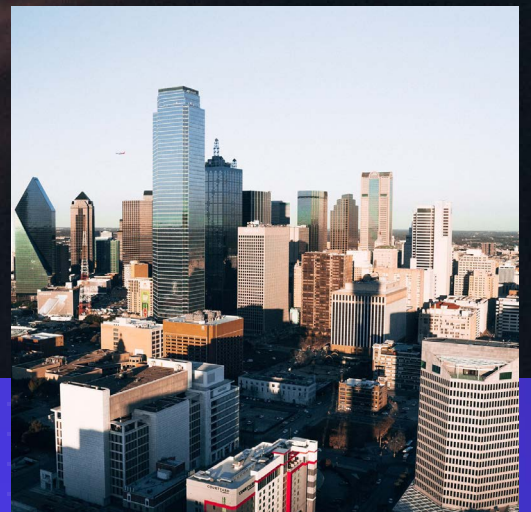


REPORT

# Texan auto insurers are not speaking the same language as their customers

71% of Texan auto-insurance policies do not meet the recommended grade level for communicating with customers





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# Executive Summary

In July 2021, VisibleThread conducted research into 7 of the largest auto insurers in Texas. These 7 companies make up [58% of the market](#).

We looked at how leading auto insurance companies communicate with their customers. Our goal was to find out if the average Texan could read and understand standard insurance policy documents.

## Why?

According to the Texas Department of Insurance, policies must achieve a Flesch Reading Ease score of 40 or more. This is necessary for approval from the State Board of Insurance.

Our research shows that complex language erodes trust. The jargon-heavy, legal language that insurance companies are using is not clear to most people in Texas. 17% of residents are foreign-born and 1 in 6 adults do not have a high school diploma. Consumers want to understand their product descriptions, policy documents, and terms and conditions.

## Our results show that:

All documents analyzed met the Flesch Readability Score of 40. However, sections of each company's policy documents are not easily readable for the average Texan.

## 4 out of the top 7 companies

have excessive passive voice in their policy documents. This makes the content complex and difficult to read.

**The Flesch Reading ease test** is the industry standard for measuring how easy text is for someone to read.

**71%** of policies analyzed did not meet the recommended 8th grade level in the Flesch-Kincaid Readability Test

## Complex word density

is an issue for 100% of insurance documents analyzed.

**3 out of the top 7 companies** did not meet the recommended long sentence use of 5% or less.



# Market Context

Texas is home to about **21 million adults**, with **8.3 million cars** registered in the state. That's your market. To attract new auto insurance customers - and keep the ones you have - you need to improve your language.


While over **30% of Texans hold a college degree**, about 1 in 6 **do not** have a high school diploma. This rises to 1 in 4 in Houston. Meanwhile, the **17% of people** born abroad may not speak English as their **native language**.

So, if you write policy documents in jargon-heavy, legal language, you're not speaking the same language as your customers. Most insurance companies

are writing at a level that only college graduates understand. Excluding those who have not finished high school.

What does this mean for customers? You are asking them to sign documents they may not understand. That erodes trust (see Edelman research on page 8).

Speaking and writing in plain English rebuilds that trust. It empowers customers to ask questions, and to choose the right policies, without feeling confused by the process. This isn't just good customer service, it's likely to win you business.



"You are asking them to sign documents they may not fully understand, and that erodes trust"

Legalese is complex and difficult for anyone outside of the legal industry to understand. Instead of using words like 'heretofore' why not use 'before now'? This engages consumers with your content. Complex language, on the other hand, confuses consumers and this leads to distrust.

### Insurance firms bank on trust

They are asking consumers to trust them to be there when things go wrong. A car accident, a water leak, or a health problem are just some examples. These are serious life events where consumers rely on insurance companies for support.

Yet, insurance companies, as part of the financial services sector, are one of the least trusted industries. This is according to the [EdelmanTrust Barometer 2021](#).

### Plain Language and the insurance industry

Insurers should simplify terms & conditions and product information. Banishing legalese and writing in plain language is critical to achieving this goal. Artificial Intelligence and Natural Language Processing make it possible to measure and benchmark content clarity.

### Content is often produced by subject-matter experts, not professional writers

Subject-matter experts are a valuable source for creating new content. However, many struggle to write in plain language. Content teams struggle to review and edit content originating from subject-matter experts.

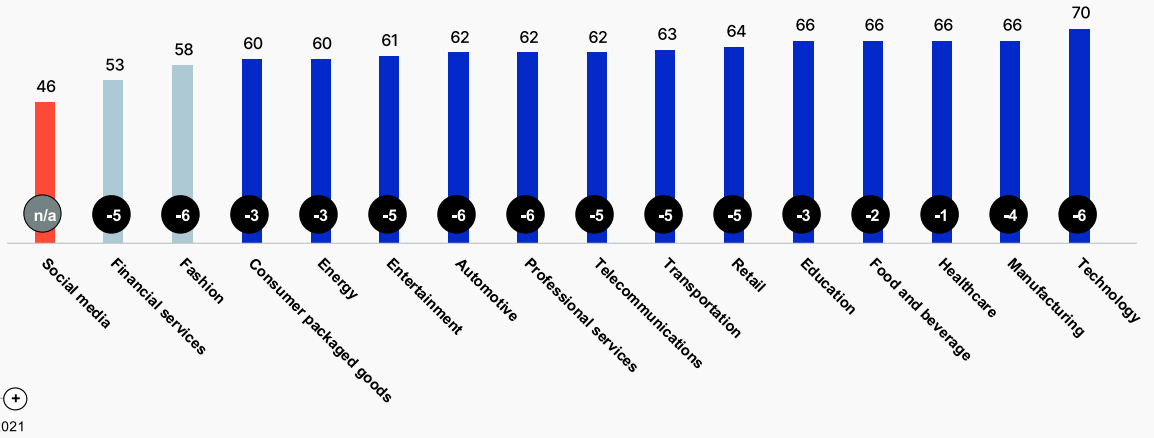
**'Legalese' – the formal and technical language of legal documents. It is "poor legal writing that is cluttered, wordy, indirect, and includes unnecessary technical words or phrases." It's a language difficult for the average person to understand.**

**Yet, insurers all over the world use it.**

# Edelman Trust Barometer 2021

U.S. Financial Services Among The Least Trusted In The World

Percent trust in each sector



Industry	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10yr. Trend
Technology	77	74	77	74	76	76	75	78	75	68	-9
Healthcare	-	-	-	-	64	67	65	68	67	66	n/a
Food and beverage	64	64	65	64	65	68	64	69	67	65	+1
Telecommunications	59	61	62	60	61	64	64	67	65	61	+2
Automotive	63	66	70	67	62	66	63	69	67	60	-3
Consumer packaged goods	58	61	62	61	62	64	61	65	62	60	+2
Energy	54	58	57	57	59	62	63	65	63	59	+5
Entertainment	-	63	66	64	66	65	63	68	65	59	n/a
Financial services	44	47	49	48	52	55	55	57	56	52	+8

Percent trust in each sector



<https://www.edelman.com/sites/g/files/aatuss191/files/202103/2021%20Edelman%20Trust%20Barometer.pdf>



# Rankings

When it comes to readability, the companies that do best are Consumers County and State Farm. Their documents can still stand to improve by:

- Reducing sentence length to 20 words or less
- Improving their use of passive voice

The companies that fare worst in the rankings are Liberty Mutual and Progressive. They need to improve their writing to meet the Texas Department of Insurance directive on plain language. They can start by:

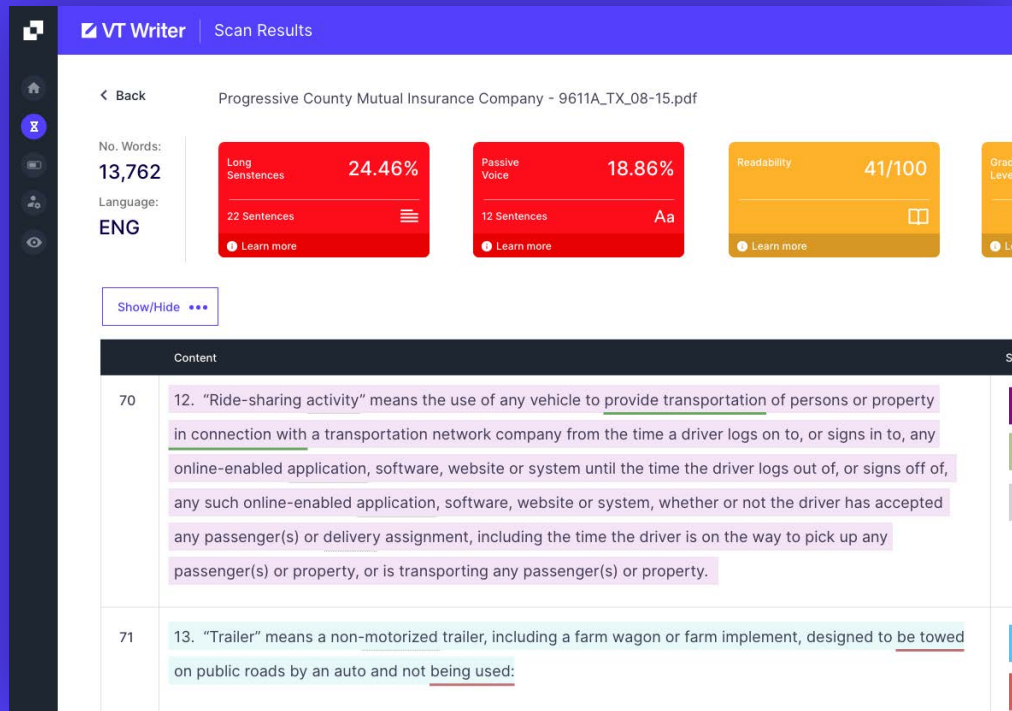
- Reducing their use of passive voice. We recommend getting passive voice percentage down to 5% or less
- Reducing sentence length to 20 words or less
- Avoid using jargon and complex words

Organization	Readability (Flesch)	Grade Level	Passive Language	Long Sentences
Consumers County	57	6.5	6.60%	4.01%
State Farm	57	7	8.40%	4.29%
Farmers Texas County	51	8.1	10.19%	6.59%
Allstate	50	8.2	12.52%	4.59%
GEICO County Mutual Insurance	49	8.5	8.92%	9.33%
Liberty County Mutual Insurance	49	8.6	11.75%	4.97%
Progressive County	44	10	15.85%	12.84%

Here's an example VT Writer's readability scoring for a Progressive Insurance document. This piece of text scored 0/100 for readability and a grade level of 42.1. Making this difficult to read and understand

*“Ride-sharing activity” means the use of any vehicle to provide transportation of persons or property in connection with a transportation network company from the time a driver logs on to, or signs in to, any online-enabled application, software, website or system until the time the driver logs out of, or signs off of, any such online-enabled application, software, website or system, whether or not the driver has accepted any passenger(s) or delivery assignment, including the time the driver is on the way to pick up any passenger(s) or property, or is transporting any passenger(s) or property.*

This sentence is a whopping **99 words** long, and has **12 commas**. No wonder it's so hard to follow! VT Writer has identified this as a problem and has advised making some changes.



The screenshot shows the 'VT Writer | Scan Results' interface for a document titled 'Progressive County Mutual Insurance Company - 9611A\_TX\_08-15.pdf'. The document contains 13,762 words in English. Key findings include:

- Long Sentences:** 24.46% (22 Sentences)
- Passive Voice:** 18.86% (12 Sentences)
- Readability:** 41/100

The interface includes a 'Show/Hide' button and a 'Content' section listing specific issues:

- Item 70:** A long sentence starting with "12. 'Ride-sharing activity' means the use of any vehicle to provide transportation of persons or property in connection with a transportation network company from the time a driver logs on to, or signs in to, any online-enabled application, software, website or system until the time the driver logs out of, or signs off of, any such online-enabled application, software, website or system, whether or not the driver has accepted any passenger(s) or delivery assignment, including the time the driver is on the way to pick up any passenger(s) or property, or is transporting any passenger(s) or property." This sentence is highlighted in pink.
- Item 71:** A sentence starting with "13. 'Trailer' means a non-motorized trailer, including a farm wagon or farm implement, designed to be towed on public roads by an auto and not being used:" This sentence is highlighted in light blue.



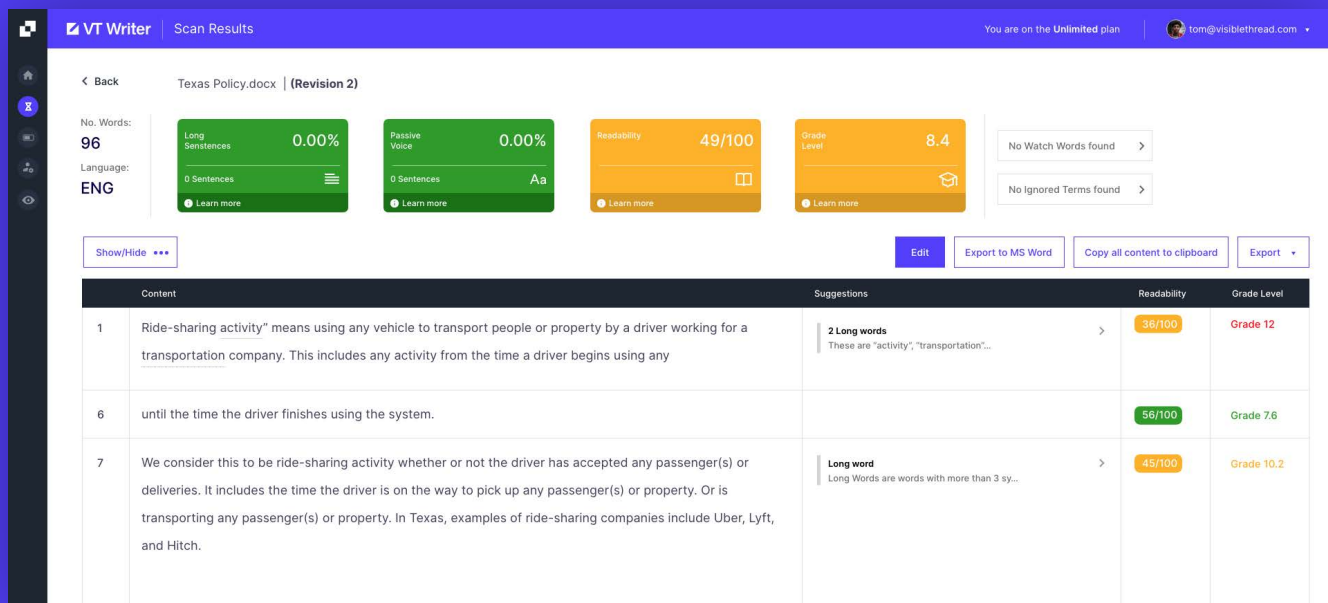
Now read our version of the same text. It's the same information, but we've used shorter sentences, simpler language, and examples to make the meaning more clear.

*“Ride-sharing activity” means using any vehicle to transport people or property by a driver working for a transportation company. This includes any activity from the time a driver begins using any*

- *app,*
- *software,*
- *website,*
- *or system*

*until the time the driver finishes using the system.*

*We consider this to be ride-sharing activity whether or not the driver has accepted any passenger(s) or deliveries. It includes the time the driver is on the way to pick up any passenger(s) or property. Or is transporting any passenger(s) or property. In Texas, examples of ride-sharing companies include Uber, Lyft, and Hitch.*



The screenshot shows the 'VT Writer Scan Results' interface for a document titled 'Texas Policy.docx | (Revision 2)'. The document is in English (ENG) and contains 96 words. The analysis shows 0.00% long sentences and 0.00% passive voice. The readability score is 49/100, and the grade level is 8.4. There are no watch words or ignored terms found.

Content	Suggestions	Readability	Grade Level
1 Ride-sharing activity” means using any vehicle to transport people or property by a driver working for a transportation company. This includes any activity from the time a driver begins using any	2 Long words These are “activity”, “transportation”...	38/100	Grade 12
6 until the time the driver finishes using the system.		56/100	Grade 7.6
7 We consider this to be ride-sharing activity whether or not the driver has accepted any passenger(s) or deliveries. It includes the time the driver is on the way to pick up any passenger(s) or property. Or is transporting any passenger(s) or property. In Texas, examples of ride-sharing companies include Uber, Lyft, and Hitch.	Long word Long Words are words with more than 3 sy...	45/100	Grade 10.2



# Conclusions

Auto Insurers must communicate better with their customers.

Insurance companies are part of the least trusted industry, financial services. The complex, legal language they use is a part of the reason why that is. Consumers want clear terms and clear product & service information. Our research shows that 71% of insurers analyzed are too complex for the intended audience; the average Texan consumer.

## Making simple changes can have a big impact on clarity

Several insurance companies could improve their rankings by focusing on four simple changes:

- ✓ Use shorter sentences
- ✓ Use the active voice instead of the passive voice
- ✓ Choose simpler words
- ✓ Adopting technology

Using passive voice makes your content sound academic. Every policy overused passive voice. All insurers should review their content for use of passive voice today.

Artificial Intelligence and Natural Language Processing will allow you to measure and benchmark content clarity. VisibleThread provides this technology to visionary organizations who use it to analyze and improve content at scale.

**Our research shows that 71% of insurers analyzed are too complex for the intended audience**



# Methodology

For this report, VisibleThread analyzed the policy documents from 7 of the largest auto insurance providers in Texas. We used our software, VT Writer to do this.

We included a sample document for each provider from the Texas Department of Insurance. This gives us a like-for-like comparison.

We analyzed over 102,000 words using VT Writer. We made data-driven recommendations that will support auto insurers who want to communicate more clearly.

	Metric	Formula
<b>Grade Level</b>	<ul style="list-style-type: none"> <li>Correlated to the number of years school was attended.</li> <li>To communicate effectively, aim for a grade level of 8 or lower. Or 6 for elderly and non-native speakers</li> </ul>	<ul style="list-style-type: none"> <li>This is based on the Flesch-Kincaid Grade Level Score.</li> <li>Measurement from 4th grade to college education.</li> </ul>
<b>Readability</b>	<ul style="list-style-type: none"> <li>Readability ranges from 0 to 100 (top mark).</li> <li>If communicating with citizens, aim for at least 40.</li> </ul>	<ul style="list-style-type: none"> <li>This is based on the Flesch Reading Ease Index.</li> </ul> $(206.835 - (1.015 \times \text{Average Sentence Length}) - (84.6 \times \text{Average Syllables per word}))$
<b>Passive Voice</b>	<ul style="list-style-type: none"> <li>The % rating is the proportion of sentences containing passive voice</li> </ul>	$(\text{Passive Sentences} / \text{Total Sentences} * 100)$
<b>Long Sentences</b>	<ul style="list-style-type: none"> <li>The % rating is the proportion of sentences that are longer than 25 words.</li> </ul>	$(\text{Long Sentences} / \text{Total Sentences} * 100)$
<b>Complex word density</b>	<ul style="list-style-type: none"> <li>The density rating is the proportion of complex words relative to the total word count.</li> </ul>	$(\text{Complex Words} / \text{Total Words} * 100)$



# Appendix

Full overview of documents analysed

Document Analyzed	Readability		Grade Level		Passive Voice		Long Sentences	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
<b>Consumers County</b> P01TX02 (07-20).pdf	57	1	6.5	1	6.60%	1	4.01%	1
<b>State Farm</b> 9843A.pdf	57	1	7.0	2	8.40%	2	4.29%	2
<b>Farmers</b> TCS_56-5663_11-5_Mock -up_TX_v17.pdf	51	2	8.1	3	10.19%	4	6.59%	5
<b>Allstate</b> ACR135 TX auto policy A-4. pdf	50	3	8.2	4	12.52%	6	4.59%	3
<b>GEICO</b> A30TX (12-19).pdf	49	4	8.5	5	8.92%	3	9.33%	6
<b>Liberty</b> SA_1455TXEP_10 19.pdf	49	4	8.6	6	11.75%	5	4.97%	4
<b>Progressive</b> 9611A_TX_08-15. pdf	44	3	10.0	7	15.85%	7	12.84%	7

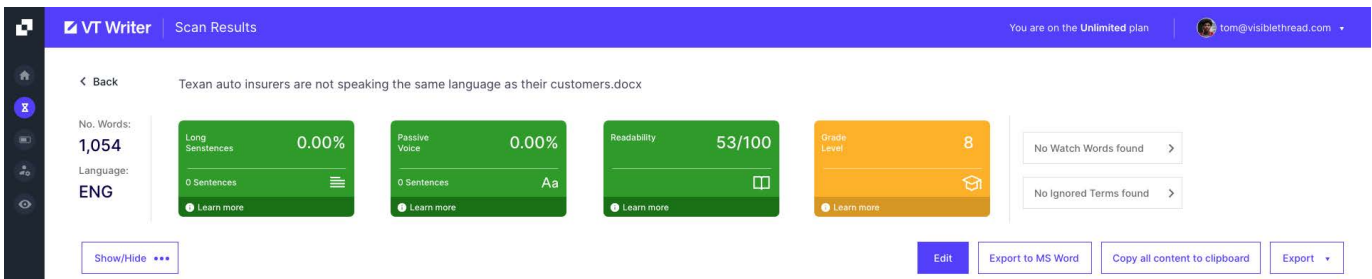
We accessed the policy documents via [The Texas Department of Insurance](#)



# Sources

1. [Top 40 List of Texas Auto Insurers](#)
2. [Texas Department of Insurance](#)
3. [Barbara Bush Houston Literacy Foundation](#)
4. [United States Census](#)
5. [Legalese Definition](#)
6. [Edelman Trust Barometer 2021](#)

Below are the readability results for this report. It scored a grade level of 8 in VT Writer



## For further information

on this research report or for inclusion in future research please email: **John Nolan** at [john.nolan@visiblethread.com](mailto:john.nolan@visiblethread.com)

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