

IPID Consumer Testing and Design Work

EIOPA/OP/153/2015

Final report



July 2016

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Glossary

Terminology abbreviations

PID	Product Information Document
IPID	Insurance Product Information Document

Member State codes

UK	United Kingdom
ES	Spain
DE	Germany
RO	Romania

Executive Summary

Motivation of the study

The Insurance Distribution Directive (IDD) mandates EIOPA to “develop draft implementing technical standards (ITS) regarding a standardised presentation format of an Insurance Product Information Document (IPID) specifying the details of the presentation of the information”. The IPID will be supplied to the consumer by the insurance distributor prior to the purchase of a non-life insurance product with the goal of assisting the consumer to make an informed decision.

The IDD expressly states that EIOPA conduct consumer testing before finalising the draft ITS. EIOPA has commissioned a consortium consisting of LE Europe, Ipsos MORI and Academy Design Partners to undertake this work. The findings of the consumer testing, as presented in this report, are intended to assist EIOPA to reach a view on the optimal IPID format to be used on a pan-European basis, and that would be applicable across all types of non-life insurance contracts.

Research methodology

The main components of the study were as follows:

1. Design of various formats for the IPID;
2. Qualitative testing of the various formats of the IPID using focus groups; and,
3. Quantitative testing of the various formats of the IPID using an online survey.

The design work was led by the consortium’s design professionals, working in collaboration with EIOPA. This component of the work involved the development and design of alternative sample IPID formats for use in the consumer testing, aiming to ensure that the alternative formats were sufficiently different from each other – including different uses of graphics and icons, fonts and layouts – to draw out results on which formats and elements thereof performed well for consumers.

The aim of the testing was to assess the extent to which alternative IPID formats alleviate consumer difficulties in understanding non-life insurance products and clearly communicate the content of the IPID in an understandable, non-misleading way that can also aid comparisons. Testing was also used to ensure that the IPID format was suitable for consumers from different demographic groups and in different countries.

The qualitative testing comprised of focus groups of consumers in the UK, Germany, Spain and Romania. Participants were shown printed copies of five sample IPIDs, each using a different format. A discussion guide was used to structure the conversation in order to explore participants’ understanding of the IPID and what adjustments could be made to improve the formats. Based on the findings from the focus groups, the sample IPIDs were then refined before being used in the quantitative testing.

The quantitative testing took the form of an online consumer survey across the same set of countries. Participants were shown the sample IPIDs on screen and were tested on their understanding of different aspects of the insurance product, tested on their ability to compare alternative products and asked their opinion on which sample IPID format they preferred. This testing allowed us to determine which of the sample IPID formats perform best (objectively and subjectively) in terms of enabling consumers to correctly understand the content of the IPID and allow for effective comparison of different insurance offers.

Conclusions and recommendations

The focus group testing provided initial guidance on what direction the IPID formats should take. Overall, participants appeared to like the sample IPIDs and their content because they offered “a complete overview at a glance” and presented information that is clear and understandable.

In the focus group testing, IPID 1 was the simplest of all of the formats, presenting information in black text on a white background. Like IPID1, IPID 2 used a mainly black and white colour scheme but also added features such as the use of two columns of text, a dark black document heading, traffic light coloured tick, cross and exclamation point bullet points, and use of grey background for the latter sections. IPID 3 also had a relatively simple design but used a blue colour scheme with early sections of the document on a light blue background. IPID 4 introduced icons for each section and presented early sections on a grey background. IPID 5 was the most complex design using a dark, bold colour scheme, additional icons, and using columns throughout.

The design features highlighted as important in the focus groups were:

- simple, clear format;
- appropriate use of colour to draw attention to the IPID;
- text of a similar size used throughout the document;
- symbols and icons for different sections of the document;
- use of columns; and,
- underlined titles and section breaks.

Three new IPID formats were developed for quantitative testing on the basis of these findings. The main features of the Phase 2 IPID formats are presented in Table 1.

Table 1 Main features of Phase 2 IPID formats

IPID 1	IPID 2	IPID 3
• Based on Phase 1 IPID 2 • Use of two columns throughout • Blue header with product icon • Traffic light coloured tick, cross or exclamation point in early sections & headings • Grey background & simple design for latter sections	• Combined design elements of multiple Phase 1 IPIDs • Use of two columns (similar to Phase 1 IPID 5) for early sections • Blue header with product icon • Early sections presented in boxes with grey background • Icons for early sections • Traffic light coloured tick, cross or exclamation point in early sections • Simple design for latter sections	• Based on Phase 1 IPID 4 • Black, white & grey colour scheme • Product icon in header • Icons for each section • Traffic light coloured tick, cross or exclamation point in early sections • Early sections presented in boxes with grey background

Source: LE Europe

Across the objective questions in the quantitative testing, IPID 2 is the IPID format which is associated with the highest proportion of correct answers for the highest number of questions (see also section 14, “Summary and Recommendations”, for further details). An example showing the format of IPID 2 is provided in Figure 1 overleaf. IPID 2 performs best in Task I which assessed respondents’ comprehension of the content of the IPID and performs best in Task III which tested the ability of respondents to use the IPID to compare different insurance products.

The survey also included a subjective component in Task II, which asked respondents for their opinions and preferences regarding the sample IPID formats. Another format, IPID 3, performs best on this task, which suggests a divergence between what respondents think works best when aiding their comprehension and decision-making, and the reality.

Given the strong performance of IPID 2 in the objective questions, it is recommended that this IPID format be used as the basis for the draft technical standards, with some refinements which also emerge from the consumer testing, including: the use of separate boxes for each section, the introduction of section icons and separate shaded boxes to present the second half of the IPID, and the removal of the product icon in the header. An example of the recommended IPID format is provided in Figure 2.

Analysis across subgroups (geographic location, financial literacy, gender and age) also suggests that IPID 2 is a suitable format for presenting information to different demographic groups, as there are no major inconsistencies with the overall result.

Figure 1 Example of IPID 2

Xxxxx Insurance
Insurance Product Information Document
Company: XYZ Insurance Product: Policy X

This document provides a summary of the key information relating to this xxxx insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered: ✓ Xxxxxx ✓ Xxxxxx ✓ Xxxxxx ✓ Xxxxxx	Main risks not covered: ✗ Xxxxxx ✗ Xxxxxx ✗ Xxxxxx ✗ Xxxxxx
Insured sum: ✓ Xxxxxx	Main restrictions and exclusions: ✗ Xxxxxx ✗ Xxxxxx ✗ Xxxxxx

Geographical scope:

- ✓ Xxxxxx

Main obligations:

- At the start of the contract xxxxx
- Xxxxxx
- Xxxxxx
- If you have to make a claim xxxxxx

Payment:
The premium xxxxxx

Duration of the contract:
The contract xxxxxx

Termination of the contract:
You can cancel the insurance contract xxxxxx

Figure 2 Example of recommended format

Xxxxx Insurance
Insurance Product Information Document
Company: XYZ Insurance Product: Policy X

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered: Sub head: ✓ Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15 ✓ Xxxxxx ✓ Xxxxxx ✓ Xxxxxx ✓ Xxxxxx	Main risks not covered: ✗ Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15 ✗ Xxxxxx ✗ Xxxxxx ✗ Xxxxxx
Insured sum: ✓ Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15 ✓ Xxxxxx	Main restrictions and exclusions: ✗ Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15 ✗ Xxxxxx ✗ Xxxxxx ✗ Xxxxxx

Geographical scope:

- ✓ Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15

Main obligations:

- Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15
- Xxxxxx
- Xxxxxx
- Xxxxxx

Payment:
Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15

Duration of the contract:
Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15

Termination of the contract:
Myriad Pro: Regular: 9.8pt / 12.5pt, Letter spacing -15

1 Introduction

This report presents the results of consumer testing and design work on Insurance Product Information Documents (IPIDs) for non-life insurance products. The purpose of the consumer testing is to help EIOPA develop the standardised presentation format of the IPID.

This chapter provides a general introduction to the study, describing the policy context and the structure of the study. Beyond this chapter, the report is split into two sections to represent the two phases of research, a qualitative stage (Phase 1) followed by a quantitative stage (Phase 2). Each subsection of the report contains a description of the methodology and a summary of the results.

- Chapters 2 to 5 cover the results of the qualitative Phase 1 research with some overall recommendations in Chapter 6.
- Chapter 7 describes the revisions made to the IPID format for Phase 2 of the study, on the basis of the results of the Phase 1 research.
- Chapters 8 to 13 present the methodology and results of the quantitative Phase 2 research.
- In Chapter 14 of the report, the results of the quantitative and qualitative studies are combined to draw out some overall recommendations.

The materials used for testing in both phases are presented in full in the Annex.

1.1 Background and motivation

The Insurance Distribution Directive (IDD) mandates EIOPA to “develop draft implementing technical standards (ITS) regarding a standardised presentation format of an Insurance Product Information Document (IPID) specifying the details of the presentation of the information”. The insurance product information document, which will be prepared for non-life insurance products only, needs to contain the following information:

- a) information about the type of insurance;
- b) a summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope and a summary of the excluded risks;
- c) the means of payment of premiums and the duration of payments;
- d) main exclusions where claims cannot be made;
- e) obligations at the start of the contract;
- f) obligations during the term of the contract;
- g) obligations in case of a claim made;
- h) the term of the contract including start and end date of the contract; and,
- i) the means of terminating the contract.

The IPID will be supplied to the consumer by the insurance distributor prior to the purchase of a non-life insurance product with the goal of assisting the consumer to make an informed decision. The IDD expressly states that EIOPA conduct consumer testing before finalising the draft ITS. EIOPA commissioned a consortium consisting of LE Europe, Ipsos MORI and Academy Design Partners to undertake this work.

1.2 Overview of the study

The overall objective of the study was to help EIOPA with its recommendations regarding an appropriate standardised presentation format for the IPID for non-life insurance products. The findings are intended to assist EIOPA to reach a view on the optimal IPID format to be used on a pan-European basis, and that would be applicable across all types of non-life insurance contracts.

The main components of the study were as follows:

1. Design of various formats for the IPID;
2. Qualitative testing of the various formats of the IPID using focus groups; and,
3. Quantitative testing of the various formats of the IPID using an online survey.

The aim of the testing was to assess the extent to which alternative IPID formats alleviate consumer difficulties in understanding and comparing non-life insurance products and clearly communicate the content of the IPID in an understandable, non-misleading way.

1.2.1 Design of various formats for the IPID

This component of the study involved the development and design of alternative sample IPID formats for consumer testing. It involved the preparation of five alternative sample IPIDs for testing in Phase 1, including the use of graphics and icons, different fonts, different layouts and overall designs. This produced alternative formats that were sufficiently different from each other to draw out results on which formats performed well for consumers. The results of Phase 1 were used to inform the design of the sample IPIDs for Phase 2 testing. Design work was undertaken by Academy Design Partners in consultation with EIOPA.

1.2.2 Qualitative testing

The qualitative testing comprised eight focus groups of consumers, two in each of four countries (Germany, Spain, Romania and the UK). Participants were shown printed copies of five sample IPIDs, each using a different format. A discussion guide was used to structure the conversation in order to explore participants' understanding of the IPID and what adjustments could be made to improve the formats. Within the focus groups, participants were also asked to rank the sample IPIDs in order of preference. Based on the findings from the focus groups, the sample IPIDs were then refined before being used in the quantitative testing.

1.2.3 Quantitative testing

The quantitative testing took the form of an online consumer survey. This approach allowed data to be gathered from a representative sample of the population of consumers within each of the same set of countries (Germany, Spain, Romania and the UK), ensuring a varied geographical representation of the EU. The sample size (800 per country) was sufficient to permit tests of statistical significance to be conducted. Participants were shown the sample IPIDs on screen and were tested on their understanding of different aspects of the insurance product, tested on their ability to compare alternative products and asked their opinion on which sample IPID format they preferred. This testing allowed us to determine which of the sample IPID formats perform best (objectively and subjectively) in terms of enabling consumers to correctly understand the content of the IPID and compare insurance products using it.

1.3 Coverage of the study

This section explains the rationale behind the selection of countries in which fieldwork took place and the choice of insurance product types represented in the sample IPIDs. The same set of countries and the same set of product types were used in both the qualitative and quantitative phases of research.

1.3.1 Geographical coverage

The selection of Member States in which qualitative and quantitative consumer testing was undertaken was chosen to ensure an appropriate balance in terms of geographic coverage and country characteristics. The four selected Member States, Germany, Romania, Spain and the United Kingdom were chosen to provide a balance in terms of:

- Geographic regions (North, West, South and East);
- Large and small countries; and,
- New and older Member States (EU13 and EU15).

As can be seen in Table 2, these countries provide a good balance in terms of these characteristics.

Table 2 Main criteria for country selection

Core countries	Region ⁽¹⁾	Size ⁽²⁾	New/Old
Germany	West	Large	Old
Romania	East	Small	New
Spain	South	Large	Old
United Kingdom	North	Large	Old

Note: (1) North: DK, FI, IS, NO, SE, UK. West: AT, BE, DE, FR, IE, LU, NL. South: CY, EL, ES, HR, IT, MT, PT, SI. East: BG, CZ, EE, HU, LT, LV, SK, PL, RO. (2) Large: FR, DE, IT, ES, PL, UK. Small: AT, BE, BG, HR, CY, CZ, DK, EE, FI, EL, HU, IS, IE, LV, LT, LU, MT, NL, NO, PT, RO, SK, SI, SE.

Source: LE Europe

In addition to these representativeness criteria, the country selection also took into account four dimensions of non-life insurance markets:

- **Market:** The size of a country's insurance market relative to its GDP was used as a proxy for insurance market maturity.¹
- **Density:** Density is measured using an indicator of market concentration, the Herfindahl-Hirschman Index (HHI) for insurance markets.²
- **Digitalisation:** The extent of digitalisation is captured by the proportion of respondents in Special Eurobarometer Survey 373 Consumer Attitudes to Retail Financial Products (2012)

¹ Schoenmaker, D. and Sass, J. (2014), 'Cross-border Insurance in Europe', DSF Policy Paper. Available at: <https://eiopa.europa.eu/Publications/Speeches%20and%20presentations/DSF%20Policy%20Paper%20No%2045%20Cross-border%20Insurance%20in%20Europe.pdf>

² Europe Economics (2008), 'Retail Insurance Market Study', Final Report for EC DG MARKT. Available at: http://ec.europa.eu/finance/insurance/docs/motor/20100302rim_en.pdf

who report that they have purchased non-life insurance products through the online channel (as opposed to other channels) in the past five years.³

- **Internationalisation:** The degree of internationalisation of a country's insurance market with respect to the EU is measured as the share of the country's Gross Written Premium (GWP) that is written by subsidiaries or branches of other EU/EEA countries.⁴

Table 3 shows how the countries selected compare to other EU Member States in terms of these insurance market characteristics. As can be seen from this table, the selected countries provide an appropriate balance in terms of these characteristics (since countries of both high and low rank are included for each characteristic).

Table 3 Other criteria for country selection

	Maturity		Density ⁽¹⁾		Digitalisation		International	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank
DE	7%	8	343	26	12%	9	18%	26
ES	6%	10	674	22	4%	15	26%	24
RO	1%	27	1,005	14	4%	15	73%	6
UK	13%	3	721	20	47%	1	32%	20

Note: (1) Average HHI across three insurance markets: third party liability motor insurance, comprehensive motor insurance, and home insurance. HHI of 100 or less is seen as highly competitive; 1000 indicates that a market is not highly concentrated; an index score above 1000 indicates a moderate degree of concentration and a score in excess of 1800 indicates high concentration.

Source: LE Europe analysis

1.3.2 Products tested

Article 20(5), IDD states that the IPID should be relevant for all non-life insurance products listed in Annex I to Directive 2009/138/EC ("Solvency II")⁵, including insurance products relating to the following:

- Accident
- Sickness
- Motor vehicle
- Other vehicles
- Damage to property ('home')
- Travel
- Liability
- Credit
- Financial loss

Sample IPIDs were developed for three types of insurance product (motor, health and accident, and household) for inclusion in the consumer testing. The rationale behind selecting three types of

³ TNS Opinion & Social (2012), 'Special Eurobarometer 373 Retail Financial Services', Final Report for European Commission Directorate-General Internal Market and Services. Available at: http://ec.europa.eu/internal_market/finservices-retail/docs/policy/eb_special_373-report_en.pdf

⁴ Schoenmaker, D. and Sass, J. (2014), 'Cross-border Insurance in Europe', DSF Policy Paper. Available at: <https://eiopa.europa.eu/Publications/Speeches%20and%20presentations/DSF%20Policy%20Paper%20No%2045%20Cross-border%20Insurance%20in%20Europe.pdf>

⁵ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138>

insurance was that this would provide a strong basis for results which are applicable to a wide range of non-life insurance products.

Motor, health and household are the three types of insurance which account for the highest proportions of the non-life insurance market in terms of value of premiums.⁶ A benefit of representing such common types of insurance in the consumer testing is that the results are directly relevant for a large volume of consumer decisions made in the non-life insurance market. However, it is also necessary that the IPID format is suitable to represent the features of all non-life insurance products. For this reason, the product types selected for testing were intended to have some variation in terms of their features. Table 4 overleaf summarises some of the differences between the three types of insurance products.

Box 1 Note on private health insurance in Romania

Table 4 shows that the average health insurance premium per capita is quite low in Romania compared to the other selected countries (UK €105, ES €150, RO €0.4, DE €448) and also low compared to the other types of insurance in Romania (health €0.4, motor €40, household €10). As a possible explanation, one article⁷ outlines how the private health insurance market in Romania is not very widespread, with about a fifth patients paying for medical services from their own pocket.

Even if the private health insurance market in Romania is not at a very developed stage, this did not pose an issue for consumer testing. It is necessary that the IPID is designed to be effective across a range of countries with very different market features, including low incidence. Furthermore, Romania was selected for testing as it was important to reflect a range of geographies, including Eastern Europe. Romania is perhaps representative of some other Member States which also have quite low levels of premium per capita.⁸

⁶ Insurance Europe (2015), European Insurance – Key facts. Available at:

www.insuranceeurope.eu/sites/default/files/attachments/European%20Insurance%20-%20Key%20Facts%20-%20August%202015.pdf

⁷ Radio România Internațional, The state of Romania's healthcare system. Available at:

www.rri.ro/en_gb/the_state_of_romaniyas_healthcare_system-2525989

⁸ Insurance Europe (2015), European Insurance – Key facts. Available at:

www.insuranceeurope.eu/sites/default/files/attachments/European%20Insurance%20-%20Key%20Facts%20-%20August%202015.pdf

Table 4 Main features of insurance types selected

	Market size in Europe ⁹	Complaints	Market performance for consumers ¹⁰	Main features	Features of decision-making process
Motor	The largest market of any non-life insurance type Total premiums: €130.8bn Average per capita: - UK €290 - ES €200 - RO €40 - DE €400	Tends to account for a large proportion of complaints but it's also the most prevalent type of insurance so a higher number of complaints is expected ¹¹		Two main categories: third party liability and comprehensive Comprehensive can include add-ons such as: legal expenses, breakdown, personal accident, windscreen, key, protected no claims bonus, EU cover Exclusions, obligations, geographic scope, excess relevant	Third party is a legal obligation for drivers
Health	Second largest market Total premiums: €119.3bn Average per capita: - UK €105 - ES €150 - RO €0.4 - DE €448	Accident and health insurance products are the category of products concentrating the largest amount of complaints by product type ¹¹		Policies generally differ based on coverage of: - Treatments - Diagnostics - Cancer Exclusions, obligations, geographic scope, excess relevant	Group policies purchased by employers account for a significant proportion ¹²
Household	Third largest market Total premiums: €91.3bn Average per capita: - UK €260 - ES €150 - RO €10 - DE €210	6% of consumers had a problem or thought they had a legitimate cause for complaint – the same proportion as for motor insurance ¹⁰	Performs worse than motor insurance on: - Comparability of products (7.1 vs 7.3) - Overall satisfaction (7.4 vs 7.6) - Likelihood of switching supplier (8% vs 13%)	Two main categories: building and contents (often bundled) Examples of add-ons: natural catastrophes (can also be automatically bundled in some countries), accidental damage cover, travel insurance Exclusions, obligations, excess relevant	Building insurance can be required by mortgage lenders Potential issues of underinsurance , specifically regarding natural catastrophes ^{13,14}

Source: LE Europe analysis

⁹ Based on figures collected by Insurance Europe from its member associations. Premiums are gross written premiums (direct business) on home territory underwritten by companies with their head office in the corresponding country. Available at: www.insuranceeurope.eu/sites/default/files/attachments/European%20Insurance%20-%20Key%20Facts%20-%20August%202015.pdf

¹⁰ European Commission (2014): Consumer markets scoreboard. Available at:

http://ec.europa.eu/consumers/consumer_evidence/consumer_scoreboards/10_edition/docs/consumer_market_brochure_141027_en.pdf

¹¹ EIOPA (2015): EIOPA Fourth Consumer Trends Report. Available at: https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-233%20-%20EIOPA_Fourth_Consumer_Trends_Report.pdf

¹² European Commission (2009): Private health insurance in the European Union. Available at: <http://ec.europa.eu/social/BlobServlet?docId=3211&langId=en>

¹³ Swiss Re Sigma (2015): Underinsurance of property risks: closing the gap, No 5 /2015. Available at: http://media.swissre.com/documents/sigma5_2015_en.pdf

¹⁴ JRC (2012): Natural Catastrophes: Risk relevance and Insurance Coverage in the EU. Available at: http://ec.europa.eu/internal_market/insurance/docs/natural-catastrophes/jrc_report_on_nat_cat_en.pdf

PHASE 1: QUALITATIVE RESEARCH

2 Phase 1: Introduction

For this study, Ipsos conducted eight focus groups to better understand consumers' perceptions of the layout and design elements of five sample IPID formats. Conducting focus groups is a qualitative research method, helpful in gaining consumers' feedback, individual perceptions and ideas that cannot be obtained through quantitative research. The goal of the focus groups was to determine which formats are most effective in terms of helping consumers to understand the content of the IPID and what, if any, changes might need to be made to improve the formats.

The objective of this report is to discuss in some detail, using direct quotes from participants, the reactions of the focus group participants to each of the sample IPIDs presented to them. These reactions are then used to generate conclusions and recommendations.

3 Focus group methodology

3.1 Research design

The qualitative element of the research consisted of conducting focus groups in four Member States: Germany, Romania, Spain and the UK. The rationale for undertaking research in these Member States is presented in section 1.3.1. Two focus groups were conducted in each Member State.

Each focus group was presented with five sample IPIDs for one specific insurance product. Three different types of insurance products were tested: household insurance, motor insurance and private health insurance. The distribution of the insurance products between the focus groups in each country is presented in the table below. The table also presents information about the group composition and the location, date and time of each group.

Table 5 Focus groups

Country	Insurance product	Participants	Location	Date and time
Germany	Private health insurance	High financial literacy/ high level of education	Hamburg	2 May 2016, 8.30pm
Germany	Motor insurance	Low financial literacy/ low level of education	Hamburg	2 May 2016, 5.30pm
Romania	Household insurance	High financial literacy/ high level of education	Bucharest	6 May 2016, 7pm
Romania	Motor insurance	Low financial literacy/ low level of education	Bucharest	6 May 2016, 5pm
Spain	Household insurance	High financial literacy/ high level of education	Madrid	4 May 2016, 6.30pm
Spain	Private health insurance	Low financial literacy/ low level of education	Madrid	4 May 2016, 4.30pm
UK	Motor insurance	High financial literacy/ high level of education	London	3 May 2016, 6.30pm
UK	Household insurance	Low financial literacy/ low level of education	London	3 May 2016, 8.30pm

Source: Ipsos MORI

3.2 Participants

Each focus group consisted of eight participants. In each country, one focus group was conducted with participants with “high” financial literacy and a higher level of education, and one with participants with “low” financial literacy and a lower level of education (for more detail, see Annex 1). All participants were aged between 25 and 60 years, and a balanced mix of men and women was recruited.

The minimum age of 25 and maximum age limit of 60 were imposed as, in focus groups situations, lower and upper bounds on age can often promote a smoother flowing discussion leading to a higher quality and quantity of relevant information collected. While those aged under 25 and over 60 were not included in the focus groups, a balanced mix of participants across genders and age groups (25 to 35, 36 to 45, 46 to 60) was recruited in order to represent a wide range of participants and encourage a wide range of views. In the quantitative testing (see Chapter 12) the minimum age limit was set at 18 and the upper limit was removed.

All participants had at least some experience with the type of insurance discussed in the group:

- Most participants in the groups that covered home insurance had a contract for home insurance. Both in London and Madrid, one of the eight participants currently had no home insurance, but had had this type of insurance in the past. One participant in Madrid was planning to buy home insurance.
- All but one of the participants in the groups that covered motor insurance currently had motor insurance; in Hamburg, one participant was planning to sign a contract for motor insurance.
- Two participants in Hamburg and four participants in Madrid in the “private health insurance” groups indicated that they had a contract for private health insurance, while the remaining participants were planning to get private health insurance or had had this type of insurance in the past.

All participants were recruited using free-find face-to-face techniques. Recruitment was undertaken by Ipsos’ in-house field teams. The field force responsible for recruitment in each country are experienced in recruiting for group discussions; they are able to determine which individuals will be comfortable in a group environment and, therefore, willing to contribute to the discussion. Ipsos developed a screener questionnaire to aid in the participant selection process. All participants met the following eligibility requirements:

- Individuals were excluded from consideration if they had participated in another focus group in the past six months;
- Individuals were excluded from consideration if they worked in the insurance sector;
- Individuals had to be responsible or co-responsible for decisions in their household with regards to buying/renewing insurance contracts;
- Individuals had to complete the screener questionnaire in order to assess their group membership (low financial literacy/education group vs. high financial literacy/education group) and their experience with the insurance product covered in the group (home, motor or private health insurance).

All participants received a small financial payment as an incentive to participate and a “thank you” for their time. The exact value varied by country and it was made clear that this payment came from Ipsos as opposed to the client.

3.3 Moderation and discussion guide

Ipsos provided a **professionally trained moderator and a note taker** for each group. The moderator participated in a moderator briefing for this project. A detailed discussion guide capturing the structure of the discussion and providing detailed instructions and explanations to the focus group moderator was designed by Ipsos, with input from LE Europe and EIOPA. Each focus group lasted approximately an hour and a half.

The purpose of the **discussion guide** is to ensure there is commonality between the groups, while at the same time providing enough flexibility that the moderator can follow up on interesting or unexpected issues raised by participants. The guide was developed in order to explore participants’ understanding of the various sample IPIDs and what adjustments could be made to improve the formats. The discussion guides used for the focus groups for each of the three insurance products are presented in Annex 2 to Annex 4.

In addition, in order to facilitate discussion of the various sample IPIDs, **printed copies of the formats** were presented to the focus groups participants. All testing material was translated into the official language of each country.

4 Findings for the five IPID formats

0 presents some of the main features of the IPID formats tested in Phase 1. IPID 1 was the simplest of all of the formats, presenting information in black text on a white background. Like IPID1, IPID 2 used a mainly black and white colour scheme but also added features such as the use of two columns of text, a dark black heading with an icon indicating the product type, traffic light coloured tick, cross and exclamation point bullet points, and use of grey background for the latter sections. IPID 3 also had a relatively simple design but used a blue colour scheme with early sections of the document on a light blue background. IPID 4 introduced icons for each section and presented early sections on a grey background. IPID 5 was the most complex design using a dark, bold colour scheme, additional icons, and using columns throughout.

Table 6 Main features of Phase 1 IPID formats

IPID 1	IPID 2	IPID 3	IPID 4	IPID 5
				
• Black & white colour scheme • Simple/plain design • No section icons • Simple bullet points • No background colour	• Black & white colour scheme • Use of two columns • Black header with product icon • Traffic light coloured tick, cross or exclamation point in early sections & headings • Grey background & simple design for latter sections	• Blue colour scheme, header & border • Product icon in header • Early sections on blue background, blue section headings with traffic light coloured tick, cross & exclamation points • Simple design for latter sections	• Black, white & grey colour scheme • Product icon in header • Icons for each section • Early sections presented in boxes with grey background	• Bold colour scheme • Use of two columns for early sections • Use of four columns in latter sections • Use of additional icons (e.g. hexagon for “insured sum”)

Source: LE Europe

4.1 IPID 1

IPID 1 was the simplest IPID format examined in the study. It can be seen in Figure 3 three overleaf. This IPID format was introduced first to the focus group participants and was used to allow participants to familiarise themselves with the content of the IPID. Participants also evaluated the design of this format.

4.1.1 Content of the IPID

Participants liked the sample IPID and its content because it offers “a complete overview at a glance” and presents information that is clear and understandable. Most participants thought that the two main sections of the document – “risks covered, exclusions and restrictions” and “obligations, payment, contract term and contract termination” – were equally as important.

“Everything seems to be there at first sight.” (Private health insurance, high literacy/education group, Hamburg)

“Simplest document I have ever seen.” (Motor insurance, high literacy/education group, London)

“A simple and clear document. Well organised and with the basic meaningful information to know a product.” (Household insurance, high literacy/education group, Madrid)

“It seems very clear and understandable, simple.” (Motor insurance, low literacy/education group, Hamburg)

“This is OK in terms of length, and it is definitely shorter than what I usually receive.” (Household insurance, high literacy/education group, Bucharest)

“You will have time to read all info. You won’t get bored. There is no small print”. (Household insurance, low literacy/education group, London)

A few participants had trouble interpreting the heading **“term of contract”** because they had read it as “terms of contract”. To resolve this, participants suggested changing “term of contract” to “duration of contract”.

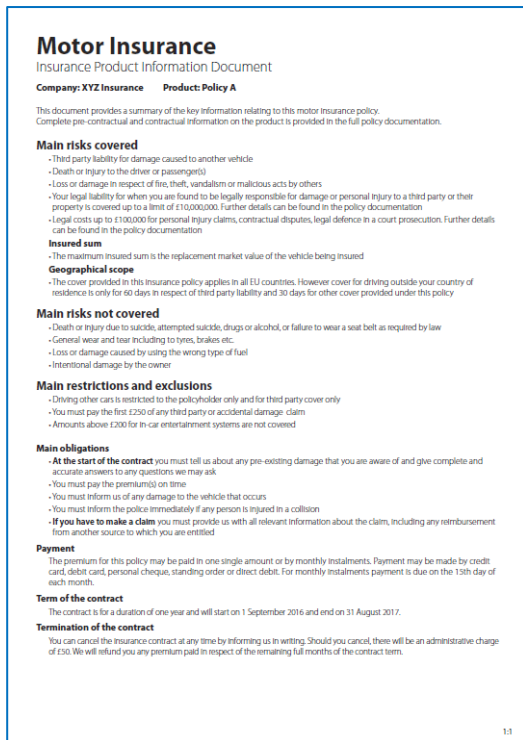
Some participants noted that a **different document title** will be needed if consumers need to read the IPID; the suggestion was made to change the title to **“What you need to know about your insurance policy”**. In one group, a suggestion was made to replace the symbol for the insurance product by “some official EU indication” to highlight the fact that the IPID is a universal document.

4.1.2 Design of IPID 1

Participants described IPID 1 as “simple”, “clear” and “well structured.” The bold titles attract attention and allow the reader to identify the main sections of the IPID. Participants noted that the font size of the titles and text, and the space between the lines are larger than in other documents for insurance products, and this was appreciated.

“There is more space between the lines. I don’t know whether this is the same with all the insurance companies, but this is not for the ones I have in mind.” (Private health insurance, high literacy/education group, Hamburg)

Figure 3 IPID 1



Negative feedback focussed on the **lack of colour**, which makes the document “boring” and unattractive, and does not trigger spontaneous reading. There are no colours or design elements to

draw the consumer's attention; the lack of these elements also makes the document quite "wordy" and difficult to read.

"I don't really want to read this IPID." (Motor insurance, high literacy/education group, London)

"It is clear and good information, but the design is a bit boring. It looks like a photocopy." (Household insurance, high literacy/education group, Madrid)

The **smaller font size in the headings for the sections on obligations, information on payment, contract term and contract termination** was criticised for two reasons:

- Participants considered all sections of the IPID equally important, and did not understand why the font size was different. The smaller font size reminded them of "small print" in contracts; they wondered whether insurance providers consider these sections maybe of less importance.
- The smaller font size also created confusion; some participants asked why the information on payment, contract term and contract termination was presented as a sub-section of the section on "main risks and exclusion".

"The main obligations are smaller, similar to "small print" in contracts. I don't like this, because these are exactly the things that insurance companies trick you with." (Private health insurance, high literacy/education group, Hamburg)

Participants agreed that the IPID was **properly structured**. In the Madrid group that looked at the household insurance IPID (with the last bullet-point about restrictions presented on the second page), some participants noted that it would be better to have risks, exclusions and restrictions all on the first page, and not split across two pages. Across the three groups looking at household insurance (a two-page IPID), participants agreed that the symbol to turn the page ("1:2" in the bottom right corner) was too "subtle" and they thought that many consumers would not look at the second page.

4.2 Design of IPID 2

Participants described IPID 2 as "better designed than PID 1" and as "a serious document with a touch of functional colour". The small symbols (green ticks, red crosses and orange exclamation marks) were considered helpful to get a quick overview of the content of the IPID.

"This is an important document, so it does not need a fancy layout. The ticks make the document stand out a little, by adding another medium than text." (Household insurance, high literacy/education group, Bucharest)

"This PID looks very familiar; it looks like our electricity or water bills." (Motor insurance, high literacy/education group, London)

Figure 4 IPID 2

Motor Insurance
Insurance Product Information Document

Company: XYZ Insurance Product: Policy A

This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

✓ Main risks covered:

- ✓ Third party liability for damage caused to another vehicle
- ✓ Death or injury to the driver or passenger(s)
- ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation

Insured sum:

- ✓ The maximum insured sum is the replacement market value of the vehicle being insured

Geographical scope:

- ✓ The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy

✗ Main risks not covered:

- ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law
- ✗ General wear and tear including to tyres, brakes etc.
- ✗ Loss or damage caused by using the wrong type of fuel
- ✗ Intentional damage by the owner

! Main restrictions and exclusions:

- ! Driving other cars is restricted to the policyholder only and for third party cover only
- ! You must pay the first £250 of any third party or accidental damage claim
- ! Amounts above £200 for in-car entertainment systems are not covered

Main obligations:

- At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask.
- You must pay the premium(s) on time
- You must inform us of any damage to the vehicle that occurs
- You must inform the police immediately if any person is injured in a collision
- If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Term of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

1-1

Participants liked the type of symbols used (ticks, crosses and exclamation marks) and the traffic light colours (green, red and orange); they explained that these **matched with the content described in each section**. Many participants liked the fact that the ticks were repeated for each item in the list.

“I like the ticks, you know immediately what’s good and what’s bad” (Household insurance, high literacy/education group, Bucharest)

“It is good to have what is not included in red. That is really good. This is what the crosses and the exclamation marks are about. I like these symbols.” (Motor insurance, low literacy/education group, Hamburg)

“I prefer all the ticks repeated, that way you don’t forget what you’re reading and you know which are the good and the bad sections” (Private health insurance, low literacy/education group, Madrid).

Some participants (in the high literacy/education groups), on the other hand, did not like that the ticks were repeated so many times. Some noted that they prefer the simplicity of IPID 1, and the way it presents the information in a “pure way”.

“I think the repeated symbols are superfluous. There are too many exclamation marks, one is enough!” (Motor insurance, high financial/education group, London)

Participants thought that the **lines below the titles** helped to separate the sections and made the sections more readable. Many participants liked the **layout in columns**, because they “provide structure” and “make faster reading possible”; the columns also break up the document, and make the document “feel less long”.

Different views were shared about the grey box used for the section on **obligations, payment, contract term and contract termination**. Some participants thought that this box attracts attention to a section with important information. Others shared an opposite view and suggested to use another symbol and/or a larger font size for the titles to attract consumers' attention.

"I like the grey box. It's the 'small print', but in an easy to read format. The grey box invites the consumer to continue reading." (Private health insurance, high literacy/education group, Hamburg)

"I am not sure about the grey box, maybe it needs its own symbol and the same layout for the titles. This section is also important." (Motor insurance, high literacy/education group, London)

Negative feedback was also formulated with regards to the header of the document and the symbol to turn the page ("1:2" in the bottom right corner). The **header of IPID 2** was considered "too black", and participants suggested that this IPID format would be more attractive with a header in a colour.

The **symbol to turn the page** was thought to be "too discrete". Moreover, participants in the London group talking about household insurance were confused about the gap at the bottom of page 1; some participants suggested that if this gap is "fixed", consumers would be more likely to notice the symbol to turn the page.

4.3 Design of IPID 3

Participants liked the addition of colour in IPID 3. Especially the header that combines white and yellow text on a blue background was appreciated. The colour scheme used for IPID 3, combining light and dark blue colours, was evaluated positively by most participants. With this **colour scheme** the document still looks "serious", while also making it "a little easier for the eye".

"Colour breaks up monotony. Black-white is for work documents, while colours make you look a few extra seconds at the document." (Motor insurance, high literacy/education group, London)

"My favourite PID is the one with the ticks (PID 2), but it should have the header of this one (PID 3). There needs to be some colour to attract attention." (Household insurance, low literacy/education group, Bucharest)

Figure 5 IPID 3

Motor Insurance
Insurance Product Information Document

Company: XYZ Insurance Product: Policy A

This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered ✓

- Third party liability for damage caused to another vehicle
- Death or injury to the driver or passenger(s)
- Loss or damage in respect of fire, theft, vandalism or malicious acts by others
- Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation
- Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation

Insured sum

- The maximum insured sum is the replacement market value of the vehicle being insured

Geographical scope

- The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy

Main risks not covered X

- Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law
- General wear and tear including to tyres, brakes etc.
- Loss or damage caused by using the wrong type of fuel
- Intentional damage by the owner

Main restrictions and exclusions !

- Driving other cars is restricted to the policyholder only and for third party cover only
- You must pay the first £250 of any third party or accidental damage claim
- Amounts above £200 for in-car entertainment systems are not covered

Main obligations

- **At the start of the contract** you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any damage to the vehicle that occurs
- You must inform the police immediately if any person is injured in a collision
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment

The premium for this policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 13th day of each month.

Term of the contract

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

The groups did not agree on the best approach to use **ticks and bullets**. Although participants agreed that the ticks were “familiar” and “easy to understand”, some preferred the approach used in IPID 2 (where bullets are replaced by ticks, crosses and exclamation marks), while others preferred the approach used in IPID 3 (where the tick, cross and exclamation mark are not repeated, but are placed behind the section titles). Participants did not think that the colours of the bullet points in IPID 3 were needed; many participants had not noticed the variation in colour. Moreover, it was suggested that it would be better to place the tick, cross and exclamation marks in front of the titles.

“I know what the paragraph is about by looking at the tick next to the title. I don’t need to have ticks for every sentence.” (Private health insurance, high financial/education group, Hamburg)

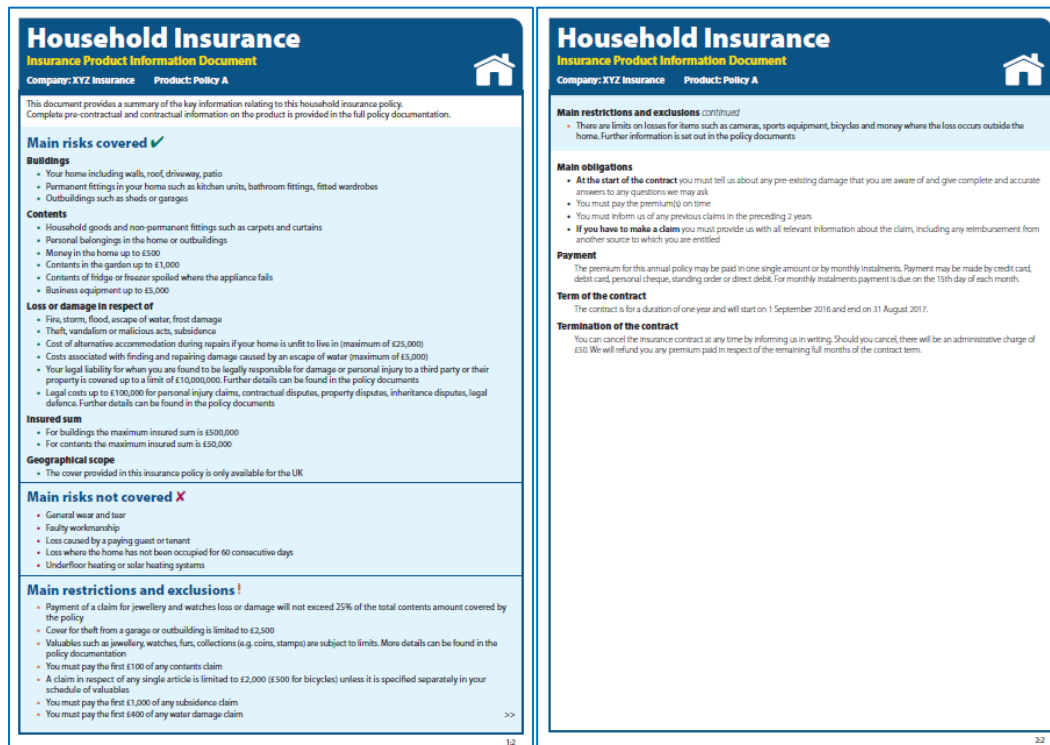
The discussion also focussed again on the **difference in layout between the section on risks covered, exclusions and restrictions and the section on obligations, payment, contract term and contract termination**. Some participants explained that the white background for the latter section made them conclude that this section is considered less important by the insurance provider.

“I really like the blue colour, it looks nicer and gives you a better impression. But I don’t like that the “money” issue is in white, like it’s not important.” (Private health insurance, low literacy/education group, Madrid)

The evaluation of this IPID differed for motor and private health insurance (one-page IPID – see the motor insurance IPID in Figure 5) and household insurance (two-page IPID – see Figure 6). Participants liked the blue background for the section on risks covered, exclusions and restrictions in the one-page IPIDs (the blue box covers the top half of the page), but thought that the two-page IPID was “too blue” and that the text was difficult to read due to the blue background (the blue box covers the complete first page).

“I don't like this format, it looks like a document from NHS, like those ‘have you protected yourself’ posters. It is not sexy.” (Household insurance, low literacy/education group, London)

Figure 6 IPID 3 (home insurance – two-page design)



4.4 Design of IPID 4

Participants liked the icons used in IPID 4 and felt that they added to the overall look and ease of understanding of the IPID. The icons were described as “easy”, “familiar” and “self-explanatory”. Comments were made about the fact that these type of symbols are “universal” (i.e. they would be understood in all EU Member States). Some participants thought that the grey background “brings up” the icons and written text.

“My phone is full of apps, these symbols are similar and feel familiar.” (Household insurance, low literacy/education group, London)

“It is interesting as well. Having the icons on the PID. The icons are more complex, but everybody looks at icons. If you look at the icon, you know what is going on before you read all the text.” (Motor insurance, low literacy/education, Hamburg)

“I find the icons more interesting. When you see all this text you think: oh no, put this aside. But the icons look good. They appeal more to me.” (Motor insurance, low literacy/education, Bucharest)

Figure 7 IPID 4

Motor Insurance

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy A]

This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered:

- ✓ Third party liability for damage caused to another vehicle
- ✓ Death or injury to the driver or passenger(s)
- ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others.
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation

Insured sum:

- ✓ The maximum insured sum is the replacement market value of the vehicle being insured

Geographical scope:

- ✓ The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy

Main risks not covered:

- ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law
- ✗ General wear and tear including to tyres, brakes etc.
- ✗ Loss or damage caused by using the wrong type of fuel
- ✗ Intentional damage by the owner

Main restrictions and exclusions:

- ! Driving other cars is restricted to the policyholder only and for third party cover only
- ! You must pay the first £250 of any third party or accidental damage claim
- ! Amounts above £200 for in-car entertainment systems are not covered

Main obligations:

- At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any damage to the vehicle that occurs
- You must inform the police immediately if any person is injured in a collision.
- If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Term of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

See important information on the next page →

Some participants provided suggestions for improving some of the icons. They thought that some of the icons were somewhat difficult to understand or gave an inaccurate view of the concept. Nonetheless, generally speaking, the icons were evaluated positively.

“We are looking for problems, but these are generally good icons.” (Motor insurance, high literacy/education group, London)

“The icons are very important. They have to work them a little to be more meaningful, but the idea is correct and it is more friendly for us” (Household insurance, high literacy/education group, Madrid)

“Risks covered”: during the London group on motor insurance, a participant noted that an umbrella is suitable for household insurance, but is less suitable for motor insurance. The group, however, could not come up with a better icon for “risks covered” for the IPID on motor insurance.

“Sum insured”: A participant said that the shield was confusing and reminded him of mandatory actions. As alternative, some participants suggested using a bill, coins or a safe. In the UK, participants noted that the euro sign should be replaced by a pound sign.

“Main restrictions and exclusion”: Although the icon itself was not criticised, some participants suggested that a lighter orange should be used, so that there is a larger difference with the colour used for “main risks not covered”.

“Main obligations”: A few participants noted that the handshake in this icon was “too friendly”; moreover, there was doubt whether green is the best colour for this icon (since this is about obligations, and was not seen as a “positive” element of the insurance).

“Payment”: One participant noted that bills or a credit card would be better than coins; the underlying idea being that you pay a significant amount for insurance, and so not just “loose change”. Participants in the UK and Romania noted that the euro coins would need to be replaced by coins in their local currency.

“Termination of the contract”: Some participants suggested that a red colour would be more suitable for this icon, since they associated red with the “stop” sign.

Although the icons were generally seen as helping the design of the IPID, some participants thought they **“took up too much space”**; this view was expressed in the groups that evaluated motor or private health insurance. While IPIDs 1, 2 and 3 for motor and private health insurance fitted on one page, IPID 4 covers two pages.

“The symbols are a little over-engineered; ticks and crosses also get the info across, so I don’t see the point.” (Household insurance, high literacy/education group, London)

“We are talking here about maximum clarity and I think they help. But I have just noticed that they are the reason we have to turn the page, because it pushes all the text further down.” (Private health insurance, high literacy/education group, Hamburg)

Some participants noted that, due to the size of the icons, there is too much space between the text for “geographic coverage” and “sum insured”, especially since this means that two pages are needed for the IPID.

In terms of attracting consumers’ **attention to the second page**, participants in the groups discussing motor insurance noted that it would be better that the boxes with text cover the complete page; the empty white space at the bottom made them conclude that the “text had finished” and they were not stimulated to turn the page and read the content of the second page.

4.5 Design of IPID 5

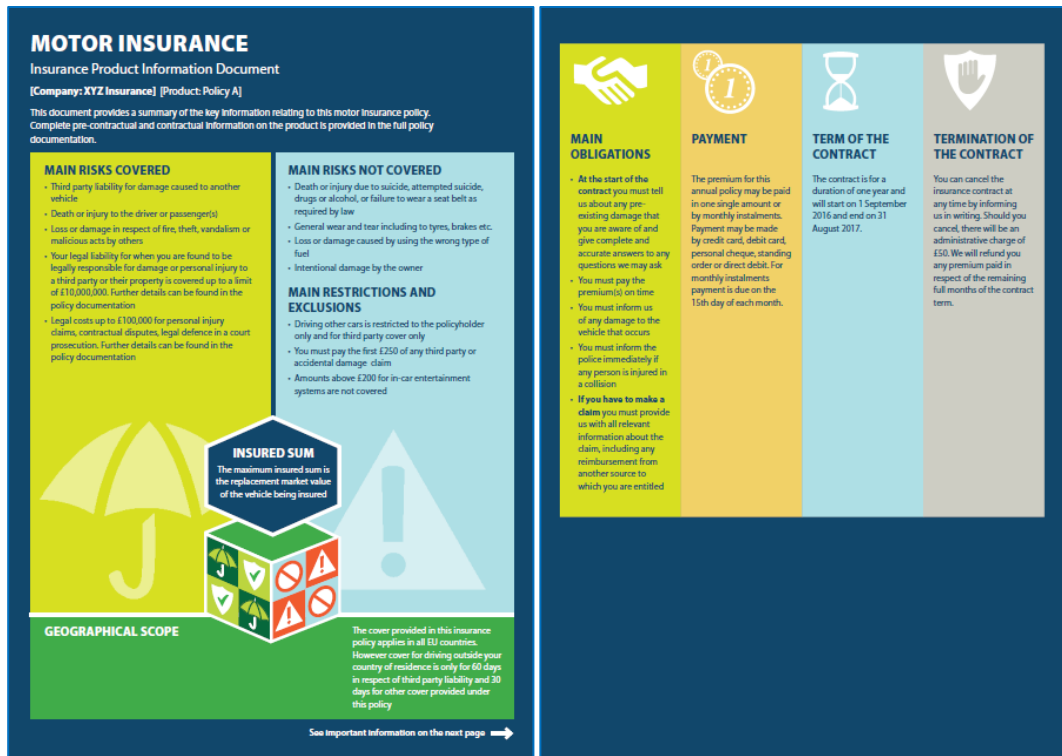
Participants thought that IPID 5 might be the most appealing (at first sight) and immediately attracts consumers’ attention, but it **does not look like a formal document from an insurance provider**. Participants said that IPID 5 contains too many colours and this makes the text less visible; moreover, the colours make the document look less serious. It was noted many times, across the four locations, that IPID 5 looks more like an **advertisement** – or, as noted by some participants in the groups in London, like a document from the council, e.g. a leaflet about benefits.

“It’s eye-catching, but not in a good way. It doesn’t seem an important document and looks like promotional material, not a legal document” (Motor insurance, high literacy/education group, London)

“This PID is very hard to read, and it looks like an advertisement. I think it is not appropriate for this purpose, you would think they are trying to sell you something, not to help you.” (Private health insurance, low literacy/education group, Madrid)

If this was sent to my home, I would think it was advertising and I would throw it away. (Motor insurance, low literacy/education group, Hamburg)

Figure 8 IPID 5



Although the IPIDs with a more colourful design were preferred by many participants, the colour scheme used in IPID 5 was criticised for various reasons:

- **Colours that are too dark:** some participants noted that the dark colours make it difficult to read the text.
- **Confusing use of colours:** green and blue are both positive colours, and as such are not associated with the content of the IPID. Some participants suggested that the light blue box for “main risks not covered” and “main restrictions and conclusion” should be replaced by a red or orange box, as this would reflect the content better.
- **Uneven levels of importance:** the two main columns catch the attention of the reader, while the sections “sum insured” and “geographic coverage” were not seen by some participants; this was especially the case for the IPID on household insurance.

“The design is interesting, but it seems like they did not find the right colours.” (Household insurance, high literacy/education group, Bucharest)

“This PID is hard to read, you get distracted each time. I had not noticed the information on geographic coverage at the bottom of the PID.” (Motor insurance, high literacy/education group, London)

Although the general perception of IPID 5 tended to be negative, **the use of columns in this IPID was seen as a positive design element.** Participants liked the columns because they help with the interpretation of the content and they increase comparability (“risk covered” vs. “risks not covered”). The second page of IPID 5 was evaluated more positively than the first page; participants said that this page was easy to read, and that the layout in columns was beneficial to understanding the content.

“I think this is actually nicely divided, on the first page as well. These two columns are practical, like a comparison table.” (Private health insurance, high literacy/education group, Hamburg)

Participants did not understand why the cube was added on page 1 of IPID 5. This cube was described as “meaningless” and “visually very heavy”. A suggestion was made to remove the cube and place the diamond with information on “insured sum” in the middle of the page.

“I don’t understand why the cube is there.” (Household insurance, high literacy/education group, Bucharest)

“I understand the logic of the cube in terms of colours and exclamation marks, but I doubt if anybody else would. I only understand it because these colours and ticks were also used in the other PIDs.” (Household insurance, low literacy/education group, London)

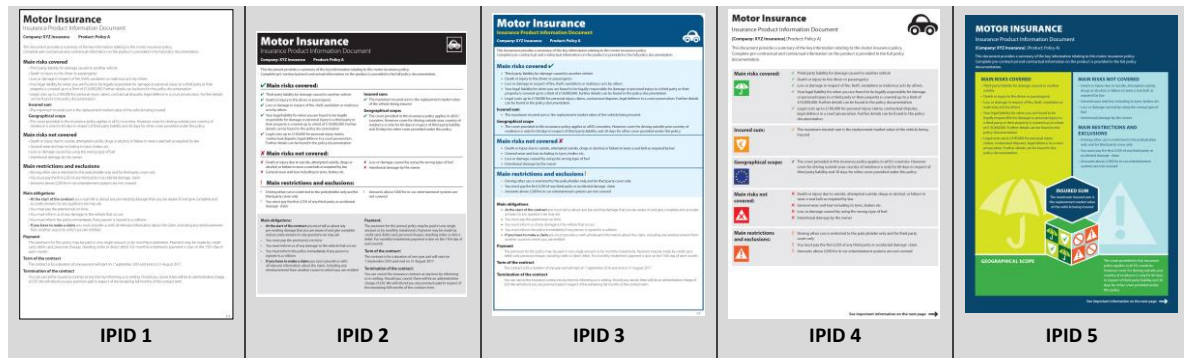
Participants indicated that the **text and symbol to turn the page** (“See important information on the next page →”) is again not visible enough, and that it should be highlighted or enhanced with design elements. Although participants preferred one-page IPIDs, a note was made that the use of a lot of colour makes the back page of this IPID more visible and noticeable.

5 Preference ranking for the five sample IPID formats

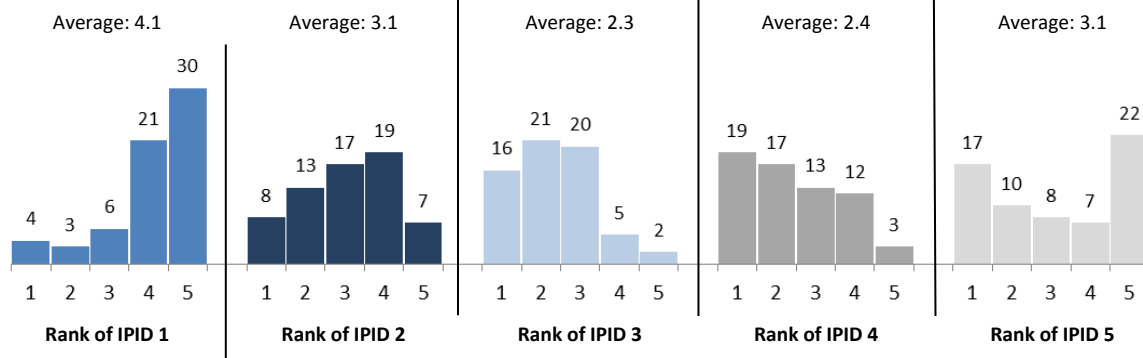
After a discussion about IPID 1, the moderator showed participants the remaining four sample IPID formats for the first time. Participants were asked to have a first look at these IPIDs (for not more than two minutes) and were asked to sort the IPID formats in order of preference (i.e. which IPID has the most appealing layout, and which IPID would they be most likely to pick up and read). At the end of the discussion, when all IPID formats had been discussed in detail, participants were asked to rank the five formats in order of preference again. The rationale is that by asking to rank the IPIDs at the beginning, we gauge the level of initial engagement with each IPID format, and by asking for another ranking at the end, once the participants have gone through the pros and cons of each specific IPID format, they rank them based on their overall merits. An effective IPID should have good rankings both on “first sight” (to ensure that it engages consumers when first encountered in the purchasing process) and “after consideration” (to ensure that it articulates relevant information clearly). Participants were asked to explain their choice of ranking and why they may have changed their ranking.

The chart on the next page presents the results of this ranking exercise, where 1 means that the IPID format was the favourite and 5 means that the IPID was least favourite. When participants were asked to rank the IPID formats at the start of the focus group discussion, IPIDs 3, 4 and 5 were most frequently ranked in first position; for example, 19 participants (out of 64 participants) thought that IPID 4 was the most attractive one. Moreover, IPIDs 3 and 4 were almost never placed in last position; respectively, two and three participants thought that these IPIDs were the least attractive. Participants were divided when ranking IPID 5, while 17 participants ranked this IPID in first position, an even higher number (22 participants) ranked it in fifth position. A minority of participants thought that IPID 1 was the most attractive (four participants ranked this IPID in first position); a large majority of participants placed this IPID at the end of their preference ranking.

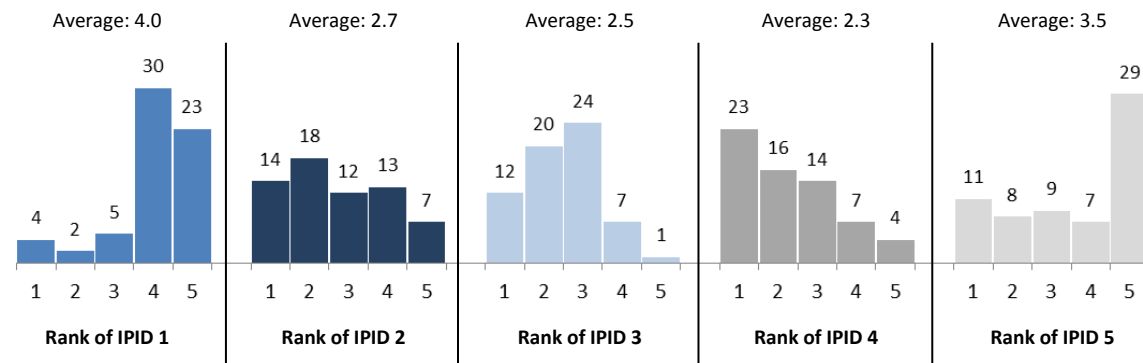
Figure 1 Ranking of IPIDs – original vs. final ranking



Ranking at the start of the discussion



Ranking at the end of the discussion



Note: Each chart presents the preference ranking for an IPID; for example, four participants placed IPID 1 in first position when asked to rank the IPIDs in order of preference at the start of the group discussion.

Base: all participants (n=64)

Source: Ipsos MORI

Looking at the preference rankings completed at the end of the focus group discussions, a few shifts can be observed. The number of participants that thought that IPID 5 was the best format dropped from 17 to 11 participants, while the number that ranked this format in last position increased from 22 to 29 participants. Although this IPID was considered “attractive at first sight” and “attracted participants’ eye”, participants noted that this design was not suitable for an official document and did not help to understand the content of the document.

IPID 2 received higher scores at the end of the focus group discussions. The number of participants who thought that IPID 2 was the best format increased from 8 to 14, while the number of participants that placed IPID 2 in second position increased from 13 to 18.

“It is clearly the best: it is serious but easy to read, it looks like an official document but you can go through it easily.” (Private health insurance, low literacy/education group, Madrid)

“I have switched, because the bottom part is better in this PID; the way the main obligations are highlighted. And looking back, I have decided that I do like the ticks and crosses.” (Private health insurance, high literacy/education group, Hamburg)

Another positive change was observed for IPID 4; while 19 participants thought that IPID 4 was the most attractive at the start of the group discussion, this number increased to 23 when ranking the IPIDs at the end of the discussion. Some participants noted that they liked IPID 4, but that they had not ranked it higher because it is a two-page design.

“I didn’t realise that this PID had a second page. And that is a shame, because otherwise the layout is very clear and the icons aren’t bad. They are a bit big perhaps. But I think it is really important that it should be on one page.” (Private health insurance, high literacy/education group, Hamburg)

Participants were also asked to imagine being in charge of designing the IPID; they were asked whether they would pick one of the five formats as the final one, or whether they would create a new layout that combines design elements from different IPIDs. Several participants suggested creating a new IPID format by combining elements of IPIDs 2 and 4.

“I would work with PID 2, but add elements of PID 4 to it. PID 2 is too plain with that white background. I liked to icons, but maybe they need to be smaller. I would also keep the grey boxes of PID 4.” (Home insurance, low literacy/education group, London)

“I hesitated for a long time between PIDs 2 and 4. I think PID 4 is more structured. I still think I need to find the nine points in the PID. The advantage of PID 2 is that you can grasp what is included and what is not included at a glance. Not only because it is a single page. So, perhaps they could be combined?” (Motor insurance, low literacy/education group, Hamburg)

6 Findings and recommendations

Focus group testing led to a clearer picture about the direction the sample IPID formats should take. Overall, participants appeared to like the IPID and its content because it offers “a complete overview at a glance” and presents information that is clear and understandable. The ranking exercises at the beginning and end of the focus group discussions told us how the sample IPIDs compare with one another, according to participants. Participants also provided clear indications of the design elements that did – and did not – “work” for them.

IPID 1 performed relatively poorly in both ranking exercises. As a result, it was not recommended that IPID 1 be included in Phase 2 of the study. Despite participants preferring other IPIDs over IPID 1, its presence in the focus group exercise allowed participants to focus on the structure and content of the IPID, which they generally liked. The simplicity of the document was a feature which was highly regarded, and subsequent IPIDs which retained this element performed well.

Participants preferred IPIDs 2 and 3 to IPID 1, because they retained the seriousness of IPID 1, whilst adding functional colour. **IPID 2** was rated higher at the end of the focus group than at the beginning, indicating that participants grew to like the format as they became more familiar with it. Participants liked the use of small symbols and the use of columns. It was suggested that if a similar IPID was to be included in Phase 2 testing, some minor changes could be made, e.g. to change the colour of the

document heading. In addition, several participants suggested creating a new IPID format by combining elements of IPIDs 2 and 4.

IPID 3 performed relatively well in the ranking exercises in that it was very infrequently placed in last or second last place. Participants generally liked the addition of colour. However, it was suggested that if IPID 3 was to be used in Phase 2 of the study, some further consideration could be given to whether the use of a coloured background could be improved. For instance, some participants disliked the use of blue while others had concerns about the sections in a white background appearing less important than other sections.

IPID 4 was ranked first by the highest number of participants in both ranking exercises, which provided a strong justification for including it in Phase 2 of the study. Participants generally liked the icons and the use of background. It was noted that if any refinements were going to be made to this IPID, some minor suggestions by participants could be implemented, specifically refining the design of some of the icons and resizing the icons to avoid gaps in the text.

IPID 5 divided opinions in the initial ranking exercise, with a high number of participants ranking it both in first place and in last place. However, in the ranking exercise at the end of the focus group, it was the IPID ranked in last place by the higher number of participants. Although this IPID was considered “attractive at first sight” and “attracted participants’ eyes”, participants noted that this design was not suitable for an official document and did not help to understand the content of the document. One aspect participants particularly liked was the use of columns. It was suggested that if a similar IPID to IPID 5 (i.e. incorporating columns and colour) was to be considered in Phase 2 of the study, changes should be made. Suggestions from participants included changing some of the colours used, removing the cube element, and ensuring that the “sum insured” and “geographic coverage” sections are seen by participants.

7 Revisions to the IPID formats for Phase 2

Five IPID formats were tested in the Phase 1 focus groups, resulting in recommendations on improvements that could be made to the IPID formats to be tested in Phase 2. In using the Phase 1 results to refine the IPID formats, it was necessary to develop different formats with clearly defined parameters and which were sufficiently different to each other to allow for comprehensive testing of a broad range of options.

The choice was made to reduce the number of IPID formats tested in Phase 2 to three, with the rationale that estimates from quantitative testing would be more precise with a larger sample of survey participants seeing each sample IPID. Two of the best performing IPID formats from Phase 1 (IPIDs 4 and 2) were brought forward to Phase 2 with minor revisions. A third IPID format was then developed incorporating a few popular design elements of the other IPIDs.

IPID 4 performed best out of all of the IPIDs in the ranking exercise. Participants generally liked the icons and the use of grey background. One change made to this format is that section icons (such as the umbrella, shield and handshake symbols) were made smaller to avoid blank spaces in sections where there was little text. The Phase 1 IPID 4 was then renamed **Phase 2 IPID 3**.

IPID 2 performed well in the focus groups with participants liking the columns and the small symbols (e.g. ticks, exclamation points). One change made to this IPID format was that the colour of the heading was changed from black to a lighter blue colour (as had been suggested during the focus groups). The Phase 1 IPID 2 was then renamed **Phase 2 IPID 1**.

A new IPID format was then developed using the double column idea from Phase 1 IPID 5 (which was liked by many focus group participants) and using some other popular design elements of the other IPIDs. Some of the features of this IPID format were as follows:

- The columns from Phase 1 IPID 5 which present “main risks covered” opposite to “main risks not covered” were used.
- The colour of the heading was blue, similar to Phase 2 IPID 1.
- Sections on the first page were presented in boxes with a grey background, similar to Phase 2 IPID 3.
- Icon bullet points (e.g. ticks, exclamation points) were used, similar to the other Phase 2 IPIDs.
- An icon to indicate the type of insurance was added to the document heading (e.g. a house for household insurance), similar to the other Phase 2 IPIDs.
- Section icons (such as the umbrella, shield and handshake symbols) were used, similar to Phase 2 IPID 3.
- The “obligations”, “payment”, “duration of contract” and “termination of contract” sections were presented in relatively plain text, similar to the Phase 1 IPID 1.
- This IPID was then named **Phase 2 IPID 2**.

Some further changes were applied to all IPIDs before Phase 2 testing:

- In the English versions, “term of the contract” was changed to “duration of the contract” due to potential confusion with the other section, “termination of the contract”.
- The Euro symbol beside the “insured sum” section was changed to a Pound symbol for UK and a lei symbol for Romania.
- Where the IPID had information on the reverse side of the page, text saying “Please turn over” beside a symbol was used. The turn page indicator was also placed to follow directly after text with the aim of avoiding blank space.

The final sample IPID formats which were tested in the Phase 2 online survey can be seen in Chapter 10.

PHASE 2: QUANTITATIVE RESEARCH

8 Phase 2: Introduction

Chapters 9 to 14 present the methodology and results of the quantitative Phase 2 research, which took the form of an online consumer survey. Chapter 9 provides an overview of the survey methodology. Chapter 10 shows the sample IPID formats tested. Statistics describing the composition of the survey sample are provided in Chapter 11. The results of the testing are presented in Chapter 12 with further analysis by sociodemographic subgroup presented in Chapter 13. Chapter 14 then concludes the report by providing a summary of the findings and recommendations arising from Phase 1 and Phase 2 of the study.

9 Survey methodology

9.1 Research design

The quantitative testing took the form of an online consumer survey. This approach allowed data to be gathered from a representative sample of the population of consumers within each of four countries, ensuring a varied geographical representation of the EU. The sample size (800 per country) was sufficient to permit tests of statistical significance to be conducted. The online consumer survey was undertaken in the same Member States as the focus groups: Germany, Romania, Spain and the United Kingdom. The rationale for undertaking research in these particular Member States is presented in section 1.3.1.

9.2 Test questions

Participants were shown the sample IPIDs on screen and were tested on their understanding of the content of the IPID, asked their opinion on which sample IPID format they preferred, and tested on their ability to compare alternative products. To gather this evidence, the survey was split into three separate tasks, summarised in Table 7 and described in further detail below. All respondents participated in all tasks.

Table 7 Summary of survey tasks

Task	No. IPID formats shown	No. alternative products shown	Type of test
Task I	1	1	Objective test of understanding of IPID content
Task II	2	1	Subjective test of consumers' impressions of the IPID formats
Task III	1	2	Objective test of ability to use the content of the IPID to compare alternative products

Source: LE Europe

Taken together, the survey allows us to determine which of the sample IPID formats perform best (objectively and subjectively) in terms of enabling consumers to understand and use the content of the IPID correctly.

9.2.1 Task I

In Task I, respondents were shown on their screen one sample IPID format showing the details of one non-life insurance product (e.g. a motor insurance product). Respondents were then asked questions to test their understanding of the content of the IPID. For example, a question asked respondents to correctly identify which of a list of risks were covered by the product.

For all questions in Task I (except one, which was a subjective question), there was a single correct way to answer. By asking the same questions of individuals who saw information presented using different IPID formats, it was possible to compare how effective the IPID formats were in terms of enabling consumers to understand the content of the IPID correctly.

9.2.2 Task II

In Task II, respondents were shown two different sample IPID formats for the same non-life insurance product side-by-side on their screen. Respondents were asked a range of questions to determine which IPID format, in their opinion, was more informative, easy to understand and engaging. There was no correct answer to any of the questions in Task II, since the aim of this task was to elicit consumers' subjective impressions of the IPID formats.

Although there were three sample IPID formats and each individual saw only two of these different formats in Task II, it was still possible to compare the IPID formats in terms of respondents' subjective preferences since there was an even allocation of the formats across all respondents.

9.2.3 Task III

In Task III, respondents were shown two alternative non-life insurance products of the same type (e.g. two home insurance offers), both of which were presented using the same IPID format. The two products were potential substitutes for one another, such as a consumer might encounter when shopping around for a particular type of insurance.

The two products were designed to differ in some features, for example, the risks covered by the product or the cost of cancelling the product before the end of the contract. The respondent was asked questions which required him or her to identify differences between the two products. The aim of this task is to assess respondents' ability to use the information contained in the IPID to compare two alternative offers.

9.3 Accessing the IPIDs

At the beginning of each task, instructions on screen explained how to access the sample IPIDs. The sample IPIDs opened in a separate browser tab or window. Before permitting the respondents to proceed to the test questions within each task, participants had to correctly enter a code that appeared at the top of the sample IPID. This question acted as a check that each participant had opened the document successfully. Test questions were only asked to those that passed this check.

Participants were encouraged to print the IPID although this was not mandated. 18.1% of participants in the survey reported that they printed the Task I document, 16.9% of participants reported that they printed the new Task II document and 15.3% reported that they printed the new Task III document. 76.3% of participants said that they did not print any of the documents.

9.4 Sampling and weighting

9.4.1 Sampling methodology

Over 3,200 individuals participated in the online consumer survey, with over 800 individuals surveyed in each of the countries: Germany, Romania, Spain and the United Kingdom. Since three alternative IPID formats were tested (see below), each format was the subject of the testing for

1,068 respondents in Task I and Task III and for 2,136 respondents in Task II (which included two of the three IPID formats per respondent, as shown in Table 7 above).

Since the aim of the survey was to gather evidence relevant to the population of non-life insurance consumers in the EU, a representative sampling approach was used in each country. It was agreed that any individuals over the age of 18 could be considered to be consumers, potential consumers or future consumers for non-life insurance products. As such, for the purposes of the survey, the population of non-life insurance consumers in the EU was considered to be equivalent to the population of EU citizens over the age of 18.

The sample was drawn from online panels using quotas based on official statistics (in this case, from Eurostat 2013). In quota sampling, the researcher aims to represent the major characteristics of the population by sampling a proportional amount of each. Within each quota-subgroup, respondents fulfilling the quota are randomly selected. Within each country, quotas were set on gender, age, educational attainment and region.

“Soft quotas” were used, meaning some leeway was granted for online responses to achieve the target number of interviews. If there are any imbalances in the representativeness of the final sample, they can then be managed using weights (discussed in section 9.4.4).

9.4.2 Use of an online survey

An online survey was used for quantitative consumer testing due to its advantages in terms of:

- Ease of recruiting a large, representative sample across multiple Member States;
- Ability to display the sample IPIDs;
- Speed and cost-effectiveness of fieldwork.

Although the sample IPIDs appeared on screen during the survey, participants had the option to print the IPID if they preferred to see a paper version.

An online access panel is a group of pre-recruited individuals who have agreed to take part in research. Since they have already provided key details about the demographics of all individuals in the household, as well as a range of other information, surveys can be targeted accurately to each member of the panel. Panellists are invited by email to take part in online surveys based on predefined criteria and upon successful completion of an online survey the panellist receive their allocated incentive.

9.4.3 Data quality checks

A pilot was undertaken to ensure that the questionnaire functioned as intended. Some very minor changes to the wording of questions were implemented following the pilot. In addition, a check was implemented to remove respondents who completed the survey so quickly that it was unlikely that they had looked at the sample IPIDs while answering the questions. In addition to this, Ipsos checked data quality by means of a rigorous data cleaning process which identifies incomplete records, “outliers”, “flat-liners”, and “speedsters”.

9.4.4 Weighting

The sampling methodology used was designed to ensure the maximum representativeness possible given the constraints of the method and cost. However, there may still be imbalances which can be

corrected by weighting. The purpose of weighting in surveys is to reduce the biasing impact of non-coverage and non-response through the application of post-stratification weights.

The weights were calculated using iterative proportional fitting. “In country” or national weights were applied based on gender, age and geographic region using statistics from Eurostat 2013. Then cross-country weights were applied so that the weighted sample size for each country would be proportionate to the size of its population, allowing inferences to be made for the population of EU consumers.

10 Products and IPID formats tested

10.1 IPID formats tested

Three alternative sample IPID formats were developed for Phase 2 of the consumer testing. These IPID formats were designed on the basis of the findings and recommendations which emerged from the focus groups in Phase 2 testing. Chapter 7 describes the refinements to the design made between Phase 1 and Phase 2.

Examples of the three IPID formats tested (as they appeared for the household insurance product) are shown in Figure 2, Figure 3 and Figure 4. The full set of test materials in English can be found in Annex 6. Given that the consumer testing was conducted in four different countries, all test materials (including the IPID formats and questionnaire) were translated into the official languages of Germany, Spain and Romania.

Figure 2 Example of Phase 2 IPID 1

Household Insurance Insurance Product Information Document Company: STU Insurance Product: Policy Y		Household Insurance Insurance Product Information Document Company: STU Insurance Product: Policy Y	
This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.			
✓ Main risks covered: Buildings: ✓ Outbuildings such as garages or sheds ✓ Your home including patio, walls, roof, driveway ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes ✓ General wear and tear Contents: ✓ Personal belongings in the home or outbuildings ✓ Household goods and non-permanent fittings such as carpets and curtains ✓ Money in the home up to €600 ✓ Contents in the garden up to €1,500 ✓ Business equipment up to €1,000 ✓ Contents of fridge or freezer spoiled where the appliance fails Loss or damage in respect of: ✓ Fire, storm, flood, escape of water, frost damage ✓ Theft, vandalism or malicious acts, subsidence ✗ Main risks not covered: ✗ Loss where the home has not been occupied for 60 consecutive days ✗ Faulty workmanship ! Main restrictions and exclusions: ! You must pay the first €150 of any contents claim ! Payment of a claim for loss or damage to jewellery and watches will not exceed 25% of the total contents amount covered by the policy ! Cover for theft from a garage or outbuilding is limited to €2,500 ! Valuables such as jewellery, watches, furs, paintings, collections (e.g. coins, stamps) are subject to limits. More details can be found in the supporting policy documentation		Code: E1 ✓ Main risks covered: ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of €30,000) ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of €5,000) ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of €10,000,000. Further information can be found in the policy documents ✓ Legal costs up to €100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further information can be found in the policy documents Insured sum: ✓ For contents the maximum insured sum is €400,000 ✓ For buildings the maximum insured sum is €600,000 Geographical scope: ✓ The cover provided in this insurance policy is only available for UK Main obligations: • At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask • You must inform us of any previous claims in the preceding 2 years • You must pay the premium(s) on time • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. Duration of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of €30. We will refund you any premium paid in respect of the remaining full months of the contract duration.	

Figure 3 Example of Phase 2 - IPID 2

Household Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy X

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered:

Buildings:

- ✓ Your home including walls, roof, driveway, patio
- ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes
- ✓ Outbuildings such as sheds or garages

Contents:

- ✓ Household goods and non-permanent fittings such as carpets and curtains
- ✓ Personal belongings in the home or outbuildings
- ✓ Money in the home up to £500
- ✓ Contents in the garden up to £1,000
- ✓ Contents of fridge or freezer spoiled where the appliance fails
- ✓ Business equipment up to £5,000

Loss or damage in respect of:

- ✓ Fire, storm, flood, escape of water, frost damage
- ✓ Theft, vandalism or malicious acts, subsidence
- ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £25,000)
- ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000)
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents

Insured sum:

- ✓ For buildings the maximum insured sum is £500,000
- ✓ For contents the maximum insured sum is £50,000

Geographical scope:

- ✓ The cover provided in this insurance policy is only available for the UK

Main risks not covered:

- ✗ General wear and tear
- ✗ Faulty workmanship
- ✗ Loss caused by a paying guest or tenant
- ✗ Loss where the home has not been occupied for 60 consecutive days
- ✗ Underfloor heating or solar heating systems

Main restrictions and exclusions:

- ! Payment of a claim for jewellery and watches loss or damage will not exceed 25% of the total contents amount covered by the policy
- ! Cover for theft from a garage or outbuilding is limited to £2,500
- ! Valuables such as jewellery, watches, furs, collections (e.g. coins, stamps) are subject to limits. More details can be found in the policy documentation
- ! You must pay the first £100 of any contents claim
- ! A claim in respect of any single article is limited to £2,000 (£500 for bicycles) unless it is specified separately in your schedule of valuables
- ! You must pay the first £1,000 of any subsidence claim
- ! You must pay the first £400 of any water damage claim
- ! There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents

Main obligations:

- At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any previous claims in the preceding 2 years
- If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

Please turn over >>>

Figure 4 Example of Phase 2 – IPID 3

Household insurance

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy X]

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered:

Buildings:

- ✓ Your home including walls, roof, driveway, patio
- ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes
- ✓ Outbuildings such as sheds or garages

Contents:

- ✓ Household goods and non-permanent fittings such as carpets and curtains
- ✓ Personal belongings in the home or outbuildings
- ✓ Money in the home up to £500
- ✓ Contents in the garden up to £1,000
- ✓ Contents of fridge or freezer spoiled where the appliance fails
- ✓ Business equipment up to £5,000

Loss or damage in respect of:

- ✓ Fire, storm, flood, escape of water, frost damage
- ✓ Theft, vandalism or malicious acts, subsidence
- ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £25,000)
- ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000)
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents

Insured sum:

- ✓ For buildings the maximum insured sum is £500,000
- ✓ For contents the maximum insured sum is £50,000

Geographical scope:

- ✓ The cover provided in this insurance policy is only available for the UK

Main risks not covered:

- ✗ General wear and tear
- ✗ Faulty workmanship
- ✗ Loss caused by a paying guest or tenant
- ✗ Loss where the home has not been occupied for 60 consecutive days
- ✗ Underfloor heating or solar heating systems

Main restrictions and exclusions:

- ! Payment of a claim for jewellery and watches loss or damage will not exceed 25% of the total contents amount covered by the policy
- ! Cover for theft from a garage or outbuilding is limited to £2,500
- ! Valuables such as jewellery, watches, furs, collections (e.g. coins, stamps) are subject to limits. More details can be found in the policy documentation
- ! You must pay the first £100 of any contents claim
- ! A claim in respect of any single article is limited to £2,000 (£500 for bicycles) unless it is specified separately in your schedule of valuables
- ! You must pay the first £1,000 of any subsidence claim
- ! You must pay the first £400 of any water damage claim
- ! There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents

Main obligations:

- At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any previous claims in the preceding 2 years
- If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

Please turn over >>>

10.2 Types of insurance product tested

Sample IPIDs were developed for three types of insurance product (motor, household and health) for inclusion in the consumer testing. The rationale behind selecting three types of insurance was

that this would provide a strong basis for results which are applicable to a wide range of non-life insurance products. The same three products were used in the focus groups in Phase 1 of the study. See section 1.3.2 for further discussion of the reasoning behind the selection of products.

10.3 Allocation of products and IPID formats

With three different IPID formats (1, 2, 3) showing three different insurance products (motor, household, health), there were nine different sample IPIDs that an individual could be shown in Task I. Each respondent had an equal (one in nine) and random chance of seeing each sample IPID.

Table 8 Allocation of sample IPIDs

		IPID format		
		1	2	3
Insurance product	Motor	A1	A2	A3
	Household	B1	B2	B3
	Health	C1	C2	C3

Source: LE Europe

In Task II, respondents saw the same sample IPID as they had seen in Task I and were also asked to open a new sample IPID which used a different format to present the same non-life insurance product. As such, a respondent who saw IPID A1 in Task I would see this again in Task II alongside either IPID A2 or IPID A3. The new sample IPID was allocated evenly and randomly so that there was a 50% chance of seeing each one of these two possible sample IPIDs.

In Task III, respondents saw the same sample IPID as they had seen in Task I (and Task II) and were asked to open a new sample IPID which used the same format to present an alternative non-life insurance product of the same type (motor, household or health). For example, a respondent who saw IPID A1 in Task I, which shows a motor insurance product, would open a sample IPID which used the same format to present another motor insurance product with slightly different features.

In all stages of the online survey, allocation of the sample IPIDs was done randomly and evenly so that any respondent biases or learning would cancel out in aggregate. This ensured that the IPID formats could be assessed on a comparable basis.

11 Respondent statistics

This chapter describes the characteristics of the survey sample. See section 9.4 for more information on sampling methods and weights.

11.1 Sample sizes and geographic composition

The final selection of countries and their associated sample sizes are shown in the table below. As can be seen the overall sample is split roughly evenly across the four countries.

Table 9 Sample size per country

Country	No. in initial sample
Romania	802
Germany	801
Spain	800
UK	801
Total	3,204

Source: LE Europe analysis of Ipsos MORI data.

The initial selection of respondents was based on quotas which were representative (in terms of age, gender, region and education level) of the populations of each of the selected countries. Any divergences from these quotas were then mitigated using weighting on age, gender and region.

Cross-country weights were applied so that the weighted sample size for each country would be proportionate to the size of its population, allowing inferences to be made for the population of EU consumers. This had the result of Romania and Spain becoming a smaller proportion of the total sample, and Germany and the UK being increased as a proportion of the total. The table below shows the total weighted percentage of each country within the sample once weights have been applied.

Table 10 Weighted country composition

Country	Weighted %
Romania	5.9
Germany	41.6
Spain	19.9
UK	32.7
Total	100

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

11.1.1 Demographic composition

The table overleaf shows the weighted composition of the survey sample in terms of demographic characteristics.

Table 11 Demographic composition

	Weighted %
<u>Gender</u>	
Male	49.0
Female	51.0
Total	100
<u>Age group</u>	
18 – 24	10.4
25 – 34	16.4
35 – 44	17.8
45 – 54	18.8
55+	36.6
Total	100
<u>Education</u>	
Low	13.4
Medium	41.7
High	44.9
Total	100

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

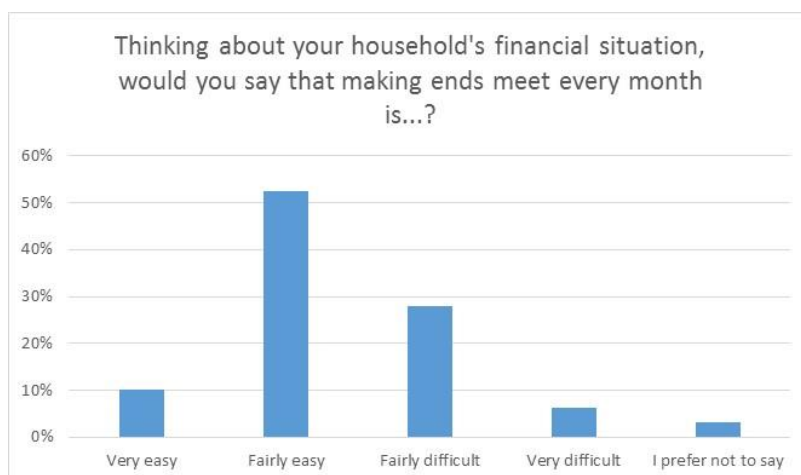
11.1.2 Financial situation and financial literacy

The questionnaire contained introductory questions on the following topics:

- Financial situation – Respondents were asked how easy/difficult it is to “make ends meet” each month as a way to gauge household financial circumstances. This was asked in a way which proxied household income without explicitly asking for household income due to potential sensitivities, but respondents were given the option of not responding to this question if they wished.¹⁵
- Financial literacy – as well as testing respondents’ financial literacy using questions on compounding of interest and inflation, respondents were also asked how knowledgeable they felt about insurance products on a scale from 1 to 7.

Figure 5 below shows the response to the question on making ends meet. Just over half of all respondents (52.4%) said this was “fairly easy”, with over a quarter (28.0%) saying this was fairly difficult.

¹⁵ This question has been used as a proxy for financial situation in previous studies, such as LE Europe’s recent study on consumer vulnerability for EC DG SANCO.

Figure 5 Financial situation

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

Low financial literacy was defined as answering zero, one, or two of the three financial literacy questions correctly, with high financial literacy defined as answering all three financial literacy questions correctly. The table below shows the weighted proportion of respondents that fell into each level of financial literacy in each country.

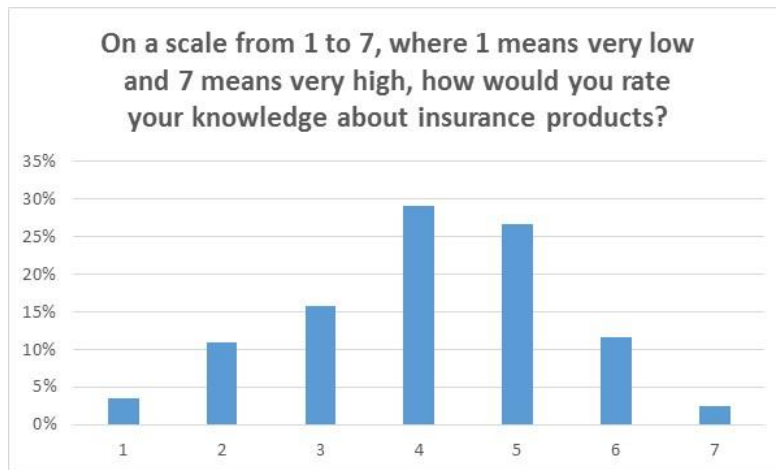
Table 12 Financial literacy by country

Financial literacy	Romania	Germany	Spain	UK	Total
	%	%	%	%	%
Low	59.3	43.5	66.3	40.7	48.1
High	40.7	56.5	33.7	59.3	51.9
Total	100.0	100.0	100.0	100.0	100.0

Note: Proportions are weighted by age, gender and region using Eurostat 2013 data. Total proportions weighted by country population.

Source: LE Europe analysis of Ipsos MORI data.

As well as using the three financial literacy questions, respondents were also asked how knowledgeable they felt about insurance products on a scale from 1 to 7. The graph below shows the proportion that selected each value on the scale, which shows a bell shaped result with the most common scores being 4 (29.1%) and 5 (26.6%).

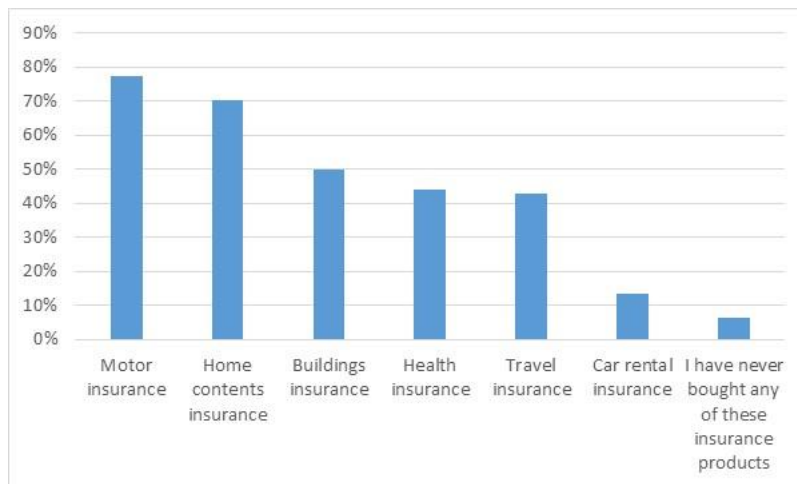
Figure 6 Self-reported insurance knowledge

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

11.1.3 Insurance product ownership

The figure below shows rates of insurance product ownership amongst respondents. Multiple selection of responses was allowed. Motor insurance was the most commonly held product, followed by home contents insurance. This is consistent with the data showing motor, health and household are the three types of insurance which account for the highest proportions of the EU non-life insurance market in terms of value of premiums.¹⁶

Figure 7 Insurance product ownership

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

¹⁶ Insurance Europe (2015), European Insurance – Key facts. Available at:

www.insuranceeurope.eu/sites/default/files/attachments/European%20Insurance%20-%20Key%20Facts%20-%20August%202015.pdf

12 Testing results

This section outlines the results of quantitative testing using the survey questionnaire, which contained a mix of objective and subjective questions. This section presents the results question-by-question, with particular reference to how the IPID format seen by the respondent may have influenced the answer provided. Where results vary across subgroups (e.g. different geographic locations, ages, genders and levels of financial literacy), this is noted in the text.

12.1 Significance testing

For the objective questions in Task I and Task III, a chi-square test¹⁷ was used to test for statistically significant links between the quality of the answer given (i.e. whether respondents answer correctly or incorrectly) and the IPID format seen. The reason for choosing the chi-square test is that it allows robust testing between more than two proportions (necessary because there were three IPID formats).

The chi-square test works by comparing the actual results for a question for each format to the results that would be expected if each format performed equally well (the null hypothesis). So, under the null hypothesis the proportion of correct responses would be the same whether format 1, 2, or 3 was seen. If the deviation between the null hypothesis and the actual results is large enough that it cannot be attributed to chance, then it can be said that there is a statistically significant relationship between the format seen and the quality of the answer. Where a dependency between the quality of the answers and the IPID format seen could be established at a 10% significance level, figures in tables appear **in bold text**.

Since the chi-square test does not test which particular differences between IPID formats are driving the overall chi-square result, additional z-tests (also using a 10% significance level) have also been performed *if the chi-square test suggests a statistically significant relationship between the format seen and the quality of the answer*. These tests indicate whether a specific IPID format produces a statistically significantly higher proportion of correct answers than another specified IPID format. Where a z-test shows a statistically significant result, these results are reported in the text.

12.2 Objective test questions

As discussed in the survey methodology chapter (see section 9.2), the questionnaire was composed of subjective and objective test questions. Tasks I and III were objective tests of respondents' ability to understand and use the information presented in the sample IPID. This section presents the results of the questions in Task I and Task III. Task II asked respondents about their subjective impressions of the sample IPID formats. The results of the Task II questions are presented in section 12.3.

12.2.1 Task I

Respondents were shown one sample IPID for one non-life insurance product, and were tested on their understanding of the content of the IPID. By asking the same questions of respondents who

¹⁷ Adjusted to account for the design effect of the weighting.

saw different IPID formats, it was possible to assess the extent to which each IPID format helped respondents to understand the information presented.

Q1: Suppose you found this document on an insurance company's website. What type of document would you think this was?

1. Advertising material designed to sell the insurance product
2. An impartial document intended to help you understand the insurance product
3. A contract for the insurance product
4. None of the above

Question 1 was designed with the intention of understanding whether respondents understood at first glance the purpose of the document they were seeing. Table 13 below shows the proportions of correct and incorrect responses to this question according to the IPID format seen by the respondent. Approximately 60% of all respondents correctly perceive the IPID as an impartial document.

Overall, IPID 2 is associated with the highest proportion of correct answers. However, the relationship between the IPID format seen and the quality of the answer is not statistically significant. Consistent with this, IPID 2 performs best when health and household insurance products are shown. However, when motor insurance is seen, IPID 3 performs best.

Table 13 Task I Q1

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	58.3	586	41.7	482	100.0	1,068
2	61.4	613	38.6	455	100.0	1,068
3	58.6	590	41.4	478	100.0	1,068
Total	59.4	1,789	40.6	1,415	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

Table 14 shows the actual responses to the question. Besides identifying that the IPID is an impartial document, the second most common perception is that it is advertising material (20.7%), followed by the perception that it is a contract for the insurance product (16.6%), and the perception that it is none of the above (3.3%). This trend is consistent across each of the IPID formats.

Table 14 Task I Q1 – Responses

IPID format	CORRECT - An impartial document intended to help you understand the insurance product		INCORRECT - Advertising material designed to sell the insurance product		INCORRECT - A contract for the insurance product		INCORRECT - None of the above		Total	
	%	No.	%	No.	%	No.	%	No.	%	No.
1	58.3	586	21.8	257	16.2	182	3.7	43	100.0	1,068
2	61.4	613	19.1	240	16.2	174	3.3	41	100.0	1,068
3	58.6	590	21.2	259	17.3	185	2.9	34	100.0	1,068
Total	59.4	1,789	20.7	756	16.6	541	3.3	118	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

Perceptions of the sample IPID vary by subgroup. “Respondents in every country were more likely give the correct answer than any other possible answer”. However, in the UK and Germany, 65.0% and 63.7% respondents believe the sample IPID is an impartial document respectively, whereas in Romania and Spain these figures are 48.1% and 45.0% respectively. Respondents in these latter two countries are more likely to believe that the sample IPID is advertising material (29.7%-33.3% vs. 20.7% overall).

Respondents in both the high and low financial literacy groups are more likely to answer correctly than incorrectly, though the proportion of correct answers is higher in the high financial literacy group. In particular, respondents with low financial literacy are more likely than respondents with high literacy (20.5% vs. 13.0%) to perceive the sample IPID as a contract for an insurance product.

Across age groups there is a little variation, with those aged 25-34 most likely to answer this question correctly (62.7%), and those aged 35-44 least likely to answer correctly (56.6%). Those aged 55+ are most likely to perceive the sample IPID as marketing material (23.5%). The proportions of correct answers are very similar for respondents of both genders (20.4% for male respondents, 21.1% for female respondents).

Question 2 of Task I is a subjective question and the results of this question are presented in section 12.

Q3: Looking at the document, which of the following risks are covered by the insurance product?

[Motor]

1. Damage caused to another person's vehicle
2. General wear and tear to brakes
3. Damage caused by you to another person's vehicle or property while driving your car in another EU country during a week-long holiday

Question 3 aimed to probe respondents' understanding of coverage of risks. Due to differences in coverage across different product types, the question was asked differently depending on the product seen. The text above shows what those respondents who saw a sample IPID for a motor insurance product were asked, whereas those who saw a sample IPID for health and accident insurance were asked about product specific features such as emergency treatment in hospital and a face lift to remove lines and wrinkles (see Annex 5 for full question text). The aim of this was to also preserve the comparability of overall results (by IPID format) across products.

Table 15 below shows the overall results for this question across the different IPID formats, with approximately 64.2% of all respondents answering the question correctly. IPID 3 performs best with 68.2% of respondents who see IPID 3 answering correctly. The relationship between the IPID format seen and the quality of the answer is statistically significant. The proportion of those who answer correctly is statistically significantly higher for IPID 3 than for IPID 2 but it is not statistically significantly higher than for IPID 1. IPID 3 performs best across each of the three insurance product types.

A potential explanation for this result is the fact that each section of IPID 3 is contained within its own shaded box, making it easier to locate the section “Main risks covered” which contains the information required to answer this question correctly. In contrast, in IPIDs 1 and 2 “Main risks covered” is combined with “Insured sum” and “Geographical scope”, making the section stand out less to the reader.

Table 15 Task I Q3

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	63.5	656	36.5	412	100.0	1,068
2	60.9	648	39.1	420	100.0	1,068
3	68.2	700	31.8	368	100.0	1,068
Total	64.2	2,004	35.8	1,200	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

The superior performance of IPID 3 is consistent across the four countries, financial literacy groups, gender. It is consistent across all age groups except the 25-34 year old category, where performance is better among those seeing IPID 1 but this difference is very small.

Q4A: Are the following statements true or false?

- i. **[Motor] You must pay the first £350 of any third party or accidental damage claim**
- ii. **[Household] You must pay the first £350 of any contents claim**
- iii. **[Health] You must pay the first £350 for any surgical procedure**

Question 4A tests respondents' comprehension of the excess of the insurance product. Similar to Question 3, Question 4A was asked differently depending on the insurance product seen but the comparability of overall results by IPID format across products has been preserved.

All three IPID formats perform equally well (to the nearest percentage point) on Question 4A. IPID 3 is the best performing format when a motor insurance product is seen. However when a health or household insurance product is seen, IPID 1 performs best.

Table 16 Task I Q4A

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	90.1	962	9.9	106	100.0	1,068
2	89.9	960	10.1	108	100.0	1,068
3	90.4	966	9.6	102	100.0	1,068
Total	90.1	2,888	9.9	316	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

However, the equal performance of all three IPID formats over the whole sample masks some cross country differences. In the UK IPID 3 is the worst performer and IPID 2 is the best (IPID 2: 93.2%, IPID 2 1: 92.5%, IPID 3: 91.8%). Across genders, IPID 3 is the best performer for male respondents but IPID 2 is the best performer for females. When looking across financial literacy, there is very little difference in the performance of the different formats. Across age groups, the best performing format is IPID 3, except for the 18-24 and 55+ groups for whom IPID 1 is the best performer.

Q4B: Are the following statements true or false?

- i. **[Motor]** The maximum amount you are covered for in legal costs is different to the maximum amount you are covered for with respect to personal injury to a third party
- ii. **[Household]** You will incur a higher upfront cost (excess) to claim for water damage than for wind damage
- iii. **[Health]** The restrictions on some treatments may differ in some hospitals

Question 4B tests respondents' comprehension of pieces of information within the "Main restrictions and exclusions" of the insurance product. The wording of Question 4B differed according to the insurance product seen.

IPID 1 performs best on Question 4B. However, the link between the IPID format seen and the quality of the answer is not statistically significant. IPID 1 is the best performing format when a motor insurance product is seen. However, when a health or household insurance product is seen, IPID 2 performs best.

Table 17 Task I Q4B

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	69.2	739	30.8	329	100.0	1,068
2	68.2	728	31.8	340	100.0	1,068
3	67.9	725	32.1	343	100.0	1,068
Total	68.4	2,192	31.6	1,012	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

Across countries there is variation, with IPID 2 performing best in Germany and the UK, and IPID 3 performing best in Spain. By gender, IPID 2 was the best performer for females. For the high financial

literacy respondents, those seeing IPID 1 performed best but for low financial literacy respondents, IPID 2 was the best performer. Across age groups the exceptions to the overall result were seen in the 18-24 age group for whom IPID 2 performed best and the 45-54 and 55+ age groups for whom IPID 2 performed best.

Q5: If you were paying in monthly instalments and paid on the 23rd day of each month, would you have broken any of the contract obligations?

Question 5 tests whether respondents can find and understand the information under “Payment” on the sample IPID. IPID 1 is the best performer on Question 5, with 78.7% of the respondents seeing this IPID format answering this question correctly, compared to 77.4% overall. However, there was no statistically significant relationship between the IPID format seen and the likelihood of providing a correct answer.

IPID 1 also performs best among respondents seeing an IPID for a health insurance product with 83.3% answering correctly. In this case, the relationship between the IPID seen and the quality of the answer is statistically significant. For those respondents seeing a motor insurance product, IPID 3 actually performs best (with 80.8% correct answers).

Table 18 Task I Q5

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	78.7	817	21.3	251	100.0	1,068
2	77.5	810	22.5	258	100.0	1,068
3	76.1	804	23.9	264	100.0	1,068
Total	77.4	2,431	22.6	773	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

There is variation in the relative performance of the IPIDs across subgroups. Across countries there is a higher proportion of correct answers in Romania among those seeing IPID 2 (IPID 2: 71.8%, IPID 1: 69.3%, IPID 3: 63.7%), and in Spain among those seeing IPID 3 (IPID 3: 77.9%, IPID 2: 73.5%, IPID 1: 72.1%).

Although IPID 1 performs best amongst those with high financial literacy, it is the worst performing IPID among the low financial literacy group (IPID 2: 71.7%, IPID 3: 71.3%, IPID 1: 70.4%). Across age groups, the proportion of correct answers is highest for IPID 3 for the 35-44 age category (81.7%), and for IPID 2 for the 45-54 age category (80.2%). IPID 1 remains the best performing IPID across both genders.

Q6: Would you be covered if you made a claim on your insurance policy for an accident which occurred on 01 September 2017?

Question 6 tests respondents’ comprehension of the “Duration of the contract” section. The best performing IPID format on this question is IPID 1, although the proportion of respondents answering correctly is similarly high across all formats. There is however no statistically significant link between the IPID format seen and the quality of the answer.

Across products, IPID 1 performs best when either a motor or household insurance product is seen. The exception is when a health insurance product is seen, where IPIDs 2 and 3 are the joint best performers.

Table 19 Task I Q6

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	78.7	857	21.3	211	100.0	1,068
2	77.0	846	23.0	222	100.0	1,068
3	77.9	834	22.1	234	100.0	1,068
Total	77.9	2,537	22.1	667	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

Across countries there is an interesting difference in the relative performance of the IPID formats between the UK and the other countries. While IPID 2 is the best performing IPID format in Romania, Germany and Spain, IPID 1 is the best performing IPID format in the UK with 87.9% of respondents in the UK who see IPID 1 answering correctly. This strong performance by IPID 1 in the UK appears to drive the overall result, which shows IPID 1 associated with the highest proportion of correct answers.

Considering other subgroups, there are differences in the relative performance of the IPID formats across groups, but these differences are very small.

Q7:

[Motor] Suppose you are involved in an accident. You are legally responsible for damage and personal injury to a third party to the value of £200,000 and you face legal costs of £200,000. How much could you claim with this policy?

[Household] Suppose your property is destroyed by a fire. Restoring the building costs £150,000 and replacing your contents costs £100,000. How much could you then claim with this policy?

[Health] Suppose you have an accident requiring emergency treatment and an emergency stay in hospital. The emergency treatment costs £105,000 and the emergency hospital stay costs £35,000. How much could you claim with this policy?

Please assume that you will not incur any upfront cost (like an excess) before claiming and receiving the funds.

Question 7 is arguably the most challenging question in the survey, requiring respondents to not only find a piece of information and understand it, but to then use this to do a simple calculation using the numbers in the question. As a result, the proportion of correct answers to this question (42.0%) is substantially lower than the average performance across the 11 questions in Task I (66.1%).

The IPID associated with the highest proportion of correct answers to Question 7 is IPID 2, although the link between the IPID format seen and the likelihood of providing a correct answer is not statistically significant. Question 7 was asked differently depending on the insurance product seen but the comparability of overall results by IPID format across products has been preserved. IPID 2

performs best among respondents seeing the motor and household insurance product whereas IPID 1 performs best among respondents seeing the health insurance product. However, these results are also not statistically significant.

Table 20 Task I Q7

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	41.8	423	58.2	645	100.0	1,068
2	44.0	436	56.0	632	100.0	1,068
3	40.3	419	59.7	649	100.0	1,068
Total	42.0	1,278	58.0	1,926	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

Across countries, IPID 2 is the best performer in Romania, Germany and Spain. In the UK, IPID 3 performs slightly better (56.0% IPID 3 vs. 54.1% IPID 2), but most interesting is the particularly poor performance by IPID 3 in Romania (22.9% IPID 3 vs. 30.8% IPID 2) and Germany (32.4% IPID 3 vs. 41.3% IPID 2).

Looking at financial literacy, the low financial literacy group diverges from the overall result, with IPID 1 performing slightly better than the other IPID formats (IPID 1: 29.6%, IPID 2: 27.3%, IPID 3: 27.8%). In the high financial literacy group, IPID 2 is the best performer (IPID 2: 59.6%, IPID 1: 52.9%, IPID 3: 52.1%).

Across age groups, the 25-34 and 45-54 groups perform better on this question when seeing IPID 1, with the rest of the age groups performing better when seeing IPID 2. Both genders performed best when seeing IPID 2.

Q8: Looking at the document, what is the insured sum of the insurance product?

Question 8 required the “Insured sum” text to be located in the IPID and understood. As the insured sum was different for different insurance products, the wording of the possible answers shown differed slightly depending on the product seen.

IPID 2 is the best performing IPID format in Question 8. A Chi-square test shows that the link between the IPID format seen and the likelihood of answering correctly is statistically significant. IPID 2 is the best performing IPID format no matter which product type was seen, with the relationship between the quality of the answer and the IPID format seen being statistically significant when either a motor or health insurance product was seen.

Since “Insured sum” is a small section of the IPID relative to other sections, this may explain why IPIDs 1 and 3 fared less well than IPID 2 on this question, as the text is sandwiched between other information. In IPID 1 it appears within “Main risks covered”, and in IPID 3 it appears between “Main risks covered” and “Geographical scope”. In contrast, on IPID 2 the “Insured sum” text appears at the bottom of the left hand side column with no other text immediately below, which may make it easier to locate due to this blank space.

Table 21 Task I Q8

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	83.7	866	16.3	202	100.0	1,068
2	88.5	924	11.5	144	100.0	1,068
3	83.8	897	16.2	171	100.0	1,068
Total	85.3	2,687	14.7	517	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

The superior performance of IPID 2 is consistent across all subgroups (geographic location, financial literacy, age and gender).

Q9: Which of the following statements about the Product Information Document are true?

1. The Product Information Document contains all of the information relating to the insurance product
2. The Product Information Document provides a summary of the key information relating to the insurance product
3. Further information on the insurance product can be found in other documents

Question 9 aims to test whether after using the IPID document to answer objective questions on the insurance product displayed in the document, participants understand that they are being shown a summary of the key information related to the policy, and not the full set of available information. A chi-square test indicates that there is a statistically significant link between the IPID format seen and the quality of the answer provided. IPID 2 is also the best performing IPID across all three insurance products.

Answering this question correctly required comprehension of two sentences of text outlining the document at the top of each IPID, displayed just under the title box. This text appears in the same position in the same format in all three IPID formats, though it stands out less in IPID 3 because it does not use a coloured box to display the title. IPIDs 1 and 2 have similar headers, but IPID 2 has a shaded grey box just below the text in question, whereas in IPID 1 there is more text with the same white background. For these reasons, it could be argued that the text is more prominent on IPID 2, which leads to a marginally higher proportion of correct answers to Question 9.

Table 22 Task I Q9

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	54.9	554	45.1	514	100.0	1,068
2	59.6	623	40.4	445	100.0	1,068
3	54.2	543	45.8	525	100.0	1,068
Total	56.2	1,720	43.8	1,484	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

The superior performance of IPID 2 compared to the other IPID formats is consistent across all subgroups (geographic location, financial literacy, age and gender).

12.2.2 Summary of Task I results

The table overleaf shows the overall performance across Task I by the three sample IPID formats. IPID 2 is the best performing format, with the largest number of questions on which it performed best and which were also statistically significant. IPID 1 also scores well, but these results are not statistically significant. IPID 3 has the lowest number of questions on which it is the best performer, but displays some statistical significance. This task tested the ability of participants in the survey to find and understand information contained in the IPID document, with the most likely interpretation of this result being the two-column structure in IPID 2 which allows for rapid location of various sections of the IPID, and the simplistic design of IPID 1 with its use of clear space between sections.

Table 23 Overall Task I performance

Question	Question topic	Best performing IPID
1	General understanding of IPID	IPID 2
2	Subjective question on importance of different sections of the IPID	n/a
3	Risks covered/not covered	IPID 3
4A	Excess	IPID 1/2/3
4B	Restrictions	IPID 1
5	Payment	IPID 1
6	Duration of the contract	IPID 1
7	Risks covered/insured sum	IPID 2
8	Insured sum	IPID 2
9	Purpose of IPID	IPID 2

Note: Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

12.2.3 Task III

In Task III, respondents were shown two alternative non-life insurance products of the same type (e.g. two home insurance offers), both of which were presented using the same PID format. The two products were potential substitutes for one another, such as a consumer might encounter when shopping around for a particular type of insurance. For example a consumer may be faced with offerings from two different providers who both meet certain criteria they are looking for, but may differ in specific areas such as the level of cover for certain activities, or differences in exclusions and restrictions. They may also be faced with two different product offerings from the same provider which have small differences.

The questions in Task III required respondents to identify the differences between the two products. The aim of this task is to assess respondents' ability to use the information contained in the IPID to compare two alternative offers.

Q1A: Which of these two insurance products has a higher cost for cancelling the product before the end of the contract?

To answer Question 1A, respondents had to locate the section "Termination of the contract" and correctly identify the differences between the two products. On Question 1A, IPID 2 is the best performing IPID format (with 80.4% of respondents seeing this format answering correctly),

followed by IPID 1 and then IPID 3. However, the link between the IPID format seen and the quality of the answer is not statistically significant.

Among respondents seeing motor and health insurance products, IPID 2 was also the best performing IPID format. For those seeing a household insurance product, IPID 3 performed best.

Table 24 Task III Q1A

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	78.4	815	21.6	253	100.0	1,068
2	80.4	850	19.6	218	100.0	1,068
3	77.7	802	22.3	266	100.0	1,068
Total	78.8	2,467	21.2	737	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Across gender, financial literacy and countries, IPID 2 also performs best, except for Spain where IPID 3 is the best performer (76.0% vs 74.2% for IPID 2). Across age groups, performance is best with IPID 2 for those age categories above 35. In contrast, for those younger than 35, IPID 3 is the best performer.

Q1B: Which of these two insurance products incurs a higher upfront cost (excess)...

- i. **[Motor]** for claiming for third party or accidental damage?
- ii. **[Household]** when making a contents claim?
- iii. **[Health]** when making a claim for a surgical procedure?

To answer Question 1B correctly, respondents had to locate the section, "Main restrictions and exclusions", and correctly identify the differences between the two products. On Question 1B, sample IPID 2 is again the best performing IPID format. However, the link between the IPID format seen and the quality of the answer is not statistically significant. Across products, the overall result is consistent except among those who see a household insurance product, for whom IPID 3 is the best performer.

Table 25 Task III Q1B

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	69.4	697	30.6	371	100.0	1,068
2	72.7	718	27.3	350	100.0	1,068
3	69.7	702	30.3	366	100.0	1,068
Total	70.6	2,117	29.4	1,087	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

IPID 2 is the best performing IPID format across countries, financial literacy, gender, and age groups, with the exception of those aged below 35 for whom IPID 3 is the best performer.

Q2: Which of these two insurance products provides coverage for...**[Motor]**

1. General wear and tear to tyres
2. Damage to the car by putting diesel into a petrol engine

[Household]

1. Business equipment with a value of £2,000
2. General wear and tear

[Health]

1. Emergency operation costing £2,000
2. Teeth whitening for cosmetic reasons

In the case of Question 2, IPID 2 is also the best performing IPID with 53.3% of respondents seeing that format answering the question correctly, overall and also for each product type. A chi-square test indicates that there is a statistically significant link between the IPID format seen and the quality of the answer provided.

To answer this question correctly, respondents had to locate the sections “Main risks covered” and “Main risks not covered” and correctly identify differences in risks covered between the two products. The two-column format of IPID 2 leads to these two sections being side by side, which combined with the strong preference for the columns found in Task II, may explain why IPID 2 performs well on this question.

Table 26 Task III Q2

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	48.9	515	51.1	553	100.0	1,068
2	53.3	555	46.7	513	100.0	1,068
3	47.1	501	52.9	567	100.0	1,068
Total	49.8	1,571	50.2	1,633	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

IPID 2 also performs best across both genders and both levels of financial literacy. IPID 2 performs best across all countries with the exception of Germany, although the difference is very minor (48.6% for IPID 1 vs. 48.4% for IPID 2). It performs best across all age groups with the exception of 25-34, although the difference is very small (56.8% for IPID 1 vs. 56.3% for IPID 2).

Q3:

[Motor] Suppose you are involved in an accident. Another person’s car (valued at £50,000) is written off and you incur £10,000 in legal costs. Which product would provide higher compensation for this incident?

[Household] Suppose your house is burgled. £50,000 worth of your property is stolen and £10,000 worth of damage is done to the building. Which product would provide higher compensation for this incident?

[Health] Suppose you are involved in an accident. It requires you to have an emergency operation which costs £50,000, and to pay additional consultant and doctor's fees of £10,000. Which product would provide higher compensation for this incident?

Question 3 required comparison of the “Main risks covered” and “Insured sum” sections. On Question 3, IPID 2 is again associated with the highest proportion of correct answers (58.6% vs. 56.6-56.9%), overall as well as across all three insurance product types. However, the relationship between the quality of the answer and the IPID format seen is not found to be statistically significant.

Table 27 Task III Q3

IPID format	Correct		Incorrect		Total	
	%	No.	%	No.	%	No.
1	56.9	577	43.1	491	100.0	1,068
2	58.6	601	41.4	467	100.0	1,068
3	56.6	591	43.4	477	100.0	1,068
Total	57.4	1,769	42.6	1,435	100.0	3,204

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

There are differences in the relative performance of the IPID formats across subgroups, but these differences are very small. IPID 1 performs best among the following subgroups: aged 25-34, high financial literacy, male, Germany. IPID 3 performs best among the following subgroups: low financial literacy, UK, Romania. In all other subgroups, IPID 2 performs best.

12.2.4 Summary of Task III results

The table overleaf shows the overall performance in Task III of the three different sample IPID formats. IPID 2 performs best across each question, showing its strength in allowing for effective comparison between different insurance products. This appears to be down to the use of the two-column structure and use of boxes which allows for pieces of information to be located with greater ease, aiding comparison between products.

Table 28 Overall task III performance

Question	Question topic	Best performing IPID
1A	Restrictions and exclusions	IPID 2
1B	Termination of the contract	IPID 2
2	Risks covered and risks not covered	IPID 2
3	Risks covered/insured sum	IPID 2

Note: Bold figures indicate a statistically significant relationship between the quality of the answer and the IPID format seen, according to a Chi-square test.

Source: LE Europe analysis of Ipsos MORI data.

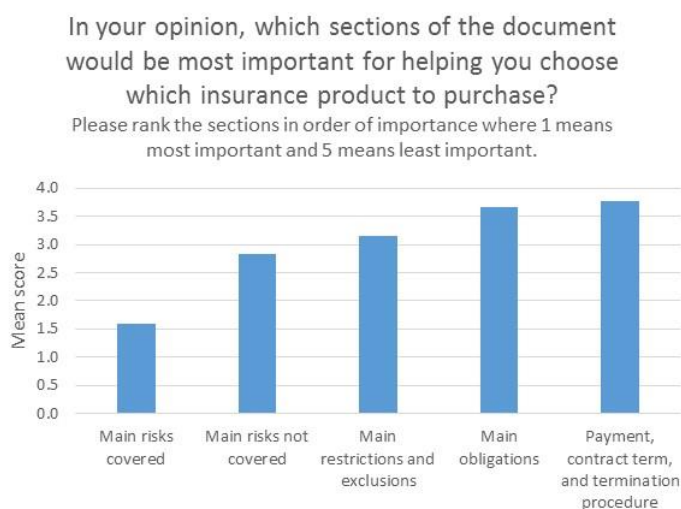
12.3 Subjective questions – Task I

Q2: In your opinion, which sections of the document would be most important for helping you choose which insurance product to purchase?

Although Task I contained mostly objective test questions, it included one subjective question (Question 2) which asked respondents to use a scale from 1 to 5 (1 being most important, 5 being least) to indicate which sections of the IPID they perceived as being most important for helping them choose which insurance product to purchase. The purpose of this question was to gather information about each specific element of the sample IPID document, both to aid understanding of performance on the objective questions in the survey and why certain formats performed better than others on specific questions, and gather overall views on different features of the documents.

Respondents generally rank the sections in the same order as they are presented in the IPID shown on screen. This suggests that there is consistency between the opinions of respondents and the order of items in the sample IPIDs. However, it should be noted that respondent's perceptions of importance may be influenced by the order of the sections in the sample IPIDs. Using the 1 to 5 scale in the question, the average scores are shown below:

Figure 8 Task I Q2



Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: *LE Europe analysis of Ipsos MORI data.*

There is little variation in the results by subgroup. Across geographic locations the order is the same, the only exceptions being Romanian respondents ranking 'Main obligations' as being more important than 'Main restrictions and exclusions', and Spanish respondents ranking 'Payment, contract term and termination procedure' over 'Main obligations'.

Among respondents aged over 45, the overall order is the same. However, among respondents aged 18-24, 24-34 and 33-44, 'Payment, contract term and termination procedure' is rated more important than 'Main obligations'. The overall order is the same for both low/medium and high financial literacy respondents and for both genders.

By product there is also little variation. The only exception is motor insurance, where respondents seeing this product rank 'Payment, contract term and termination procedure' higher than 'Main obligations'.

12.4 Subjective questions – Task II

In Task II, respondents were shown two different sample IPIDs for the same non-life insurance product, each using a different format. Respondents were then asked questions to elicit their subjective impressions of the IPID formats in terms of how informative, engaging and easy to understand they were. This section presents the results.

Q1: Please look carefully at the documents. In your opinion, which of them do you prefer overall?

Respondents were shown two different IPID formats at the same time and asked which design they preferred overall. IPID 3 performed best on this question, followed by IPID 2. IPID 1 was the least preferred. Of those who saw IPID 3 as one of their two options, 61.5% said that they preferred IPID 3 overall. Of those who saw IPID 2, 57.0% said that they preferred it. Of those who saw IPID 1, 31.2% said that they preferred it.

Q2: You said that overall you prefer the document with code [\[TASKII_Q1_PREFER\]](#). Please tell us what you like about this document. Please select all that apply.

Question 2 then asked respondents what particular elements of their preferred IPID format (as stated in Question 1) they liked. The tables below show the percentage of respondents selecting each feature of the IPID as a feature that they liked, with multiple selection allowed.

Among those who preferred IPID 1 in Question 1, the highest rated design features are: the way the document is broken into sections, the simple overall colour scheme, and the use of two columns for text. The least liked features are the yellow text in the header and the use of the product icon in the header.

Table 29 Task II Q2 – IPID 1

IPID 1 features	%
The way the document is broken into sections	59.6%
Simple overall colour scheme	41.5%
Use of two columns for text	41.2%
Length of the document	37.1%
Use of ticks/crosses/exclamation marks	31.3%
Dark blue header	28.7%
Colourful bullets (traffic light system)	24.9%
Shaded box at the bottom to group certain pieces of information	17.3%
Use of white space	13.0%
Yellow text in header	11.2%
Use of product icon in the header	9.5%
None of the above	4.6%

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

Among those who preferred IPID 2 in Question 1, the highest rated design features are: the use of two columns for text, colourful bullet points, and the use of icons to indicate different section headings. Like IPID 1, the least liked features are use of the product icon in the header and the white text in the header.

Table 30 Task II Q2 – IPID 2

IPID 2 features	%
Use of two columns for text	63.6%
Colourful bullets (traffic light system)	49.5%
Use of icons to indicate different section headings	45.3%
Use of ticks/crosses/exclamation marks	40.8%
Individual boxes for certain sections	38.6%
Length of the document	25.9%
Shaded boxes to group certain pieces of information	24.4%
Blue header	21.1%
Use of product icon in the header	17.9%
White text in header	11.3%
None of the above	3.6%

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

The highest rated design features of IPID 3 (which performed best on Question 1) are individual boxes for every section, colourful bullets, and the use of icons for every section headers, and the text running across the page in a single column. Like the two previous IPIDs, one of the least liked features is the use of the product icon in the header, and also the black and white text header.

Table 31 Task II Q2 – IPID 3

IPID 3 features	%
Individual boxes for every section	56.3%
Colourful bullets (traffic light system)	54.4%
Use of icons for every section header	50.7%
Text across the page in a single row instead of columns	49.2%
Use of ticks/crosses/exclamation marks	39.9%
Shaded boxes to group certain pieces of information	26.2%
Length of the document	19.4%
Text and arrow at the bottom telling you to turn the page	15.9%
Use of product icon at the top of the page	14.7%
Black and white header	9.2%
None of the above	3.7%

Note: Proportions are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

Q3: Please compare the two documents. Which of the two documents do you think is better in terms of...

In this question respondents were presented with the features listed below in Table 32 and had to choose on a seven-point scale which was better on each of these features for the two IPIDs they were shown. The table shows the average scores (on a seven-point scale where seven means that the IPID is "much better" than the alternative IPID shown and where one means that the alternative IPID "is much better"). IPID 3 performs best on each aspect of this question, followed by IPID 2.

Table 32 Task II Q3

	IPID 1	IPID 2	IPID 3
Encouraging you to read the information	3.1	4.3	4.6
Being easy to understand	3.2	4.2	4.6
Helping you find the most important information	3.1	4.2	4.6
Helping you to compare different insurance products	3.3	4.3	4.4
Visual appeal	3.0	4.3	4.7
Being a document you would trust to provide accurate information	3.6	4.1	4.3

Note: Figures are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: *LE Europe analysis of Ipsos MORI data.*

12.4.1 Summary of results

IPID 3 is the most preferred IPID format in Question 1 which asks about overall preferences and in each aspect of Question 3 which attempts to establish potential reasons for these preferences.

Many of the most popular elements of IPID 3 are also liked among those who preferred IPID 2. In contrast, the use of two columns for text is quite popular among those who preferred IPID 2 and IPID 1. It is possible that the use of columns is a personal preference (with some strongly preferring two columns and some strongly preferring one) and perhaps a preference which also strongly influenced respondents' answer to Question 1.

13 Subgroup analysis

Throughout the reporting of the results of quantitative testing in Chapter 12, any variations from the overall results by subgroup (geographic location, financial literacy, age, and gender) were noted. This section analyses the overall performance across all questions by subgroup.

The survey contained 13 objective questions (counting Task I Q4A and B and Task II Q1A and B, separately) for which there was a correct answer, so the maximum number of questions that can be answered correctly is 13. Among those seeing IPID 2, the average number of questions answered correctly is 9.0, compared to 8.8 for IPID 1 and 8.7 for IPID 3.

The subgroup analysis shows that the superior performance of IPID 2 across objective test questions is roughly consistent across subgroups. The tables below show the mean number of objective test questions answered correctly, by IPID seen and by subgroup. The tables show some variations in the best performing IPID format between subgroups but where they exist, the differences are relatively small in magnitude.

Across countries, IPID 2 is the best performing IPID format with the exception of Germany where IPID 1 is associated with a higher average number of correct answers. However, this difference is very small (8.8 for IPID 1 vs 8.7 for IPID 2).

Table 33 Number of questions answered correctly by country

IPID format	Romania	Germany	Spain	UK	Total
1	7.2	8.8	7.9	9.5	8.8
2	7.8	8.7	8.4	10.0	9.0
3	7.3	8.2	8.2	9.9	8.7
Average	7.4	8.6	8.2	9.8	8.8
N	802	801	800	801	3,204

Note: Means are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

Across genders, IPID 2 performs best with an average score of 9.0 correct questions across both genders. The lowest performer for males is IPID 3 (8.6) and for females it is IPID 1 (8.7).

Table 34 Number of questions answered correctly by gender

IPID format	Male	Female	Total
1	8.9	8.7	8.8
2	9.0	9.0	9.0
3	8.6	8.8	8.7
Average	8.8	8.8	8.8
N	1,614	1,590	3,204

Note: Means are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: LE Europe analysis of Ipsos MORI data.

By financial literacy groupings, IPID 2 is the best performer for the low financial literacy group, with a mean score of 8.0 correct questions. For the high financial literacy group, IPID 1 and IPID 2 performed best with a mean score of 9.8 each.

Table 35 Number of questions answered correctly by financial literacy

IPID format	Low financial literacy	High financial literacy	Total
1	7.7	9.8	8.8
2	8.0	9.8	9.0
3	7.9	9.5	8.7
Average	7.9	9.7	8.8
N	1,689	1,515	3,204

Note: Means are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: *LE Europe analysis of Ipsos MORI data.*

Across age groups, IPID 2 is the best performing IPID format for the 18-24, 45-54, and 55+ age groupings. However, IPID 1 performs best for the 25-34 group and for the 35-44 group, the best performer is IPID 3.

Table 36 Number of questions answered correctly by age

IPID format	18 - 24	25 - 34	35 - 44	45 - 54	55+	Total
1	8.7	9.4	8.7	9.1	8.4	8.8
2	8.9	8.9	9.0	9.5	8.7	9.0
3	8.8	9.0	9.1	8.9	8.3	8.7
Average	8.8	9.1	8.9	9.2	8.5	8.8
N	352	659	731	670	792	3,204

Note: Means are weighted by age, gender, region and country population using Eurostat 2013 data.

Source: *LE Europe analysis of Ipsos MORI data.*

Although there are some variations in the best performing IPID format between subgroups, the differences are relatively small in magnitude. The subgroup analysis shows that the superior performance of IPID 2 across objective test questions is roughly consistent across subgroups.

14 Summary and conclusions

14.1 Phase 1: Qualitative testing

The focus group testing provided initial guidance on what direction the IPID formats should take. Overall, participants appeared to like the sample IPIDs and their contents because they offered “a complete overview at a glance” and presented information that is clear and understandable.

The summary of key points taken from the focus groups which influenced the final designs for the sample IPID formats tested in Phase 2 are as follows:

- Simple, clear documents with white space between pieces of text are liked.
- Colour is important to draw attention to the document.
- All text should be of a similar size. Smaller text for certain sections was criticised as being confusing as it makes certain sections seem less important, and can also be seen as “small print” as “these are exactly the things that insurance companies trick you with”.
- Symbols and icons are useful in providing an overview of what a section of information will contain, especially those which are familiar or universal, e.g. the umbrella symbol.
- Columns are well liked as they provide structure and make faster reading possible, and allow for easier comparability between sections.
- Underlined titles and section breaks make the document more readable.
- Too many colours can make the document look like an advertisement, which would not be read, or read with difficulty, and would likely result in it being thrown away.
- Symbols indicating a second page should not be too discreet, and there should not be too much white space at the end of the first page, or participants may not realise the IPID continues onto a second page.

The specific changes to the sample IPIDs between Phase 1 and Phase 2 are described in Chapter 7.

14.2 Phase 2: Quantitative testing

14.2.1 Objective questions

Across the objective questions in Task I and Task III, IPID 2 is the IPID format which performs best among the highest number of questions. Task I assessed respondents’ comprehension of the content of the IPID while Task III tested the ability of respondents to use the IPID to compare different insurance products. The relatively strong performance of IPID 2 across the Task I and Task III suggests that this is the most suitable format for meeting these important criteria, with the subgroup analysis also confirming that the superior performance of IPID 2 on objective test questions is roughly consistent across subgroups.

More generally, Question 2 in Task I indicated that sample IPIDs used in testing were perceived correctly by most respondents as impartial documents.

14.2.2 Subjective questions

The survey also included a subjective component in Task II, which asked respondents for their opinions and preferences regarding the sample IPID formats. IPID 3 performed best on this task

when compared against other IPID formats. Of those who saw IPID 3 as one of their two options, 61.5% said that they preferred IPID 3 overall (compared to equivalent figures of 57.0% for IPID 2 and 31.2% for IPID 1). IPID 3 also performed best when respondents were asked their opinion on which of the IPIDs was easier to read, which of the IPIDs would help them find the most important information, and which of the IPIDs had more visual appeal.

The subjective questions also revealed the highest rated design features of each sample IPID:

- **IPID 1:** the way the document is broken into sections, the simple overall colour scheme, and the use of two columns for text.
- **IPID 2:** the use of two columns for text, colourful bullet points, and the use of icons to indicate different section headings.
- **IPID 3:** individual boxes for every section, colourful bullets, and the use of icons for every section header.

Combining the findings from the subjective questions with those of the objective questions shows a divergence between what respondents think works best when aiding their decision-making, and what works best when answering comprehension questions about the content of the policy. Although respondents believe IPID 3 is the most effective, the evidence from the objective questions in Tasks I and III show that IPID 2 is the most effective format for comprehension and comparison of the information presented in the IPID.

14.2.3 Recommendations

Given the strong performance of IPID 2 in the objective questions, it is recommended that this IPID format be used as the basis for the draft technical standards, with some refinements which also emerge from the consumer testing. The following features of IPID 2 are supported by the consumer testing and should remain:

- The use of the two-column structure for the information contained in the first half of the IPID (“Main risks covered”, “Main risks not covered”, “Insured sum” and “Main restrictions and exclusions”);
- The overall colour scheme;
- The use of icons to indicate the different section headings in the first half of the IPID; and,
- The use of the ticks/crosses/exclamation marks which were used in all three sample IPIDs.

Some refinements to IPID 2 are suggested on the basis of consumer testing, including:

- The use of separate boxes for each section;
- The introduction of section icons and separate shaded boxes to present the second half of the IPID (“Main obligations”, “Payment”, “Duration of the contract” and “Termination of the contract”); and,
- The removal of the product icon in the header.

An example of the recommended IPID format (with specific product details removed) is shown overleaf.

Figure 9 Example of recommended format

Xxxxxx Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy X

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.



Main risks covered:

Sub head:

- ✓ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx
- ✓ Xxxxxx



Insured sum:

- ✓ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15
- ✓ Xxxxxx



Main risks not covered:

- ✗ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15
- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx



Main restrictions and exclusions:

- ✗ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15
- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx
- ✗ Xxxxxx



Geographical scope:

- ✓ Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15



Main obligations:

- Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15
- Xxxxxx
- Xxxxxx
- Xxxxxx



Payment:

Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15



Duration of the contract:

Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15



Termination of the contract:

Myriad Pro : Regular : 9.8pt / 12.5pt. Letter spacing -15

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ANNEXES

Annex 1 Phase 1: Screening questions for focus group recruitment

FINANCIAL LITERACY

We are going to ask you three brief questions on financial topics. Please try to answer them as accurately as you can. The questions are not designed to catch you out, so if you think you have the right answer, you probably do. If you don't know the answer, just say so.

1. Suppose you have 100 [LOCAL CURRENCY] in a savings account and the interest rate is 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?

1. Record response: _____
2. Don't know/Refused

RECODE Q3:

1. CORRECT [IF Q3=102]
2. INCORRECT [IF Q3 is not equal to 102, don't know or refused]

2. And how much would be in the account at the end of five years? Would it be:

[READ OUT LIST]

1. More than 110 [national currency]
2. Exactly 110 [national currency]
3. Less than 110 [national currency]
4. Don't know/Refused

RECODE Q4:

1. CORRECT [IF Q3= CODE 1 "more than 110"]
2. INCORRECT [IF Q3 not equal to CODE 1 "more than 110"]

3. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, how much would you be able to buy with the money in this account?

[READ OUT LIST]

1. More than today
2. Exactly the same
3. Less than today
4. Don't know/Refused

RECODE Q5:

1. CORRECT [IF Q5= CODE 3 "less than today"]
2. INCORRECT [IF Q5 not equal to CODE 3 "less than today"]

LEVEL OF EDUCATION

4. What is the highest level of education you have completed?

Never been in formal education/never completed primary education	☐ 1	Edu_recode = 1
Complete primary education	☐ 2	Edu_recode = 1
Some secondary education	☐ 3	Edu_recode = 1
Complete secondary education	☐ 4	Edu_recode = 1
Technical/vocational education beyond secondary school level	☐ 5	Edu_recode = 2
University-level education	☐ 6	Edu_recode = 2

DETERMINING GROUP MEMBERSHIP: LOW VS. HIGH FINANCIAL LITERACY

High financial literacy: if at least two questions (Q5/Q6/Q7) are answered correctly and Edu_recode=2

Low financial literacy: if one or more questions (Q5/Q6/Q7) are answered incorrectly and Edu_recode=1

Annex 2 Phase 1: Discussion guide (motor insurance)

PID Consumer Testing and Design Work

Discussion guide – motor insurance

1	Presentations and introduction to the study
5 min	<i>Introduce yourself, Ipsos. Explain that the study is conducted on behalf of EIOPA, The European Insurance and Occupational Pensions Authority, a European Agency based in Frankfurt. Present the research context: insurance products, and, more specifically, motor insurance.</i> <i>Explain the purpose of the study: EIOPA is conducting a study in order to establish a format for a new Product Information Document (PID) that will be provided to people when purchasing insurance. EIOPA has designed five versions of the PID. The aim of the discussion today is to go through each of these, in order to test which are preferable in terms of clarity, user-friendliness, design etc.</i> <i>Confidentiality: reassure participants that they are not being judged and that any information provided will not be followed up with them in person in any way.</i> <i>Reassure them that no previous knowledge is required, and there are no right or wrong answers – we want to understand participants' views and experiences.</i> <i>Get permission to record – transcribe for quotes, no detailed attribution.</i> <i>Allow participants to introduce themselves: Before we start, may I please ask each of you to introduce yourselves briefly? Just by saying a few things such as what your first name is, what you do for a living, and anything else about yourself that you would like to share with us.</i>
2	Warm-up: Pre-contractual information
10 min	Do you have motor insurance? What type of motor insurance do you have? PROMPT: Do you know what types of situations or events your insurance policy covers? Is it basic insurance (legal and minimum cover)? Or does it include also a more comprehensive cover? Think about the last time you signed a new contract for motor insurance. By “new” we mean either signing a new contract, but also changing an existing contract for a different cover (the types of risks covered, etc.) or for a different vehicle. When selecting this insurance, what type of information on the product were you provided with, before you bought it (we call this “pre-contractual information”)? Which pre-contractual information do you think is most important, apart from the price? <i>[If some participants do not have motor insurance, ask them to imagine that they would want to sign a contract. Which pre-contractual information would they be looking for? Which information do they consider</i>

most important, apart from price?]

PROMPT:

- Price (the amount you will pay for the insurance)
- Risks covered (the losses/damage that you could suffer in respect of your car which would be covered by the insurance policy)
- Exclusions and restrictions (some aspects of loss/damage that may not be covered or that can be limited in some way)
- Sum insured (the maximum amount of money that will be paid by the insurance company in the event of loss or damage that is covered by the policy)
- Deductible (also known as a “policy excess” this is the amount of money that the insured person must pay before the insurance company will pay out)
- Geographic coverage (the countries in which the insurance policy applies)
- Cancellation provisions (the arrangements that will be in place if the customer wishes to cancel the insurance policy before it is due to end)

How easy was it to understand the pre-contractual information? What was easiest? What was most difficult about it? Why?

[Participants who do not have motor insurance can answer this question for other types of insurance; in general, do they think that pre-contractual information is easy to understand?]

PROMPT:

- Understanding aspects such as final price, risk coverage, exclusions, cancellation policy?
- Amount of information? Length of the document(s) presenting the information? Layout of this/these document(s) (format, font size)?

3 (15 min)	Discussion of the content of the PID
Motor Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy A This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. Main risks covered • Third party liability for damage caused to another vehicle • Death or injury to the driver or passenger(s) • Loss or damage in respect of fire, theft, vandalism or malicious acts by others • Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation • Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation Insured sum • The maximum insured sum is the replacement market value of the vehicle being insured Geographical scope • The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy Main risks not covered • Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law • General wear and tear including to tyres, brakes etc. • Loss or damage caused by using the wrong type of fuel • Intentional damage by the owner Main restrictions and exclusions • Driving other cars is restricted to the policyholder only and for third party cover only • You must pay the first £250 of any third party or accidental damage claim • Amounts above £200 for in-car entertainment systems are not covered Main obligations • At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask • You must pay the premium(s) on time • You must inform us of any damage to the vehicle that occurs • You must inform the police immediately if any person is injured in a collision • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment The premium for this policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month. Term of the contract The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term. 1:3	When someone is looking to buy motor insurance, in the future they will receive a short document called a Product Information Document (or PID) that explains the key features of the insurance policy. The PID includes information about risks covered, risks not covered, restrictions and exclusions, obligations, information on payment, contract term, and contract termination. To start with, take a look at the first PID [Motor 1]. I'll give you a few minutes to review the content of the PID before we continue our discussion. <i>[Hand out Motor 1 to participants.]</i> I would first like to ask you a few general questions about the document, and then we can go through it section by section. What do you think about the overall design of the document? PROMPT: Is it appealing? What is most/least appealing about it? Do you think it has enough detail? Too much detail? Do you think there is too much text, or not enough? What do you think about the font and font size (titles vs. lists)? What do you think about the way in which the document is structured? Which part of the document would you read first? The first topics presented in the document are the “main risks covered”, “main risks not covered” and “main restrictions and exclusions”. Please read the text carefully, and then we can discuss in detail. <i>[Allow participants to read the relevant sections of Motor 1.]</i> In terms of content, what do you think about the information presented? Which information do you think is most important? As you can see, the document also contains information on obligations, information on payment, contract term, and contract termination (presented on the second half of the page). <i>[Allow participants to read the relevant sections of Motor 1.]</i> What do you think about the information presented? Is this information more or less important than the information on risks covered, exclusions and restrictions?

4	Introducing the remaining PIDs
5 min	Now I'd like to show you other PIDs that have the same content, but different layouts. The aim of this study is to find out how to best present the information on the PID, and therefore how to design the PID in a way which is as understandable as possible for consumers. <i>[Hand out the remaining PIDs to each participant. Also give them the sheet that will be used to record their response when ordering the PIDs.]</i> Take a look at each of the five PIDs that were designed for this study. All PIDs describe the same motor insurance policy. Which PID looks most attractive? Which PID do you think you would be most likely to pick up and read the content? Please rank the PIDs in order of preference and note down your response. <i>[After two minutes of reviewing time, ask participants to rank the PIDs in order of preference and record their response on the sheet.]</i>
5a (15 min)	Evaluating the layout of the PIDs [Motor 2 and Motor 3]
Motor Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy A This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. ✓ Main risks covered: ✓ Third party liability for damage caused to another vehicle ✓ Death or injury to the driver or passenger(s) ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation ✗ Main risks not covered: ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law ✗ General wear and tear including to tyres, brakes etc. ! Main restrictions and exclusions: ! Driving other cars is restricted to the policyholder only and for third party cover only ! You must pay the first £250 of any third party or accidental damage claim Main obligations: - At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask - You must pay the premium(s) on time - You must inform us of any damage to the vehicle that occurs - You must inform the police immediately if any person is injured in a collision - If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month. Term of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term. Motor Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy A This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. Main risks covered ✓ • Third party liability for damage caused to another vehicle • Death or injury to the driver or passenger(s) • Loss or damage in respect of fire, theft, vandalism or malicious acts by others • Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation • Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation Insured sum • The maximum insured sum is the replacement market value of the vehicle being insured Geographical scope • The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy Main risks not covered ✗ • Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law • General wear and tear including to tyres, brakes etc. • Loss or damage caused by using the wrong type of fuel • Intentional damage by the owner Main restrictions and exclusions ! • Driving other cars is restricted to the policyholder only and for third party cover only • You must pay the first £250 of any third party or accidental damage claim • Amounts above £200 for in-car entertainment systems are not covered Main obligations • At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask • You must pay the premium(s) on time • You must inform us of any damage to the vehicle that occurs • You must inform the police immediately if any person is injured in a collision • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment The premium for this policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month. Term of the contract The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.	Let's now have a closer look at two of the other PIDs. As mentioned, the text is the same as for the first version, and the same insurance product is described. <i>[Ask participants to look at Motor 2 and Motor 3.]</i> What do you think about the design of these PIDs? PROMPT: - What is most/least appealing in these designs? - Which part of the documents would you read first? - Are the documents easy to read? Why? - Is it easy to identify the sub-sections? Does the layout help with this? - Do you prefer a layout using columns? Would you pay as much attention to both columns? - How do you evaluate the bullets used (tick mark, cross and exclamation mark)? And how about the colour of the bullets? Which version do you prefer?

5b (15 min)

Motor Insurance

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy A]

This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.



Main risks covered:

- ✓ Third party liability for damage caused to another vehicle
- ✓ Death or injury to the driver or passenger(s)
- ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others.
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation



Insured sum:

- ✓ The maximum insured sum is the replacement market value of the vehicle being insured



Geographical scope:

- ✓ The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy



Main risks not covered:

- ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law
- ✗ General wear and tear including to tyres, brakes etc.
- ✗ Loss or damage caused by using the wrong type of fuel
- ✗ Intentional damage by the owner



Main restrictions and exclusions:

- ! Driving other cars is restricted to the policyholder only and for third party cover only
- ! You must pay the first £250 of any third party or accidental damage claim
- ! Amounts above £200 for in-car entertainment systems are not covered



See important information on the next page →

Evaluating the layout of the PIDs [Motor 4]

Let's now have a closer look at the fourth PID. I'll give you a minute to review the PID.
[Ask participants to look at Motor 4.]

Did you notice the information presented on the back of the page?

PROMPT:

- Do you think there is a better way to make you look beyond the first page?

What do you think about the overall design of the document?

PROMPT:

- Which part of the document would you read first?
- What is most/least appealing?
- Is the document easy to read? Why?
- Is it easy to identify the sub-sections? Does the layout help with this?

How do you evaluate the symbols used?

PROMPT:

- Do the symbols help to identify specific information?
- Would you have selected different symbols? Which one would you replace? Why?
- Does the symbol for geographic coverage match with the coverage of this insurance policy?

5c (15 min)

MOTOR INSURANCE
Insurance Product Information Document
[Company: XYZ Insurance] [Product: Policy A]

This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

MAIN RISKS COVERED

- Third party liability for damage caused to another vehicle
- Death or injury to the driver or passenger(s)
- Loss or damage in respect of fire, theft, vandalism or malicious acts by others
- Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation
- Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation

MAIN RISKS NOT COVERED

- Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law
- General wear and tear including to tyres, brakes etc.
- Loss or damage caused by using the wrong type of fuel
- Intentional damage by the owner

MAIN RESTRICTIONS AND EXCLUSIONS

- Driving other cars is restricted to the policyholder only and for third party cover only
- You must pay the first £250 of any third party or accidental damage claim
- Amounts above £200 for in-car entertainment systems are not covered

INSURED SUM
The maximum insured sum is the replacement market value of the vehicle being insured

GEOGRAPHICAL SCOPE
The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy

See Important Information on the next page →

Comparing the layout of the PIDs [Motor 5]

Look now at the final PID. I'll give you again a minute to review the PID. This version again contains exactly the same information.

[Ask participants to look at Motor 5.]

What do you think about the overall design of the document?

PROMPT:

- What is most/least appealing?
- Is the document easy to read? Why?

Which part of the document would you read first? Why?

PROMPT:

- Is it easy to identify the sub-sections? Does the layout help with this?
- Is it easy to identify the most important information?
- Did you notice the information on "insured sum" and "geographic coverage"?
- Did you notice the logos for "risks covered" and "exclusions" in the background?

Looking at page 2 of the PID, do you prefer information presented in columns or rows? Why?

6

Final evaluation and ranking of PIDs

10 min	Now that we have reviewed all formats, I would like to repeat the exercise we completed at the start of the discussion. Please rank the PIDs again in order of preference and note down your response. When sorting the PIDs, please consider the following: Which one is easiest to understand? Which one is structured best? <i>[Ask participants to rank the PIDs in order of preference and record their response in the second column on the sheet.]</i> Please explain your choice. Did you change your ranking? Why? Imagine you were in charge of designing the PID and you were presented with these five layouts. What would you do? Would you pick one of these five as the final one? Or would you ask the design agency to create a new layout that combines design elements from different layouts? Which design elements would you select?
7	Conclusion and thanks
	Thank you very much for your participation, it has been very helpful. Everything we have discussed today will remain confidential, and will be used for research purposes only (your name will not be mentioned).

Annex 3 Phase 1: Discussion guide (Household insurance)

PID Consumer Testing and Design Work

Discussion guide – household insurance

1	Presentations and introduction to the study
5 min	<i>Introduce yourself, Ipsos. Explain that the study is conducted on behalf of EIOPA, The European Insurance and Occupational Pensions Authority, a European Agency based in Frankfurt. Present the research context: insurance products, and, more specifically, household insurance.</i> <i>Explain the purpose of the study: EIOPA is conducting a study in order to establish a format for a new Product Information Document (PID) that will be provided to people when purchasing insurance. EIOPA has designed five versions of the PID. The aim of the discussion today is to go through each of these, in order to test which are preferable in terms of clarity, user-friendliness, design etc.</i> <i>Confidentiality: reassure participants that they are not being judged and that any information provided will not be followed up with them in person in any way.</i> <i>Reassure them that no previous knowledge is required, and there are no right or wrong answers – we want to understand participants' views and experiences.</i> <i>Get permission to record – transcribe for quotes, no detailed attribution.</i> <i>Allow participants to introduce themselves: Before we start, may I please ask each of you to introduce yourselves briefly? Just by saying a few things such as what your first name is, what you do for a living, and anything else about yourself that you would like to share with us.</i>
2	Warm-up: Pre-contractual information
10 min	Do you have household insurance? For the building/house? Contents/furniture? Building and contents combined in one policy? Think about the last time you signed a new contract for household insurance. By “new” we mean either signing a new contract, but also changing an existing contract for a different cover (change of the amount insured, the types of risks covered, etc.). When selecting this insurance, what type of information on the product were you provided with, before you bought it (we call this “pre-contractual information”)? Which pre-contractual information do you think is most important, apart from the price?

	<i>[If some participants do not have household insurance, ask them to imagine that they would want to sign a contract. Which pre-contractual information would they be looking for? Which information do they consider most important, apart from price?]</i> PROMPT: - Price (the amount you will pay for the insurance) - Risks covered (the losses/damage that you could suffer in respect of your house and/or its contents which would be covered by the insurance policy) - Exclusions and restrictions (some aspects of loss/damage that may not be covered or that can be limited in some way) - Sum insured (the maximum amount of money that will be paid by the insurance company in the event of loss or damage that is covered by the policy) - Deductible (also known as a “policy excess” this is the amount of money that the insured person must pay before the insurance company will pay out) - Geographic coverage (the countries in which the insurance policy applies) - Cancellation provisions (the arrangements that will be in place if the customer wishes to cancel the insurance policy before it is due to end) How easy was it to understand the pre-contractual information? What was easiest? What was most difficult about it? Why? <i>[Participants who do not have household insurance can answer this question for other types of insurance; in general, do they think that pre-contractual information is easy to understand?]</i> PROMPT: - Understanding aspects such as final price, risk coverage, exclusions, cancellation policy? - Amount of information? Length of the document(s) presenting the information? Layout of this/these document(s) (format, font size)?
3 (20 min)	Discussion of the content of the PID

Household Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy A

This document provides a summary of the key information relating to the household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered

Buildings

- Your home including walls, roof, driveway, patio
- Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes
- Outbuildings such as sheds or garages

Contents

- Household goods and non-permanent fittings such as carpets and curtains
- Personal belongings in the home or outbuildings
- Money in the home up to £500
- Contents in the garden up to £1,000
- Contents of fridge or freezer spoiled where the appliance fails
- Business equipment up to £5,000

Loss or damage in respect of

- Fire, storm, flood, escape of water, frost damage
- Theft, vandalism or malicious acts, subsidence
- Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £25,000)
- Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000)
- Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents
- Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents

Insured sum

- For buildings the maximum insured sum is £500,000
- For contents the maximum insured sum is £50,000

Geographical scope

- The cover provided in this insurance policy is only available for the UK

Main risks not covered

- General wear and tear
- Faulty workmanship
- Loss caused by a paying guest or tenant
- Loss where the home has not been occupied for 60 consecutive days
- Underfloor heating or solar heating systems

Main restrictions and exclusions

- Payment of a claim for jewellery and watches loss or damage will not exceed 25% of the total contents amount covered by the policy
- Cover for theft from a garage or outbuilding is limited to £2,500
- Valuables such as jewellery, watches, furs, collections (e.g. coins, stamps) are subject to limits. More details can be found in the policy documentation
- You must pay the first £100 of any contents claim
- A claim in respect of any single article is limited to £2,000 (£500 for bicycles) unless it is specified separately in your schedule of valuables
- You must pay the first £1,000 of any subsidence claim
- You must pay the first £400 of any water damage claim
- There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents

1/2

When someone is looking to buy household insurance, in the future they will receive a short document called a **Product Information Document (or PID)** that explains the key features of the insurance policy. The PID includes information about risks covered, risks not covered, restrictions and exclusions, obligations, information on payment, contract term, and contract termination.

To start with, take a look at the first PID [Household 1]. I'll give you a few minutes to review the content of the PID before we continue our discussion.

[Hand out Household 1 to participants.]

I would first like to ask you a **few general questions about the document**, and then we can go through it section by section.

What do you think about the overall design of the document?

PROMPT: Is it appealing? What is most/least appealing about it? Do you think it has enough detail? Too much detail? Do you think there is too much text, or not enough? What do you think about the font and font size (titles vs. lists)?

Did you notice the information presented on the back of the page?

PROMPT: Do you think there is a better way to make you look beyond the first page (vs. 1:2 and 2:2)?

What do you think about the way in which the document is structured?

Which part of the document would you read first?

The first topics presented in the document are the **“main risks covered”, “main risks not covered” and “main restrictions and exclusions”**. Please read the text carefully, and then we can discuss in detail.

[Allow participants to read the relevant sections of Household 1.]

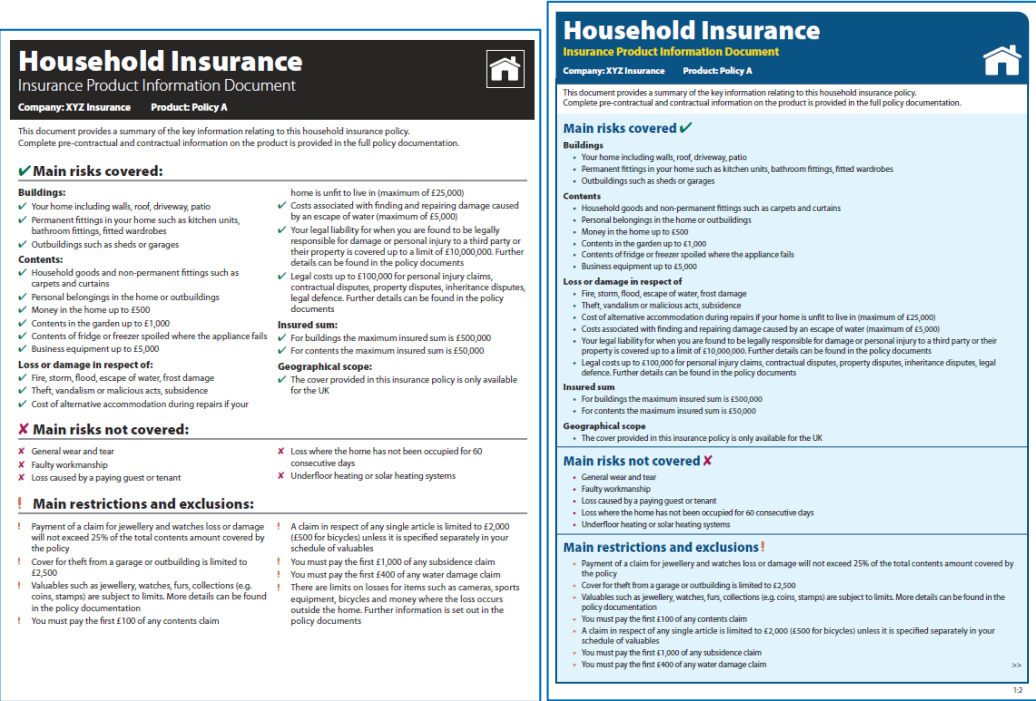
In terms of content, what do you think about the information presented? Which information do you think is most important?

As you can see, the document also contains information on **obligations, information on payment, contract term, and contract termination** (presented on the second half of the page).

[Allow participants to read the relevant sections of Household 1.]

What do you think about the information presented?

Is this information more or less important than the information on risks covered, exclusions and restrictions?

4	Introducing the remaining PIDs
5 min	Now I'd like to show you other PIDs that have the same content, but different layouts. The aim of this study is to find out how to best present the information on the PID, and therefore how to design the PID in a way which is as understandable as possible for consumers. <i>[Hand out the remaining PIDs to each participant. Also give them the sheet that will be used to record their response when ordering the PIDs.]</i> Take a look at each of the five PIDs that were designed for this study. All PIDs describe the same household insurance policy. Which PID looks most attractive? Which PID do you think you would be most likely to pick up and read the content? Please rank the PIDs in order of preference and note down your response. <i>[After two minutes of reviewing time, ask participants to rank the PIDs in order of preference and record their response on the sheet.]</i>
5a (15 min)	Evaluating the layout of the PIDs [Household 2 and Household 3]
	Let's now have a closer look at two of the other PIDs. As mentioned, the text is the same as for the first version, and the same insurance product is described. <i>[Ask participants to look at Household 2 and Household 3.]</i> What do you think about the design of these PIDs? PROMPT: - What is most/least appealing in these designs? - Which part of the documents would you read first? - Are the documents easy to read? Why? - Is it easy to identify the sub-sections? Does the layout help with this? - Do you prefer a layout using columns? Would you pay as much attention to both columns? - How do you evaluate the bullets used (tick mark, cross and exclamation mark)? And how about the colour of the bullets? Which version do you prefer?

5b (15 min)

Evaluating the layout of the PIDs [Household 4]

Household insurance

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy A]

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.



Main risks covered:



Buildings:

- ✓ Your home including walls, roof, driveway, patio
- ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes
- ✓ Outbuildings such as sheds or garages

Contents:

- ✓ Household goods and non-permanent fittings such as carpets and curtains
- ✓ Personal belongings in the home or outbuildings
- ✓ Money in the home up to £500
- ✓ Contents in the garden up to £1,000
- ✓ Contents of fridge or freezer spoiled where the appliance fails
- ✓ Business equipment up to £5,000

Loss or damage in respect of:

- ✓ Fire, storm, flood, escape of water, frost damage
- ✓ Theft, vandalism or malicious acts, subsidence
- ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £25,000)
- ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000)
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents

Insured sum:



- ✓ For buildings the maximum insured sum is £500,000
- ✓ For contents the maximum insured sum is £50,000

Geographical scope:



- ✓ The cover provided in this insurance policy is only available for the UK

See important information on the next page →

Let's now have a closer look at the fourth PID. I'll give you a minute to review the PID.
[Ask participants to look at Household 4.]

What do you think about the overall design of the document?

PROMPT:

- Which part of the document would you read first?
- What is most/least appealing?
- Is the document easy to read? Why?
- Is it easy to identify the sub-sections? Does the layout help with this?

How do you evaluate the symbols used?

PROMPT:

- Do the symbols help to identify specific information?
- Would you have selected different symbols? Which one would you replace? Why?
- Does the symbol for geographic coverage match with the coverage of this insurance policy?

What do you think about the way in which the designers tried to attract your attention to look beyond the first page?

PROMPT: Do you think there is a better way to make you look beyond the first page?

5c (10 min)

HOUSEHOLD INSURANCE

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy A]

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

MAIN RISKS COVERED

Buildings:

- Your home including walls, roof, driveway, patio
- Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes
- Outbuildings such as sheds or garages

Contents:

- Household goods and non-permanent fittings such as carpets and curtains
- Personal belongings in the home or outbuildings
- Money in the home up to £500
- Contents in the garden up to £1,000
- Contents of fridge or freezer spoiled where the appliance fails
- Business equipment up to £5,000

Loss or damage in respect of:

- Fire, storm, flood, escape of water, frost damage
- Theft, vandalism or malicious acts, subsidence
- Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £25,000)
- Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000)
- Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents
- Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents

MAIN RISKS NOT COVERED

- General wear and tear
- Faulty workmanship
- Loss caused by a paying guest or tenant
- Loss where the home has not been occupied for 60 consecutive days
- Underfloor heating or solar heating systems

MAIN RESTRICTIONS AND EXCLUSIONS

- Payment of a claim for jewellery and watches loss or damage will not exceed 25% of the total contents amount covered by the policy
- Cover for theft from a garage or outbuilding is limited to £2,500
- Valuables such as jewellery, watches, furs, collections (e.g. coins, stamps) are subject to limits. More details can be found in the policy documentation
- You must pay the first £100 of any contents claim
- A claim in respect of any single article is limited to £2,000 (£500 for bicycles) unless it is specified separately in your schedule of valuables
- You must pay the first £1,000 of any subsidence claim
- You must pay the first £400 of any water damage claim
- There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents

Insured sum

For buildings the maximum insured sum is £500,000.
For contents the maximum insured sum is £50,000.

GEOGRAPHICAL SCOPE

The cover provided in this insurance policy is only available for the UK

See important information on the next page →

Comparing the layout of the PIDs [Household 5]

Look now at the final PID. I'll give you again a minute to review the PID. This version again contains exactly the same information.

[Ask participants to look at Household 5.]

What do you think about the overall design of the document?

PROMPT:

- What is most/least appealing?
- Is the document easy to read? Why?

Which part of the document would you read first? Why?

PROMPT:

- Is it easy to identify the sub-sections? Does the layout help with this?
- Is it easy to identify the most important information?
- Did you notice the information on "insured sum" and "geographic coverage"?
- Did you notice the logos for "risks covered" and "exclusions" in the background?

Looking at page 2 of the PID, do you prefer information presented in columns or rows? Why?

6

Final evaluation and ranking of PIDs

10 min	Now that we have reviewed all formats, I would like to repeat the exercise we completed at the start of the discussion. Please rank the PIDs again in order of preference and note down your response. When sorting the PIDs, please consider the following: Which one is easiest to understand? Which one is structured best? <i>[Ask participants to rank the PIDs in order of preference and record their response in the second column on the sheet.]</i> Please explain your choice. Did you change your ranking? Why? Imagine you were in charge of designing the PID and you were presented with these five layouts. What would you do? Would you pick one of these five as the final one? Or would you ask the design agency to create a new layout that combines design elements from different layouts? Which design elements would you select?
7	Conclusion and thanks
	Thank you very much for your participation, it has been very helpful. Everything we have discussed today will remain confidential, and will be used for research purposes only (your name will not be mentioned).

Annex 4 Phase 1: Discussion guide (Health and accident insurance)

PID Consumer Testing and Design Work

Discussion guide – health insurance

1	Presentations and introduction to the study
5 min	<i>Introduce yourself, Ipsos. Explain that the study is conducted on behalf of EIOPA, The European Insurance and Occupational Pensions Authority, a European Agency based in Frankfurt. Present the research context: insurance products, and, more specifically, private health insurance.</i> <i>Explain the purpose of the study: EIOPA is conducting a study in order to establish a format for a new Product Information Document (PID) that will be provided to people when purchasing private health insurance. EIOPA has designed five versions of the PID. The aim of the discussion today is to go through each of these, in order to test which are preferable in terms of clarity, user-friendliness, design etc.</i> <i>Confidentiality: reassure participants that they are not being judged and that any information provided will not be followed up with them in person in any way.</i> <i>Reassure them that no previous knowledge is required, and there are no right or wrong answers – we want to understand participants' views and experiences.</i> <i>Get permission to record – transcribe for quotes, no detailed attribution.</i> <i>Allow participants to introduce themselves: Before we start, may I please ask each of you to introduce yourselves briefly? Just by saying a few things such as what your first name is, what you do for a living, and anything else about yourself that you would like to share with us.</i>
2	Warm-up: Pre-contractual information
10 min	Do you have private health insurance? What type of health insurance do you have? PROMPT: Do you know what types of situations or events your insurance policy covers? Imagine that you would be thinking about signing a contract for private health insurance. When selecting this insurance, what type of information on the product would you be looking for? Which information do you think is most important, apart from the price? PROMPT: - Price (the amount you will pay for the insurance)

	- Risks covered (the medical conditions and expenses which would be covered by the insurance policy) - Exclusions and restrictions (medical conditions and expenses that may not be covered or that can be limited in some way) - Sum insured (the maximum amount of money that will be paid by the insurance company in the event of expense that is covered by the policy) - Deductible (also known as a “policy excess” this is the amount of money that the insured person must pay before the insurance company will pay out) - Geographic coverage (the countries in which the insurance policy applies) - Cancellation provisions (the arrangements that will be in place if the customer wishes to cancel the insurance policy before it is due to end) In general, when you are looking to buy insurance (so not just private health insurance, but also e.g. household or motor insurance), how easy is it to understand the information on the product you are provided with, before you buy the insurance? What is easiest? What is most difficult about it? Why? PROMPT: - Understanding aspects such as final price, risk coverage, exclusions, cancellation policy? - Amount of information? Length of the document(s) presenting the information? Layout of this/these document(s) (format, font size)?
3 (15 min)	Discussion of the content of the PID

Health/Accident Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy A

This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered

- Emergency treatment in hospital is covered subject to a total of £100,000
- Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of £100,000
- Day patient procedures in any hospital is covered
- Maternity care is covered
- Consultant and doctors' fees for hospital care
- Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered

Insured sum

- The insured sum is dependent on the type of treatment required

Geographical scope

- The cover provided in this insurance policy is only available for the UK

Main risks not covered

- Cosmetic surgery
- Gastric banding and obesity surgery
- Eye surgery
- Joint replacement
- Rehabilitation
- Kidney dialysis
- Infertility treatment

Main restrictions and exclusions

- There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation
- There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation
- You must pay the first £100 of any surgical procedure
- Dental cover is restricted to dental surgery
- Restrictions apply to varicose vein surgery

Main obligations

- **At the start of the contract** you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them
- You must pay the premium(s) on time
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Term of the contract

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you the premium in respect of the remaining full months of the contract term.

1-1

When someone is looking to buy private health insurance, in the future they will receive a short document called a **Product Information Document (or PID)** that explains the key features of the insurance policy. The PID includes information about risks covered, risks not covered, restrictions and exclusions, obligations, information on payment, contract term, and contract termination.

To start with, take a look at the first PID [Health 1]. I'll give you a few minutes to review the content of the PID before we continue our discussion.

[Hand out Health 1 to participants.]

I would first like to ask you a **few general questions about the document**, and then we can go through it section by section.

What do you think about the overall design of the document?

PROMPT: Is it appealing? What is most/least appealing about it? Do you think it has enough detail? Too much detail? Do you think there is too much text, or not enough? What do you think about the font and font size (titles vs. lists)?

What do you think about the way in which the document is structured?

Which part of the document would you read first?

The first topics presented in the document are the **“main risks covered”, “main risks not covered” and “main restrictions and exclusions”**. Please read the text carefully, and then we can discuss in detail.

[Allow participants to read the relevant sections of Health 1.]

In terms of content, what do you think about the information presented? Which information do you think is most important?

As you can see, the document also contains information on **obligations, information on payment, contract term, and contract termination** (presented on the second half of the page).

[Allow participants to read the relevant sections of Health 1.]

What do you think about the information presented?

Is this information more or less important than the information on risks covered, exclusions and restrictions?

4	Introducing the remaining PIDs
5 min	Now I'd like to show you other PIDs that have the same content, but different layouts. The aim of this study is to find out how to best present the information on the PID, and therefore how to design the PID in a way which is as understandable as possible for consumers. <i>[Hand out the remaining PIDs to each participant. Also give them the sheet that will be used to record their response when ordering the PIDs.]</i> Take a look at each of the five PIDs that were designed for this study. All PIDs describe the same private health insurance policy. Which PID looks most attractive? Which PID do you think you would be most likely to pick up and read the content? Please rank the PIDs in order of preference and note down your response. <i>[After two minutes of reviewing time, ask participants to rank the PIDs in order of preference and record their response on the sheet.]</i>
5a (15 min)	Evaluating the layout of the PIDs [Health 2 and Health 3]
Health/Accident Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy A This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. ✓ Main risks covered: - Emergency treatment in hospital is covered subject to a total of €100,000 - Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of €100,000 - Day patient procedures in any hospital is covered - Maternity care is covered - Consultant and doctors' fees for hospital care - Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered ✗ Main risks not covered: - Cosmetic surgery - Gastric banding and obesity surgery - Eye surgery - Joint replacement - Rehabilitation - Kidney dialysis - Infertility treatment ! Main restrictions and exclusions: - There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation. - There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation. Main obligations: - At the start of the contract you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them - You must pay the premium(s) on time - If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month. Term of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of €50. We will refund you the premium in respect of the remaining full months of the contract term. Health/Accident Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy A This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. Main risks covered ✓ - Emergency treatment in hospital is covered subject to a total of €100,000 - Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of €100,000 - Day patient procedures in any hospital is covered - Maternity care is covered - Consultant and doctors' fees for hospital care - Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered Insured sum - The insured sum is dependent on the type of treatment required Geographical scope - The cover provided in this insurance policy is only available for the UK. Main risks not covered ✗ - Cosmetic surgery - Gastric banding and obesity surgery - Eye surgery - Joint replacement - Rehabilitation - Kidney dialysis - Infertility treatment Main restrictions and exclusions ! - There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation. - There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation. You must pay the first €100 of any surgical procedure - Dental cover is restricted to dental surgery - Restrictions apply to varicose vein surgery Main obligations - At the start of the contract you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them - You must pay the premium(s) on time - If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month. Term of the contract The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of €50. We will refund you the premium in respect of the remaining full months of the contract term.	Let's now have a closer look at two of the other PIDs. As mentioned, the text is the same as for the first version, and the same insurance product is described. <i>[Ask participants to look at Health 2 and Health 3.]</i> What do you think about the design of these PIDs? PROMPT: - What is most/least appealing in these designs? - Which part of the documents would you read first? - Are the documents easy to read? Why? - Is it easy to identify the sub-sections? Does the layout help with this? - Do you prefer a layout using columns? Would you pay as much attention to both columns? - How do you evaluate the bullets used (tick mark, cross and exclamation mark)? And how about the colour of the bullets? Which version do you prefer?

5b (15 min)

Health/Accident insurance

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy A]

This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.



Main risks covered:

- ✓ Emergency treatment in hospital is covered subject to a total of £100,000
- ✓ Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of £100,000
- ✓ Day patient procedures in any hospital is covered
- ✓ Maternity care is covered
- ✓ Consultant and doctors' fees for hospital care
- ✓ Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered



Insured sum:

- ✓ The insured sum is dependent on the type of treatment required



Geographical scope:

- ✓ The cover provided in this insurance policy is only available for the UK



Main risks not covered:

- ✗ Cosmetic surgery
- ✗ Gastric banding and obesity surgery
- ✗ Eye surgery
- ✗ Joint replacement
- ✗ Rehabilitation
- ✗ Kidney dialysis
- ✗ Infertility treatment



Main restrictions and exclusions:

- ! There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation
- ! There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation
- ! You must pay the first £100 of any surgical procedure
- ! Dental cover is restricted to dental surgery
- ! Restrictions apply to varicose vein surgery



See important information on the next page →

Evaluating the layout of the PIDs [Health 4]

Let's now have a closer look at the fourth PID. I'll give you a minute to review the PID.
[Ask participants to look at Health 4.]

Did you notice the information presented on the back of the page?

PROMPT:

- Do you think there is a better way to make you look beyond the first page?

What do you think about the overall design of the document?

PROMPT:

- Which part of the document would you read first?
- What is most/least appealing?
- Is the document easy to read? Why?
- Is it easy to identify the sub-sections? Does the layout help with this?

How do you evaluate the symbols used?

PROMPT:

- Do the symbols help to identify specific information?
- Would you have selected different symbols? Which one would you replace? Why?
- Does the symbol for geographic coverage match with the coverage of this insurance policy?

5c (15 min)

Comparing the layout of the PIDs [Health 5]

HEALTH/ACCIDENT INSURANCE
Insurance Product Information Document
[Company: XYZ Insurance] [Product: Policy A]

This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

MAIN RISKS COVERED

- Emergency treatment in hospital is covered subject to a total of £100,000
- Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of £100,000
- Day patient procedures in any hospital is covered
- Maternity care is covered
- Consultant and doctors' fees for hospital care
- Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered

MAIN RISKS NOT COVERED

- Cosmetic surgery
- Gastric banding and obesity surgery
- Eye surgery
- Joint replacement
- Rehabilitation
- Kidney dialysis
- Infertility treatment

MAIN RESTRICTIONS AND EXCLUSIONS

- There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation
- There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation
- You must pay the first £100 of any surgical procedure
- Dental cover is restricted to dental surgery
- Restrictions apply to varicose vein surgery

INSURED SUM
The insured sum is dependent on the type of treatment required.

GEOGRAPHICAL SCOPE
The cover provided in this insurance policy is only available for the UK

See Important Information on the next page →

Look now at the final PID. I'll give you again a minute to review the PID. This version again contains exactly the same information.

[Ask participants to look at Health 5.]

What do you think about the overall design of the document?

PROMPT:

- What is most/least appealing?
- Is the document easy to read? Why?

Which part of the document would you read first? Why?

PROMPT:

- Is it easy to identify the sub-sections? Does the layout help with this?
- Is it easy to identify the most important information?
- Did you notice the information on "insured sum" and "geographic coverage"?
- Did you notice the logos for "risks covered" and "exclusions" in the background?

Looking at page 2 of the PID, do you prefer information presented in columns or rows? Why?

6

Final evaluation and ranking of PIDs

10 min	Now that we have reviewed all formats, I would like to repeat the exercise we completed at the start of the discussion. Please rank the PIDs again in order of preference and note down your response. When sorting the PIDs, please consider the following: Which one is easiest to understand? Which one is structured best? <i>[Ask participants to rank the PIDs in order of preference and record their response in the second column on the sheet.]</i> Please explain your choice. Did you change your ranking? Why? Imagine you were in charge of designing the PID and you were presented with these five layouts. What would you do? Would you pick one of these five as the final one? Or would you ask the design agency to create a new layout that combines design elements from different layouts? Which design elements would you select?
7	Conclusion and thanks
	Thank you very much for your participation, it has been very helpful. Everything we have discussed today will remain confidential, and will be used for research purposes only (your name will not be mentioned).

Annex 5 Phase 2: Online survey questionnaire

[PROG: SHOW ALL]

Q_intro. Thank you for taking part in this important study for EIOPA, *The European Insurance and Occupational Pensions Authority*. EIOPA is conducting a study in order to establish a format for a new Product Information Document (PID) that will be provided to people before purchasing insurance. The survey is about these documents and your understanding of the information presented in them, as well as your views on their design.

The survey includes some questions which require you to find certain pieces of information in the documents to be able to answer them. To thank you for helping us, you will have an opportunity to be awarded extra survey points based on your answers to these questions. You will be informed when you reach these questions.

Demographic questions

[PROG: QUESTIONS ASKED TO ALL UNLESS SPECIFIED]

[FOR THE PILOT, PLEASE USE A TIMER FOR EACH SCREEN]

[Qcountry: HIDDEN VARIABLE]

[PROG: HIDDEN. SINGLE ANSWER]

1. Romania
2. Germany
3. Spain
4. UK

[Qcurrency: HIDDEN VARIABLE]

Country	Currency	Placement
1. Romania	Leu (lei)	After
2. Germany	Euro (€)	After
3. Spain	Euro (€)	After
4. UK	Pound (£)	Before

D1_intro. Firstly please tell us a few details about yourself. This is to ensure we are including a wide range of people in this research.

[PROG: INFO TEXT]

D1. How old are you?

[PROG: NUMERIC ANSWER – 2 DIGITS RANGE 0- 99; IF D1 <18 END INTERVIEW]

[PROG: RECODE INTO: HIDDEN VARIABLE]

I ___I___ years old

D1_recode.

[PROG: HIDDEN. SINGLE ANSWER]

1. 18 - 24
2. 25 - 34
3. 35 - 44
4. 45 - 54
5. 55 - 64
6. 65-74
7. 75+

D2. Are you a...

[PROG: SINGLE ANSWER]

1. Woman
2. Man

D3. Please select the region where you live.

[PROG: SINGLE ANSWER]

[USE STANDARD REGION LIST FROM PANEL]

D4. What is the highest level of education you have achieved?

[PLEASE INSERT RELEVANT LIST FOR COUNTRY. RECODE INTO HIDDEN VARIABLE: LOW / MEDIUM / HIGH.]

[PROG: SINGLE ANSWER]

Insurance questions

I1. Do you currently own or have you ever purchased in the past any of the following insurance products? This can be either in your own name or jointly with someone else. Please select all that apply.

[PROGRAMMER ROTATE ORDER, HOLD OPTION 99]

[PROG: MULTIPLE ANSWERS. OPTION 99 IS EXCLUSIVE]

- 1) **Buildings insurance.** Financial protection against risks to property such as fire, theft and natural catastrophes (flood, storm, earthquake and drought).
- 2) **Home contents insurance.** Provides cover to the policy holder's possessions within the household, and sometimes outside the home.
- 3) **Motor insurance.** Covers damage or injury from motor vehicle accidents. May also cover theft of the vehicle or theft from the vehicle.
- 4) **Car rental insurance** where the insurance is compulsory when renting a car.
- 5) **Travel insurance.** Purchased to protect against unexpected events while travelling.
- 6) **Health insurance.** Covers medical and surgical expenses.
- 99) I have never bought any of these insurance products.

Financial/ financial literacy questions

F1. Thinking about your household's financial situation, would you say that making ends meet every month is...?

[PROG: SINGLE ANSWER]

1. Very easy
2. Fairly easy
3. Fairly difficult
4. Very difficult
99. I prefer not to answer

F2. On a scale from 1 to 7, where 1 means very low and 7 means very high, how would you rate your knowledge about insurance products?

[PROG: NUMERIC ANSWER – 1 DIGIT RANGE 1- 7]

[PROG: ADD A VISUAL SCALE HERE SHOWING 1 (VERY LOW) TO 7(VERY HIGH)]

[INSTRUCTION: Please choose a position on the scale.]

1(very low), 2, 3,4,5,6, 7(very high)

F3. Suppose you have £100 in a savings account and the interest rate is 2% per year. How much would be in the account in total at the end of the first year, once the interest payment is made?

[PROG: NUMERIC ANSWER – 3 DIGITS RANGE 0- 999]

99. Don't know *[PROG: exclusive]*

F3_RECODE.

1. CORRECT *[IF F3 = 102]*
2. INCORRECT *[IF F3 NOT = 102]*

F4. And how much would be in the account at the end of five years? Would it be...?

[PROG: SINGLE ANSWER]

1. More than £110
2. Exactly £110
3. Less than £110
99. Don't know

F4_RECODE.

[PROG: HIDDEN. SINGLE ANSWER]

1. CORRECT *[IF F4 = CODE 1 "More than 110"]*
2. INCORRECT *[IF F4 NOT = CODE 1 "More than 110"]*

F5. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, how much would you be able to buy with the money in this account?

[PROG: SINGLE ANSWER]

1. More than today
2. Exactly the same
3. Less than today
99. Don't know

F5_RECODE.

[PROG: HIDDEN. SINGLE ANSWER]

1. CORRECT *[IF F5= CODE 3 "Less than today"]*
2. INCORRECT *[IF F5 NOT = CODE 3 "Less than today"]*

Allocation

[PID_TASK_I: Hidden variable that records which combination of format and product respondents saw in Task I]

PID_TASK_I_FORM: Hidden variable that records which format respondents saw in Task I

PID_TASK_I_PROD: Hidden variable that records which product respondents saw in Task I

PID_TASK_II: Hidden variable that records which combination of format and product respondents saw as the new document in Task II

PID_TASK_II_FORM: Hidden variable that records which new format respondents saw in Task II

PID_TASK_III: Hidden variable that records which combination of format and product respondents saw as the new document in Task III]

PID_TASK_III_PROD: Hidden variable that records which new product respondents saw in Task III

PID_TASK_III_FORM: Hidden variable that records which format respondents saw in Task III

Task I

[PROG: INFO TEXT]

Part I

In this part of the survey, you will be asked questions based on a Product Information Document (PID) which summarises the main features of an insurance product. You will be awarded the usual number of points for your participation, regardless of your answers.

In addition, you can earn up to [PROG: insert maximum points] extra points for correct answers. You will not gain any extra points for incorrect answers. You should answer all questions to the best of your knowledge and consider all information provided to you.

[PROG: NEW SCREEN]

[PROG: INFO TEXT]

In order to complete the survey, you will need to click on the icon below. This icon will open a Product Information Document (PID) which summarises the main features of an insurance product.

[ICON WITH TEXT "PID 1" LINKS TO DOCUMENT CORRESPONDING TO THE COMBINATION OF PRODUCT AND FORMAT RESPONDENT WAS ALLOCATED TO IN TASK I]

Should you need to reopen the document, this icon appears on every screen that follows.

Tip: Given the length of the document, it may be easier to complete the survey if you print out the document. We would recommend that you do so, if you have the ability to print.

For all of the questions that follow, please use the document provided as the basis for your answers.

When you are ready to continue, please enter the code that appears at the top right of the document and click "Next" to move to the next screen.

[|]

[PROG: 1ST CHARACTER IS A LETTER IN RANGE A-C OR a-c. 2ND CHARACTER IS A NUMBER IN RANGE 1-3]

[PROG: IF CODE MATCHES ALLOCATION CODE, GO TO TaskI_Q1]

[PROG: IF THE CODE DOES NOT MATCH THE ALLOCATION CODE FOR TASK I, DISPLAY MESSAGE 'The code you have entered does not match that on the document. Please check the document again.']

[ON EACH SCREEN IN THIS TASK PLEASE INCLUDE HYPERLINK TO THE DOCUMENT]

[Show info text and questions TaskI_Q1 – TaskI_Q2 on same screen]

[PROG: INFO TEXT]

Imagine that you are thinking of purchasing this insurance product.

TaskI_Q1. Q. Suppose you found this document on an insurance company's website. What type of document would you think this was?

[PROG: SINGLE ANSWER]

4. Advertising material designed to sell the insurance product
5. An impartial document intended to help you understand the insurance product
6. A contract for the insurance product
99. None of the above

TaskI_Q2. Q. In your opinion, which sections of the document would be most important for helping you choose which insurance product to purchase?

Please rank the sections in order of importance where 1 means most important and 5 means least important.

[PROG: RANKING TASK FROM 1 TO 5]

1. Main risks covered
2. Main risks not covered
3. Main restrictions and exclusions
4. Main obligations
5. Payment, contract term, and termination procedure

[Show info text and questions TaskI_Q3A – TaskI_Q4C on same screen]

[PROG: INFO TEXT]

Imagine that you are thinking of purchasing this insurance product.

[PROG: Only ask TaskI_Q3A if PID_TASKI_PROD = A]

TaskI_Q3A. Q. Looking at the document, which of the following risks are covered by the insurance product?

[PROG: STATEMENTS IN ROW]

4. Damage caused to another person's vehicle
5. General wear and tear to brakes
6. Damage caused by you to another person's vehicle or property while driving your car in another EU country during a week-long holiday

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Covered
2. Not covered

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskI_Q3B if PID_TASKI_PROD = B]

TaskI_Q3B. Q. Looking at the document, which of the following risks are covered by the insurance product?

[PROG: STATEMENTS IN ROW]

1. Damage to a washing machine
2. Loss where the home has not been occupied for 60 consecutive days
3. Loss of a wallet containing £300 while on a week-long holiday in France

PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Covered
2. Not covered

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskI_Q3C if PID_TASKI_PROD = C]

TaskI_Q3C. Q. Looking at the document, which of the following risks are covered by the insurance product?

[PROG: STATEMENTS IN ROW]

1. An emergency treatment in hospital costing £90,000
2. A face lift to remove lines and wrinkles
3. An x-ray whilst on holiday in Luxembourg

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Covered
2. Not covered

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskI_Q4A if PID_TASKI_PROD = A]

TaskI_Q4A. Q. Are the following statements true or false?

[PROG: STATEMENTS IN ROW]

1. You must pay the first £350 of any third party or accidental damage claim
2. The maximum amount you are covered for in legal costs is different to the maximum amount you are covered for with respect to personal injury to a third party

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. True
2. False

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskI_Q4B if PID_TASKI_PROD = B]

TaskI_Q4B. Q. Are the following statements true or false?

[PROG: STATEMENTS IN ROW]

1. You must pay the first £350 of any contents claim
2. You will incur a higher upfront cost (excess) to claim for water damage than for wind damage

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. True
2. False

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskI_Q4C if PID_TASKI_PROD = C]

TaskI_Q4C. Q. Are the following statements true or false?

[PROG: STATEMENTS IN ROW]

1. You must pay the first £350 for any surgical procedure
2. The restrictions on some treatments may differ in some hospitals

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. True
2. False

[PROG: SHOW AS A GRID]

[Show questions TaskI_Q5 – TaskI_Q6 on same screen]

TaskI_Q5. Q. If you were paying in monthly instalments and paid on the 23rd day of each month, would you have broken any of the contract obligations?

[PROG: SINGLE ANSWER]

1. Yes
2. No

TaskI_Q6. Q. Would you be covered if you made a claim on your insurance policy for an accident which occurred on 01 September 2017?

[PROG: SINGLE ANSWER]

1. Yes
2. No

[Show questions TaskI_Q7A – TaskI_Q8C on same screen]

[PROG: Only ask TaskI_Q7A if PID_TASKI_PROD = A]

TaskI_Q7A. Q. Suppose you are involved in an accident. You are legally responsible for damage and personal injury to a third party to the value of £200,000 and you face legal costs of £200,000. How much could you claim with this policy?

Please assume that you will not incur any upfront cost (like an excess) before claiming and receiving the funds.

[PROG: SINGLE ANSWER]

1. £400,000
2. £300,000
3. £200,000
4. £100,000
5. You would be unable to claim anything at all

[PROG: Only ask TaskI_Q7B if PID_TASKI_PROD = B]

TaskI_Q7B. Q. Suppose your property is destroyed by a fire. Restoring the building costs £150,000 and replacing your contents costs £100,000. How much could you then claim with this policy?

Please assume that you will not incur any upfront cost (like an excess) before claiming and receiving the funds.

[PROG: SINGLE ANSWER]

1. £250,000
2. £200,000
3. £150,000
4. £100,000
5. You would be unable to claim anything at all

[PROG: Only ask TaskI_Q7C if PID_TASKI_PROD = C]

TaskI_Q7C. Q. Suppose you have an accident requiring emergency treatment and an emergency stay in hospital. The emergency treatment costs £105,000 and the emergency hospital stay costs £35,000. How much could you claim with this policy?

Please assume that you will not incur any upfront cost (like an excess) before claiming and receiving the funds.

[PROG: SINGLE ANSWER]

1. £140,000
2. £135,000

3. £105,000
4. £35,000
5. You would be unable to claim anything at all

[PROG: Only ask TaskI_Q8A if PID_TASKI_PROD = A]

TaskI_Q8A. Q. Looking at the document, what is the insured sum of the insurance product?

[PROG: SINGLE ANSWER]

1. Exactly £80,000
2. The replacement market value of the vehicle being insured
3. The cost of the annual premium

[PROG: Only ask TaskI_Q8B if PID_TASKI_PROD = B]

TaskI_Q8B. Q. Looking at the document, what is the insured sum of the insurance product?

[PROG: SINGLE ANSWER]

1. Exactly £80,000
2. The insured sum is £500,000 for buildings and £50,000 for contents
3. The cost of the annual premium

[PROG: Only ask TaskI_Q8C if PID_TASKI_PROD = C]

TaskI_Q8C. Q. Looking at the document, what is the insured sum of the insurance product?

[PROG: SINGLE ANSWER]

1. Exactly £200,000
2. The insured sum is dependent on the type of treatment required
3. The cost of the annual premium

[Show question TaskI_Q9 on a new screen]

TaskI_Q9. Q. Which of the following statements about the Product Information Document are true?

[PROG: STATEMENTS IN ROW]

1. The Product Information Document contains all of the information relating to the insurance product
2. The Product Information Document provides a summary of the key information relating to the insurance product
3. Further information on the insurance product can be found in other documents

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. True
2. False

[PROG: SHOW AS A GRID]

[PROG: INFO TEXT]

Thank you for your answers! You have gained *[X]* extra points in this part of the survey.

Task II

[PROG: INFO TEXT]

Part II

Part II of the survey will require you to compare a new version of the Product Information Document with the Product Information Document you were given in Part I.

In order to do this, you will need to click on the icon below to open a new Product Information Document.

[ICON WITH TEXT "PID 2" LINKS TO DOCUMENT CORRESPONDING TO THE COMBINATION OF PRODUCT AND FORMAT RESPONDENT WAS ALLOCATED TO IN TASK II]

Tip: Given the length of the document, it may be easier to complete the survey if you print out the document. We would recommend that you do so, if you have the ability to print.

You will need to view both Product Information Documents in order to answer the questions that follow. Both documents describe the same insurance product but they present the information in different ways.

[ICON WITH TEXT "PID 1" LINKS TO DOCUMENT CORRESPONDING TO THE COMBINATION OF PRODUCT AND FORMAT RESPONDENT WAS ALLOCATED TO IN TASK I]

Should you need to reopen these documents, the icons appear on the screen that follows.

[THESE LINKS SHOULD APPEAR ON EVERY SUBSEQUENT SCREEN IN TASK II]

When you are ready to continue, please enter the codes that appear at the top right of the two documents in the boxes below and click "Next" to move to the next screen.

[][][][]

[PROG: IN BOTH FIELDS, 1ST CHARACTER IS A LETTER IN RANGE A-C OR a-c. 2ND CHARACTER IS A NUMBER IN RANGE 1-3][PROG: IF THE TWO CODES MATCH THE TWO ALLOCATION CODES FOR TASK II, GO TO TaskII_Q1]

[PROG: IF THE TWO CODES DO NOT MATCH THE TWO ALLOCATION CODES FOR TASK II, DISPLAY MESSAGE 'The codes you have entered does not match those on the documents. Please check both documents again']

[Show info text and question TaskII_Q1 on same screen]

[PROG: INFO TEXT]

Imagine that you are thinking of purchasing this insurance product.

TaskII_Q1. Q. Please look carefully at the documents. In your opinion, which of them do you prefer overall?

[PROG: SINGLE ANSWER]

1. The document with code [PROG: insert PID_TASK_I]
2. The document with code [PROG: insert PID_TASK_II]

TASKII_Q1_PREFER.

[PROG: HIDDEN. SINGLE ANSWER]

1. [PROG: insert PID_TASK_I if TASKII_Q1 = 1]
2. [PROG: insert PID_TASK_II if TASKII_Q1 = 2]

TASKII_Q1_PREFER_FORM.

[PROG: HIDDEN. SINGLE ANSWER]

1. [PROG: insert PID_TASK_I_FORM if TASKII_Q1 = 1]
2. [PROG: insert PID_TASK_II_FORM if TASKII_Q1 = 2]

[Show questions TaskII_Q2A - TaskII_Q2C on a new screen]

[PROG: Only ask TaskI_Q2A if answer to TASKII_Q1_PREFER = A1 OR B1 OR C1]

TaskII_Q2A. Q. You said that overall you prefer the document with code [TASKII_Q1_PREFER]. Please tell us what you like about this document. Please select all that apply.

[PROG: MULTIPLE ANSWERS. 99 IS EXCLUSIVE]

1. Dark blue header
2. Yellow text in header
3. Use of product icon in the header
4. Simple overall colour scheme
5. Use of two columns for text
6. Colourful bullets (traffic light system)
7. Use of ticks/crosses/exclamation marks
8. The way the document is broken into sections

9. Use of white space
10. Shaded box at the bottom to group certain pieces of information
11. Length of the document
99. None of the above

[PROG: Only ask TaskI_Q2B if answer to TASKII_Q1_PREFER = A2 OR B2 OR C2]

TaskII_Q2B. Q. You said that overall you prefer the document with code [TASKII_Q1_PREFER]. Please tell us what you like about this document. Please select all that apply.

[PROG: MULTIPLE ANSWERS. 99 IS EXCLUSIVE]

1. Blue header
2. White text in header
3. Use of product icon in the header
4. Use of two columns for text
5. Use of icons to indicate different section headings
6. Colourful bullets (traffic light system)
7. Use of ticks/crosses/exclamation marks
8. Individual boxes for certain sections
9. Shaded boxes to group certain pieces of information
10. Length of the document
99. None of the above

[PROG: Only ask TaskI_Q2C if answer to TASKII_Q1_PREFER = A3 OR B3 OR C3]

TaskII_Q2C. Q. You said that overall you prefer the document with code [TASKII_Q1_PREFER]. Please tell us why you prefer this document. Please select all that apply.

[PROG: MULTIPLE ANSWERS. 99 IS EXCLUSIVE]

1. Black and white header
2. Use of product icon at the top of the page
3. Use of icons for every section header
4. Colourful bullets (traffic light system)
5. Use of ticks/crosses/exclamation marks
6. Individual boxes for every section
7. Text across the page in a single row instead of columns
8. Shaded boxes to group certain pieces of information
9. Text and arrow at the bottom telling you to turn the page
10. Length of the document
99. None of the above

[Show question TaskII_Q3 on a new screen]

TaskII_Q3. Q. Please compare the two documents. Which of the two documents do you think is better in terms of...

[PROG: SHOW AS A GRID]

[PROG: STATEMENTS IN ROW]

1. Encouraging you to **read the information**
2. Being **easy to understand**
3. Helping you to **find the most important information**
4. Helping you to **compare different insurance products**
5. **Visual appeal**
6. Being a document you would **trust to provide accurate information**

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. (The document with code *[insert PID_TASK_I]* is better)
- 2
- 3
- 4
- 5
- 6
7. (The document with code *[insert PID_TASK_II]* is better)

Task III

[PROG: INFO TEXT]

Part III

In this part of the survey, you will be asked questions based on two Product Information Documents (PID) which summarise the main features of two insurance products. You will be awarded the usual number of points for your participation, regardless of your answers.

In addition, you can earn up to [PROG: insert maximum points] extra points for correct answers. You will not gain any extra points for incorrect answers. You should answer all questions to the best of your knowledge and consider all information provided to you.

[PROG: NEW SCREEN]

[PROG: INFO TEXT]

Please close the Product Information Document which you were given in Part II of the survey. This is the document with the code [PROG: INSERT PID_TASK_III] on the top right of the document. If you have printed out the documents, please put this document to one side.

Part III of the survey will require you to compare a new product with the product shown in Part I. In order to do this, you will need to click on the icon below to open a new Product Information Document.

[ICON WITH TEXT "PID 3" LINKS TO DOCUMENT CORRESPONDING TO THE COMBINATION OF PRODUCT AND FORMAT RESPONDENT WAS ALLOCATED TO IN TASK III]

Tip: Given the length of the document, it may be easier to complete the survey if you print out the document. We would recommend that you do so, if you have the ability to print.

You will need to view both Product Information Documents in order to answer the questions that follow.

[ICON WITH TEXT "PID 1" LINKS TO DOCUMENT CORRESPONDING TO THE COMBINATION OF PRODUCT AND FORMAT RESPONDENT WAS ALLOCATED TO IN TASK I]

Should you need to reopen these documents, the icons appear on the screen that follows.

[THESE LINKS SHOULD APPEAR ON EVERY SUBSEQUENT SCREEN IN TASK III]

When you are ready to continue, please enter the codes that appear at the top right of the two documents in the boxes below and click "Next" to move to the next screen.

[][][][]

[PROG: IN BOTH FIELDS, 1ST CHARACTER IS A LETTER IN RANGE A-C OR a-c. 2ND CHARACTER IS A NUMBER IN RANGE 1-3]

[PROG: IF THE TWO CODES MATCH THE TWO ALLOCATION CODES FOR TASK III, GO TO TaskIII_Q1]

[PROG: IF THE CODES DO NOT MATCH THE TWO ALLOCATION CODES FOR TASK III, DISPLAY MESSAGE 'The codes you have entered do not match those on the documents. Please check the documents again']

[PROG: Only ask TaskIII_Q1A if PID_TASKIII_PROD = A]

TaskIII_Q1A. Which of these two insurance products...

[PROG: STATEMENTS IN ROW]

1. Has a higher cost for cancelling the product before the end of the contract?
2. Incurs a higher upfront cost (excess) for claiming for third party or accidental damage?

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Product with code [PROG: insert PID_TASKI]
2. Product with code [PROG: insert PID_TASKIII]
3. Both the same

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskIII_Q1B if PID_TASKIII_PROD = B]

TaskIII_Q1B. Which of these two insurance products...

[PROG: STATEMENTS IN ROW]

1. Has a higher cost for cancelling the product before the end of the contract?
2. Incurs a higher upfront cost (excess) when making a contents claim?

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Product with code [PROG: insert PID_TASKI]
2. Product with code [PROG: insert PID_TASKIII]
3. Both the same

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskIII_Q1C if PID_TASKIII_PROD = C]

TaskIII_Q1C. Which of these two insurance products...

[PROG: STATEMENTS IN ROW]

1. Has a higher cost for cancelling the product before the end of the contract?
2. Incurs a higher upfront cost (excess) when making a claim for a surgical procedure?

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Product with code *[PROG: insert PID_TASKI]*
2. Product with code *[PROG: insert PID_TASKIII]*
3. Both the same

[PROG: SHOW AS A GRID]

[PROG: Only ask TaskIII_Q2A if PID_TASKIII_PROD = A]

TaskIII_Q2A. Q. Which of these two insurance products provides coverage for...

[PROG: STATEMENTS IN ROW]

1. General wear and tear to tyres
2. Damage to the car by putting diesel into a petrol engine

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Product with code *[PROG: insert PID_TASKI]*
2. Product with code *[PROG: insert PID_TASKIII]*
3. Neither product
4. Both products

[PROG: Only ask TaskIII_Q2B if PID_TASKIII_PROD = B]

TaskIII_Q2B. Q. Which of these two insurance products provides coverage for...

[PROG: STATEMENTS IN ROW]

1. Business equipment with a value of £2,000
2. General wear and tear

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Product with code *[PROG: insert PID_TASKI]*
2. Product with code *[PROG: insert PID_TASKIII]*
3. Neither product
4. Both products

[PROG: Only ask TaskIII_Q2C if PID_TASKIII_PROD = C]

TaskIII_Q2C. Q. Which of these two insurance products provides coverage for...

[PROG: STATEMENTS IN ROW]

1. Emergency operation costing £2,000
2. Teeth whitening for cosmetic reasons

[PROG: RESPONSE SCALE IN COLUMNS (FROM LEFT TO RIGHT). SELECT ONE RESPONSE PER STATEMENT]

1. Product with code *[PROG: insert PID_TASKI]*
2. Product with code *[PROG: insert PID_TASKIII]*
3. Neither product
4. Both products

[PROG: Only ask TaskIII_Q3A if PID_TASKIII_PROD = A]

TaskIII_Q3A. Q. Suppose you are involved in an accident. Another person's car (valued at £50,000) is written off and you incur £10,000 in legal costs. Which product would provide higher compensation for this incident?

[PROG: SINGLE ANSWER]

1. Product with code *[PROG: insert PID_TASKI]*
2. Product with code *[PROG: insert PID_TASKIII]*
3. Both the same

[PROG: Only ask TaskIII_Q3B if PID_TASKIII_PROD = B]

TaskIII_Q3B. Q. Suppose your house is burgled. £50,000 worth of your property is stolen and £10,000 worth of damage is done to the building. Which product would provide higher compensation for this incident?

[PROG: SINGLE ANSWER]

1. Product with code *[PROG: insert PID_TASKI]*
2. Product with code *[PROG: insert PID_TASKIII]*

3. Both the same

[PROG: Only ask TaskIII_Q3C if PID_TASKIII_PROD = C]

TaskIII_Q3C. Q. Suppose you are involved in an accident. It requires you to have an emergency operation which costs £50,000, and to pay additional consultant and doctor's fees of £10,000. Which product would provide higher compensation for this incident?

[PROG: SINGLE ANSWER]

1. Product with code *[PROG: insert PID_TASKI]*
2. Product with code *[PROG: insert PID_TASKIII]*
3. Both the same

[PROG: INFO TEXT]

Thank you for your answers! You have gained *[X]* extra points in this part of the survey.

You gained *[X]* extra points in total in this survey.

Print questions

PRINT. Q. Which of the documents provided, if any, did you print out? Please select all that apply.

[PROG: MULTIPLE ANSWERS, ANSWER 99 IS EXCLUSIVE]

1. The document provided in Part I, with code *[PROG: insert PID_TASKI]*
2. The document provided in Part II, with code *[PROG: insert PID_TASKII]*
3. The document provided in Part III, with code *[PROG: insert PID_TASKIII]*
99. None of the documents

Annex 6 Phase 2: Sample IPIDs

This annex contains the English versions of the sample IPIDs (A1-A3, B1-B3, C1-C3) used in Task I and Task II of the Phase 2 quantitative testing. For each IPID format and product, the sample IPIDs showing the alternative product as seen in Task III (D1-D3, E1-E3, F1-F3) are also presented.

Format 1 – Motor insurance versions A1 and D1

Code: A1 Motor Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy X 	Code: D1 Motor Insurance Insurance Product Information Document Company: STU Insurance Product: Policy Y 
This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. ✓ Main risks covered: ✓ Third party liability for damage caused to another vehicle ✓ Death or injury to the driver or passenger(s) ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation ✗ Main risks not covered: ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law ✗ General wear and tear including to tyres, brakes etc ✗ Loss or damage caused by using the wrong type of fuel ✗ Intentional damage by the owner ! Main restrictions and exclusions: ! Driving other cars is restricted to the policyholder only and for third party cover only ! You must pay the first £250 of any third party or accidental damage claim ! Amounts above £200 for in-car entertainment systems are not covered Main obligations: • At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask • You must pay the premium(s) on time • You must inform us of any damage to the vehicle that occurs • You must inform the police immediately if any person is injured in a collision • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month. Duration of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.	This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation. ✓ Main risks covered: ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others ✓ Third party liability for damage caused to another vehicle ✓ Death or injury to the driver or passenger(s) ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £5,000,000. Additional information can be found in the policy documentation ✓ Legal costs up to £250,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation ✓ General wear and tear including to tyres, brakes etc ✗ Main risks not covered: ✗ Loss or damage caused by using the wrong type of fuel ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, failure to wear a seat belt as required by law, or any other activities prohibited by law whilst driving ✗ Intentional damage caused by the policyholder ! Main restrictions and exclusions: ! You must pay the first £200 of any third party or accidental damage claim ! Driving other cars is restricted to the policyholder only and for third party cover only ! Claims above £200 for in-car entertainment systems are not covered Main obligations: • At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask • You must inform the police immediately if any person is injured in a collision • You must pay the premium(s) on time • You must inform us of any damage to the vehicle occurring during the duration of the contract • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. Duration of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £75. We will refund you any premium paid in respect of the remaining full months of the contract duration.

Format 1 – Household insurance versions B1 and E1

Code: B1

Household Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy X



This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

✓ Main risks covered:

Buildings: ✓ Your home including walls, roof, driveway, patio ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes ✓ Outbuildings such as sheds or garages Contents: ✓ Household goods and non-permanent fittings such as carpets and curtains ✓ Personal belongings in the home or outbuildings ✓ Money in the home up to £500 ✓ Contents in the garden up to £1,000 ✓ Contents of fridge or freezer spoiled where the appliance fails ✓ Business equipment up to £5,000 Loss or damage in respect of: ✓ Fire, storm, flood, escape of water, frost damage ✓ Theft, vandalism or malicious acts, subsidence ✓ Cost of alternative accommodation during repairs if your	- home is unfit to live in (maximum of £25,000) ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000) ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents Insured sum: ✓ For buildings the maximum insured sum is £500,000 ✓ For contents the maximum insured sum is £50,000 Geographical scope: ✓ The cover provided in this insurance policy is only available for the UK
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✗ Main risks not covered:

✗ General wear and tear ✗ Faulty workmanship ✗ Loss caused by a paying guest or tenant	✗ Loss where the home has not been occupied for 60 consecutive days ✗ Underfloor heating or solar heating systems
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! Main restrictions and exclusions:

! Payment of a claim for jewellery and watches loss or damage will not exceed 25% of the total contents amount covered by the policy ! Cover for theft from a garage or outbuilding is limited to £2,500 ! Valuables such as jewellery, watches, furs, collections (e.g. coins, stamps) are subject to limits. More details can be found in the policy documentation ! You must pay the first £100 of any contents claim	! A claim in respect of any single article is limited to £2,000 (£500 for bicycles) unless it is specified separately in your schedule of valuables ! You must pay the first £1,000 of any subsidence claim ! You must pay the first £400 of any water damage claim ! There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents
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Please turn over >

Code: E1

Household Insurance

Insurance Product Information Document

Company: STU Insurance Product: Policy Y



This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

✓ Main risks covered:

Buildings: ✓ Outbuildings such as garages or sheds ✓ Your home including patio, walls, roof, driveway ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes ✓ General wear and tear Contents: ✓ Personal belongings in the home or outbuildings ✓ Household goods and non-permanent fittings such as carpets and curtains ✓ Money in the home up to £600 ✓ Contents in the garden up to £1,500 ✓ Business equipment up to £1,000 ✓ Contents of fridge or freezer spoiled where the appliance fails Loss or damage in respect of: ✓ Fire, storm, flood, escape of water, frost damage ✓ Theft, vandalism or malicious acts, subsidence	- Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £30,000) ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000) ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further information can be found in the policy documents ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further information can be found in the policy documents Insured sum: ✓ For contents the maximum insured sum is £40,000 ✓ For buildings the maximum insured sum is £600,000 Geographical scope: ✓ The cover provided in this insurance policy is only available for UK
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✗ Main risks not covered:

✗ Loss where the home has not been occupied for 60 consecutive days ✗ Faulty workmanship	✗ Damage or loss caused by a paying guest or tenant ✗ Underfloor heating or solar heating systems
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! Main restrictions and exclusions:

! You must pay the first £150 of any contents claim ! Payment of a claim for loss or damage to jewellery and watches will not exceed 25% of the total contents amount covered by the policy ! Cover for theft from a garage or outbuilding is limited to £2,500 ! Valuables such as jewellery, watches, furs, paintings, collections (e.g. coins, stamps) are subject to limits. More details can be found in the supporting policy documentation	! A claim in respect of any single article is limited to £2,500 (£400 for bicycles) unless it is specified separately in your schedule of valuables ! You must pay the first £1,000 of any subsidence claim ! You must pay the first £400 of any water damage claim ! There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents
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Please turn over >

Household Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy X



Main obligations:

- **At the start of the contract** you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any previous claims in the preceding 2 years
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

Household Insurance

Insurance Product Information Document

Company: STU Insurance Product: Policy Y



Main obligations:

- **At the start of the contract** you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must inform us of any previous claims in the preceding 2 years
- You must pay the premium(s) on time
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £30. We will refund you any premium paid in respect of the remaining full months of the contract duration.

Format 1 – Health and accident insurance versions C1 and F1

Code: C1		Code: F1	
Health/Accident Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy X This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.		Health/Accident Insurance Insurance Product Information Document Company: STU Insurance Product: Policy Y This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.	
✓ Main risks covered: ✓ Emergency treatment in hospital is covered subject to a total of £100,000 ✓ Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of £100,000 ✓ Day patient procedures in any hospital is covered ✓ Maternity care is covered ✓ Consultant and doctors' fees for hospital care ✓ Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered Insured sum: ✓ The insured sum is dependent on the type of treatment required Geographical scope: ✓ The cover provided in this insurance policy is only available for the UK		✓ Main risks covered: ✓ Emergency stay in hospital is covered (including accommodation, meals nursing care, drugs and dressings) subject to a total of £100,000 ✓ Emergency treatment in hospital is covered subject to a maximum level of £200,000 ✓ Consultant and doctors' fees for hospital care ✓ Joint replacement ✓ Day patient procedures in any hospital is covered ✓ Maternity care is covered ✓ Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered Insured sum: ✓ The insured sum depends upon the type of treatment which is required Geographical scope: ✓ The cover provided in this insurance policy is only available for UK	
✗ Main risks not covered: ✗ Cosmetic surgery ✗ Gastric banding and obesity surgery ✗ Eye surgery ✗ Joint replacement ✗ Rehabilitation ✗ Kidney dialysis ✗ Infertility treatment		✗ Main risks not covered: ✗ Kidney dialysis ✗ Cosmetic surgery ✗ Gastric banding and obesity surgery ✗ Eye surgery ✗ Rehabilitation (e.g. physio fees) ✗ Infertility treatment	
! Main restrictions and exclusions: ! There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation ! There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation ! You must pay the first £100 of any surgical procedure ! Dental cover is restricted to dental surgery ! Restrictions apply to varicose vein surgery		! Main restrictions and exclusions: ! You must pay the first £150 of any surgical procedure ! In some hospitals there are restrictions for certain types of treatments. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation ! There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the full policy documentation ! Dental cover is restricted to dental surgery only ! Restrictions apply to varicose vein surgery	
Main obligations: • At the start of the contract you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them • You must pay the premium(s) on time • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled		Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. Duration of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you the premium in respect of the remaining full months of the contract term.	

Format 2 – Motor insurance versions A2 and D2

Code: A2 Motor Insurance Insurance Product Information Document Company: XYZ Insurance Product: Policy X	Code: D2 Motor Insurance Insurance Product Information Document Company: STU Insurance Product: Policy Y
This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.  Main risks covered: ✓ Third party liability for damage caused to another vehicle ✓ Death or injury to the driver or passenger(s) ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others. ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation  Insured sum: ✓ The maximum insured sum is the replacement market value of the vehicle being insured  Geographical scope: ✓ The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy Main obligations: • At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask • You must pay the premium(s) on time • You must inform us of any damage to the vehicle that occurs • You must inform the police immediately if any person is injured in a collision • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month. Duration of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.	This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.  Main risks covered: ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others ✓ Third party liability for damage caused to another vehicle ✓ Death or injury to the driver or passenger(s) ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £5,000,000. Additional information can be found in the policy documentation ✓ Legal costs up to £250,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation ✓ General wear and tear including to tyres, brakes etc.  Insured sum: ✓ The maximum insured sum is the replacement market value of the policyholder's vehicle  Geographical scope: ✓ The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy Main obligations: • At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask • You must inform the police immediately if any person is injured in a collision • You must pay the premium(s) on time • You must inform us of any damage to the vehicle occurring during the duration of the contract • If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled Payment: The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. Duration of the contract: The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017. Termination of the contract: You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £75. We will refund you any premium paid in respect of the remaining full months of the contract duration.

Format 2 – Household insurance versions B2 and E2

Code: B2

Household Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy X

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered:

Buildings:

- ✓ Your home including walls, roof, driveway, patio
- ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes
- ✓ Outbuildings such as sheds or garages

Contents:

- ✓ Household goods and non-permanent fittings such as carpets and curtains
- ✓ Personal belongings in the home or outbuildings
- ✓ Money in the home up to £500
- ✓ Contents in the garden up to £1,000
- ✓ Contents of fridge or freezer spoiled where the appliance fails
- ✓ Business equipment up to £5,000

Loss or damage in respect of:

- ✓ Fire, storm, flood, escape of water, frost damage
- ✓ Theft, vandalism or malicious acts, subsidence
- ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £25,000)
- ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000)
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents

Insured sum:

- ✓ For buildings the maximum insured sum is £500,000
- ✓ For contents the maximum insured sum is £50,000

Geographical scope:

- ✓ The cover provided in this insurance policy is only available for the UK

Main risks not covered:

- ✗ General wear and tear
- ✗ Faulty workmanship
- ✗ Loss caused by a paying guest or tenant
- ✗ Loss where the home has not been occupied for 60 consecutive days
- ✗ Underfloor heating or solar heating systems

Main restrictions and exclusions:

- ⚠ Payment of a claim for jewellery and watches loss or damage will not exceed 25% of the total contents amount covered by the policy
- ⚠ Cover for theft from a garage or outbuilding is limited to £2,500
- ⚠ Valuables such as jewellery, watches, furs, collections (e.g. coins, stamps) are subject to limits. More details can be found in the policy documentation
- ⚠ You must pay the first £100 of any contents claim
- ⚠ A claim in respect of any single article is limited to £2,000 (£500 for bicycles) unless it is specified separately in your schedule of valuables
- ⚠ You must pay the first £1,000 of any subsidence claim
- ⚠ You must pay the first £400 of any water damage claim
- ⚠ There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents

Please turn over ●●●

Code: E2

Household Insurance

Insurance Product Information Document

Company: STU Insurance Product: Policy Y

This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

Main risks covered:

Buildings:

- ✓ Outbuildings such as garages or sheds
- ✓ Your home including patio, walls, roof, driveway
- ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes
- ✓ General wear and tear

Contents:

- ✓ Personal belongings in the home or outbuildings
- ✓ Household goods and non-permanent fittings such as carpets and curtains
- ✓ Money in the home up to £600
- ✓ Contents in the garden up to £1,500
- ✓ Business equipment up to £1,000
- ✓ Contents of fridge or freezer spoiled where the appliance fails

Loss or damage in respect of:

- ✓ Fire, storm, flood, escape of water, frost damage
- ✓ Theft, vandalism or malicious acts, subsidence
- ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £30,000)
- ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000)
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further information can be found in the policy documents
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further information can be found in the policy documents

Insured sum:

- ✓ For contents the maximum insured sum is £40,000
- ✓ For buildings the maximum insured sum is £600,000

Geographical scope:

- ✓ The cover provided in this insurance policy is only available for the UK

Main risks not covered:

- ✗ Loss where the home has not been occupied for 60 consecutive days
- ✗ Faulty workmanship
- ✗ Damage or loss caused by a paying guest or tenant
- ✗ Underfloor heating or solar heating systems

Main restrictions and exclusions:

- ⚠ You must pay the first £150 of any contents claim
- ⚠ Payment of a claim for loss or damage to jewellery and watches will not exceed 25% of the total contents amount covered by the policy
- ⚠ Cover for theft from a garage or outbuilding is limited to £2,500
- ⚠ Valuables such as jewellery, watches, furs, paintings, collections (e.g. coins, stamps) are subject to limits. More details can be found in the supporting policy documentation
- ⚠ A claim in respect of any single article is limited to £2,500 (£400 for bicycles) unless it is specified separately in your schedule of valuables
- ⚠ You must pay the first £1,000 of any subsidence claim
- ⚠ You must pay the first £400 of any water damage claim
- ⚠ There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents

Please turn over ●●●

Main obligations:

- **At the start of the contract** you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any previous claims in the preceding 2 years
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

Main obligations:

- **At the start of the contract** you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must inform us of any previous claims in the preceding 2 years
- You must pay the premium(s) on time
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £30. We will refund you any premium paid in respect of the remaining full months of the contract duration.

Format 2 – Health and accident insurance versions C2 and F2

Code: C2

Health/Accident Insurance

Insurance Product Information Document

Company: XYZ Insurance Product: Policy X

This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.


Main risks covered:

- ✓ Emergency treatment in hospital is covered subject to a total of £100,000
- ✓ Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of £100,000
- ✓ Day patient procedures in any hospital is covered
- ✓ Maternity care is covered
- ✓ Consultant and doctors' fees for hospital care
- ✓ Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered


Main risks not covered:

- ✗ Cosmetic surgery
- ✗ Gastric banding and obesity surgery
- ✗ Eye surgery
- ✗ Joint replacement
- ✗ Rehabilitation
- ✗ Kidney dialysis
- ✗ Infertility treatment


Main restrictions and exclusions:

- ⚠ There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation
- ⚠ There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation
- ⚠ You must pay the first £100 of any surgical procedure
- ⚠ Dental cover is restricted to dental surgery
- ⚠ Restrictions apply to varicose vein surgery


Insured sum:

- ✓ The insured sum is dependent on the type of treatment required


Geographical scope:

- ✓ The cover provided in this insurance policy is only available for the UK

Main obligations:

- **At the start of the contract** you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them
- You must pay the premium(s) on time
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

Code: F2

Health/Accident Insurance

Insurance Product Information Document

Company: STU Insurance Product: Policy Y

This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.


Main risks covered:

- ✓ Emergency stay in hospital is covered (including accommodation, meals nursing care, drugs and dressings) subject to a total of £100,000
- ✓ Emergency treatment in hospital is covered subject to a maximum level of £200,000
- ✓ Consultant and doctors' fees for hospital care
- ✓ Joint replacement
- ✓ Day patient procedures in any hospital is covered
- ✓ Maternity care is covered
- ✓ Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered


Main risks not covered:

- ✗ Kidney dialysis
- ✗ Cosmetic surgery
- ✗ Gastric banding and obesity surgery
- ✗ Eye surgery
- ✗ Rehabilitation (e.g. physio fees)
- ✗ Infertility treatment


Main restrictions and exclusions:

- ⚠ You must pay the first £150 of any surgical procedure
- ⚠ In some hospitals there are restrictions for certain types of treatments. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation
- ⚠ There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the full policy documentation
- ⚠ Dental cover is restricted to dental surgery only
- ⚠ Restrictions apply to varicose vein surgery


Insured sum:

- ✓ The insured sum depends upon the type of treatment which is required


Geographical scope:

- ✓ The cover provided in this insurance policy is only available for the UK

Main obligations:

- **At the start of the contract** you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled
- You must pay the premium(s) on time

Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit.

Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

Termination of the contract:

You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £65. We will refund you the premium in respect of the remaining full months of the contract duration.

Format 3 – Motor insurance versions A3 and D3

Code: A3

Motor Insurance

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy X]

This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.



Main risks covered:

- ✓ Third party liability for damage caused to another vehicle
- ✓ Death or injury to the driver or passenger(s)
- ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others.
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documentation
- ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation





Insured sum:

- ✓ The maximum insured sum is the replacement market value of the vehicle being insured



Geographical scope:

- ✓ The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy



Main risks not covered:

- ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, or failure to wear a seat belt as required by law
- ✗ General wear and tear including to tyres, brakes etc.
- ✗ Loss or damage caused by using the wrong type of fuel
- ✗ Intentional damage by the owner



Main restrictions and exclusions:

- ⚠ Driving other cars is restricted to the policyholder only and for third party cover only
- ⚠ You must pay the first £250 of any third party or accidental damage claim
- ⚠ Amounts above £200 for in-car entertainment systems are not covered



Main obligations:

- At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any damage to the vehicle that occurs
- You must inform the police immediately if any person is injured in a collision
- If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Please turn over ➡

Code: D3

Motor Insurance

Insurance Product Information Document

[Company: STU Insurance] [Product: Policy Y]

This document provides a summary of the key information relating to this motor insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.



Main risks covered:

- ✓ Loss or damage in respect of fire, theft, vandalism or malicious acts by others
- ✓ Third party liability for damage caused to another vehicle
- ✓ Death or injury to the driver or passenger(s)
- ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £5,000,000. Additional information can be found in the policy documentation
- ✓ Legal costs up to £250,000 for personal injury claims, contractual disputes, legal defence in a court prosecution. Further details can be found in the policy documentation
- ✓ General wear and tear including to tyres, brakes etc.





Insured sum:

- ✓ The maximum insured sum is the replacement market value of the policyholder's vehicle



Geographical scope:

- ✓ The cover provided in this insurance policy applies in all EU countries. However cover for driving outside your country of residence is only for 60 days in respect of third party liability and 30 days for other cover provided under this policy



Main risks not covered:

- ✗ Loss or damage caused by using the wrong type of fuel
- ✗ Death or injury due to suicide, attempted suicide, drugs or alcohol, failure to wear a seat belt as required by law, or any other activities prohibited by law whilst driving
- ✗ Intentional damage caused by the policyholder



Main restrictions and exclusions:

- ⚠ You must pay the first £200 of any third party or accidental damage claim
- ⚠ Driving other cars is restricted to the policyholder only and for third party cover only
- ⚠ Claims above £200 for in-car entertainment systems are not covered



Main obligations:

- At the start of the contract you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must inform the police immediately if any person is injured in a collision
- You must pay the premium(s) on time
- You must inform us of any damage to the vehicle occurring during the duration of the contract
- If you have to make a claim you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Please turn over ➡

**Payment:**

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.

**Duration of the contract:**

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

**Termination of the contract:**

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

**Payment:**

The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit.

**Duration of the contract:**

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.

**Termination of the contract:**

You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £75. We will refund you any premium paid in respect of the remaining full months of the contract duration.

Format 3 – Household insurance versions B3 and E3

Code: B3 Household insurance Insurance Product Information Document [Company: XYZ Insurance] [Product: Policy X] 	Code: E3 Household insurance Insurance Product Information Document [Company: STU Insurance] [Product: Policy Y] 
This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.  Main risks covered: Buildings: ✓ Your home including walls, roof, driveway, patio ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes ✓ Outbuildings such as sheds or garages Contents: ✓ Household goods and non-permanent fittings such as carpets and curtains ✓ Personal belongings in the home or outbuildings ✓ Money in the home up to £500 ✓ Contents in the garden up to £1,000 ✓ Contents of fridge or freezer spoiled where the appliance fails ✓ Business equipment up to £5,000 Loss or damage in respect of: ✓ Fire, storm, flood, escape of water, frost damage ✓ Theft, vandalism or malicious acts, subsidence ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £25,000) ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000) ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further details can be found in the policy documents ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further details can be found in the policy documents  Insured sum: ✓ For buildings the maximum insured sum is £500,000 ✓ For contents the maximum insured sum is £50,000  Geographical scope: ✓ The cover provided in this insurance policy is only available for the UK  Main risks not covered: ✗ General wear and tear ✗ Faulty workmanship ✗ Loss caused by a paying guest or tenant ✗ Loss where the home has not been occupied for 60 consecutive days ✗ Underfloor heating or solar heating systems Please turn over ➡	This document provides a summary of the key information relating to this household insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.  Main risks covered: Buildings: ✓ Outbuildings such as garages or sheds ✓ Your home including patio, walls, roof, driveway ✓ Permanent fittings in your home such as kitchen units, bathroom fittings, fitted wardrobes ✓ General wear and tear Contents: ✓ Personal belongings in the home or outbuildings ✓ Household goods and non-permanent fittings such as carpets and curtains ✓ Money in the home up to £600 ✓ Contents in the garden up to £1,500 ✓ Business equipment up to £1,000 ✓ Contents of fridge or freezer spoiled where the appliance fails Loss or damage in respect of: ✓ Fire, storm, flood, escape of water, frost damage ✓ Theft, vandalism or malicious acts, subsidence ✓ Cost of alternative accommodation during repairs if your home is unfit to live in (maximum of £30,000) ✓ Costs associated with finding and repairing damage caused by an escape of water (maximum of £5,000) ✓ Your legal liability for when you are found to be legally responsible for damage or personal injury to a third party or their property is covered up to a limit of £10,000,000. Further information can be found in the policy documents ✓ Legal costs up to £100,000 for personal injury claims, contractual disputes, property disputes, inheritance disputes, legal defence. Further information can be found in the policy documents  Insured sum: ✓ For contents the maximum insured sum is £40,000 ✓ For buildings the maximum insured sum is £600,000  Geographical scope: ✓ The cover provided in this insurance policy is only available for the UK  Main risks not covered: ✗ Loss where the home has not been occupied for 60 consecutive days ✗ Faulty workmanship ✗ Damage or loss caused by a paying guest or tenant ✗ Underfloor heating or solar heating systems Please turn over ➡



Main restrictions and exclusions:

- Payment of a claim for jewellery and watches loss or damage will not exceed 25% of the total contents amount covered by the policy
- Cover for theft from a garage or outbuilding is limited to £2,500
- Valuables such as jewellery, watches, furs, collections (e.g. coins, stamps) are subject to limits. More details can be found in the policy documentation
- You must pay the first £100 of any contents claim
- A claim in respect of any single article is limited to £2,000 (£500 for bicycles) unless it is specified separately in your schedule of valuables
- You must pay the first £1,000 of any subsidence claim
- You must pay the first £400 of any water damage claim
- There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents



Main obligations:

- At the start of the contract** you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must pay the premium(s) on time
- You must inform us of any previous claims in the preceding 2 years
- If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled



Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.



Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.



Termination of the contract:

You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.



Main restrictions and exclusions:

- You must pay the first £150 of any contents claim
- Payment of a claim for loss or damage to jewellery and watches will not exceed 25% of the total contents amount covered by the policy
- Cover for theft from a garage or outbuilding is limited to £2,500
- Valuables such as jewellery, watches, furs, paintings, collections (e.g. coins, stamps) are subject to limits. More details can be found in the supporting policy documentation
- A claim in respect of any single article is limited to £2,500 (£400 for bicycles) unless it is specified separately in your schedule of valuables
- You must pay the first £1,000 of any subsidence claim
- You must pay the first £400 of any water damage claim
- There are limits on losses for items such as cameras, sports equipment, bicycles and money where the loss occurs outside the home. Further information is set out in the policy documents



Main obligations:

- At the start of the contract** you must tell us about any pre-existing damage that you are aware of and give complete and accurate answers to any questions we may ask
- You must inform us of any previous claims in the preceding 2 years
- You must pay the premium(s) on time
- If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled



Payment:

The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit.



Duration of the contract:

The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.



Termination of the contract:

You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £30. We will refund you any premium paid in respect of the remaining full months of the contract duration.

Format 3 – Health and accident insurance versions C3 and F3

Code: C3



Health/Accident insurance

Insurance Product Information Document

[Company: XYZ Insurance] [Product: Policy X]

This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

**Main risks covered:**

- ✓ Emergency treatment in hospital is covered subject to a total of £100,000
- ✓ Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of £100,000
- ✓ Day patient procedures in any hospital is covered
- ✓ Maternity care is covered
- ✓ Consultant and doctors' fees for hospital care
- ✓ Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered

**Insured sum:**

- ✓ The insured sum is dependent on the type of treatment required

**Geographical scope:**

- ✓ The cover provided in this insurance policy is only available for the UK

**Main risks not covered:**

- ✗ Cosmetic surgery
- ✗ Gastric banding and obesity surgery
- ✗ Eye surgery
- ✗ Joint replacement
- ✗ Rehabilitation
- ✗ Kidney dialysis
- ✗ Infertility treatment

**Main restrictions and exclusions:**

- ⚠ There are restrictions for some types of treatments in some hospitals. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation
- ⚠ There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the policy documentation
- ⚠ You must pay the first £100 of any surgical procedure
- ⚠ Dental cover is restricted to dental surgery
- ⚠ Restrictions apply to varicose vein surgery

**Main obligations:**

- **At the start of the contract** you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them
- You must pay the premium(s) on time
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled

Please turn over ➡

Code: F3



Health/Accident insurance

Insurance Product Information Document

[Company: STU Insurance] [Product: Policy Y]

This document provides a summary of the key information relating to this health/accident insurance policy. Complete pre-contractual and contractual information on the product is provided in the full policy documentation.

**Main risks covered:**

- ✓ Emergency stay in hospital is covered (including accommodation, meals, nursing care, drugs and dressings) subject to a total of £100,000
- ✓ Emergency treatment in hospital is covered subject to a maximum level of £200,000
- ✓ Consultant and doctors' fees for hospital care
- ✓ Joint replacement
- ✓ Day patient procedures in any hospital is covered
- ✓ Maternity care is covered
- ✓ Diagnostic tests (blood tests, x-ray, ECG, scans etc.) are covered

**Insured sum:**

- ✓ The insured sum depends upon the type of treatment which is required

**Geographical scope:**

- ✓ The cover provided in this insurance policy is only available for the UK

**Main risks not covered:**

- ✗ Kidney dialysis
- ✗ Cosmetic surgery
- ✗ Gastric banding and obesity surgery
- ✗ Eye surgery
- ✗ Rehabilitation (e.g. physio fees)
- ✗ Infertility treatment

**Main restrictions and exclusions:**

- ⚠ You must pay the first £150 of any surgical procedure
- ⚠ In some hospitals there are restrictions for certain types of treatments. There are also restrictions on the type of room that is covered in some hospitals. More details can be found in the policy documentation
- ⚠ There are standard waiting periods for medical conditions that you already have before taking out this insurance. More details can be found in the full policy documentation
- ⚠ Dental cover is restricted to dental surgery only
- ⚠ Restrictions apply to varicose vein surgery

**Main obligations:**

- **At the start of the contract** you must tell us about any pre-existing illnesses that you have to the extent that you are aware of them
- **If you have to make a claim** you must provide us with all relevant information about the claim, including any reimbursement from another source to which you are entitled
- You must pay the premium(s) on time

Please turn over ➡

	Payment:	The premium for this annual policy may be paid in one single amount or by monthly instalments. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit. For monthly instalments payment is due on the 15th day of each month.
	Duration of the contract:	The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.
	Termination of the contract:	You can cancel the insurance contract at any time by informing us in writing. Should you cancel, there will be an administrative charge of £50. We will refund you any premium paid in respect of the remaining full months of the contract term.

	Payment:	The premium for this annual policy may be paid in one single amount or by monthly instalments. For monthly instalments payment is due on the 15th day of each month. Payment may be made by credit card, debit card, personal cheque, standing order or direct debit.
	Duration of the contract:	The contract is for a duration of one year and will start on 1 September 2016 and end on 31 August 2017.
	Termination of the contract:	You can terminate the insurance contract at any time by informing us in writing. Cancellation will incur an administrative charge of £65. We will refund you the premium in respect of the remaining full months of the contract duration.



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