

**NONPERSONAL 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 the authority of [cite Property and Casualty Insurance Policy Simplification Model Act or other insurance law].

**Section 2. Implementation Dates**

All policies listed in Column A below shall comply with Section 6 of the Act when the policies are newly issued or renewed with effective dates on or after the date shown for the policy in Column B below. For purposes of this section, continuous policies shall be deemed renewed on the beginning date of the next premium period beginning on or after the date in Column B.

A	B
_____	_____
_____	_____
_____	_____

**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 or a summary of the organization of the policy.

**Comment:** Policies not printed in large numbers often do not lend themselves to the use of a table of contents. The summary of organization replaces the table of contents approach. It is intended to be of a general nature, describing for the policyholder the format of the policy. This might include, for example, the contents and location of the declaration page and the general location of other elements of the policy.

- 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 declarations pages, schedules, and tables, shall be printed in not less than ten-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.

Nonpersonal Lines Property and Casualty Insurance Policy  
Simplification Model Regulation

- G. The policy text shall be scored for readability under the Flesch Reading Ease Test. If a score of at least forty (40) is achieved, the policy text shall be acceptable. If a score lower than forty (40) is achieved, the policy text may be found by the commissioner to be acceptable if the commissioner shall determine that other standards are reasonably met. This principle shall apply to similar results under any other comparable reading ease test. For the purpose 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 samples 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 subsection, 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 (2) 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 summary of the organization of the policy; headings and captions; any words that are defined in the policy; declarations pages, schedules or tables; and any necessary esoteric or medical terminology so identified by the insurer.

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

*1981 Proc. I 47, 51, 813, 814-816 (adopted).*

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

**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.**

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

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

**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	NO CURRENT ACTIVITY	
Arkansas	NO CURRENT ACTIVITY	
California	NO CURRENT ACTIVITY	
Colorado	NO CURRENT ACTIVITY	
Connecticut	NO CURRENT ACTIVITY	
Delaware	NO CURRENT ACTIVITY	
District of Columbia	NO CURRENT ACTIVITY	
Florida	NO CURRENT ACTIVITY	
Georgia	NO CURRENT ACTIVITY	
Guam	NO CURRENT ACTIVITY	
Hawaii	NO CURRENT ACTIVITY	

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

<b>NAIC MEMBER</b>	<b>MODEL ADOPTION</b>	<b>RELATED STATE ACTIVITY</b>
Idaho	NO CURRENT ACTIVITY	
Illinois	NO CURRENT ACTIVITY	
Indiana	NO CURRENT ACTIVITY	
Iowa	NO CURRENT ACTIVITY	
Kansas	NO CURRENT ACTIVITY	
Kentucky	NO CURRENT ACTIVITY	
Louisiana	NO CURRENT ACTIVITY	
Maine		ME. REV. STAT. ANN. tit. 24-A, §§ 2438 to 2445 (1981).
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	NO CURRENT ACTIVITY	
Mississippi	NO CURRENT ACTIVITY	
Missouri	NO CURRENT ACTIVITY	
Montana	MONT. CODE ANN. §§ 33-15-333 to 33-15-340 (1993) (Model act and regulation combined).	
Nebraska	NO CURRENT ACTIVITY	
Nevada	NO CURRENT ACTIVITY	
New Hampshire	NO CURRENT ACTIVITY	
New Jersey	NO CURRENT ACTIVITY	

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

<b>NAIC MEMBER</b>	<b>MODEL ADOPTION</b>	<b>RELATED STATE ACTIVITY</b>
New Mexico	NO CURRENT ACTIVITY	
New York	NO CURRENT ACTIVITY	
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	NO CURRENT ACTIVITY	
Puerto Rico	NO CURRENT ACTIVITY	
Rhode Island	NO CURRENT ACTIVITY	
South Carolina		S.C. CODE ANN. §§ 38-3-61 to 38-3-64 (1978); 69 S.C. Reg. 5.1 (1980).
South Dakota	NO CURRENT ACTIVITY	
Tennessee	NO CURRENT ACTIVITY	
Texas	NO CURRENT ACTIVITY	
Utah	NO CURRENT ACTIVITY	
Vermont	NO CURRENT ACTIVITY	
Virgin Islands	NO CURRENT ACTIVITY	
Virginia	NO CURRENT ACTIVITY	
Washington	NO CURRENT ACTIVITY	
West Virginia	NO CURRENT ACTIVITY	

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

<b>NAIC MEMBER</b>	<b>MODEL ADOPTION</b>	<b>RELATED STATE ACTIVITY</b>
Wisconsin	NO CURRENT ACTIVITY	
Wyoming	NO CURRENT ACTIVITY	