

HOUSE BILL NO. 637

INTRODUCED BY RYAN, CHRISTIAENS, VOGEL, LARSON, BARNHART,
STRIZICH, S. RICE, BROOKE, DRISCOLL, RUSSELL, STANFORD,
DOLEZAL, GERVAIS, L. NELSON, HAYNE, PETERSON, D. BROWN,
WHALEN, GALVIN, MCCULLOCH
BY REQUEST OF THE STATE AUDITOR

IN THE HOUSE

FEBRUARY 17, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT. FIRST READING.
FEBRUARY 19, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 20, 1993	PRINTING REPORT. SECOND READING, DO PASS.
FEBRUARY 22, 1993	ENGROSSING REPORT.
FEBRUARY 23, 1993	THIRD READING, PASSED. AYES, 99; NOES, 0.
FEBRUARY 24, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY. FIRST READING.
MARCH 13, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 16, 1993	SECOND READING, CONCURRED IN.
MARCH 17, 1993	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0. RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 1, 1993	SECOND READING, AMENDMENTS CONCURRED IN.
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APRIL 2, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 637
 2 INTRODUCED BY W. Ryan / Wayne Larson
 3 B. Bannan BY REQUEST OF THE STATE AUDITOR Steve
 4 Anna L. Nelson Paul Theresa Harold Deborah
 5 A BILL FOR AN ACT ENTITLED: AN ACT ESTABLISHING MINIMUM
 6 POLICY LANGUAGE STANDARDS FOR PROPERTY AND CASUALTY POLICIES
 7 DELIVERED IN THE STATE OF MONTANA; AND PROVIDING AN
 8 APPLICABILITY DATE."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 NEW SECTION. Section 1. Short title. [Sections 1
 12 through 7] may be cited as the "Property and Casualty
 13 Insurance Policy Language Simplification Act".

14 NEW SECTION. Section 2. Purpose. (1) The purpose of
 15 [sections 1 through 7] is to establish minimum language and
 16 format standards to make property and casualty policies
 17 easier to read.

18 (2) [Sections 1 through 7] are not intended to increase
 19 the risk assumed under policies subject to [sections 1
 20 through 7]. [Sections 1 through 7] are not intended to
 21 impede flexibility and innovation in the development of
 22 policy forms or content. [Sections 1 through 7] do not grant
 23 authority to the commissioner to mandate the standardization
 24 of policy forms or content.

25 NEW SECTION. Section 3. Definitions. As used in

1 [sections 1 through 7], the following definitions apply:

2 (1) "Casualty insurance" does not include accident and
 3 health or disability insurance.

4 (2) "Policy" or "policy form" means any written
 5 contract of property or casualty insurance delivered or
 6 issued for delivery in this state by or on behalf of any
 7 insurer licensed in this state.

8 NEW SECTION. Section 4. Applicability. (1) [Sections 1
 9 through 7] apply to all policies with effective dates on or
 10 after April 1, 1995.

11 (2) Other statutes of this state setting simplification
 12 standards for language or format do not apply to property
 13 and casualty policies.

14 (3) [Sections 1 through 7] do not apply to policies in
 15 manuscript form or to the following kinds of insurance:

- 16 (a) ocean marine;
- 17 (b) surety and financial institution bonds;
- 18 (c) reinsurance; or
- 19 (d) commercial aviation.

20 (4) A non-English policy is considered in compliance
 21 with [section 5] if it was translated from an English policy
 22 that complies with [section 5].

23 NEW SECTION. Section 5. Minimum policy simplification
 24 standards. (1) All property and casualty policies subject to
 25 [sections 1 through 7] must take into consideration the

1 following factors:

2 (a) use of simple sentence structure and short

3 sentences;

4 (b) use of commonly understood words;

5 (c) avoidance of use of technical legal terms whenever

6 possible;

7 (d) minimal reference to other sections or provisions

8 of the policy;

9 (e) logical organization of text; and

10 (f) legibility.

11 (2) The policy must include a table of contents of

12 important provisions.

13 (3) Each section must be self-contained and

14 independent. However, general provisions applicable to more

15 than one section may be included in a common section.

16 (4) The policy, except for declarations pages,

17 schedules, and tables, must be printed in not less than

18 10-point type, 1-point leaded.

19 (5) The policy must be printed in a legible type style,

20 with adequate contrast between ink and paper. Captions,

21 headings, and spacings must be used to increase overall

22 legibility.

23 (6) The policy must be written in every day,

24 conversational language, consistent with its standings as a

25 contract. Short sentences and a personal style must be used

1 whenever possible.

2 (7) Technical terms and words with special meanings

3 must be avoided whenever possible.

4 (8) The policy text must achieve a minimum score of 40

5 on the Flesch reading ease test, an equivalent score on a

6 comparable test, or a lower score on either if the

7 commissioner finds the policy reasonably easy to read. For

8 purposes of this section, a Flesch reading ease test must be

9 scored by the following method:

10 (a) For a policy containing 10,000 words or less, the

11 entire policy must be analyzed. For a policy containing more

12 than 10,000 words, the readability of two 100-word samples

13 per page may be analyzed instead. The samples must be

14 separated by at least 20 printed lines.

15 (b) The total number of words in the text or sample

16 must be divided by the total number of sentences. The figure

17 obtained must be multiplied by 1.015.

18 (c) The total number of syllables in the text or sample

19 must be divided by the total number of words. The figure

20 obtained must be multiplied by 84.6.

21 (d) The sum of the figures computed under subsections

22 (8)(b) and (8)(c) subtracted from 206.835 equals the Flesch

23 reading ease test score.

24 (9) (a) For purposes of subsection (8), the following

25 procedures must be used:

1 (i) A contraction, hyphenated word, number, and letter,
2 when separated by spaces, are counted as one word.

3 (ii) A unit of text ending with a period, semicolon, or
4 colon is counted as a sentence.

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

10 (iv) At the option of the insurer, a form made a part of
11 the policy may be scored separately or as part of the
12 policy.

13 (b) The term "text", as used in this section, includes
14 all printed matter except:

- 15 (i) the name and address of the insurer;
- 16 (ii) the name, number, or title of the policy or form;
- 17 (iii) the table of contents or index;
- 18 (iv) headings and captions; and
- 19 (v) declarations pages, schedules, or tables.

20 **NEW SECTION. Section 6. Powers of commissioner.** (1) At
21 the commissioner's discretion, the commissioner may extend
22 any dates under [sections 1 through 7].

23 (2) The commissioner has sole authority to enforce the
24 provisions of [sections 1 through 7] or to seek remedies for
25 its violation.

1 (3) The commissioner may authorize a lower score than
2 the Flesch reading ease score required in [section 5] when,
3 in the commissioner's discretion, a lower score:

4 (a) will provide a more accurate reflection of the
5 readability of a policy;

6 (b) is warranted by the nature of a particular policy
7 or type or class of policy; or

8 (c) is caused by certain policy language that is
9 drafted to conform to the requirements of any state law,
10 regulation, or agency interpretation.

11 **NEW SECTION. Section 7. Compliance with other**
12 **statutorily required language.** The requirements of any other
13 laws that specify the language or content of a policy may be
14 met by a policy complying with the provisions of [section
15 5]. However, the policy must provide protection that,
16 considered as a whole, is not less favorable to the insured
17 than is required by the other laws.

18 **NEW SECTION. Section 8. Codification instruction.**
19 [Sections 1 through 7] are intended to be codified as an
20 integral part of Title 33, chapter 15, and the provisions of
21 Title 33, chapter 15, apply to [sections 1 through 7].

22 **NEW SECTION. Section 9. Applicability.** Insurers
23 offering personal lines policies in this state shall comply
24 with [sections 1 through 7] by April 1, 1995.

-End-

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 637

INTRODUCED BY RYAN, CHRISTIAENS, VOGEL, LARSON, BARNHART,
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BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING MINIMUM
POLICY LANGUAGE STANDARDS FOR PROPERTY AND CASUALTY POLICIES
DELIVERED IN THE STATE OF MONTANA; AND PROVIDING AN
APPLICABILITY DATE."

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

NEW SECTION. **Section 1. Short title.** [Sections 1
through 7] may be cited as the "Property and Casualty
Insurance Policy Language Simplification Act".

NEW SECTION. **Section 2. Purpose.** (1) The purpose of
[sections 1 through 7] is to establish minimum language and
format standards to make property and casualty policies
easier to read.

(2) [Sections 1 through 7] are not intended to increase
the risk assumed under policies subject to [sections 1
through 7]. [Sections 1 through 7] are not intended to
impede flexibility and innovation in the development of
policy forms or content. [Sections 1 through 7] do not grant

authority to the commissioner to mandate the standardization
of policy forms or content.

NEW SECTION. **Section 3. Definitions.** As used in
[sections 1 through 7], the following definitions apply:

(1) "Casualty insurance" does not include accident and
health or disability insurance.

(2) "Policy" or "policy form" means any written
contract of property or casualty insurance delivered or
issued for delivery in this state by or on behalf of any
insurer licensed in this state.

NEW SECTION. **Section 4. Applicability.** (1) [Sections 1
through 7] apply to all policies with effective dates on or
after April 1, 1995.

(2) Other statutes of this state setting simplification
standards for language or format do not apply to property
and casualty policies.

(3) [Sections 1 through 7] do not apply to policies in
manuscript form or to the following kinds of insurance:

- (a) ocean marine;
- (b) surety and financial institution bonds;
- (c) reinsurance; or
- (d) commercial aviation.

(4) A non-English policy is considered in compliance
with [section 5] if it was translated from an English policy
that complies with [section 5].

1 NEW SECTION. **Section 5. Minimum policy simplification**
 2 **standards.** (1) All property and casualty policies subject to
 3 [sections 1 through 7] must take into consideration the
 4 following factors:
 5 (a) use of simple sentence structure and short
 6 sentences;
 7 (b) use of commonly understood words;
 8 (c) avoidance of use of technical legal terms whenever
 9 possible;
 10 (d) minimal reference to other sections or provisions
 11 of the policy;
 12 (e) logical organization of text; and
 13 (f) legibility.
 14 (2) The policy must include a table of contents of
 15 important provisions.
 16 (3) Each section must be self-contained and
 17 independent. However, general provisions applicable to more
 18 than one section may be included in a common section.
 19 (4) The policy, except for declarations pages,
 20 schedules, and tables, must be printed in not less than
 21 10-point type, 1-point leaded.
 22 (5) The policy must be printed in a legible type style,
 23 with adequate contrast between ink and paper. Captions,
 24 headings, and spacings must be used to increase overall
 25 legibility.

1 (6) The policy must be written in every day,
 2 conversational language, consistent with its standings as a
 3 contract. Short sentences and a personal style must be used
 4 whenever possible.
 5 (7) Technical terms and words with special meanings
 6 must be avoided whenever possible.
 7 (8) The policy text must achieve a minimum score of 40
 8 on the Flesch reading ease test, an equivalent score on a
 9 comparable test, or a lower score on either if the
 10 commissioner finds the policy reasonably easy to read. For
 11 purposes of this section, a Flesch reading ease test must be
 12 scored by the following method:
 13 (a) For a policy containing 10,000 words or less, the
 14 entire policy must be analyzed. For a policy containing more
 15 than 10,000 words, the readability of two 100-word samples
 16 per page may be analyzed instead. The samples must be
 17 separated by at least 20 printed lines.
 18 (b) The total number of words in the text or sample
 19 must be divided by the total number of sentences. The figure
 20 obtained must be multiplied by 1.015.
 21 (c) The total number of syllables in the text or sample
 22 must be divided by the total number of words. The figure
 23 obtained must be multiplied by 84.6.
 24 (d) The sum of the figures computed under subsections
 25 (8)(b) and (8)(c) subtracted from 206.835 equals the Flesch

reading ease test score.

(9) (a) For purposes of subsection (8), the following procedures must be used:

(i) A contraction, hyphenated word, number, and letter, when separated by spaces, are counted as one word.

(ii) A unit of text ending with a period, semicolon, or colon is counted as a sentence.

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

(iv) At the option of the insurer, a form made a part of the policy may be scored separately or as part of the policy.

(b) The term "text", as used in this section, includes all printed matter except:

(i) the name and address of the insurer;

(ii) the name, number, or title of the policy or form;

(iii) the table of contents or index;

(iv) headings and captions; and

(v) declarations pages, schedules, or tables.

NEW SECTION. Section 6. Powers of commissioner. (1) At the commissioner's discretion, the commissioner may extend any dates under [sections 1 through 7].

(2) The commissioner has sole authority to enforce the provisions of [sections 1 through 7] or to seek remedies for its violation.

(3) The commissioner may authorize a lower score than the Flesch reading ease score required in [section 5] when, in the commissioner's discretion, a lower score:

(a) will provide a more accurate reflection of the readability of a policy;

(b) is warranted by the nature of a particular policy or type or class of policy; or

(c) is caused by certain policy language that is drafted to conform to the requirements of any state law, regulation, or agency interpretation.

NEW SECTION. Section 7. Compliance with other statutorily required language. The requirements of any other laws that specify the language or content of a policy may be met by a policy complying with the provisions of [section 5]. However, the policy must provide protection that, considered as a whole, is not less favorable to the insured than is required by the other laws.

NEW SECTION. Section 8. Codification instruction. [Sections 1 through 7] are intended to be codified as an integral part of Title 33, chapter 15, and the provisions of Title 33, chapter 15, apply to [sections 1 through 7].

NEW SECTION. Section 9. Applicability. Insurers

HB 0637/02

- 1 offering personal lines policies in this state shall comply
- 2 with [sections 1 through 7] by April 1, ~~1995~~ 1996.

-End-

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format standards to make property and casualty policies
easier to read.

(2) [Sections 1 through 7] are not intended to increase
the risk assumed under policies subject to [sections 1
through 7]. [Sections 1 through 7] are not intended to
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policy forms or content. [Sections 1 through 7] do not grant

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issued for delivery in this state by or on behalf of any
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NEW SECTION. Section 4. Applicability. (1) [Sections 1
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(2) Other statutes of this state setting simplification
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and casualty policies.

(3) [Sections 1 through 7] do not apply to policies in
manuscript form or to the following kinds of insurance:

- (a) ocean marine;
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(4) A non-English policy is considered in compliance
with [section 5] if it was translated from an English policy
that complies with [section 5].

NEW SECTION. Section 5. Minimum policy simplification standards. (1) All property and casualty policies subject to [sections 1 through 7] must take into consideration the following factors:

(a) use of simple sentence structure and short sentences;

(b) use of commonly understood words;

(c) avoidance of use of technical legal terms whenever possible;

(d) minimal reference to other sections or provisions of the policy;

(e) logical organization of text; and

(f) legibility.

(2) The policy must include a table of contents of important provisions.

(3) Each section must be self-contained and independent. However, general provisions applicable to more than one section may be included in a common section.

(4) The policy, except for declarations pages, schedules, and tables, must be printed in not less than 10-point type, 1-point leaded.

(5) The policy must be printed in a legible type style, with adequate contrast between ink and paper. Captions, headings, and spacings must be used to increase overall legibility.

(6) The policy must be written in every day, conversational language, consistent with its standings as a contract. Short sentences and a personal style must be used whenever possible.

(7) Technical terms and words with special meanings must be avoided whenever possible.

(8) The policy text must achieve a minimum score of 40 on the Flesch reading ease test, an equivalent score on a 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 must be scored by the following method:

(a) For a policy containing 10,000 words or less, the entire policy must 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 must be separated by at least 20 printed lines.

(b) The total number of words in the text or sample must be divided by the total number of sentences. The figure obtained must be multiplied by 1.015.

(c) The total number of syllables in the text or sample must be divided by the total number of words. The figure obtained must be multiplied by 84.6.

(d) The sum of the figures computed under subsections (8)(b) and (8)(c) subtracted from 206.835 equals the Flesch

1 reading ease test score.

2 (9) (a) For purposes of subsection (8), the following
3 procedures must be used:

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5 when separated by spaces, are counted as one word.

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7 colon is counted as a sentence.

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9 consisting of one or more letters of a word as divided by an
10 accepted dictionary. When the dictionary shows two or more
11 equally acceptable pronunciations of a word, the
12 pronunciation containing fewer syllables may be used.

13 (iv) At the option of the insurer, a form made a part of
14 the policy may be scored separately or as part of the
15 policy.

16 (b) The term "text", as used in this section, includes
17 all printed matter except:

18 (i) the name and address of the insurer;

19 (ii) the name, number, or title of the policy or form;

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24 the commissioner's discretion, the commissioner may extend
25 any dates under [sections 1 through 7].

1 (2) The commissioner has sole authority to enforce the
2 provisions of [sections 1 through 7] or to seek remedies for
3 its violation.

4 (3) The commissioner may authorize a lower score than
5 the Flesch reading ease score required in [section 5] when,
6 in the commissioner's discretion, a lower score:

7 (a) will provide a more accurate reflection of the
8 readability of a policy;

9 (b) is warranted by the nature of a particular policy
10 or type or class of policy; or

11 (c) is caused by certain policy language that is
12 drafted to conform to the requirements of any state law,
13 regulation, or agency interpretation.

14 NEW SECTION. Section 7. Compliance with other
15 statutorily required language. The requirements of any other
16 laws that specify the language or content of a policy may be
17 met by a policy complying with the provisions of [section
18 5]. However, the policy must provide protection that,
19 considered as a whole, is not less favorable to the insured
20 than is required by the other laws.

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22 [Sections 1 through 7] are intended to be codified as an
23 integral part of Title 33, chapter 15, and the provisions of
24 Title 33, chapter 15, apply to [sections 1 through 7].

25 NEW SECTION. Section 9. Applicability. Insurers

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- 1 offering personal lines policies in this state shall comply
- 2 with [sections 1 through 7] by April 1, ~~1995~~ 1996.

-End-

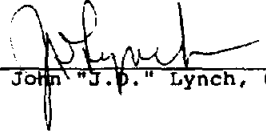
SENATE STANDING COMMITTEE REPORT

Page 1 of 2
March 12, 1993

Page 2 of 2
March 12, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration House Bill No. 637 (first reading copy -- blue), respectfully report that House Bill No. 637 be amended as follows and as so amended be concurred in.

Signed: 
Senator John "J.D." Lynch, Chair

That such amendments read:

1. Page 2, lines 11 through 13.
Strike: "(1)" on line 11 through "1995." on line 13
Renumber: subsequent subsections
2. Page 3, line 5.
Strike: "and"
Insert: ", "
3. Page 3, line 6.
Following: "sentences"
Insert: ", and personal style"
4. Page 3, line 7.
Following: "words"
Insert: "and everyday conversational language consistent with the policy's standing as a contract"
5. Page 3, line 8.
Following: "technical"
Insert: "and"
Following: "terms"
Insert: "and words with special meanings"
6. Page 3, line 14.
Following: "contents"
Insert: "and notice section"
7. Page 4, lines 1 through 6.
Strike: "The" on line 1 through "possible." on line 6
Insert: "Policy exclusions may use technical terms, terms with special meanings, and court-interpreted terms to ensure policy clarity."
8. Page 6, following line 20.
Insert: "

NEW SECTION. Section 8. Liability and coverage not

imputed. The existence or nonexistence of coverage or liability under a policy may not be construed from policy approval by the commissioner."

Renumber: subsequent subsections

9. Page 6, line 25 through page 7 line 2.
Strike: "Insurers" on page 6, line 25 through "by" on page 7, line 2
Insert: "[Sections 1 through 8] apply to all policies issued or renewed on or after"

10. Page 1, lines 15, 18, 21, 23 (two occurrences), and 25.
Page 2, lines 4 and 17
Page 3, line 3
Page 5, line 25
Page 6, lines 2, 22, and 24
Strike: "7"
Insert: "8"

-END-

 Amd. Coord.
 Senator Carrying Bill

Sec. of Senate

561050SC.San

SENATE
HB 637
561050SC.San

HOUSE BILL NO. 637

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

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through 7 8] may be cited as the "Property and Casualty
Insurance Policy Language Simplification Act".

NEW SECTION. **Section 2.** Purpose. (1) The purpose of
[sections 1 through 7 8] is to establish minimum language
and format standards to make property and casualty policies
easier to read.

(2) [Sections 1 through 7 8] are not intended to
increase the risk assumed under policies subject to
[sections 1 through 7 8]. [Sections 1 through 7 8] are not
intended to impede flexibility and innovation in the
development of policy forms or content. [Sections 1 through

7 8] do not grant authority to the commissioner to mandate
the standardization of policy forms or content.

NEW SECTION. **Section 3.** Definitions. As used in
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(2) "Policy" or "policy form" means any written
contract of property or casualty insurance delivered or
issued for delivery in this state by or on behalf of any
insurer licensed in this state.

NEW SECTION. **Section 4.** Applicability. ~~"[Sections 1
through 7 8] apply to all policies with effective dates on or
after April 17, 1995."~~

~~(1)~~ Other statutes of this state setting
simplification standards for language or format do not apply
to property and casualty policies.

~~(2)~~ [Sections 1 through 7 8] do not apply to
policies in manuscript form or to the following kinds of
insurance:

(a) ocean marine;

(b) surety and financial institution bonds;

(c) reinsurance; or

(d) commercial aviation.

~~(3)~~ A non-English policy is considered in compliance
with [section 5] if it was translated from an English policy

that complies with [section 5].

NEW SECTION. Section 5. Minimum policy simplification standards. (1) All property and casualty policies subject to [sections 1 through 7 8] must take into consideration the following factors:

(a) use of simple sentence structure and, short sentences, AND PERSONAL STYLE;

(b) use of commonly understood words AND EVERYDAY CONVERSATIONAL LANGUAGE CONSISTENT WITH THE POLICY'S STANDING AS A CONTRACT;

(c) avoidance of use of technical AND legal terms AND WORDS WITH SPECIAL MEANINGS whenever possible;

(d) minimal reference to other sections or provisions of the policy;

(e) logical organization of text; and

(f) legibility.

(2) The policy must include a table of contents AND NOTICE SECTION of important provisions.

(3) Each section must be self-contained and independent. However, general provisions applicable to more than one section may be included in a common section.

(4) The policy, except for declarations pages, schedules, and tables, must be printed in not less than 10-point type, 1-point leaded.

(5) The policy must be printed in a legible type style,

with adequate contrast between ink and paper. Captions, headings, and spacings must be used to increase overall legibility.

(6) ~~The---policy---must---be---written---in---every---day, conversational language, consistent with its standings as a contract,---Short sentences and a personal style must be used whenever---possible.~~ POLICY EXCLUSIONS MAY USE TECHNICAL TERMS, TERMS WITH SPECIAL MEANINGS, AND COURT-INTERPRETED TERMS TO ENSURE POLICY CLARITY.

(7) Technical terms and words with special meanings must be avoided whenever possible.

(8) The policy text must achieve a minimum score of 40 on the Flesch reading ease test, an equivalent score on a 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 must be scored by the following method:

(a) For a policy containing 10,000 words or less, the entire policy must 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 must be separated by at least 20 printed lines.

(b) The total number of words in the text or sample must be divided by the total number of sentences. The figure obtained must be multiplied by 1.015.

1 (c) The total number of syllables in the text or sample
2 must be divided by the total number of words. The figure
3 obtained must be multiplied by 84.6.

4 (d) The sum of the figures computed under subsections
5 (8)(b) and (8)(c) subtracted from 206.835 equals the Flesch
6 reading ease test score.

7 (9) (a) For purposes of subsection (8), the following
8 procedures must be used:

9 (i) A contraction, hyphenated word, number, and letter,
10 when separated by spaces, are counted as one word.

11 (ii) A unit of text ending with a period, semicolon, or
12 colon is counted as a sentence.

13 (iii) A syllable means a unit of spoken language
14 consisting of one or more letters of a word as divided by an
15 accepted dictionary. When the dictionary shows two or more
16 equally acceptable pronunciations of a word, the
17 pronunciation containing fewer syllables may be used.

18 (iv) At the option of the insurer, a form made a part of
19 the policy may be scored separately or as part of the
20 policy.

21 (b) The term "text", as used in this section, includes
22 all printed matter except:

23 (i) the name and address of the insurer;

24 (ii) the name, number, or title of the policy or form;

25 (iii) the table of contents or index;

1 (iv) headings and captions; and

2 (v) declarations pages, schedules, or tables.

3 NEW SECTION. Section 6. Powers of commissioner. (1) At
4 the commissioner's discretion, the commissioner may extend
5 any dates under [sections 1 through 7 8].

6 (2) The commissioner has sole authority to enforce the
7 provisions of [sections 1 through 7 8] or to seek remedies
8 for its violation.

9 (3) The commissioner may authorize a lower score than
10 the Flesch reading ease score required in [section 5] when,
11 in the commissioner's discretion, a lower score:

12 (a) will provide a more accurate reflection of the
13 readability of a policy;

14 (b) is warranted by the nature of a particular policy
15 or type or class of policy; or

16 (c) is caused by certain policy language that is
17 drafted to conform to the requirements of any state law,
18 regulation, or agency interpretation.

19 NEW SECTION. Section 7. Compliance with other
20 statutorily required language. The requirements of any other
21 laws that specify the language or content of a policy may be
22 met by a policy complying with the provisions of [section
23 5]. However, the policy must provide protection that,
24 considered as a whole, is not less favorable to the insured
25 than is required by the other laws.

1 NEW SECTION. SECTION 8. LIABILITY AND COVERAGE NOT
2 IMPUTED. THE EXISTENCE OR NONEXISTENCE OF COVERAGE OR
3 LIABILITY UNDER A POLICY MAY NOT BE CONSTRUED FROM POLICY
4 APPROVAL BY THE COMMISSIONER.

5 NEW SECTION. Section 9. Codification instruction.
6 {Sections 1 through 7 8} are intended to be codified as an
7 integral part of Title 33, chapter 15, and the provisions of
8 Title 33, chapter 15, apply to {sections 1 through 7 8}.

9 NEW SECTION. Section 10. Applicability. Insurers
10 ~~offering--personal-lines-policies-in-this-state-shall-comply~~
11 ~~with-{sections-1-through-7}-by~~ [SECTIONS 1 THROUGH 8] APPLY
12 TO ALL POLICIES ISSUED OR RENEWED ON OR AFTER April 1, 1995
13 1996.

-End-