

SENATE BILL NO. 333

INTRODUCED BY M. ANDERSON

BY REQUEST OF THE INSURANCE DEPARTMENT

IN THE SENATE

January 30, 1981	Introduced and referred to Committee on Business and Industry.
February 11, 1981	Committee recommend bill do pass as amended. Report adopted.
February 12, 1981	Bill printed and placed on members' desks.
February 13, 1981	Second reading, do pass.
February 14, 1981	Correctly engrossed.
February 16, 1981	Third reading, passed. Ayes, 47; Noes, 0. Transmitted to House.

IN THE HOUSE

February 17, 1981	Introduced and referred to Committee on Business and Industry.
March 11, 1981	Committee recommend bill be concurred in. Report adopted.
March 21, 1981	Motion pass consideration to the 65th legislative day.
March 24, 1981	Second reading, concurred in.
March 26, 1981	Third reading, concurred in. Ayes, 93; Noes, 2.

IN THE SENATE

March 27, 1981

Returned from House. Con-
curred in. Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. 333
 2 INTRODUCED BY *Mike Anderson*
 3 BY REQUEST OF THE INSURANCE DEPARTMENT
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE USE OF
 6 SIMPLIFIED LANGUAGE IN POLICIES, CONTRACTS, AND CERTIFICATES
 7 OF LIFE, DISABILITY, CREDIT LIFE, AND CREDIT DISABILITY
 8 INSURANCE; TO ESTABLISH MINIMUM STANDARDS FOR LANGUAGE USED
 9 IN THOSE FORMS; TO ADOPT THE FLESCH READING EASE TEST FOR
 10 READABILITY OR OTHER TESTS IN THE DISCRETION OF THE
 11 COMMISSIONER OF INSURANCE; AND GRANTING THE COMMISSIONER OF
 12 INSURANCE POWER TO APPROVE FORMS."
 13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Short title. This [act] may be cited as the
 16 "Life and Disability Insurance Policy Language
 17 Simplification Act".

18 Section 2. Purpose. (1) The purpose of this [act] is
 19 to establish minimum standards for language used in
 20 policies, contracts, and certificates of life, disability,
 21 credit life, and credit disability insurance delivered or
 22 issued for delivery in this state to facilitate ease of
 23 reading by insureds.

24 (2) This [act] is not intended to increase the risk
 25 assumed by insurance companies or other entities subject to

1 this [act] or to supersede their obligation to comply with
 2 the substance of other insurance legislation applicable to
 3 life, disability, credit life, or credit disability
 4 insurance policies. This [act] is not intended to impede
 5 flexibility and innovation in the development of policy
 6 forms or content or to lead to the standardization of policy
 7 forms or content.

8 Section 3. Definitions. As used in this [act], the
 9 following definitions apply:

10 (1) "Company" or "insurer" means any life or disability
 11 insurance company, fraternal benefit society, nonprofit
 12 health service corporation, nonprofit hospital service
 13 corporation, nonprofit medical service corporation, prepaid
 14 health plan, dental care plan, vision care plan,
 15 pharmaceutical plan, health maintenance organization, and
 16 all similar types of organizations.

17 (2) "Policy" or "policy form" means any:

18 (a) policy, contract, plan, or agreement of life or
 19 disability insurance, including credit life and credit
 20 disability insurance, delivered or issued for delivery in
 21 this state by any company subject to this [act];

22 (b) certificate, contract, or policy issued by a
 23 fraternal benefit society; and

24 (c) certificate issued pursuant to a group insurance
 25 policy delivered or issued for delivery in this state.

1 Section 4. Application -- exceptions. (1) This [act]
 2 applies to all policies delivered or issued for delivery in
 3 this state by any company on or after the date such forms
 4 must be approved under this [act], but nothing in this [act]
 5 applies to:

6 (a) a policy which is a security subject to federal
 7 jurisdiction;

8 (b) a group policy covering a group of 1,000 or more
 9 lives at date of issue, other than a group credit life
 10 insurance policy or a group credit disability insurance
 11 policy, but a certificate issued pursuant to a group policy
 12 delivered or issued for delivery in this state is not
 13 exempt;

14 (c) a group annuity contract which serves as a funding
 15 vehicle for pension, profit-sharing, or deferred
 16 compensation plans;

17 (d) a form used in connection with, as a conversion
 18 form, as an addition to, or in exchange pursuant to a
 19 contractual provision for a policy delivered or issued for
 20 delivery on a form approved or permitted to be issued prior
 21 to the dates such forms must be approved under this [act];
 22 or

23 (e) the renewal of a policy delivered or issued for
 24 delivery prior to the dates such forms must be approved
 25 under this [act].

1 (2) This [act] provides the exclusive manner for
 2 determining language simplification standards for any policy
 3 form.

4 (3) A non-English language policy delivered or issued
 5 for delivery in this state is in compliance with [section
 6 5(1)(a)] if the insurer certifies that the policy is
 7 translated from an English language policy which complies
 8 with [section 5(1)(a)].

9 Section 5. Minimum policy language simplification
 10 standards. (1) In addition to any other requirements of law,
 11 no policy form, except as stated in [section 4], may be
 12 delivered or issued for delivery in this state on or after
 13 the date such form must be approved under this [act],
 14 unless:

15 (a) the text achieves a minimum score of 40 on the
 16 Flesch reading ease test or an equivalent score on any other
 17 comparable test as provided in subsection (3);

18 (b) it is printed, except for specification pages,
 19 schedules, and tables, in not less than 10-point type,
 20 1-point leaded;

21 (c) the style, arrangement, and overall appearance of
 22 the policy give no undue prominence to any portion of the
 23 text of the policy or to any endorsements or riders; and

24 (d) it contains a table of contents or an index of the
 25 principal sections of the policy if the policy has more than

1 3,000 words printed on three or fewer pages of text, or if
2 the policy has more than three pages regardless of the
3 number of words.

4 (2) For the purposes of this section, a Flesch reading
5 ease test score is measured by the following method:

6 (a) For policy forms containing 10,000 words or less
7 of text, the entire form is analyzed. For policy forms
8 containing more than 10,000 words, the readability of two
9 200-word samples per page may be analyzed instead of the
10 entire form. The samples must be separated by at least 20
11 printed lines.

12 (b) The number of words and sentences in the text is
13 counted and the total number of words is divided by the
14 total number of sentences. The figure obtained is multiplied
15 by a factor of 1.015.

16 (c) The total number of syllables is counted and
17 divided by the total number of words. The figure obtained is
18 multiplied by a factor of 84.6.

19 (d) The sum of the figures computed under (b) and (c)
20 subtracted from 206.835 equals the Flesch reading ease score
21 for the policy form.

22 (e) For the purposes of subsection (2)(b), (c), and
23 (d), the following procedures are used:

24 (i) a contraction, hyphenated word, or numbers and
25 letters, if separated by spaces, are counted as one word;

1 (ii) a unit of words ending with a period, semicolon,
2 or colon, but excluding headings and captions, is counted as
3 a sentence; and

4 (iii) a syllable means a unit of spoken language
5 consisting of one or more letters of a word as divided by an
6 accepted dictionary. If the dictionary shows two or more
7 equally acceptable pronunciations of a word, the
8 pronunciation containing fewer syllables may be used.

9 (f) The term "text" as used in this section includes
10 all printed matter except the following:

11 (i) the name and address of the insurer; the name,
12 number, or title of the policy; the table of contents or
13 index; captions and subcaptions; specification pages,
14 schedules, or tables; and

15 (ii) policy language which is drafted to conform to
16 the requirements of a federal law, regulation, or agency
17 interpretation; policy language required by a collectively
18 bargained agreement; medical terminology; words which are
19 defined in the policy; and policy language required by law
20 or regulation. The insurer must identify the language or
21 terminology excepted by this subsection and certify, in
22 writing, that the language or terminology is entitled to be
23 excepted by this subsection.

24 (3) Any other reading test may be approved by the
25 commissioner for use as an alternative to the Flesch reading

1 ease test if it is comparable in result to the Flesch
2 reading ease test.

3 (4) Filings subject to this section must be
4 accompanied by a certificate signed by an officer of the
5 insurer stating that it meets the minimum reading ease score
6 on the test used or stating that the score is lower than the
7 minimum required but should be approved in accordance with
8 [section 7]. To confirm the accuracy of any certification,
9 the commissioner may require the submission of further
10 information to verify the certification in question.

11 (5) At the option of the insurer, riders,
12 endorsements, applications, and other forms made a part of
13 the policy may be scored as separate forms or as part of the
14 policy with which they may be used.

15 Section 6. Construction -- time period. Nothing in
16 this [act] may be construed to negate any law of this state
17 permitting the issuance of any policy form after it has been
18 on file for the time period specified.

19 Section 7. Powers of the commissioner. The
20 commissioner may authorize a lower score than the Flesch
21 reading ease score required in [section 5(1)(a)] whenever,
22 in his sole discretion, he finds that a lower score:

23 (1) will provide a more accurate reflection of the
24 readability of a policy form;

25 (2) is warranted by the nature of a particular policy

1 form or type or class of policy forms; or

2 (3) is caused by certain policy language which is
3 drafted to conform to the requirements of any state law,
4 regulation, or agency interpretation.

5 Section 8. Approval of forms. A policy form meeting
6 the requirements of [section 5 (1)(a)] may be approved
7 notwithstanding the provisions of other laws that specify
8 content of policies if the approved policy form provides
9 policyholders and claimants protection not less favorable
10 than they would be entitled to under such laws.

11 Section 9. Codification instruction. This act is
12 intended to be codified as an integral part of Title 33,
13 chapter 15, and the provisions of Title 33, chapter 15,
14 apply to this act.

15 Section 10. Applicability. (1) Except as provided in
16 section 4, this act applies to all policy forms filed on or
17 after July 1, 1983. No policy form may be delivered or
18 issued for delivery in this state on or after July 1, 1986,
19 unless approved by the commissioner or permitted to be
20 issued under this act. Any policy form that has been
21 approved or permitted to be issued prior to July 1, 1986,
22 and that meets the standards set by this act need not be
23 refiled for approval but may continue to be lawfully
24 delivered or issued for delivery in this state upon the
25 filing with the commissioner of a list of such forms

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1 identified by form number and accompanied by a certificate
2 as to each such form in the manner provided in section 5(4).

3 (2) The commissioner may, in his sole discretion,
4 extend the dates in subsection (1).

-End-

Approved by Committee
on Business and Industry

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE USE OF SIMPLIFIED LANGUAGE IN POLICIES, CONTRACTS, AND CERTIFICATES OF LIFE, DISABILITY, CREDIT LIFE, AND CREDIT DISABILITY INSURANCE; TO ESTABLISH MINIMUM STANDARDS FOR LANGUAGE USED IN THOSE FORMS; TO ADOPT THE FLESCH READING EASE TEST FOR READABILITY OR OTHER TESTS IN THE DISCRETION OF THE COMMISSIONER OF INSURANCE; AND GRANTING THE COMMISSIONER OF INSURANCE POWER TO APPROVE FORMS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This [act] may be cited as the "Life and Disability Insurance Policy Language Simplification Act".

Section 2. Purpose. (1) The purpose of this [act] is to establish minimum standards for language used in policies, contracts, and certificates of life, disability, credit life, and credit disability insurance delivered or issued for delivery in this state to facilitate ease of reading by insureds.

(2) This [act] is not intended to increase the risk assumed by insurance companies or other entities subject to

this [act] or to supersede their obligation to comply with the substance of other insurance legislation applicable to life, disability, credit life, or credit disability insurance policies. This [act] is not intended to impede flexibility and innovation in the development of policy forms or content or to lead to the standardization of policy forms or content.

Section 3. Definitions. As used in this [act], the following definitions apply:

(1) "Company" or "insurer" means any life or disability insurance company, fraternal benefit society, nonprofit health service corporation, nonprofit hospital service corporation, nonprofit medical service corporation, prepaid health plan, dental care plan, vision care plan, pharmaceutical plan, health maintenance organization, and all similar types of organizations.

(2) "Policy" or "policy form" means any:

(a) policy, contract, plan, or agreement of life or disability insurance, including credit life and credit disability insurance, delivered or issued for delivery in this state by any company subject to this [act];

(b) certificate, contract, or policy issued by a fraternal benefit society; and

(c) certificate issued pursuant to a group insurance policy delivered or issued for delivery in this state.

1 Section 4. Application -- exceptions. (1) This [act]
 2 applies to all policies delivered or issued for delivery in
 3 this state by any company on or after the date such forms
 4 must be approved under this [act], but nothing in this [act]
 5 applies to:

6 (a) a policy which is a security subject to federal
 7 jurisdiction;

8 (b) a group policy covering a group of 1,000 or more
 9 lives at date of issue, other than a group credit life
 10 insurance policy or a group credit disability insurance
 11 policy, but a certificate issued pursuant to a group policy
 12 delivered or issued for delivery in this state is not
 13 exempt;

14 (c) a group annuity contract which serves as a funding
 15 vehicle for pension, profit-sharing, or deferred
 16 compensation plans;

17 (d) a form used in connection with, as a conversion
 18 form, as an addition to, or in exchange pursuant to a
 19 contractual provision for a policy delivered or issued for
 20 delivery on a form approved or permitted to be issued prior
 21 to the dates such forms must be approved under this [act];
 22 or

23 (e) the renewal of a policy delivered or issued for
 24 delivery prior to the dates such forms must be approved
 25 under this [act].

1 (2) This [act] provides the exclusive manner for
 2 determining language simplification standards for any policy
 3 forms.

4 (3) A non-English language policy delivered or issued
 5 for delivery in this state is in compliance with [section
 6 5(1)(a)] if the insurer certifies that the policy is
 7 translated from an English language policy which complies
 8 with [section 5(1)(a)].

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 10 standards. (1) In addition to any other requirements of law,
 11 no policy form, except as stated in [section 4], may be
 12 delivered or issued for delivery in this state on or after
 13 the date such form must be approved under this [act],
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 16 Flesch reading ease test or an equivalent score on any other
 17 comparable test as provided in subsection (3);

18 (b) it is printed, except for specification pages,
 19 schedules, and tables, in not less than 10-point type,
 20 1-point leaded;

21 (c) the style, arrangement, and overall appearance of
 22 the policy give no undue prominence to any portion of the
 23 text of the policy or to any endorsements or riders; and

24 (d) it contains a table of contents or an index of the
 25 principal sections of the policy if the policy has more than

1 3,000 words printed on three or fewer pages of text, or if
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3 number of words.

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9 200-word samples per page may be analyzed instead of the
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14 total number of sentences. The figure obtained is multiplied
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16 (c) The total number of syllables is counted and
17 divided by the total number of words. The figure obtained is
18 multiplied by a factor of 84.6.

19 (d) The sum of the figures computed under (b) and (c)
20 subtracted from 206.835 equals the Flesch reading ease score
21 for the policy form.

22 (e) For the purposes of subsection (2)(b), (c), and
23 (d), the following procedures are used:

24 (i) a contraction, hyphenated word, or numbers and
25 letters, if separated by spaces, are counted as one word;

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2 or colon, but excluding headings and captions, is counted as
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5 consisting of one or more letters of a word as divided by an
6 accepted dictionary. If the dictionary shows two or more
7 equally acceptable pronunciations of a word, the
8 pronunciation containing fewer syllables may be used.

9 (f) The term "text" as used in this section includes
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12 number, or title of the policy; the table of contents or
13 index; captions and subcaptions; specification pages,
14 schedules, or tables; and

15 (ii) policy language which is drafted to conform to
16 the requirements of a federal law, regulation, or agency
17 interpretation; policy language required by a collectively
18 bargained agreement; medical terminology; words which are
19 defined in the policy; and policy language required by law
20 or regulation. The insurer must identify the language or
21 terminology excepted by this subsection and certify, in
22 writing, that the language or terminology is entitled to be
23 excepted by this subsection.

24 (3) Any other reading test may be approved by the
25 commissioner for use as an alternative to the Flesch reading

1 ease test if it is comparable in result to the Flesch
2 reading ease test.

3 (4) Filings subject to this section must be
4 accompanied by a certificate signed by an officer of the
5 insurer stating that it meets the minimum reading ease score
6 on the test used or stating that the score is lower than the
7 minimum required but should be approved in accordance with
8 [section 7]. To confirm the accuracy of any certification,
9 the commissioner may require the submission of further
10 information to verify the certification in question.

11 (5) At the option of the insurer, riders,
12 endorsements, applications, and other forms made a part of
13 the policy may be scored as separate forms or as part of the
14 policy with which they may be used.

15 Section 6. Construction -- time period. Nothing in
16 this [act] may be construed to negate any law of this state
17 permitting the issuance of any policy form after it has been
18 on file for the time period specified.

19 Section 7. Powers of the commissioner. The
20 commissioner may authorize a lower score than the Flesch
21 reading ease score required in [section 5(1)(a)] whenever,
22 in his sole discretion, he finds that a lower score:

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1 form or type or class of policy forms; or

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20 issued under this act. Any policy form that has been
21 approved or permitted to be issued prior to July 1, 1986,
22 and that meets the standards set by this act need not be
23 refiled for approval but may continue to be lawfully
24 delivered or issued for delivery in this state upon the
25 filing with the commissioner of a list of such forms

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1 identified by form number and accompanied by a certificate
2 as to each such form in the manner provided in section 5(4).
3 (2) The commissioner may, in his sole discretion,
4 extend the dates in subsection (1).

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23 (1) will provide a more accurate reflection of the
24 readability of a policy form;

25 (2) is warranted by the nature of a particular policy

1 form or type or class of policy forms; or

2 (3) is caused by certain policy language which is
3 drafted to conform to the requirements of any state law,
4 regulation, or agency interpretation.

5 Section 8. Approval of forms. A policy form meeting
6 the requirements of [section 5(1)(a)] may be approved BY THE
7 COMMISSIONER notwithstanding the provisions of other laws
8 that specify content of policies if the approved policy form
9 provides policyholders and claimants protection not less
10 favorable than they would be entitled to under such laws.

11 Section 9. Codification instruction. This act is
12 intended to be codified as an integral part of Title 33,
13 chapter 15, and the provisions of Title 33, chapter 15,
14 apply to this act.

15 Section 10. Applicability. (1) Except as provided in
16 section 4, this act applies to all policy forms filed on or
17 after July 1, 1983. No policy form may be delivered or
18 issued for delivery in this state on or after July 1, 1986,
19 unless approved by the commissioner or permitted to be
20 issued under this act. Any policy form that has been
21 approved or permitted to be issued prior to July 1, 1986,
22 and that meets the standards set by this act need not be
23 refiled for approval but may continue to be lawfully
24 delivered or issued for delivery in this state upon the
25 filing with the commissioner of a list of such forms

1 identified by form number and accompanied by a certificate
2 as to each such form in the manner provided in section 5(4).

3 (2) The commissioner may, in his sole discretion,
4 extend the dates in subsection (1).

-End-

SENATE BILL NO. 333

INTRODUCED BY M. ANDERSON

BY REQUEST OF THE INSURANCE DEPARTMENT

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE USE OF SIMPLIFIED LANGUAGE IN POLICIES, CONTRACTS, AND CERTIFICATES OF LIFE, DISABILITY, CREDIT LIFE, AND CREDIT DISABILITY INSURANCE; TO ESTABLISH MINIMUM STANDARDS FOR LANGUAGE USED IN THOSE FORMS; TO ADOPT THE FLESCH READING EASE TEST FOR READABILITY OR OTHER TESTS IN THE DISCRETION OF THE COMMISSIONER OF INSURANCE; AND GRANTING THE COMMISSIONER OF INSURANCE POWER TO APPROVE FORMS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This [act] may be cited as the "Life and Disability Insurance Policy Language Simplification Act".

Section 2. Purpose. (1) The purpose of this [act] is to establish minimum standards for language used in policies, contracts, and certificates of life, disability, credit life, and credit disability insurance delivered or issued for delivery in this state to facilitate ease of reading by insureds.

(2) This [act] is not intended to increase the risk assumed by insurance companies or other entities subject to

this [act] or to supersede their obligation to comply with the substance of other insurance legislation applicable to life, disability, credit life, or credit disability insurance policies. This [act] is not intended to impede flexibility and innovation in the development of policy forms or content or to lead to the standardization of policy forms or content.

Section 3. Definitions. As used in this [act], the following definitions apply:

(1) "Company" or "insurer" means any life or disability insurance company, fraternal benefit society, nonprofit health service corporation, nonprofit hospital service corporation, nonprofit medical service corporation, prepaid health plan, dental care plan, vision care plan, pharmaceutical plan, health maintenance organization, and all similar types of organizations.

(2) "Policy" or "policy form" means any:

(a) policy, contract, plan, or agreement of life or disability insurance, including credit life and credit disability insurance, delivered or issued for delivery in this state by any company subject to this [act];

(b) certificate, contract, or policy issued by a fraternal benefit society; and

(c) certificate issued pursuant to a group insurance policy delivered or issued for delivery in this state.

1 Section 4. Application -- exceptions. (1) This [act]
 2 applies to all policies delivered or issued for delivery in
 3 this state by any company on or after the date such forms
 4 must be approved under this [act], but nothing in this [act]
 5 applies to:

6 (a) a policy which is a security subject to federal
 7 jurisdiction;

8 (b) a group policy covering a group of 1,000 or more
 9 lives at date of issue, other than a group credit life
 10 insurance policy or a group credit disability insurance
 11 policy, but a certificate issued pursuant to a group policy
 12 delivered or issued for delivery in this state is not
 13 exempt;

14 (c) a group annuity contract which serves as a funding
 15 vehicle for pension, profit-sharing, or deferred
 16 compensation plans;

17 (d) a form used in connection with, as a conversion
 18 form, as an addition to, or in exchange pursuant to a
 19 contractual provision for a policy delivered or issued for
 20 delivery on a form approved or permitted to be issued prior
 21 to the dates such forms must be approved under this [act];
 22 or

23 (e) the renewal of a policy delivered or issued for
 24 delivery prior to the dates such forms must be approved
 25 under this [act].

1 (2) This [act] provides the exclusive manner for
 2 determining language simplification standards for any policy
 3 forms.

4 (3) A non-English language policy delivered or issued
 5 for delivery in this state is in compliance with [section
 6 5(1)(a)] if the insurer certifies that the policy is
 7 translated from an English language policy which complies
 8 with [section 5(1)(a)].

9 Section 5. Minimum policy language simplification
 10 standards. (1) In addition to any other requirements of law,
 11 no policy form, except as stated in [section 4], may be
 12 delivered or issued for delivery in this state on or after
 13 the date such form must be approved under this [act],
 14 unless:

15 (a) the text achieves a minimum score of 40 on the
 16 Flesch reading ease test or an equivalent score on any other
 17 comparable test as provided in subsection (3);

18 (b) it is printed, except for specification pages,
 19 schedules, and tables, in not less than 10-point type,
 20 1-point leaded;

21 (c) the style, arrangement, and overall appearance of
 22 the policy give no undue prominence to any portion of the
 23 text of the policy or to any endorsements or riders; and

24 (d) it contains a table of contents or an index of the
 25 principal sections of the policy if the policy has more than

1 3,000 words printed on three or fewer pages of text, or if
2 the policy has more than three pages regardless of the
3 number of words.

4 (2) For the purposes of this section, a Flesch reading
5 ease test score is measured by the following method:

6 (a) For policy forms containing 10,000 words or less
7 of text, the entire form is analyzed. For policy forms
8 containing more than 10,000 words, the readability of two
9 200-word samples per page may be analyzed instead of the
10 entire form. The samples must be separated by at least 20
11 printed lines.

12 (b) The number of words and sentences in the text is
13 counted and the total number of words is divided by the
14 total number of sentences. The figure obtained is multiplied
15 by a factor of 1.015.

16 (c) The total number of syllables is counted and
17 divided by the total number of words. The figure obtained is
18 multiplied by a factor of 84.6.

19 (d) The sum of the figures computed under (b) and (c)
20 subtracted from 206.835 equals the Flesch reading ease score
21 for the policy form.

22 (e) For the purposes of subsection (2)(b), (c), and
23 (d), the following procedures are used:

24 (i) a contraction, hyphenated word, or numbers and
25 letters, if separated by spaces, are counted as one word;

1 (ii) a unit of words ending with a period, semicolon,
2 or colon, but excluding headings and captions, is counted as
3 a sentence; and

4 (iii) a syllable means a unit of spoken language
5 consisting of one or more letters of a word as divided by an
6 accepted dictionary. If the dictionary shows two or more
7 equally acceptable pronunciations of a word, the
8 pronunciation containing fewer syllables may be used.

9 (f) The term "text" as used in this section includes
10 all printed matter except the following:

11 (i) the name and address of the insurer; the name,
12 number, or title of the policy; the table of contents or
13 index; captions and subcaptions; specification pages,
14 schedules, or tables; and

15 (ii) policy language which is drafted to conform to
16 the requirements of a federal law, regulation, or agency
17 interpretation; policy language required by a collectively
18 bargained agreement; medical terminology; words which are
19 defined in the policy; and policy language required by law
20 or regulation. The insurer must identify the language or
21 terminology excepted by this subsection and certify, in
22 writing, that the language or terminology is entitled to be
23 excepted by this subsection.

24 (3) Any other reading test may be approved by the
25 commissioner for use as an alternative to the Flesch reading

1 ease test if it is comparable in result to the Flesch
2 reading ease test.

3 (4) Filings subject to this section must be
4 accompanied by a certificate signed by an officer of the
5 insurer stating that it meets the minimum reading ease score
6 on the test used or stating that the score is lower than the
7 minimum required but should be approved in accordance with
8 [section 7]. To confirm the accuracy of any certification,
9 the commissioner may require the submission of further
10 information to verify the certification in question.

11 (5) At the option of the insurer, riders,
12 endorsements, applications, and other forms made a part of
13 the policy may be scored as separate forms or as part of the
14 policy with which they may be used.

15 Section 6. Construction -- time period. Nothing in
16 this [act] may be construed to negate any law of this state
17 permitting the issuance of any policy form after it has been
18 on file for the time period specified.

19 Section 7. Powers of the commissioner. The
20 commissioner may authorize a lower score than the Flesch
21 reading ease score required in [section 5(1)(a)] whenever,
22 in his sole discretion, he finds that a lower score:

23 (1) will provide a more accurate reflection of the
24 readability of a policy form;

25 (2) is warranted by the nature of a particular policy

1 form or type or class of policy forms; or

2 (3) is caused by certain policy language which is
3 drafted to conform to the requirements of any state law,
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6 the requirements of [section 5(1)(a)] may be approved BY THE
7 COMMISSIONER notwithstanding the provisions of other laws
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24 delivered or issued for delivery in this state upon the
25 filing with the commissioner of a list of such forms

1 identified by form number and accompanied by a certificate
2 as to each such form in the manner provided in section 5(4).

3 (2) The commissioner may, in his sole discretion,
4 extend the dates in subsection (1).

-End-