8r' means 'see you later', 'gtg' means 'got to go' and 'rut' means 'are you there', one probably needs to brace oneself to read and comprehend an insurance policy!

Explaining specialised vocabulary in simple, plain English will make it easier for a policy holder to understand how the insurance contract works. No doubt, certain terms need to remain as part of the special vocabulary of the industry, but those terms can and should be well-defined so that each party knows precisely what the term means in the context of that contract.

With the consumers interest gaining momentum across the world, let's hope that navigating one's way through the insurance policies is going to be much more easier and quicker in the days to come.

The author is the chairman of India Insure Risk Management &