



**ARKANSAS INSURANCE DEPARTMENT  
LEGAL DIVISION**

1200 West Third Street  
Little Rock, AR 72201-1904  
501-371-2820  
FAX 501-371-2629

**RULE AND REGULATION 29**

**PERSONAL LINES PROPERTY AND  
CASUALTY LANGUAGE SIMPLIFICATION**

SECTION

1. Purpose
2. Authority
3. Applicability and Scope
4. Effective Date
5. Standards
6. Expiration Date
7. Severability

SECTION 1. PURPOSE

The purpose of this rule is to establish minimum language and format standards to make property and casualty insurance policies for personal lines easier to read. This rule is not intended to increase the risk assumed under policies subject to it, nor is it intended to impede flexibility and innovation in the development of policy forms or content.

SECTION 2. AUTHORITY

The rule is issued pursuant to the authority vested in the Commissioner by Ark. Stat. Ann. §§ 66-2111, 66-5808, 5-702, 5-703, and other applicable provisions of Arkansas law.

SECTION 3. APPLICABILITY AND SCOPE

This rule shall apply to all personal lines property and casualty insurance policies delivered or issued for delivery in this State by or on behalf of any insurer licensed in this State. For the purpose of this rule "personal lines policies" are (1) solely used to provide homeowners insurance, dwelling fire insurance on one (1) to four (4) family units, or individual fire insurance on dwelling contents; or (2) principally used to provide primary insurance on private passenger non-fleet automobiles individually owned and used for personal and family needs.

SECTION 4. EFFECTIVE DATE

The effective date of this rule is January 1, 1987.

SECTION 5. STANDARDS

To comply with Ark. Stat. Ann. §66-5806, policies covered by Sections 3 and 4 of this rule 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 declarations pages, schedules, and tables, shall be printed in not less than 8 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 every day, 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 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 samples shall be separated by at least 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 subsections (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 a accepted dictionary. Where the dictionary shows two or more equally acceptable pronunciations of a word, the pronunciation containing fewer syllables may be used; and
    - (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.

SECTION 6. SEVERABILITY

Any Section or provision of this rule held by a court to be invalid or unconstitutional will not affect the validity of any other Section or provision of this rule.

LEE DOUGLASS, INSURANCE COMMISSIONER

December 31, 1991

DATE