

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

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**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:

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- (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.
- (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.

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

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

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**This chart is intended to provide readers with additional information to more easily access state statutes, regulations, bulletins or administrative rulings related to the NAIC model. Such guidance provides readers with a starting point from which they may review how each state has addressed the model and the topic being covered. The NAIC Legal Division has reviewed each state's activity in this area and has determined whether the citation most appropriately fits in the Model Adoption column or Related State Activity column based on the definitions listed below. The NAIC's interpretation may or may not be shared by the individual states or by interested readers.**

**This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Nor does this state page reflect a determination as to whether a state meets any applicable accreditation standards. Every effort has been made to provide correct and accurate summaries to assist readers in locating useful information. Readers should consult state law for further details and for the most current information.**

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**KEY:**

**MODEL ADOPTION:** States that have citations identified in this column adopted the most recent version of the NAIC model in a **substantially similar manner**. This requires states to adopt the model in its entirety but does allow for variations in style and format. States that have adopted portions of the current NAIC model will be included in this column with an explanatory note.

**RELATED STATE ACTIVITY:** Examples of Related State Activity include but are not limited to: older versions of the NAIC model, statutes or regulations addressing the same subject matter, or other administrative guidance such as bulletins and notices. States that have citations identified in this column **only** (and nothing listed in the Model Adoption column) have **not** adopted the most recent version of the NAIC model in a **substantially similar manner**.

**NO CURRENT ACTIVITY:** No state activity on the topic as of the date of the most recent update. This includes states that have repealed legislation as well as states that have never adopted legislation.

| <b>NAIC MEMBER</b>   | <b>MODEL ADOPTION</b>                | <b>RELATED STATE ACTIVITY</b>                       |
|----------------------|--------------------------------------|---|
| Alabama              | NO CURRENT ACTIVITY                  |   |
| Alaska               | NO CURRENT ACTIVITY                  |   |
| American Samoa       | NO CURRENT ACTIVITY                  |   |
| Arizona              |                                      | ARIZ. ADMIN. CODE. § 20-6-212 (1978).               |
| Arkansas             | 29 ARK. CODE R. (1982/1992).         |   |
| California           | NO CURRENT ACTIVITY                  |   |
| Colorado             | NO CURRENT ACTIVITY                  |   |
| Connecticut          |                                      | CONN. GEN. STAT. §§ 38a-295 to 38a-300 (1979/1981). |
| Delaware             |                                      | 18 DEL. CODE REGS. § 605; § 701 (1977/2003).        |
| District of Columbia | NO CURRENT ACTIVITY                  |   |
| Florida              | NO CURRENT ACTIVITY                  |   |
| Georgia              | GA. COMP. R. & REGS 120-2-42 (1988). |   |

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| <b>NAIC MEMBER</b> | <b>MODEL ADOPTION</b>                                | <b>RELATED STATE ACTIVITY</b>   |
|--------------------|--|---|
| Guam               | NO CURRENT ACTIVITY                                  |   |
| Hawaii             | HAW. REV. STAT. §§ 431:10-101 to 431:10-108 (1988).  |   |
| Idaho              | NO CURRENT ACTIVITY                                  |   |
| Illinois           | NO CURRENT ACTIVITY                                  |   |
| Indiana            | NO CURRENT ACTIVITY                                  |   |
| Iowa               | NO CURRENT ACTIVITY                                  |   |
| Kansas             | NO CURRENT ACTIVITY                                  |   |
| Kentucky           |  | 806 KY. ADMIN. REGS. 14:121 (1989)<br>(Applies to life and health as well as personal lines P/C). |
| Louisiana          | NO CURRENT ACTIVITY                                  |   |
| Maine              | ME. REV. STAT. ANN. tit. 24A, §§ 2439 to 2445 (1979) |   |
| Maryland           | NO CURRENT ACTIVITY                                  |   |
| Massachusetts      | MASS. GEN. LAWS ANN. § 2B (1977/1985).               |   |
| Michigan           |  | MICH. COMP. LAWS § 500.2336 (1992/2003) (Applies to all types of policies).                       |
| Minnesota          |  | MINN. STAT. §§ 72C.01 to 72C.11 (1977).   |
| Mississippi        | NO CURRENT ACTIVITY                                  |   |
| Missouri           | NO CURRENT ACTIVITY                                  |   |
| Montana            |  | MONT. CODE ANN. §§ 33-15-333 to 3-15-340 (1993) (Model act and regulation combined).              |

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| <b>NAIC MEMBER</b> | <b>MODEL ADOPTION</b>                                   | <b>RELATED STATE ACTIVITY</b>                    |
|--------------------|---|--|
| Nebraska           | NO CURRENT ACTIVITY                                     |  |
| Nevada             | NO CURRENT ACTIVITY                                     |  |
| New Hampshire      | NO CURRENT ACTIVITY                                     |  |
| New Jersey         | N.J. ADMIN. CODE §§ 11:2-18.1 to 11:2-18.7 (1982/2001). |  |
| New Mexico         | NO CURRENT ACTIVITY                                     |  |
| New York           | N.Y. INS. LAW § 3102 (1984).                            |  |
| North Carolina     | NO CURRENT ACTIVITY                                     |  |
| North Dakota       | NO CURRENT ACTIVITY                                     |  |
| Northern Marianas  | NO CURRENT ACTIVITY                                     |  |
| Ohio               | NO CURRENT ACTIVITY                                     |  |
| Oklahoma           | NO CURRENT ACTIVITY                                     |  |
| Oregon             | NO CURRENT ACTIVITY                                     |  |
| Pennsylvania       |   | 31 PA. CODE §§ 64.1 to 64.14, Appendix A (1980). |
| Puerto Rico        | NO CURRENT ACTIVITY                                     |  |
| Rhode Island       | NO CURRENT ACTIVITY                                     |  |
| South Carolina     |   | 69 S.C. Reg. 5.1 (1981).                         |
| South Dakota       | NO CURRENT ACTIVITY                                     |  |
| Tennessee          | NO CURRENT ACTIVITY                                     |  |
| Texas              | NO CURRENT ACTIVITY                                     |  |
| Utah               | NO CURRENT ACTIVITY                                     |  |
| Vermont            | NO CURRENT ACTIVITY                                     |  |

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| <b>NAIC MEMBER</b> | <b>MODEL ADOPTION</b> | <b>RELATED STATE ACTIVITY</b>                                       |
|--------------------|-----------------------|---|
| Virgin Islands     | NO CURRENT ACTIVITY   |   |
| Virginia           | NO CURRENT ACTIVITY   |   |
| Washington         | NO CURRENT ACTIVITY   |   |
| West Virginia      | NO CURRENT ACTIVITY   |   |
| Wisconsin          |                       | WIS. STAT. § 631.22 (1980);<br>WIS. ADMIN. CODE INS. § 6.07 (1980). |
| Wyoming            | NO CURRENT ACTIVITY   |   |