



## **Trust vs Trustiness**

**by Bob Whipple, MBA, CPLP**

I enjoy reading Seth Goden's blog. Sometimes he is a little off the deep end for me, but there is always some kind of twist that makes me think more deeply about his topic. About a year ago, Seth wrote an article entitled "Trustiness." He made a contrast between genuine trust, where the real thing is being practiced, and the counterfeit situation where vendors do a lot of talking about trust but are really living a lie.

There are numerous situations where we think we are purchasing a good quality product or service only to be disappointed later on because we did not read the fine print. Seth mentioned financial institutions as a good example, where it is often impossible to know what you're buying until very late in the game. It is an industry that often dupes consumers.

The example that immediately sprang to my mind was the insurance business. We buy a policy, and we are told the coverage is comprehensive. The brochure is impressive. We pay the premiums for many years and never find ourselves in a position where we need to use the policy. Eventually, something happens, and we attempt to file a claim. That is when we find out that the product we bought had loopholes where we really were not fully covered. Reading the policy carefully before purchase should cure this situation, but I don't think so.

My observation is that no human being, except the policy author, would be able to fully understand all the exclusions, qualifications, deductibles, copayments, and restrictions when trying to read it. Basically, insurance companies can get away with duping customers because most consumers do not take the time to read every bit of the fine print. If they are like me, they may read the fine print but fail to see the clever loophole within the verbiage. I tend to get lost in the "does not apply unless the non-exclusion clause has not been rejected." Hello?

I may be jaded about the insurance industry, but having been disappointed many times in my life on rather large ticket items, I have come to be a serious skeptic when dealing with insurance organizations. Unfortunately, we are forced to carry insurance to guard against catastrophic financial loss. The thing that bugs me most is that you never know if you're really covered until it comes time to file a claim.

Social networking is really helping the situation because organizations can no longer hide the truth behind some kind of smokescreen. Progressive Insurance found that out in August of 2012 when they refused to pay benefits for the accidental death of Matt Fisher's sister, Kate. Progressive ended up helping to defend the person responsible for the accident, essentially using Kate's premiums to litigate against the case brought by her parents to force Progressive to pay what they owed to her estate.

When confronted in the social media, Progressive Insurance tried to weasel out of the truth by using carefully-crafted language. The Claims General Manager wrote, "To be very clear, Progressive did not serve as the attorney for the defendant in this case. He was defended by his insurance company, Nationwide." Court records produced by the hoard of social networkers proved the statement was misleading at best, because Progressive Insurance attorney, Jeffrey Moffet actually argued the case against Kate in court. In a matter of hours the twitter networks lit up and exposed the scandal. Progressive suffered massive and irreversible damage as a result. Flo will never be the same!

What Progressive Insurance did is not much different from what other organizations do, except that when they were caught red-handed, they tried to finesse their way out of the problem. In this environment of social networks, that approach leads to massive damage.

It did my heart good to see an organization become caught in their own web of falsehood, but my relief was only temporary. I realized that in the vast majority of cases, the tricks that are pulled to swindle people who have paid their premiums for years are defensible from a legal point of view if not from an ethical perspective. I honestly believe that a good portion of the profit for insurance companies is based on tricking people. That may be an unfair accusation, but it is the impression I consistently experience.

We are moving in the direction of higher transparency by sheer weight of public opinion and the availability of information in this internet age. I am happy to report that some companies have gotten the message. Long ago we switched our automobile insurance to a group with a reputation for straight forward language and fair claims processing. We had had the occasion to file a claim, and we were delighted with the response. More recently, we switched medical insurance from an organization that seemed to invent hassles to one that is prompt, reliable, and responsive. As Warren Bennis observed in

*Transparency*, "More and more companies are choosing transparency for two reasons: they have less and less choice - and it works."

In the end, for any business to survive, they must demonstrate they are worthy of real trust, and not be a sham that appears trustworthy until tested. I think the social networking groups are doing our civilization a great service by uncovering some of the underhanded activities that go on all the time. Sometimes organizations get a bum rap in the social networking arena, so it behooves any organization to stay on top of the chatter and lead out with the truth in plain English when overzealous Tweeters eviscerate the facts.

As Goden stated so well, "Trust is built when no one is looking, when you think you have the option of cutting corners, and when you find a loophole. Trustiness is what happens when you use trust as a PR tool."

Top executives of organizations can no longer hide behind smokescreens or legal-speak in order to maximize profits at the expense of innocent customers. If they try, they will ultimately be brought to justice by the very masses of individuals they are trying to deceive.



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