

**PERSONAL LINES PROPERTY AND CASUALTY INSURANCE
POLICY SIMPLIFICATION MODEL REGULATION**

Table of Contents

Section 1. Authority
Section 2. Implementation Dates
Section 3. Standards

Section 1. Authority

This regulation is issued under authority of [cite Property and Casualty Insurance Policy Simplification Model Act or other insurance law].

Section 2. Implementation Dates

All new and renewal personal lines policies under Section [5A of the Property and Casualty Insurance Policy Simplification Act] with effective dates on or after [insert date] shall comply with Section 6 of the Act. For purposes of this section continuous policies shall be deemed renewed on the beginning date of the next premium period beginning on or after [insert date].

Section 3. Standards

To comply with Section 6 of the Act, policies covered by Section 2 of this regulation shall meet the following standards:

- A. The policy shall include a table of contents of important provisions.
- B. Each section shall be self-contained and independent. However, general provisions applicable to more than one section may be included in a common section.
- C. The policy, except for declaration pages, schedules and tables, shall be printed in not less than ten (10) point type, one point leaded.
- D. The policy shall be printed in a legible type style with adequate contrast between ink and paper. Captions, headings, and spacing shall be used to increase overall legibility.
- E. The policy shall be written in everyday, conversational language, consistent with its standing as a contract. Short sentences and a personal style shall be used wherever possible.
- F. Technical terms and words with special meaning shall be avoided wherever possible.
- G. The policy text shall achieve a minimum score of forty (40) on the Flesch Reading Ease Test or an equivalent score on any other comparable test or a lower score on either if the Commissioner finds the policy reasonably easy to read. For purposes of this section a Flesch Reading Ease Test shall be scored by the following method:
 - (1) For a policy containing 10,000 words or less of text, the entire policy shall be analyzed. For a policy containing more than 10,000 words, the readability of two 100-word samples per page may be analyzed instead. The sample shall be separated by at least twenty (20) printed lines.
 - (2) The total number of words in the text or sample shall be divided by the total number of sentences. The figure obtained shall be multiplied by 1.015.
 - (3) The total number of syllables in the text or sample shall be divided by the total number of words. The figure obtained shall be multiplied by 84.6.

Personal Lines Property and Casualty Insurance Policy
Simplification Model Regulation

- (4) The sum of the figures computed under Paragraphs (2) and (3) subtracted from 206.835 equals the Flesch Reading Ease Test score.
- (5) For purposes of this section, the following procedures shall be used:
 - (a) A contraction, hyphenated word, numbers and letters, when separated by spaces, shall be counted as one word;
 - (b) A unit of text ending with a period, semicolon or colon shall be counted as a sentence;
 - (c) A syllable means a unit of spoken language consisting of one or more letters of a word as divided by an accepted dictionary. Where the dictionary shows two or more equally acceptable pronunciations of a word, the pronunciation containing fewer syllables may be used;
 - (d) At the option of the insurer, any form made a part of the policy may be scored separately or as part of the policy.
- (6) The term "text" as used in this section includes all printed matter except: the name and address of the insurer; the name, number or title of the policy or form; the table of contents or index; headings and captions; and declarations pages, schedules or tables.

Chronological Summary of Actions (all references are to the Proceedings of the NAIC).

1980 Proc. II 22, 26, 908, 910-911 (adopted).